



COTTON
AUSTRALIA

GROWING
TOMORROW
ANNUAL REPORT
2017-18

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CHAIRMAN'S REPORT

Weather has continued to challenge our industry, with dry conditions for growers continuing in several valleys.

While Cotton Australia has not been able to tame Mother Nature, the organisation has achieved a lot on behalf of growers and the industry in the past 12 months.

As this Annual Report went to press, Cotton Australia was finalising its next five-year Strategic Plan. The previous Plan achieved many things in the four key pillars that form the organisation's core business – Policy & Advocacy, Research Direction, Stewardship, and Community & Capacity. The next five years will, no doubt, present significant challenges for our industry, but I feel confident Cotton Australia is up to the task. To those growers who have given their feedback, thank you – your participation in this process is crucial, and ensures we head down the right path, both as an organisation and as an industry. We will communicate the new Strategic Plan once it is finalised.

Again this year, I am pleased on behalf of Cotton Australia's Board to report that the team has made some important achievements in the past year.

Water is one of the most crucial policy areas for our industry, and I am proud to announce that – once again – our team, in conjunction with our allies, has been successful in this area, defending the industry against constant media attack and also those legislators who would undo the Murray Darling Basin Plan.

Cotton Australia's team also worked hard in the area of spray drift, leading a multi-industry campaign to raise awareness and reduce the total amount of damage to cotton.

As always, it is Cotton Australia's role to protect the commitment to matched government funding for critical research and development. Our organisation has helped steward more than \$22 million in RD&E funding across 330 research and development projects in the past year.

We have also joined forces with like-minded organisations to pursue a better deal for mobile phone and data users in the bush.

Our Cotton To Market program has also achieved a lot in the past year, convincing more and more retailers, brands and others in the supply chain to specify Australian cotton.

Again this year I celebrate the efforts of the TIMS Committee for its hard work in helping roll out Bollgard 3. It is their hard work, and that of all our panellists, that allows our industry to remain world-leading, and globally competitive.

However, though the organisation's achievements have been solid in the past year, they could not have been made reality without the support of growers contributing the voluntary levy. To those growers who contribute that levy, I thank you. Without your support, Cotton Australia could not achieve all that it has on behalf of growers and the industry.

The organisation's financial statement is at the rear of this Annual Report. Cotton Australia's financial position is solid, and so the Board has decided to maintain the voluntary levy at \$1.50 per bale for the coming season.

I would like to thank those member representatives who give their time and attention to attend Cotton Australia's General Meetings. Without your input, Cotton Australia could not deliver on its promise to cotton growers.

In conclusion, I thank my fellow Board members, our CEO Adam Kay and all the dedicated Cotton Australia team. Your efforts on behalf of growers and the industry over the past year are truly valued.

I look forward to working with you in the coming year, and wish you all the best for the coming season.

Simon Corish
Chairman, Cotton Australia



CEO'S REPORT

I am happy to report the significant gains your organisation has made in the past year. We have achieved great success across all areas, and particularly in policy and advocacy.

Water policy has been a particularly hard-fought arena this year, with significant threats to our industry's social licence and also to our access to water, with an aggressive campaign to dismantle the Murray Darling Basin Plan. While the fight has been hard, our efforts in conjunction with those of our allies have been able to fend off the worst of it, so far. There is still much work to do, but you can rest assured that Cotton Australia will continue to fight hard for the rights of growers and irrigating farmers, and for our industry.

Our Cotton To Market program continues to kick goals, raising the profile of our industry and encouraging customers to preference our fibre.

Following feedback from growers, Cotton Australia has devoted more resources to workforce training and capacity building, and I am pleased to report these enhanced efforts are beginning to show fruit.

Our team has also worked hard to grow engagement with myBMP, the program that assists on-farm efficiency while protecting our social licence.

Our communications efforts have also grown in the past year, contributing to our advocacy success, raising the profile of the industry, and engaging educators and students – the next generation of farmers, farm workers, researchers, consultants and other industry participants.

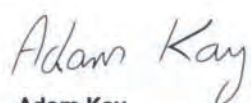
Cotton Australia convened the Cotton Collective at Griffith in 2017, an enormously successful event which gathered the industry together and also celebrated its success via the Australian Cotton Industry Awards.

As you know, Cotton Australia has the responsibility to guide advice on the direction of research via the Cotton Research and Development Corporation – I take this opportunity to thank the growers who attended the many local research priority workshops, and the Cotton Grower Association representatives at our General Meetings. Without the feedback gathered at forums such as these, our RD&E program would not be able to achieve the success it does.

You will find many, many more achievements made by the Cotton Australia team on your behalf elsewhere in this document.

I close by thanking the Cotton Australia team for their enormous contribution over the past 12 months – your amazing efforts are recognised by myself, the Board and our industry.

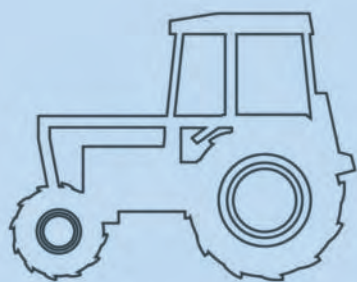
All the best for the season ahead, and I look forward to meeting you at the Cotton Conference on the Gold Coast in August.



Adam Kay
Chief Executive Officer

2017-18

COTTON AUSTRALIA AND ITS PARTNERS
WORKED HARD TO SECURE POSITIVE
OUTCOMES FOR GROWERS



GREW MYBMP ENGAGEMENT

Boosted the numbers of growers using
myBMP and myBMP-accredited growers



TELECOMMUNICATIONS

Joined with our allies to push for
better data options for growers, a
fix for mobile black spots



PROMOTION SUCCESS

Helped secure foreign markets for
growers through programs including
Cotton To Market, Cotton LEADS™
and BCI. More Aussie & international
brands preference Australian cotton



SPRAY DRIFT

Led a multi-industry
campaign to raise
awareness and reduce
drift damage



MURRAY DARLING BASIN PLAN CAMPAIGN

Defended the industry against
unwarranted, persistent media
attacks. United with our allies
to fight against hostile forces
threatening to dismantle the
MDBP



GUIDED CRUCIAL R&D FUNDING

Helped steward more than
\$22 million in RD&E funding
across 330 research and
development projects



WORKFORCE & CAPACITY

Devoted additional resources to workforce training and capacity building



EXTENDED COMMUNICATIONS REACH

Increased our presence in social media, grew website traffic



RAISED THE PROFILE OF THE INDUSTRY

Cotton To Market, Communications programs raised awareness amongst consumers



BETTER COTTON INITIATIVE

Helps growers achieve additional returns for BCI cotton



EDUCATION PROGRAM SUCCESS

Engaged with even more educators and students about the positive story of Australia's cotton industry



COTTON COLLECTIVE, AWARDS A HIT

Hundreds of growers and industry participants celebrate success

ABOUT COTTON AUSTRALIA

Cotton Australia is the peak body for Australia's cotton producers, supporting about 1200 cotton farming families in NSW, Queensland and now into Victoria. The organisation strives to foster a world class agricultural industry that's sustainable, valued for its economic and social contributions and produces very high quality cotton in demand around the globe.

Cotton Australia exists for its growers. Its resources, human and financial, are directed to initiatives and programs that benefit cotton producers directly and indirectly.

For more than 40 years, Cotton Australia has grown alongside an industry that demands the highest standards, and during that time has delivered a series of sustained wins for its growers.

Cotton Australia was established in 1972 (as the Australian Cotton Foundation) and in 2009 merged with the Australian

Cotton Growers Research Association (also established in 1972). Led by a Board of 10 cotton growers and ginners, the organisation is funded by a voluntary levy paid by growers on each bale of cotton produced.

Cotton Australia provides a united voice for cotton growers across research and development, stewardship, natural resource management, biosecurity and cotton production issues such as water. This is achieved through policy and advocacy, education, communication and grower services.

Cotton Australia has offices in Sydney, Narrabri, Toowoomba and Brisbane, and part-time field staff based in most of the cotton production regions. The activities of the Board and Staff are directed by an Annual Operating Plan, underpinned by a Strategic Plan that sets out priorities and core areas of business. As this document went to press, the organisation and its leadership were finalising the next Strategic Plan to direct the organisation's activities for 2018-23.

THANK YOU TO OUR LEVY PAYERS

Cotton Australia's success and effectiveness is only possible with the support of our levy payers.

To those growers that contributed the full Cotton Australia levy for the 2016-17 year, we thank you for your continued support.

To view a full list of Cotton Australia levy payers, please visit: www.cottonaustralia.com.au/about/our-levy-payers





WATER SECURITY

HOPE ON THE HORIZON FOR IRRIGATING FARMERS

It has been an extremely challenging year for advocacy on water security, with considerable work ahead to restore confidence in the system

CHALLENGES FOR THE COMING YEAR

- Continue to pursue a stable finalisation of the Murray Darling Basin Plan that minimises negative social and economic impacts, optimises environmental outcomes, and guarantees the hard-fought-for irrigating entitlements of growers
- Advocate at state and federal level for complementary measures that deliver true environmental outcomes and remove the requirement for water buybacks which harm Basin communities
- **Persistent and inflammatory attacks from the ABC and other media undermine the Murray Darling Basin Plan and threaten the cotton industry's social licence**
- **Cotton Australia allies with other irrigator and farming groups to meet the challenge and defend the industry, working frantically behind the scenes to buttress support for the Murray Darling Basin Plan**
- **Advocacy helps secure bipartisan support for the Plan's future, but Cotton Australia remains on guard**
- August 2017: Cotton Australia's CEO and General Manager travel to Canberra to meet with politicians and regulators in order to reassure them that the allegations of widespread water misuse was baseless. We asserted our stance that the cotton industry has zero tolerance for water theft, pointing out that growers and communities in the Murray Darling Basin are the first to suffer by such misdeeds. Cotton Australia also reasserted its support for the implementation of the Murray Darling Basin Plan, and its preference for complementary measures as a method to drive environmental outcomes
- September 2017: the ABC continued its attack on irrigated agriculture, this time via the Lateline program, making similar allegations to those raised by 4 Corners. Cotton Australia and other irrigator groups expressed disappointment at the lack of objectivity by the show's producers
- October 2017: Cotton Australia expresses disappointment at media reports that South Australia withheld 45 gigalitres (GL) of environmental water intended for the Murray Darling Basin, instead diverting it further south for residential and irrigator use
- November 2017: following the allegations made by ABC programs, no less than nine federal and state inquiries and investigations were underway, ordered or planned. Cotton Australia responded to, or sought to give evidence at, the majority of the inquiries and investigations, in order to represent the voice of cotton growers and other irrigating farmers. Where possible, its policy staff pointed out that the industry always expected water use to be measured, and the take of

It is fair to say the past 12 months have been the most tumultuous period for water policy affecting our industry since the formation of the Murray Darling Basin Plan (MDBP).

It is important for the industry to understand the significance of the year's events, and how they will shape water policy over the short-, medium- and long-term.

This brief timeline is by no means comprehensive, but will serve to demonstrate the severity of the challenge facing cotton and all irrigating farmers, and the hard work the Cotton Australia team and state- and valley-based organisations, put in to meet the challenge:

- July 2017: the ABC's 4 Corners airs an episode it titled 'Pumped', making unproven allegations of inappropriate water take against two named irrigators in northern NSW. However, the program unfairly cast the entire irrigating agriculture industry under a cloud, suggesting – but failing to show evidence of – widespread water mismanagement. Immediately following the program, Cotton Australia united with irrigator and agriculture organisations to respond on behalf of cotton growers and other farmers



Image far left by: Kellie Pound Above: Mark Middendorff

that water to be regulated adequately by the appropriate authorities. It was also in November 2017 that the MDBP's Northern Basin Review amendments were introduced into Parliament

- December 2017: in the wake of the ABC's inflammatory reporting and the commencement of several inquiries, the Murray Darling Basin Plan appeared on shaky ground, with the state governments of NSW and Victoria threatening to walk away from the Plan entirely. In response, the Federal Government announced a six-point Implementation Agenda to complete the delivery of the Basin Plan. The Agenda planned to strengthen compliance; finalise remaining water recovery; deliver on the Northern Basin Review; deliver the Sustainable Diversion Limit adjustment; finalise state water resource plans; and enhance monitoring & communication. Cotton Australia called for bipartisan support behind the Implementation Agenda
- February 2018: crunch time for the Northern Basin Review Amendments, which had been introduced in November 2017, and which were subject to a Disallowance Motion led by The Greens. If successfully passed, the Motion would have effectively increased the water recovery target by 70GL. Cotton Australia and its allies launched a campaign against the Disallowance Motion, urging growers, community members and industry participants to voice their opposition to a move that would cost jobs in Northern Basin communities. The organisation urged all parties to write directly to Labor Party leaders and senators, expressing their dismay and asking them to oppose the Disallowance Motion. Unfortunately, the Disallowance Motion was carried 32-30, threatening the future of the Murray Darling Basin Plan and creating uncertainty for irrigating farmers and the communities they support
- May 2018: the Murray Darling Basin Plan was put back on track – The Greens had moved another Disallowance Motion to overturn recommendations by the MDBA to replace 605GL of water buybacks with alternative measures as part of the Sustainable Adjustment

Limit Mechanism. However, a bipartisan agreement between the Government and Labor, supported by the majority of cross-benchers, denied the Disallowance Motion and also set up future support for restoring the Northern Basin Review amendments, which were to be reintroduced to Parliament in separate legislation. Cotton Australia and its allies welcomed the bipartisan approach

As this document went to press the Federal Government had introduced legislation to Parliament which would allow the reintroduction of the Northern Basin Review amendments. Given the announced agreement with Labor, there is every expectation that the amendments would have bipartisan support. (The SDLAM amendments were confirmed in law once the Disallowance Motion was defeated).

WHERE TO FROM HERE?

While there has been plenty of political shenanigans in the past 12 months, ultimately the bulk of the opposition parties were able to put partisan politics aside in order to vote to restore confidence in the Murray Darling Basin Plan.

Scrutiny of the Plan has been intense over the past year, and both federal and state governments have demonstrated that they are serious about significant reform, particularly in the area of compliance.

Cotton Australia and other irrigating agriculture groups absolutely support robust and transparent compliance, in a manner that protects the rights of the environment, irrigators and other water users.

We argue that, with the full implementation of the Plan back on track, it is important that everyone now focuses on optimising environmental outcomes, while minimising the social and economic impacts of the Plan.

It would appear that various regulatory agencies have taken to heart criticisms of compliance mechanisms, and have moved to shore up confidence.



COTTON WELCOMES QLD GOVERNMENT WATER USE EFFICIENCY GRANT

In August 2017 Cotton Australia welcomed a Queensland Government initiative to invest in water infrastructure on the state's farms.

The organisation was one of eight rural industry groups to receive funding for the Rural Water Use Efficiency Initiative (RWUEI) for 2017-18 – administered by the Department of Natural Resources and Mines – which is designed to help irrigators improve efficiency through irrigation system design and management.

\$100,000 in financial incentives has been made available to cotton growers to adopt technologies and services through water use efficiency and best management practice & training.

Irrigators participating in the program will have access to independent advice and evaluations of their current systems in order to improve water management on farm.



ADVOCACY THROUGH TEAMWORK

Cotton Australia works very closely with other organisations and groups on its advocacy campaigns, with positive outcomes the result of hard work and joint efforts.

Cotton Australia's policy setting is guided by its members, primarily the Cotton Grower Associations, and Cotton Australia works very closely with these members to achieve its policy outcomes. We also work very closely with a wide number of valley or catchment-based groups. These include Smartrivers, Central Downs Irrigators Limited (CDIL), Border Rivers Food and Fibre (BRFF), Gwydir Valley Irrigators Association (GVIA), Namoi Water, Macquarie River Food and Fibre (MRFF) and Barwon-Darling Water. We have close relationships with, and support where appropriate, groups like Fairbairn Water, Theodore Water and the St George Irrigation Scheme.

Cotton Australia is also a formal member of National Farmers' Federation (NFF), National Irrigators Council (NIC), New South Wales Irrigators' Council (NSWIC) and Queensland Farmers' Federation (QFF).

In addition, we work with state farming organisations such as NSW Farmers and AgForce on a per-issue basis.

Cotton Australia's track record of positive policy outcomes is the result of a high level of unity and co-operation with these groups, and we publicly thank them all for their generosity of time and talent.

For example, the NSW Government has introduced its Water Reform Action Plan (WRAP), the primary goals of which are to introduce best practice for water management and improve transparency, build its ability to implement water reforms and, perhaps most importantly, build a compliance and enforcement regime to guarantee strong and transparent regulation. In April 2018, the Natural Resource Access Regulator, under the chairmanship of Craig Knowles, took on responsibility for water compliance in NSW.

At the federal level, the Murray Darling Basin Authority (MDBA) announced in the first quarter of 2018 it was trialling a system using remote sensing data to track environmental flow through the Barwon-Darling Rivers. The MDBA will monitor these flows in real time, using satellite imagery. This program is part of the MDBA's 2017 review of compliance measures, which committed to explore new methods and technologies for enforcing regulation.

However, the fact remains we are but five years into a 12-year implementation of a huge reform program that repurposes nearly 10% of the Basin's water, and ensures approximately two-thirds of all flows are preserved for the environment. It was designed to reach maturity in 2024 but, unfortunately, now faces opponents who want to derail it before it can be given the chance to work.

The Murray Darling Basin Plan took years of hard work and compromise to finalise but, eventually, was able to strike a balance between protecting the environment and communities within the Basin.

It is clear a calm and considered approach to the Plan is required, one that has bipartisan support. Cotton Australia has called on all politicians to consider not just the environment but also the communities and farmers who live and work in the Basin, and give the Murray Darling Basin Plan a fair go.

For its part, Cotton Australia's policy team has been incredibly active behind the scenes in the past 12 months, advocating for a fair go for cotton growers and other irrigating farmers – and we will continue to do so.



MORE GOOD NEWS ON WATER ADVOCACY

While the Murray Darling Basin dominated headlines over the past 12 months, it has not been the sole water focus for Cotton Australia's advocacy team.

Queensland's irrigation communities of St George, Theodore and Emerald have continued the journey to Local Management for water, with schemes expected to transition formally to their new schemes before the end of 2018.

Growers in the state also welcomed an announcement by the Queensland Government to allow temporary access to water held in strategic reserves. The water may be made available for the period until the necessary infrastructure is completed.

In addition, Cotton Australia has worked proactively with the Queensland Farmers' Federation and Central Downs Irrigators' Limited to negotiate an effective process for water recovery in the Condamine Alluvium. As this document went to print, these negotiations were with both the Federal and Queensland Governments for consideration.



SPRAY DRIFT

COTTON AUSTRALIA FIGHTS THE SCOURGE OF THE SEASON

Most valleys were hard hit by spray drift this season, prompting the biggest-ever response from Cotton Australia

CHALLENGES FOR THE COMING YEAR

- Take feedback from growers to formulate a refreshed approach to spray drift strategy, ensuring grower-identified priorities are represented
- Work with all participants in the chemical value chain, across all agricultural industries, to promote the responsible use and investment in risk mitigation initiatives

- **More than 42,000ha of cotton damaged by off-target spray drift**
- **Turbo-charged spray drift campaign takes the message far and wide**
- **Cotton Australia calls for grower feedback on strategic direction for the spray drift strategy**

Again this season there were widespread reports of damage to cotton from off-target spray drift, with hardly a valley escaping untouched.

However, drift damage was so severe in north-west NSW that the Walgett Cotton Growers' Association (CGA) called an emergency meeting in January to discuss its impacts, and focus on agronomic strategies to recover damaged cotton crops. Similar meetings were held by growers in Condobolin and the Macquarie Valley. They were attended by Cotton Australia and NSW EPA.

More than 42,000ha of cotton is estimated to have been damaged across NSW and Queensland, although only 25,000ha has been officially reported to Cotton Australia, which has been liaising with the relevant authorities. Cotton Australia understands the difficulty many growers face in making an official report of damage, and thanks those that did so. Such reports are absolutely essential for Cotton Australia to assess the problem, particularly timing and the extent of the damage. In addition, it allows scientists and regulators to take action to formulate an appropriate response.

Cotton Australia responded quickly to the threat of off-target spray drift this season, turbo-charging its annual campaign. The campaign engaged with farmers and spray

applicators across many agricultural industries to promote awareness, education and training of spray drift best practice, and was supported by cotton grower associations (CGAs) at the May 2017 Cotton Australia General Meeting.

On top of its usual tactics, Cotton Australia:

- Met with regulators including the APVMA, Biosecurity Queensland and NSW EPA
- Met with allied organisations – including NFF, CRDC, GRDC, CropLife, NSW Farmers, GrainGrowers and the National Working Party for Pesticide Application – to broaden the reach of our messaging, seek rapid solutions and develop a cross-industry approach for delivering long-term solutions
- Increased radio advertisements and communications through other channels, and worked with media outlets and the NFF to deliver the message to all farmers about the dangers of off-target drift, and to inform growers and spray operators about best practice

These additional efforts built on Cotton Australia's very comprehensive annual campaign to help protect Australia's cotton crops from the effects of spray drift that includes educating users of Group I herbicides such as 2,4-D.

Key components of the 2017-18 campaign have included:

- **CottonMap awareness and support:** Cotton Australia leads the promotion of CottonMap – a joint collaboration between Cotton Australia, CRDC, GRDC and Nufarm – and supports users with mapping fields each season. Each season, an average of 96% of the planted area is mapped.



Far Left: Grower Anthony McAlary with spray drift-affected cotton. Right: Anthony McAlary's affected crop.

- **Media campaign:** Scheduled press releases were distributed at multiple points throughout the season, including at the time of planting, mid-way through the season, and after weather events that are likely to prompt additional spray activity. Cotton Australia spokespeople responded to media interview requests to increase awareness.
- **Radio ads:** Cotton Australia ran more than 500 radio ads targeting all farmers in cotton production areas, warning of spray drift risks once cotton is planted and providing best practice tips. Radio advertisements highlighting the dangers of spraying under surface temperature inversion conditions were run in the early morning to specifically target individuals spray under potential inversion conditions. We increased the number of advertisements to a valley once severe spray drift damage was reported.
- **Briefing regulators:** Cotton Australia liaised with state regulators on communications/media activities, audits and investigations: Biosecurity Queensland and the NSW Environmental Protection Authority (EPA). In addition, Cotton Australia briefed the Australian Pesticides and Veterinary Medicines Authority (APVMA) on Group I related spray impacts on cotton.
- **Supporting cotton growers and responding to spray drift incidents:** Cotton Australia ran regular CottonMap reminders in e-newsletters such as Cotton Matters, myBMP Matters and via the CottonMap website throughout the entire season. In addition, Cotton Australia's regional managers encouraged growers to follow best practice and also supported growers impacted by adverse incidents. We collected reports from impacted growers to identify the key contributing factors to off-target damage, and subsequently prioritise investment in policy and RDE initiatives.
- **myBMP:** The myBMP (Best Management Practices) Pesticide Management module provides guidance to our growers on the storage, handling and correct application of pesticides to reduce any potential negative impacts to growers, cotton businesses, neighbouring farmers and the environment. Cotton Australia's Regional Managers also provide assistance to growers undertaking myBMP.
- **Research and development:** Cotton Australia's Grower Advisory Panels have previously supported spray drift projects as part of the CRDC's investment portfolio, and Cotton Australia continues to monitor the progress of these projects. Cotton growers are able to raise priority areas for RDE investment through their Cotton Growers' Association Member Representatives. Research to identify and model surface temperature inversion events continues to be supported by the Grower Advisory Panels to develop an inversion alert tool for growers. This research is currently assessing the drift-risk for various atmospheric inversion scenarios. In mid-2018, research supported by the Grower Advisory Panels is scheduled to commence to identify motivational factors for improved spray application on farms.
- **Workshops:** Cotton Australia is one of a number of organisations supporting the NSW AgSkilled advanced chemical spray application training. It is anticipated that, by the end of 2018, more than 45 spray applicators in NSW will have undertaken an advanced spray training course (AQF4). This training includes consideration of on-farm spray plans and calibration and testing for spray equipment. Cotton Australia also supports spray workshops conducted by other groups.
- **Cross-industry approaches:** Cotton Australia has worked closely with CRDC, the grains industry and a number of representative bodies to develop a cross-industry approach to countering the technical and social barriers for keeping spray on-target. Committees involving various grower, industry and government bodies are currently being formed to tackle spray drift from a local and national perspective.



BEE AWARENESS

Over the past year, the very dry nature of the season in many valleys increased the risk posed to bees, as a lack of budding on trees means bees may travel further to find water sources, flowering native vegetation, crops or weeds around cotton crops.

Cotton Australia's policy team met with representatives of the beekeeping industry several times throughout the year to discuss policy solutions and exchange information in order to decrease the risk to both industries. These meetings were successful in laying the groundwork required for a joint position in the future, and Cotton Australia will continue to work towards the acceptance of mutually beneficial practices.

Cotton Australia, in conjunction with CottonInfo and the Australian Honey Bee Industry Council, also promoted materials to increase grower and contractor awareness of the risks to bees.

The materials include:

- Material on best practice for insecticide application: see www.cottonaustralia.com.au/cotton-growers/beeawareness
- myBMP (Best Management Practices) modules on Integrated Pest Management (IPM) – Insects, Weeds and Diseases and Pesticide Management
- CottonInfo's Cotton Pest Management Guide for growers looking for information about responsible pesticide selection and application, including integrated pest management (IPM) fit, resistance management and impact on beneficial species and bees
- CropLife Australia's spray drift best practice reference guide, MyAgCHEMUse
- The Australian Pesticides and Veterinary Medicines Authority (APVMA) portal to view labels for all pesticides
- The Australian Honey Bee Industry Council (AHBIC) site

In addition, Cotton Australia promoted BeeConnected, a private messaging service to connect registered beekeepers with registered farmers and contractors, enabling two-way communication on the location of

hives and crop protection product activities.

BeeConnected can be used to identify nearby crop/hive locations and facilitate communication between spray applicators and beekeepers on planned activities. This communication allows for spray applicators and beekeepers to undertake pro-active steps to reduce risk for bees and hives.

BeeConnected can be used to help spray applicators meet pesticide label requirements to notify beekeepers of an intended spray, where there is potential for managed bees to be affected by the spray or spray drift.

Bee Connected is an initiative of CropLife Australia, and AHBIC is an official partner.

It can be found at www.beeconnected.org.au

- **Policy & advocacy:** Cotton Australia consulted with Cotton Growers' Associations around key policy objectives including spray drift management through each CGA's appointed Member Representatives. Cotton Australia also provided feedback to policy makers regarding the certification, application and record-keeping requirements of chemical users to ensure long-term improvements for responsible use of Group I herbicides. Discussions are currently underway with the state regulatory authorities and chemical registrants around initiatives to improve on-target efficiency for herbicides. Furthermore, the APVMA consults with Cotton Australia during reviews of chemical label conditions, registrations and chemical application requirements.

All of Cotton Australia's efforts were aimed at raising awareness of the potential damage Group I herbicides can do to cotton and promoting practices that all farmers can implement to avoid drift.

Some CGAs have expressed the need to move our strategy from education, awareness and training on spray drift management to a posture including more regulation and compliance monitoring. As this document went to press, Cotton Australia was communicating to growers and CGAs to ascertain their appetite for a change of direction in the strategy. The organisation will keep growers informed of the outcome of that discussion.

In the meantime, growers can rest assured that Cotton Australia will continue to work hard with farmers and their representatives across all industries to minimise the instances of spray drift to valuable cotton crops, and to pursue long-term solutions.



Image by: David Fleming

RESEARCH DIRECTION AND STEWARDSHIP

SHEPHERDING NEW AND EMERGING TECHNOLOGIES AND
CONTINUING TO DRIVE INDUSTRY-WIDE BEST PRACTICE

CHALLENGES FOR THE COMING YEAR

- Further refining the process for addressing grower feedback through the CGA research priority process
- Assisting growers to understand and meet their roles and responsibilities under evolving biosecurity regulations
- Redeveloping the Herbicide Resistance Management Strategy in the context of the broader cropping system

- Ensuring prioritisation of research is led by growers
- Preserving matching government contributions for critical industry research & development funding
- Facilitating the important TIMS Committee and its valuable work on resistance management
- Improving biosecurity preparedness and response plans

RESEARCH PRIORITIES

For the 2017-18 research funding round, the Cotton Research and Development Corporation (CRDC) invested \$22.05 million in RD&E, including approximately 330 research and development projects in collaboration with more than 120 research partners.

Cotton Australia continued its efforts ahead of the 2018-19 round to ensure grower priorities are reflected in the CRDC's research investments under each of the five research and direction themes: farmers, industry, customers, people and performance. Set out in the *Primary Industries Research and Development Act 1989*, providing grower research priority advice to the CRDC is one of Cotton Australia's designated responsibilities.

In each of the cotton-growing valleys, Cotton Australia's team of regional managers worked with each cotton grower association (CGA) to gather grower research priority feedback. Cotton Australia and its member representatives also participated in the natural resources and crop protection workshops to examine the key risks, gaps and priorities for the industry ahead of the CRDC's May 2018 Strategy Forum. The process is vital to ensure all CGA priorities are addressed as the direction for upcoming funding rounds are set.

BIOSECURITY EFFORTS

New changes to biosecurity legislation introduced in NSW and Queensland in the past year will have important implications for cotton growers, consultants, researchers and contractors. With the commencement of the *NSW Biosecurity Act 2015* (1 July 2017) and the *Queensland Biosecurity Act 2014* (1 July 2016), all individuals whose activities create biosecurity risks now have a legal responsibility to manage these risks.

Under the new legislation all cotton growers, consultants and other industry representatives are required to ensure that all biosecurity risks under their control are managed, including reporting prohibited and restricted matter to the Exotic Plant Pest Hotline (1800 084 881).

Cotton Australia worked to encourage growers and contractors to familiarise themselves with the new biosecurity legislation in their state, in order to help ensure good production practices which are important to protect the industry from pests, diseases and weeds.

Over the past year, Cotton Australia participated in a number of high-level biosecurity meetings to review the national framework for biosecurity incursion preparedness and responsiveness. These efforts are critical to ensure our industry remains protected from biosecurity risks and that the framework is responsive and flexible to meet grower needs.

In addition, Cotton Australia worked with the CRDC, the relevant chemical companies, and the agricultural chemical regulator, the Australian Pesticides and Veterinary Medicines Authority (APVMA), to address the threat of mealybug in Queensland and NSW.

The work builds on data from a CRDC-funded Queensland Department of Agriculture and Fisheries (QDAF) project to make the case to allow new chemical products to be applied for mealybug incursions. Cotton Australia advises cotton growers that Integrated Pest Management strategies supporting beneficial insects are still the most effective way to combat mealybug and that no chemical will provide 100% control.

However, chemical options are already in train – the APVMA is reviewing applications for minor use permits in Queensland and NSW for two products, and decisions on these are expected in July 2018.

The industry continues to work with product providers to pursue registrations for mealybug products.

TIMS COMMITTEE

In 2017-18 the Cotton Australia-facilitated Transgenic and Insect Management Strategies (TIMS) Committee continued its work to develop, review and oversee the Australian cotton industry's Insect, Herbicide and Bt Resistance Management Strategies. In the last season, the major work of the TIMS Committee focused on:

- Working with CGAs to address emerging resistance risks for Silverleaf whitefly (SLW). Data from the industry's SLW resistance monitoring program had shown an increase in pyriproxyfen resistance for SLW. The TIMS Committee worked with CGAs to roll out a campaign to reduce the risk of SLW developing widespread pyriproxyfen resistance and potential product failure. This campaign will be continued until the Committee can be sure that the resistance threat has passed
- Monitoring insecticide resistance, responding to emerging issues and placing new products in the Insecticide Resistance Management Strategy to proactively manage potential resistance issues
- Refining the Bollgard 3 Resistance Management Plan in response to new scientific evidence and practical constraints on cotton farms
- Developing a new framework to regulate herbicides, particularly glyphosate, applied over the top of cotton crops to address emerging herbicide resistance issues
- Assuring availability of pesticides, fungicides and herbicides where growers are limited by treatment options



US TOUR ASSISTS INDUSTRY TO UNDERSTAND POTENTIAL WEED THREATS AND HERBICIDE TOLERANT TRAITS

In September 2017 Cotton Australia participated in a multi-organisation trip to the US to investigate potential issues around weed management and herbicide tolerance trait packages.

The tour was useful, feeding into Cotton Australia's existing policy work in the area, particularly regarding the potential use of over-the-top Dicamba and 2,4-D application.

Cotton Australia believes increased regulation and public scrutiny could be expected ahead of any introduction of Dicamba to Australia's cotton industry.

Via the TIMS Committee, Cotton Australia is working with registrants and regulators to develop stewardship guidelines ahead of any planned introduction of new products, including XtendFlex cotton in 2021-22. On that topic, Cotton Australia has sought feedback from CGAs on whether the Enlist (2,4-D tolerant cotton) package should be considered for the Australian cotton industry. There was tentative support from member organisations, and Cotton Australia has advised Dow AgroSciences it should further investigate opportunities to bring Enlist to Australia.



Participants hear about weed control efforts on a US farm

GROWING TOMORROW





TELECOMMUNICATIONS

COTTON TACKLES THE DATA DROUGHT

Cotton Australia continues the push for better telecommunications for farmers

- **ACCC's decision not to declare a wholesale domestic mobile roaming service a good result for growers**
- **Cotton Australia's membership of RRRCC gives growers a voice where it matters – in the corridors of power**
- **CRDC-managed project Precision to Decision adds significant weight to Cotton Australia and other farm groups' lobbying on telecommunications, influencing policy through evidence**

As our industry becomes ever more efficient due to technology, it is clear that the successful application of that technology into the future will rely on the ability to transmit and manipulate the data it produces.

Cotton Australia knows that poor telecommunications – whether mobile blackspots or slow-yet-expensive data connections – are a persistent problem for growers, who could be so much more productive with access to modern, adequate communications services.

In the past year the organisation has continued to prioritise the issue, maintaining its strong support and participation in the work of the Regional, Rural and Remote Communications Coalition (RRRCC), the now 'go-to authority' on bush telecommunications issues by Government and major telecommunications providers. The RRRCC seeks to end the data drought and champion better communications services for consumers and small businesses living in regional, rural and remote areas.

The RRRCC has mobilised 21 agriculture and community organisations – including the Country Womens' Association, Isolated Children's Parents' Association and the National Rural Health Alliance. It has called for important fixes to telecommunications in the bush, such as a technologically-neutral universal service obligation; updated customer service guarantees and reliability measures for voice and data services; long-term public funding for open access mobile network expansion; and fair and equitable access to Sky Muster that matches the requirements of rural users.

We have pointed out to legislators, regulators and telecommunications companies that farmers rely on telecommunications activity to run modern businesses just as much as metropolitan users do. The lack of connectivity severely hampers our growers' ability to use sophisticated, web-connected machinery anywhere near its potential. Cotton Grower Practices and Crop Consultant Surveys showed a significant majority of respondents indicated

that internet speed, download limits, cost and/or reliability issues cause major limitations or completely prevent the use of internet tools for business.

One of the more significant decisions for telecommunications users was the Australian Competition and Consumer Commission's (ACCC) decision not to declare a wholesale domestic mobile roaming service. Domestic mobile roaming is where telecommunications companies can direct their customers' mobile phone transmissions through another company's towers and equipment. Telecommunication companies are already free to come to commercial arrangements with each other to share towers, but the ACCC had been considering whether it should make roaming mandatory.

Cotton Australia's position is that, while competition is important, the telecommunications industry has bigger fish to fry when it comes to mobile services in rural and regional areas. We aligned with the Australian Communications Consumer Action Network's (ACCAN) position that it is more crucial to bolster the regional network and improve basic telecommunications services, which lag those available in metropolitan areas.

However, having argued against wholesale domestic roaming, it is now incumbent on the telcos – and particularly Telstra and Optus – to step up and deliver greater investment in telecommunications infrastructure in rural and regional Australia.

To its credit, in response to the high number of concerns raised by rural and regional groups, the ACCC released an issues paper mapping out actions for improving mobile coverage in these areas. These include measures to increase transparency of network coverage and quality, and measures to reduce the cost of upgrading and improving mobile networks.

Cotton Australia continues to push the telcos and the Federal Government to work hard to improve telecommunications infrastructure in the bush. Cotton Australia also helped connect growers to the work of an alternative provider which is offering a viable broadband alternative, significantly improving connectivity in a number of cotton areas.

Cotton Australia also helped connect growers to alternative providers offering a viable broadband alternative, significantly improving connectivity in a number of cotton areas.



DOUBLE THE DOWNLOAD

Cotton Australia welcomed the June 2017 announcement that nbn has doubled wholesale download limits for its Sky Muster satellite service for regional and rural communities.

The new wholesale allowable peak plans on Sky Muster increased from 75G to 150GB, and total monthly plans from 150GB to 300GB, from 1 October 2017.

Cotton Australia and its allies – through the Rural Regional and Remote Communications Coalition (RRRCC) – had long campaigned to achieve an end to the data drought, and the nbn announcement was a positive step towards that outcome.

CHALLENGES FOR THE COMING YEAR

- Continue to push the telcos and Federal Government to work harder to improve telecommunications infrastructure in rural areas
- Pursue legislators to fix mobile black spots as a matter of urgency, and commit funding to future mobile blackspot funding rounds
- Present a strong case and affect change through the Federal Government's Regional Telecommunications Review – a process that runs once every three years



COTTON AUSTRALIA BRINGS A RURAL VOICE ON TELECOMMUNICATIONS TO CANBERRA

In August and September 2017 Cotton Australia Policy Officer Angela Bradburn joined the National Farmers' Federation and members of the Regional, Rural and Remote Communications Coalition (RRRCC) to brief more than 20 parliamentarians over a series of meetings in Canberra.

The RRRCC has briefed close to 100 parliamentarians in total now, with that activity ongoing.

The meetings pursued better telecommunications for the industry and regional areas, and provided an opportunity to push for a number of outcomes with key political leaders, including:

- Support for the Telecommunications Reform Package bills – this was to enshrine in legislation that all premises have broadband access, minimum download/upload speeds and also powers to the Minister to set standards of performance. Cotton Australia also made a formal submission on the Package
- The need to maintain existing voice services, particularly in the satellite footprint
- Guaranteed funding for addressing mobile blackspots into the future

The profile of the RRRCC is highly recognised and valued, and members of Parliament encouraged the group to continue its work. Importantly, a number of politicians indicated support for these points.

Cotton Australia will continue to highlight issues that still face growers as well as push for improvements including continued mobile blackspot program funding and maintaining existing voice services.

COTTON TO MARKET

DELIVERING VALUE TO GROWERS BY FUTURE-PROOFING MARKETS FOR AUSTRALIA'S COTTON INTO THE FUTURE

- The number of global and Australian brands and retailers preferencing Australian cotton in their supply chains continues to grow
- A program to support Pakistani growers participating in BCI delivers worldwide recognition of the Australian cotton industry

COTTON TO MARKET STRATEGY OVERVIEW

Now entering its fifth year, the Cotton to Market Strategy continues to deepen relationships with the textile supply chain, delivering value to growers and contributing to positive perceptions for Australian cotton. With the overall aim to future proof markets for Australian cotton, key focuses during 2017-18 were partnerships with brands and retailers, influencing the definition of 'sustainable' cotton, leveraging participation in global sustainability initiatives, engaging with non-government organisations and investigating traceability solutions.

Highlights of Cotton To Market activities over the past 12 months include:

- Developed strategic relationships with over 20 Australian and international brands, delivering Australian cotton products to consumers, communicating directly with them and influencing a number of cotton supply chain strategies
- More than 600 partners signed up to the Cotton LEADS™ Program including a number of global brands, providing enormous opportunity to amplify the Australian cotton message to the textile supply chain
- A new Cotton LEADS web platform launched
- Brand events such as the ever-popular and growing Farm and Industry Tour, round table events and BCI lunch that has facilitated discussion between Australian brands – and provided enormous engagement opportunities for Cotton Australia
- A grant of \$500,000 secured from the Australian government, with matching funds from BCI, to fund an additional 50,000 Pakistani farmers into BCI training. This has delivered global cudos to the Australian cotton industry
- Strategic relationships developed with fashion and textile NGOs, both domestic and global, to position Australian cotton as a sustainable cotton option



CHALLENGES FOR THE COMING YEAR

- Continue to work with the world's cotton supply chain to meet global sustainability challenges faced by the textile industry
- Influence brands and retailers to preference Australian cotton by pointing out its sustainable, responsible properties – thus, delivering value for growers
- Deepen understanding within the not-for-profit sector that influences the textile supply chain

AUSTRALIAN COTTON PARTNERS WITH MORE THAN 20 BRANDS

Consumers now have access to Australian cotton products offered by more than 20 iconic brands and retailers. Not only have these partnerships delivered long-term market access and grower pride, but a unique communication platform to the Australian consumer via joint marketing programs. The focus has been on long-term partnerships with brands that share Australian cotton's values of quality, sustainability and positive social contributions.

Highlights from the past year include:

- Bonds launches its "Home Grown" range of Australian cotton tees, with a long-term commitment to convert all possible products to Australian cotton. In-store and on-line marketing with links to southern cotton communities and the use of "Home Grown" cotton talent were a feature of the launch.

BRANDS WE PARTNER WITH

SPORTSCRAFT

NEUW
NIEUWLANDSTRAAT

JEANSWEST

COUNTRY ROAD



Target.

Kmart

H&M

BONDS

Just
Jeans.

7-ELEVEN.

CUE

KATIES

BELL & BARNETT

LIBERTY
ART FABRICS

itfits™

BOSS
HUGO BOSS

Founder of fashion brand ABCH,
Courtney Holm, participates in the
annual farm & industry tour

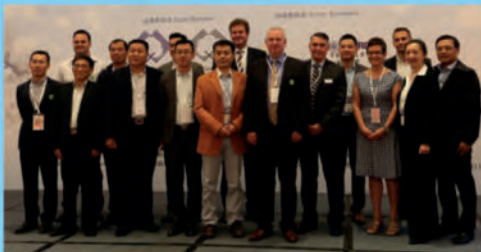




The Cotton to Market team visit Harvest Fabric Mill in China



Hugo Boss Head of Sustainability and Logistics Heinz Zeller (L) with Cotton Australia CEO Adam Kay



Cotton Australia and ACSA sponsored a BCI Conference in Shanghai, China



Attendees at the BCI Conference in Shanghai, China



- Jeanswest launches its first range of 100% Australian cotton fashion for women, at a media launch at the Sydney Opera House. Australian cotton is featured in store windows and promoted through a comprehensive marketing effort. Jeanswest has since announced a commitment to be sourcing 100% Australian cotton into all jersey products by the end of 2020.

ENGAGING WITH THE BETTER COTTON INITIATIVE (BCI)

The Better Cotton Initiative continues to gather momentum, with more than 20% of the world's cotton now grown under BCI standards. Cotton Australia has continued to engage with the organisation at many levels during the year, including a strong presence at the 2017 BCI Global Cotton Conference in Berlin and sponsorship of the China BCI Conference in Shanghai, November 2017.

Cotton Australia CEO Adam Kay presented to the BCI Global Cotton Conference about Australia's track record in water management and Chairman Simon Corish updated delegates on the use of digital technology and water stewardship in cotton.

A joint sponsorship with ACSA of the BCI China Conference saw a delegation of growers and industry leverage the Australian cotton message to a group of more than 200 influential Chinese textile businesses and members of BCI. This included a joint Australia and Chinese grower panel represented by Cotton Australia Directors Simon Corish and Nigel Burnett and facilitated by Cotton Australia's Brooke Summers as well as a market update from ACSA Chairman Cliff White.

FARM AND INDUSTRY TOUR ATTRACTS RECORD NUMBER OF BRANDS

Leading figures from the Australian fashion and textile sector toured Narrabri's cotton industry in May 2017, visiting a farm, gin and the research station to learn first-hand about the raw materials that go into cotton garments and homewares.

The day attracted some of the biggest names in fashion, including representatives from Jeanswest, Target Australia, H&M, IKEA, Hanes Brands Australasia, CottonON, Camilla and Marc, Country Road Group, Specialty Fashion Group (representing Rivers, Katies and more), CB Clothing, ABCH, the Australian Fashion Chamber, Baptist World Aid and Save the Children.

Attendees were able to stand in a cotton field to feel and touch the fibre for themselves, ride in a cotton picker, talk directly to growers and industry, see cotton being ginned and hear from the industry's excellent research scientists.

The response from the enthusiastic participants was phenomenal – they came away with a much better knowledge of how our cotton is grown, harvested, processed, classed and shipped, and our industry's commitment to sustainable production with full traceability.

COTTON LEADS PROGRAM TOPS 500 PARTNERS

The number of Cotton LEADS™ partners rose to 520 during 2017, with representation across brands, retailers and manufacturers now extending to 29 countries around the world.

In perhaps the biggest show of support for the Cotton LEADS™ Program to date, a number of major US and European brands joined the program during 2017 to demonstrate their commitment to responsible cotton production in Australia and the United States.

Hugo Boss, GAP Inc., Wrangler, L.L.Bean and Walmart all signed the Commitment to Cotton and are now including Cotton LEADS™ cotton as part of their sustainable cotton sourcing strategies.

This means that Australian cotton has been given the stamp of approval by some of the world's leading brands, an important signal to our growers that sustainable cotton production via participation in myBMP equals access to these important markets.

INFLUENCING THE INFLUENCERS OF THE COTTON SUPPLY CHAIN

Cotton Australia's relationships with the not-for-profit sector have also continued to develop via the Cotton to Market Program, both in Australia and overseas. Textile companies and the decisions they make about raw material sourcing are often influenced by these NGOs which are drawing attention to issues in cotton production and the textile supply chain – including the overuse of pesticides and child labour.

It has been important for these organisations to understand conventional cotton can be grown with the highest environmental and social standards, such as the case in Australia, and Cotton Australia has delivered this message through participation in a number of programs and forums.

During 2017-18 these have included:

- The Cotton 2040 Program that has built a web platform for brands and retailers to source sustainable cotton from a wide range of sustainability initiatives including myBMP, BCI and Cotton Made in Africa
- Engagement with the Australian Fashion Report, published by Baptist World Aid
- Involvement in Fashion Revolution Week's "Who Made Your Clothes" campaign including grower blog posts and photo opportunities shared by growers on social media
- A balanced review of Australia's cotton pesticide use in the Pesticide Action Network's "Sustainable Cotton Ranking 2017" Report
- Influencing the content of the Pulse Report – a Global Fashion Agenda initiative



myBMP AND BCI

Take-up of the industry's best management practice system and the Better Cotton Initiative continues to accelerate

- Cotton Australia promotes myBMP as a valuable tool which improves efficiency, allows access to BCI and helps protect the industry against threats to its social licence
- More growers have chosen to sell myBMP-certified cotton through the BCI system, and receive a premium
- 78% of all cotton growers participate in myBMP

Cotton Australia has worked hard in the past year to encourage grower engagement with myBMP uptake accelerating. By May 2018, 78% of cotton growers were in the system.



myBMP helps growers reduce on-farm risk, meet regulatory requirements, implement industry best practice, improve business management and much more.

First introduced in 1997 as a one-module paper-based system, it has expanded since then to a digital, whole-of-farm management system, comprising 10 modules covering:

- Sustainable Natural Landscape – Managing the vegetative and riparian assets on farm
- Soil Health – Maintaining and/or improving soil quality
- Water Management – Water quality, efficiency of storage and distribution
- Energy and Input Efficiency – Efficient energy inputs such as electricity, fuel & fertilisers
- Integrated Pest Management (IPM) – Management of pests, weeds and diseases

- Pesticide Management – Pesticide management, storage and use on farm
- Petrochemical Storage and Handling – Managing fuels and lubricants on farm
- Biosecurity – Prevention, management and control of pests and diseases
- Fibre Quality – Growing the best quality cotton possible
- HR & WHS – Managing employees and contractors whilst providing a safe workplace

Participants receive personalised support and technical assistance from the myBMP team, Cotton Australia regional managers and CottonInfo regional extension officers.

In the year to May 2018 the number of growers registered in myBMP grew 23%. A total of 210 cotton farms are now myBMP-certified, an increase of 40% since June 2017.

The myBMP program this year received international attention when global not-for-profit organisation the Textile Exchange included it in its Preferred Fibre & Materials Market Report 2017 for the first time.

This achievement is important because Textile Exchange provides advice to the world's major brands and retailers about which fibres have the least impact on the environment, and many potential users of Australian cotton use the report to make decisions about which raw materials to use and which cotton standards to support.

During 2017-18, Cotton Australia's 'Cotton to Market' program sought external, global verification of the myBMP program as a leading global cotton certification standard – in order to encourage brands and retailers to include Australian cotton in sustainable sourcing strategies.



Image by: Marty Jelinek

In December 2017, the myBMP Certification Standard was accredited by the Partnership for Sustainable Textiles, a multi-stakeholder initiative comprising representatives of business, civil society, the German Government, standards organisations and trade unions. The Partnership is committed to bringing about social, environmental and economic improvements all along the textile supply chain.



BCI is an international not-for-profit organisation dedicated to prompting the responsible, sustainable production of cotton around the world.

Cotton Australia manages the ongoing relationship with BCI on behalf of the industry. To date, feedback from growers engaged with BCI has been overwhelmingly positive, with some achieving healthy premiums for cotton sold into the system.

In the 2017-18 season, a total of 185 farms opted in to the BCI system, a record number for Australia's cotton industry. BCI cotton represented just over 21% of Australia's total cotton production, by area.

Growers are seeing the benefits of opting in to the BCI system, with Better Cotton Claim Units achieving \$2-4 per bale.



GRANTS SUPPORT myBMP, BCI GROWERS

This year Monsanto expanded its 'Better Farming' program to include two grants that support growers engaged in myBMP. Under the first, \$2000 (ex GST) is made available for growers who conduct an audit and achieve myBMP certification. The second offers an incentive of \$1/bale to cotton growers with myBMP-certified farms who opt into the Monsanto myBMP Bale Grant.

Monsanto's Better Farming program aims to reward cotton growers for their commitment to environmental sustainability and encourage more participation in the scheme. It is the fifth consecutive year Monsanto has supported cotton growers with grants to cover myBMP certification.

Cotton Australia encourages all growers to continue their participation in myBMP and take up the valuable Monsanto grants.



WORKFORCE AND CAPACITY BUILDING

SUPPORTING OUR INDUSTRY'S FUTURE GROWTH BY ENSURING A WORKFORCE PIPELINE

CHALLENGES FOR THE COMING YEAR

- Continue to deliver training to build the capacity of cotton growers, their teams and businesses, ensuring they are equipped to tackle current and future challenges
- Facilitate the future supply of the on-farm workforce
- Engage with Government to improve migration settings to ensure cotton growers requiring overseas workers to fill local workforce gaps can easily do so
- Inspire and foster future industry leaders

- **Cotton Australia responds to demand from growers for increased workforce & training programs**
- **Cotton Gap program now in its third year**
- **State-specific training programs delivered in both NSW and Queensland**

Feedback from growers in recent years has indicated an appetite for an expanded workforce & training program for the industry and so, over the past year, Cotton Australia has devoted considerable energy to this area.

AGSKILLED A VALUABLE PROGRAM

Our flagship workforce program is AgSkilled, a direct partnership between Cotton Australia, the GRDC and the NSW Government, and which is investing \$14.7 million over three years. AgSkilled aims to upskill and better prepare the workforce for fast-moving change driven by industry innovation, research and technology through vocational education and training (VET).

Industry led and NSW Government funded, AgSkilled can deliver flexible training from single units up to Advanced Diploma qualifications.

The program had a fantastic start in July 2017, with industry-specific courses developed and delivered in advanced spray training, cotton picker machinery operation, precision agronomy, advanced soil management, a cotton pest management short course, and a womens' professional development course covering personal effectiveness, WHS and HR.

Other courses currently being funded by AgSkilled include WHS for supervisors and managers, forklift licensing, work in confined spaces, working at heights, and operator safety training.

Cotton Australia and the GRDC are working closely with the NSW Department of Industry to guide AgSkilled to ensure training meets genuine industry need.

QUEENSLAND PROGRAMS

While AgSkilled is a NSW-only program, Queensland growers did not miss out during the year, with Cotton Australia organising courses specifically for the state. One example includes the Workplace Essential series of workshops, funded by the Queensland Government and coordinated through the Queensland Agriculture Workforce Network (QAWN). QAWN is an industry-led initiative funded by the Queensland Government.

Cotton Australia is a sponsor of the program, helping to fund workshops in Emerald, Rockhampton, Chinchilla and Kingaroy. Topics covered included workplace health and safety laws and regulations, important workplace checklists, managing risks and hazards, and people management.

As part of Cotton Australia's partnership with QAWN, there is also an opportunity for Queensland growers to access a farm business management short course through Qld Agricultural Training Colleges. (More details are available at: www.QATC.edu.au)

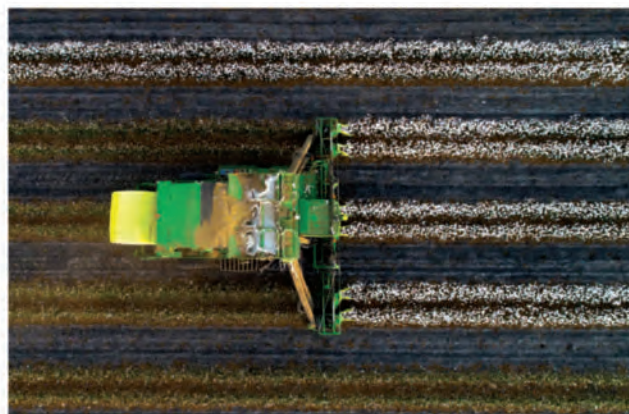


Image far left: Ben Egan Above by: Tim Bateup Above right by: Luke Skerman

These programs and workshops enhance the workforce and training programs already put in place by Cotton Australia, which include the successful Cotton Gap program.

FUTURE COTTON LEADERS PROGRAM

Cotton Australia and the Cotton Research and Development Corporation (CRDC) have again supported the Australian Future Cotton Leaders Program. The 2018 program has accepted 16 people from across the cotton industry supply chain.

The program, now in its sixth year, seeks to identify potential industry leaders and provide them with the skill development of a project goal.

During the program, participants meet for two face-to-face forums, develop industry partnerships and attend cotton industry activities to further develop their leadership skills and networks. The program commences in May 2018 and concludes in October 2018.

The program's key purpose is to prepare participants for future leadership roles in the cotton industry, ensuring leadership succession for the industry.

COTTON GAP WORKS TOWARDS SECURING OUR FUTURE WORKFORCE

In 2017 the Cotton Gap program completed its second year, successfully placing six school-leavers into a 'gap year' to work on farms. The 2018 program is already underway.

The initiative assists growers with meeting labour requirements and attracts new entrants into the cotton industry workforce.

Employers are supported to ensure they are meeting their workplace health and safety and employment requirements, via myBMP, and receive additional support from Cotton Australia staff. Entry-level training is also delivered for new industry entrants.



GROWING WOMEN IN LEADERSHIP & MANAGEMENT

Delivered via the AgSkilled initiative, the GROW leadership and management program trained 60 women in management or aspiring management positions in employment law obligations over the past year. The participants were from the cotton and grains industries in Griffith, Narrabri, Narromine and Moree. This training is to be delivered again in the coming year in locations including North Star, Breeza, Parkes and Wagga Wagga.



Image by: Mandy McCutcheon

EDUCATION

PROMOTING THE INDUSTRY TO THE NEXT GENERATION OF AUSTRALIANS AND SECURING CAPACITY

- Thousands of students and educators reached via Cotton Australia's website, education materials and events
- Cotton Australia uses technology to reach a wider audience and educate teachers and students about our industry
- Scholarship programs help secure the future of the industry

REACH OF EDUCATIONAL RESOURCES INCREASES

In the past year, more than 195,000 unique visitors access the Cotton Classroom section each month on Cotton Australia's website, an increase of 9% on the previous period, and an indicator of the success of the organisation's efforts to reach students and teachers.

Cotton Australia regional managers in each cotton-growing valley work directly with primary and secondary schools and communities, organising farm tours for students and teachers, attending school events, supporting teachers with education resources, and participating in careers events.

Cotton Australia continued to work closely with organisations such as the Primary Industries Education Foundation Australia (PIEFA) in the past year, producing new resources and optimising the reach of our educational materials. Cotton-specific units of work – covering science, geography and mathematics – were published by PIEFA in the past year in collaboration with Cotton Australia. These resources were accessed more than 25,000 times between May 2017 and April 2018.

ARCHIBULL PRIZE

Cotton Australia sponsored the Art4Agriculture-led Archibull Prize again in 2017. The program enabled 16 schools in Queensland, NSW and the ACT to undertake an in-depth study of the cotton industry. Students were directly connected to a cotton Young Farming Champion to

learn directly about the industry from these young mentors. For students and educators, the ArchiBull experience has a positive impact on knowledge and attitudes – for example, the percentage of students knowing what it takes to make their clothing grew from 61% to 81% and student preferences to wear clothes made of natural fibre grew from 46% to 65%.

SCHOLARSHIPS HELP BUILD CAPACITY

In 2017, Cotton Australia sponsored five undergraduate university students studying agriculture-related courses. The scholarships were enabled by the Cotton Catchments Communities Co-operative Research Centre's Legacy Fund.

The final year scholarship program project is considered to be an important part of the education process. This scholarship is designed to support students to achieve outstanding results, and the cotton industry has benefited considerably from technology, research, products and ideas developed as part these final-year projects. Cotton Australia recognises that many students spend hundreds of hours on such projects.

One of the more prestigious scholarships on offer is the Nuffield Scholarship, which supports participants to travel overseas, experience and learn in different environments, and then report back to industry on issues with direct relevance to the Australian farming experience.

In September 2018 Luke McKay from Kununurra, Western Australia received a Nuffield Scholarship supported by Cotton Australia and the Cotton Research and Development Corporation (CRDC). Luke is farm manager at Kimberley Agricultural Investment (KAI), where he oversees all KAI's cropping throughout the Ord River valley. His scholarship research will focus on issues relevant to tropical cotton-growing systems such as double cropping, rotation crops, irrigation methods, staff requirements, machinery requirements, and resource and environmental management.

KAI was named as the preferred proponent for the Ord



Participants at Teach The Teacher events walk away with a positive view of our industry. Participants from Moura



Participants from Goondiwindi

expansion in 2012, which has inspired Luke's interest in further exploring the cropping and irrigation systems best suited to the area. This will focus on finding ways to adjust current systems to allow for cotton production.

Luke's study will help progress efforts to grow the fledgling cotton industry in Australia's north, researching the best systems to achieve this goal. On his study tour, Luke will travel to Brazil, Canada, China and the USA, as well as locally to North Queensland, to learn from other growers in similar farming conditions.

TEACH THE TEACHER EVENTS CONTINUE TO BE HUGE SUCCESSFUL

In most cotton-growing valleys this year Cotton Australia coordinated with local Cotton Grower Associations to run 'Teach The Teacher' events, which engage educators directly so they can pass on knowledge to their students and gain an affinity for our industry.

One of the biggest events to be run in the past year was in Moura in Central Queensland. More than 30 teachers and staff from Moura State School, Moura State High School and Theodore State School converged on the Hutchinson family's cotton property 'Glendale', Moura, in June to learn about the district's cotton industry. The event was organised by Cotton Australia and supported by the Dawson Valley CGA.

Hosted by Greg and Brian Hutchinson, the teachers gained first-hand experience of flood irrigation with many proving first-time prowess starting syphons as well as an excellent overview of the process of harvesting cotton. Joining Chris Hutchinson in the picker was extremely valuable for the teachers, who gained greater knowledge of cotton production.

The group also visited the Queensland Cotton gin at Moura where Gin Manager Ross Harch led a tour of the facility.

In April 2018 Teach The Teacher came to Goondiwindi in southern Queensland, with participants touring Glen Smith's property, 'Koarlo,' before taking a tour of Namoi Cotton's gin.

The group then visited Goondiwindi Cotton's retail store to hear from Sam Coulton about his experiences farming, and his journey into retailing cotton.

A total of 32 teachers and industry workers took part in the event, which was supported by AgForce Queensland's School to Industry Partnership Program, the MacIntyre Valley Cotton Growers Association and Goondiwindi Cotton.

TECHNOLOGY COMES TO THE FORE IN EDUCATION PROGRAM

Cotton Australia's utilisation of technology to reach educators and students was highlighted this year when the organisation's Central Highlands Regional Manager, Renee Anderson, presented to university students in two states.

Presenting directly to Bachelor of Agricultural Science students from Central Queensland University in Emerald, Renee video-conferenced to more students in Rockhampton and Bundaberg in Queensland, and also in Hamilton, Victoria.

Because the presentation was recorded, it can be used to teach the university's future Agricultural Science students.

The topics covered included myBMP, BCI, the social licence of Australia's cotton industry, and information on production practices.

The presentation was a valuable opportunity for students to attain first-hand knowledge of the cotton industry, an insight into the issues farmers faced.

The students were enthusiastic and enjoyed the opportunity to better understand the cotton production process.



GROWING TOMORROW

COTTON COLLECTIVE & INDUSTRY AWARDS

GATHERING THE INDUSTRY, CELEBRATING ITS SUCCESSES

Cotton Australia convened the Cotton Collective in 2017, a valuable opportunity to exchange ideas and network, in conjunction with the Australian Cotton Industry Awards



- More than 500 delegates to the Cotton Collective
- Growers and industry representatives heard from expert speakers and exchanged valuable ideas
- Australian Cotton Industry Awards celebrate excellence in the industry and its success

More than 500 cotton growers from across Queensland and NSW flocked to Griffith (NSW) in July 2017 to discuss issues of importance facing the industry and catch up on the latest developments in farming.

The two-day Cotton Collective Industry Forum covered a huge range of topics, from research & development, connected agriculture and technology, to positioning

Australian cotton in the world fibre market.

Cotton Australia convenes the event every two years, with this year's Collective gathering an impressive line-up of expert speakers.

This year's program and speaker line-up was extremely diverse, giving attendees a broad variety of topics covering many issues affecting cotton growers.

Cotton Australia was particularly pleased to host the Collective in the southern valleys, the site of rapid growth of the industry in recent years. Importantly, a significant portion of the Collective's agenda covered issues of importance to new growers.

Session topics and speakers at the Cotton Collective Industry Forum included:

AGRICULTURE TOWARDS 2030	<p>Chair: John Durham</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Kim Morison, Blue Sky Alternative Investments • Chris McCormack, Agripath
TECHNOLOGY FOR CHANGE	<p>Chair: Hamish McIntyre</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Professor Tristan Perez, QUT • Dr Caitlin Cooper & Dr Warwick Stiller, CSIRO • Phil Armitage, Cotton Seed Distributors • Dr Paul Grundy, Queensland Department of Agriculture and Fisheries
CONNECTED AGRICULTURE FOR SMARTER FARMS	<p>Chair: Cleave Rogan</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Nick Barton, Precision Cropping Technologies • Nick Gillingham, Keytah Farms • Andrew Roberts, Field Solutions Group • Tom Dowling, Goanna Telemetry
HAPPY WORKFORCE, PRODUCTIVE FARMS	<p>Chair: Fleur Anderson</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Gerard Neesham, Clontarf Foundation • Rebecca Fing, Cotton Australia
THE GREAT MARCH SOUTH	<p>Chair: Peter Tuohey</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Harvey Gaynor, Auscott • Rob Houghton, local cotton grower
AUSTRALIAN COTTON IN A GLOBAL MARKET	<p>Chair: Cliff White</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Brooke Summers, Cotton Australia • Susan Caldwell, Hanes Brands (Bonds)
CHALLENGES FOR AGRICULTURAL CHEMISTRIES	<p>Chair: Dr Nicola Cottee</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Alastair James, CropLife • Jon Welsh, CottonInfo • John Hemminghaus & James Neilsen, Monsanto

COTTON INDUSTRY AWARDS NIGHT A SUCCESS

Nearly 400 growers and industry representatives gathered during the Collective to celebrate the recipients of the 2017 Australian Cotton Industry Awards in a ceremony held in conjunction with the Cotton Collective.

The Awards program recognises excellence and achievement in Australia's cotton industry throughout the supply chain, from growers and ginners to product suppliers, consultants, agronomists and researchers.

The 2017 Australian Cotton Industry Awards recipients were:

- Monsanto Grower of the Year: Cavaso Farming – Tony, Joyce, Matt and Daisy Toscan, Darlington Point, NSW.
- AgriRisk High Achiever of the Year: CSD Farming – Mark Cathcart ("CSD Farms", Wee Waa, NSW)
- ADAMA Chris Lehmann Trust Young Achiever of the Year: Fiona Norrie (Moree, NSW)
- Cotton Seed Distributors Researcher of the Year: Dr Paul Grundy and Dr Stephen Yeates (QDAF, Toowoomba & CSIRO Ayr, QLD)
- IPF Service to Industry Award: Michael Bennett ("Killowen", Narromine, NSW)

The Australian Cotton Industry Awards are an important way of showcasing those who are achieving great things, and Cotton Australia CEO Adam Kay congratulated all of the finalists.

Sponsors of the Awards were Monsanto, AgriRisk, ADAMA, Cotton Seed Distributors and IPF.

GROWERS, INDUSTRY FLOCK TO GROWER OF THE YEAR FIELD DAY

As is traditional, the recipient of the Grower of the Year Award hosted a field day in the year following the awards. In March 2018 more than 300 people flocked to the Cotton Grower of the Year Field Day, convened at Darlington Point in the NSW southern valleys.

The field day recognised the achievements of the Toscan family of Cavaso Farming, who were the recipients of the 2017 Monsanto Cotton Grower of the Year Award. It also provided growers and industry participants with the opportunity to see Cavaso Farming's operations in action.

Cavaso Farming is an irrigated cropping enterprise on 4200ha across eight properties at Darlington Point and Coleambally. The operation includes cotton, wheat, maize, popcorn, prunes and beef cattle.

Cotton Australia CEO Adam Kay congratulated the Southern Valleys Cotton Growers Association (SVCGA) on organising a fantastic event, which gave the attendees great insight into the Toscans' innovative production practices.

"Cavaso Farming produced its first cotton crop just eight years ago, and it is remarkable how the Toscans' drive for excellence has produced such an impressive result

in a short time. The annual Australian Cotton Industry Awards recognise high achievement in all aspects of cotton production, and has found an extraordinary exemplar in Cavaso Farming," Mr Kay says.

The 2018 Australian Cotton Industry Awards will be presented at a gala dinner on August 9, to be held in conjunction with the Australian Cotton Conference.

2018 AUSTRALIAN COTTON CONFERENCE

Organisers of the 2018 Australian Cotton Conference have posed themselves a mammoth challenge – to beat the 1956 delegate registrations achieved in 2016 – which would make the event the largest cotton gathering ever.

To be held on Queensland's Gold Coast from 7-9 August 2018, the program will focus on the theme "Pushing Boundaries", providing ample opportunities to explore the challenges and potential of an industry at the cutting edge of agriculture.

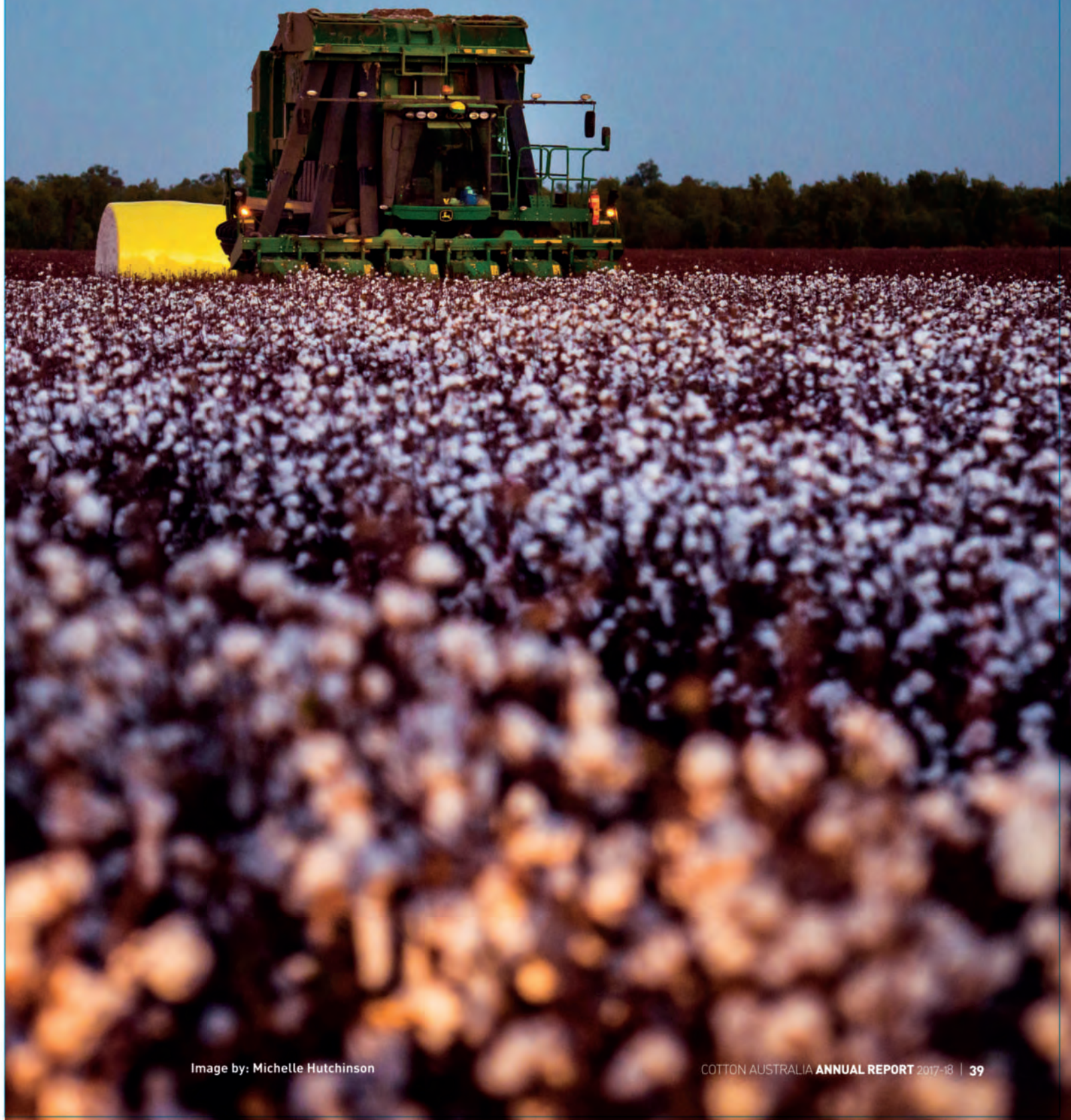
The Conference will explore a huge range of issues, ideas and opportunities, with presentations from world-leading experts from inside and outside the industry.

The Conference will kick off with a keynote address from international futurist Thomas Frey, whose skills at predicting the future for business and industries will provide a thought provoking start to the three-day event. Also confirmed as a keynote presenter is Martina Jewell, UN Peacekeeper and author whose fascinating life-threatening experiences and insights into teamwork and leadership will be relevant to all delegates.

In addition, the Conference will host one of the largest Trade Shows in Australian agriculture with around 100 exhibitors providing a focal point for the critical networking and socialising that brings the industry together, as well as showcasing the new products and technologies taking Australian cotton to the next level.

The 2018 Australian Cotton Conference is hosted by Cotton Australia and the Australian Cotton Shippers Association.

For more information, go to:
www.australiancottonconference.com.au



A BROAD ARRAY OF ADVOCACY & POLICY INITIATIVES

THE MANY ADVOCACY CAMPAIGNS AND POLICY EFFORTS UNDERTAKEN BY COTTON AUSTRALIA OVER THE PAST YEAR ARE TOO NUMEROUS TO LIST – FOLLOWING ARE SOME OF THE MORE IMPORTANT

CAMPAIGNING TO OVERCOME CRIPPLING ENERGY PRICE INCREASES

Cotton Australia joined with two allied groups in May 2018 to commission research into options to provide better access to, and more affordable, energy for farmers in Queensland and New South Wales.

The project is being conducted by NSW Irrigators' Council (NSWIC), Cotton Australia and the Queensland Farmers' Federation (QFF).

The research will be carried out by the Sydney-based Institute for Sustainable Futures at the University of Technology Sydney and will combine a desktop study with case studies and interviews with growers. The results of that research will then be taken to network providers with the aim of exploring new ways of providing affordable energy to farmers.

The study has been funded by Energy Consumers Australia (ECA) as part of its grants process for consumer advocacy and research projects for the benefit of electricity and natural gas consumers.

The study will bring together previous research on energy use and pricing with new investigations on how farmers have tackled the energy challenges, including those who have implemented renewable energy solutions.

The study is important because it will also investigate the potential for renewable technologies to be better integrated with existing grid networks, and complement other energy projects led by the agricultural sector.

Finding a solution to the electricity conundrum is not only important for the future of the National Electricity Market but also vital for Australian agriculture to compete internationally.

It is hoped that by bringing this research and case studies to the table our conversation with energy networks will inform their future strategic planning on regional energy supply.

Cotton Australia, NSWIC and QFF appreciate the ECA's support for this important work and look forward to working with the Institute for Sustainable Futures and energy providers on finding long-term solutions for regional energy supply. The NSWIC, Cotton Australia and QFF expect to deliver the results of the report later in 2018.

The research initiative followed a campaign in June 2017 in which NSW irrigators and cotton growers called on the Australian Government to take action on electricity pricing crippling farmers, following the release of the Finkel Review.

That month, Chief Scientist Dr Alan Finkel presented his review on the future of the National Electricity Market to COAG. The Finkel Report highlighted the 'energy trilemma' of energy security, universal access to affordable energy and reduced emissions, a problem that must be solved in order to provide consumers with affordable electricity now and into the future.

The NSW Irrigators' Council and Cotton Australia welcomed the Finkel Report's three pillars of strong governance, system planning and orderly transition, which are the first steps towards addressing the complexity, duplication in responsibilities, inefficiencies and conflict of interests plaguing our electricity system.

Dr Finkel's call for a stronger demand management approach to mitigate future new network costs – a key driver of irrigators' and growers' electricity costs – was also welcomed. However, Cotton Australia believes it is important to ensure that the networks are held to account to implement these changes so that all consumers are able to see price relief.

Cotton Australia has campaigned hard in the past year to ease the huge impost of electricity price increases faced by irrigating farmers, and will continue to do so until significant pricing reform is achieved.

COTTON AUSTRALIA CEO RE-APPOINTED TO AUSTRALIAN COMPETITION AND CONSUMER COMMISSION UNIT

From May 2018 Cotton Australia's CEO Adam Kay will serve a second term on the Australian Competition and Consumer Commission's (ACCC) Agriculture Consultative Committee.

The committee provides a forum for concerns around competition and consumer law in the agriculture sector to be collaboratively addressed. It also provides information and advice about issues falling under the *Competition and Consumer Act 2010* which affect agriculture.

COTTON AUSTRALIA, MYBMP REPRESENTED ON NORTHERN AUSTRALIA ROADSHOW

In March 2018 Cotton growers and representatives from Cotton Australia and CRDC participated in the Northern Australia Roadshow, one of the regional events leading up to the Northern Australia Food Futures Conference to be held in July.

Cotton Australia was represented by Chairman Simon Corish, Deputy Chairman Hamish McIntyre and Board members Nigel Burnett and Jeremy Callachor. They joined growers Glen Smith, Georgie Krieg and Aaron Kiely, with myBMP Manager Rick Kowitz and CRDC's Ian Taylor.

More than 70 people participated in the tour of the Ord River Irrigation Scheme near Kununurra, in far northern Western Australia. Participants toured Kimberly Agriculture Investments' (KAI) stage 2 Ord development, the site of a 350ha cotton project. KAI has plans to further expand cotton production in the future.

During the Roadshow, Simon Corish gave a presentation to delegates on Cotton Australia's role in the industry and highlighted the myBMP program and the importance of having best management practice programs in place.

The Roadshow was supported by Northern Australia Food Futures, the Australian Government's Office of Northern Australia and NT Farmers.

COTTON INDUSTRY WELCOMES REMOVAL OF STAMP DUTY ON INSURANCE

NSW cotton growers secured a win from January 2018 thanks to a move by the State Government to remove stamp duty on insurance.

The June 2017 announcement came within the NSW Budget, indicating the existing 2.5% stamp duty on crop and livestock insurance, which includes multi-peril insurance products, would be removed.

Cotton Australia had written to Treasurer Dominic Perrottet requesting the removal of the stamp duty, arguing it was a significant disincentive for farmers to manage their own risk.

While insurance products to manage such risks were already available, they can be expensive, and taxation on top of their already high costs puts them out of reach of many growers.

Cotton Australia welcomed the NSW Government's support and thanked Treasurer Perrottet and Minister for Primary Industries Niall Blair for the initiative.

The move means farmers paying between \$25,000 and \$50,000 a year on multi-peril crop insurance would save about \$1250 per year (excluding GST) with the stamp duty removed.

Cotton Australia continues to work with the Queensland Government to honour its election commitment to repeal stamp duty on agricultural insurance products, which is ultimately hoped to lead to its removal.

MINISTER OPENS NEW COTTON AUSTRALIA OFFICE

Newly appointed Queensland Minister for Agricultural Industry Development and Fisheries, the Hon Mark Furner, discussed several issues of importance to cotton growers when he formally opened Cotton Australia's new Toowoomba office in January 2018.

Cotton Australia views the Minister's attendance at the event as testament to the cotton industry's significance within the state's agriculture industry, and its value to the Queensland economy.

Staff and Board members briefed the Minister on the opportunities and issues faced by Qld's \$800 million cotton industry, including stamp duty on agricultural insurance, electricity tariff reform, and water issues such as Condamine Alluvium groundwater buybacks and Local Management Arrangements for the Sunwater Channel Schemes.

The issue of damage to the cotton crop from off-target spray drift was also discussed, and Cotton Australia called on Biosecurity Queensland to increase its compliance and education activities in this area.



Northern Australia Roadshow participants in cotton at Kununurra





MINING & CSG

The environment for resources exploration and operations has shifted as the appetite for development has waned. However, Cotton Australia remains vigilant, keeping watch on the sector in order to protect the interests of growers and the industry

CHALLENGES FOR THE COMING YEAR

- Continue monitoring resources operations in cotton-growing regions to protect the rights of landholders
- Work with our allies to ensure the imbalance between landholders and resource companies is rectified
- Monitor changes to legislation and regulation to maintain land and water rights for cotton growers

At a national level, the key driver behind electricity supply is the shift from coal-based to gas-generated operations, a scenario which will still have implications for many cotton-growing regions.

In Queensland, the GasFields Commission has been revamped and an ombudsman position developed to resolve land access conflict.

In NSW, compensation caps have been established and the NSW Gas Plan has largely been finalised. However, the mining & CSG industry is still in a state of flux, and changes to planning processes, regulations, compliance and reporting procedures have occurred.

During the year, Cotton Australia called on CGA representatives to vote on whether the three pillars of the organisation's mining and CSG policy required re-examination. The three pillars are:

- No negative impacts on land and water resources
- Decisions and approvals to be made on best available scientific knowledge
- Grower rights to be respected during land access negotiations, with fair compensation in recognition of development impacts

Feedback from representatives was overwhelmingly in support of Cotton Australia's current mining & gas policy and the continued relevance of its foundation three pillars.

SHENHUA MINE ANNOUNCEMENT DISAPPOINTMENT

In July 2017, cotton growers in the Liverpool Plains expressed frustration and dismay at the announcement by the NSW Government regarding the Shenhua Watermark exploration licence.

The NSW Minister for Resources had announced an agreement with Shenhua that would result in just over 51% of the company's exploration licence handed back. The Government had determined 'there should be no mining on the fertile black soils of the Liverpool Plains', and future mining activity would be restricted to ridge lands. The Government also said future mining operations must abide by 'strict water management conditions'.

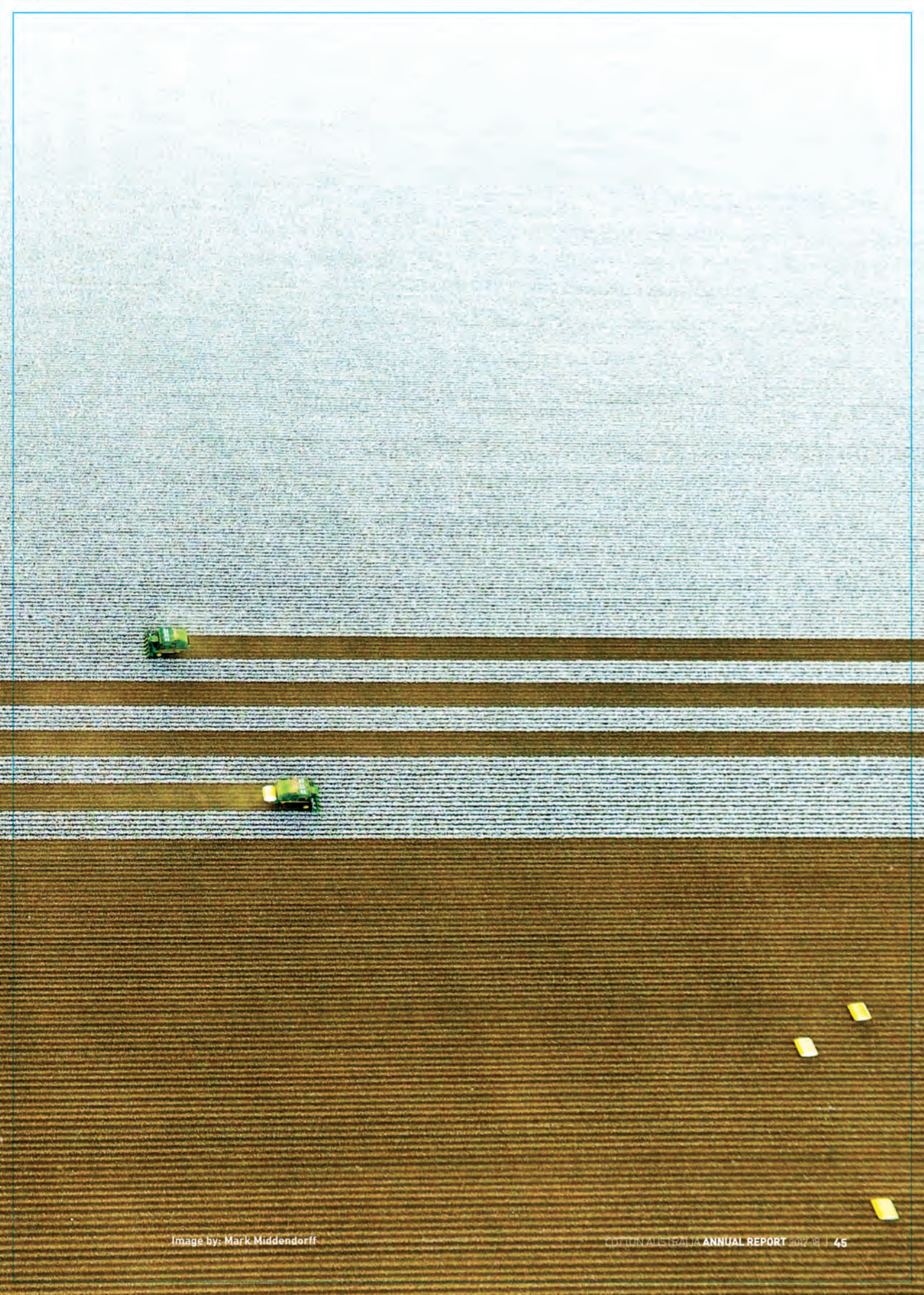
While acknowledging that the announcement provided some certainty for the protection of valuable black agricultural soils, Cotton Australia also pointed out that the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development (IESC) has also raised concerns, which have triggered Federal conditions to protect water resources – including the requirement for a Water Management Plan. As the footprint of the mine will not change despite the NSW Government announcement, water resources will still be impacted.

While the announcement provides greater protection for agricultural land, the reality is that a reduction in the exploration area for the mine will make no difference to the water impacts imposed by the mine.

Cotton Australia will continue to monitor the mine's exploration process and liaise with local growers as it develops.



GROWING TOMORROW





ESSENTIAL SERVICES FOR GROWERS

Every year, Cotton Australia plays a crucial role in delivering beneficial services and resources to growers, leading to safer, compliant, profitable and efficient operations throughout the year

TRANSPORT

Every year, Cotton Australia liaises with federal and state regulatory authorities to overcome transport issues, particularly regarding the use and movement of heavy machinery at busy times during the season.

This year, Cotton Australia worked on the national harmonisation of the rules for the movement of agricultural machinery. This involved working with the NSW and Queensland Governments along with the National Heavy Vehicle Regulator.

Cotton Australia is pushing to extend a favourable zoning to capture most cotton-growing regions in southern Queensland, and is also working with the Toowoomba and Western Downs Regional Councils to trial over-dimensional agricultural machinery movement on local government roads on a three-year permit. There may be scope to extend this to other councils.

The anomaly caused by the re-naming of the JD7760 picker to the 'CP690' has also been resolved, with CP690 owners no longer having to apply for a specific permit to "walk" their pickers in Qld.

Cotton Australia is also working towards implementing universal approval for the Collier-Miller module transport system, but a permit for its use will still be required in Queensland in the short term.

COTTONSAFE: PRACTICAL RESOURCES FOR WORK HEALTH & SAFETY

Cotton Australia recognises safety is an important component of every farming operation. To help growers keep everyone safe on farm – from families, staff and contractors to visitors – Cotton Australia delivered its annual CottonSafe campaign.

Safety resources and templates engage with workers and contractors to help them identify and assess hazards on farms, and to develop and implement plans and procedures to minimise risks.

Cotton Australia's resources are linked to the industry's myBMP program, particularly its modules on human resources and WHS, pesticide management and petrochemical storage and handling. These modules provide growers with practical safety tools to implement best practice on farm.

PICK N MATCH PUTS GROWERS, CONTRACTORS TOGETHER

Cotton Australia's annual Pick N Match campaign allows growers to easily secure picking and transport contractors – an important facility, especially in seasons where expanded dryland cropping places pressure on picking resources.

The Pick N Match service helps bring growers and picking contractors together, making harvest more efficient. Each year, at the beginning of the season, Cotton Australia reaches out to contractors to determine their availability, areas of operation and machinery types, and makes this information available to growers.



Image left by: Mitchell William Above right: Jillian Tudgey

FARM HYGIENE

The Come Clean – Go Clean program helps enable higher yields by preventing the spread of pests and diseases between fields, farms and regions. The campaign distributes information about the major principles of Come Clean – Go Clean, which include:

- inspecting machinery including pickers, boll buggies, module builders, mulchers, laser buckets, cultivators, chain beds and headers for contamination, and
- clearly communicating the need for farm hygiene to staff, contractors and others

LOOK UP AND LIVE

Over the past year, Cotton Australia liaised with energy companies in Queensland and NSW to help deliver critical 'look up and live' safety resources. The campaign urges cotton growers, farm staff, contractors and visitors operating near overhead powerlines, particularly during the busy harvest period, to consider their safety. Resources provided to growers include fact sheets, posters, brochures and videos.

COMMUNICATIONS

- More than 700 media hits in the past year
- Social media engagement continues to grow

In the past 12 months Cotton Australia's Communications Team has focused on providing support to the Policy & Advocacy Team as it tackles the significant social licence issues facing our industry.

Despite facing an oftentimes hostile media, Cotton Australia has maintained net positive media coverage in the past year, tracking more than 700 stories across print and broadcast media.

Importantly, engagement via our social media channels continues to grow. Cotton Australia's Facebook page now has more than 5600 followers, an increase of 22% over the year. Cotton Australia's Twitter following is at just under 5000, an increase of 17% over the period. Influence on social media channels is important, as this is where the battle for public opinion can often be won, or lost. Cotton Australia takes its message to stakeholders including the public, politicians, regulators and industry via platforms including Facebook, Twitter, Google+, LinkedIn and Youtube.

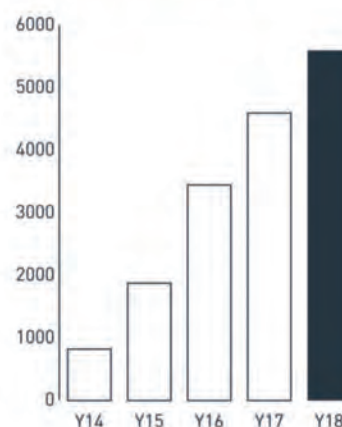
Cotton Australia also connects directly with growers and others in the industry via the organisation's fortnightly Cotton Matters e-newsletter, in addition to other e-news bulletins and monthly editions of myBMP Matters. These communications are widely read by industry standards.

Cotton Australia's website is another valuable tool to communicate our message, with page views now exceeding 60,000 per month.

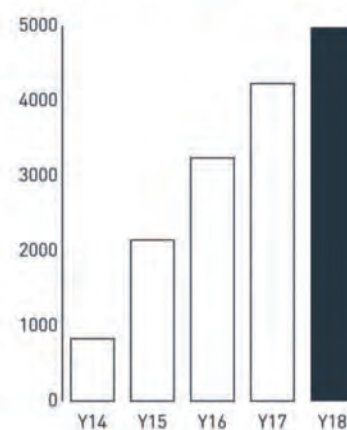


Cotton Australia's Brooke Summers interviewed by the media for the Fashion Farm Tour

**COTTON AUSTRALIA
FACEBOOK FOLLOWERS**



**COTTON AUSTRALIA
TWITTER FOLLOWERS**



VALLEY REPORTS

CENTRAL HIGHLANDS

Regional Manager: Renee Anderson
Hectares grown in 2017-18: 21,600
Bales produced in 2017-18: 207,600



Cotton Australia highlights:

- In conjunction with DAF, CottonInfo and CSIRO's Rene van der Sluijs, presented on WHS at a picking readiness workshop to promote safety on-farm for growers and staff
- Ensured growers had a voice in the direction of the organisation, and the industry, by organising one-on-one meetings with growers regarding Cotton Australia's new Strategic Plan
- Gave growers a voice in setting crucial research priorities by organising face-to-face meetings so growers could give feedback on research direction
- Organised and participated in a number of educational events, including delivering a lecture at Central Queensland University on the cotton industry, seen by teachers across the country via videolink, and promoting sustainability and environmental management in the cotton industry during National Science Week. The latter initiative reached 850 students in six schools
- Engaged with the Regional Remote Rural Womens' Conference, organising a bus tour so participants could see cotton farming up close
- Organised school visits to coincide with Science Week, an important initiative that promoted our industry as science-based and innovative to the community

Image: Cotton Australia Central Highlands Regional Manager, Renee Anderson, with CHCGIA President Aaron Kiely and Qld Minister for Agricultural Industry Development and Fisheries, the Hon Mark Furner.

DAWSON VALLEY

Regional Manager: Bron Christensen
Hectares grown in 2017-18: 5300
Bales produced in 2017-18: 51,175



Cotton Australia highlights:

- Considerable effort by local growers has resulted in an outstanding myBMP result for the valley, with only three growers remaining unaccredited within the best practice management system. Regional Manager Bron Christensen directly assisted growers in completing their audits
- Helped 80% of the growers in the valley to undertake soil testing, soil fertility and water quality improvement programs. This was accomplished using the services of agronomist and consultant David Hall, as part of the FBA-funded Improving Water Quality on Cotton Farms project
- With the assistance of the CRDC's Grassroots Grants program, worked closely with the DVCGA executive to organise the CGA's visit to Emerald's AgTech 2017 and Big Irrigation Day Out events; organised a local DVCGA 'Sticky Beak Tour'; and installed an additional two weather stations
- Liaised with Moura State High School to assist year 9 students to visit a cotton farm and Queensland Cotton's gin at Moura. Students were highly engaged, learning about new irrigation systems, how pickers and siphons work, and seeing the cotton production process in action
- Presented on WHS at a picking readiness workshop, an opportunity to promote safety on-farm for growers and staff

Image: Regional Manager Bron Christensen with growers Greg Hutchinson and Simon Struss.

DARLING DOWNS

Regional Manager: Mary O'Brien
Hectares grown in 2017-18: 48,900
Bales produced in 2017-18: 423,000



Cotton Australia highlights:

- Helped growers engage with the industry's best management practice system by hosting 'myBMP Express' workshops at Dalby and Brookstead, which were well attended by growers
- Provided direct support to Downs growers affected by the severe Boxing Day hail storm
- Directly assisted growers affected by off-target spray drift. Drift on the Darling Downs was particularly severe, and Cotton Australia worked at both a local and national level to both assist affected farmers and help the reduce severity of, or eliminate, future drift events
- Addressed the highly important issue of mental health in agriculture by organising for a subject expert to speak at the local Grower of the Year farm field day
- Directly assisted growers in preparing for myBMP audits, a crucial step in completing accreditation in the best management practice system
- Helped engage young Aboriginal men in the cotton workforce by participating in an employment forum and associated events. Programs such as these are an important way for our industry to assist indigenous youth
- Promoted the cotton industry as an employment pathway by attending several education events, such as Moo Baa Munch, the University of Queensland's Gatton campus careers fair, and a tour by Griffith Uni students to a Downs cotton farm

Image: Cotton Australia Darling Downs Regional Manager Mary O'Brien.

ST GEORGE, DIRRANBANDI & MUNGINDI

Regional Manager: Jane Hill
Hectares grown in 2017-18: 27,870
Bales produced in 2017-18: 298,640



Cotton Australia highlights:

- Gave growers a voice in setting crucial research priorities by engaging with Cotton Grower Associations so growers could give feedback on research direction
- Organised a visit for primary school students to a cotton farm at Thallon, and also organised for more than 180 Mungindi students – from pre-schoolers to seniors – to visit a local farm. Events like these help inform educators about cotton farming and also promote a positive view of our industry to teachers and students
- Hosted a visit by Federal politician Senator Chris Ketter to a myBMP-accredited farm. It was a great opportunity to inform a legislator about the industry, and also discuss important initiatives such as the Healthy Headwaters project
- Organised a very well-attended spray drift workshop, which attracted 30 grower and spray contractor participants. The event was extremely well received, given the drift problems faced by the industry this season
- Promoted work health safety on-farm by organising first aid courses at Mungindi and St George

Image: Cotton Australia St George & Dirranbandi Regional Manager Jane Hill (In June 2017 Jane Hill also took on duties as Regional Manager for Mungindi).

MACINTYRE VALLEY

Regional Manager: Cate Wild
Hectares grown in 2017-18: 52,200
Bales produced in 2017-18: 545,050



Cotton Australia highlights:

- Engaged with local educators by organising a Teach The Teacher event, in conjunction with AgForce and the Macintyre Valley Cotton Growers' Association. A total of 32 teachers from Goondiwindi State School and Goondiwindi State School attended. Participants started at Glen Smith's property 'Koarlo', then took a tour of Namoi Cotton's gin, followed by a visit to Goondiwindi Cotton
- Promoted engagement with the industry's best practice management system by organising myBMP workshops and directly assisting growers in preparing for myBMP audits, a crucial step in completing accreditation
- Helped promote a positive view of the cotton industry locally by partnering with CottonInfo to engage with attendees of the Goondiwindi Show. Events such as these help engage directly with local stakeholders about the positive impacts our industry has on communities
- Assisted the Macintyre Valley Cotton Growers' Association apply for a CRDC Grassroots Grant. The CGA was successful in receiving a grant of more than \$7000 to upgrade the local weather station network
- Organised a first aid course to ensure local growers and farm workers could achieve WHS compliance

Image: Cotton Australia Macintyre Valley Regional Manager, Cate Wild.

GWYDIR

Regional Manager(s): Paul Sloman / Alec Macintosh
Hectares grown in 2017-18: 65,100
Bales produced in 2017-18: 650,025



Cotton Australia highlights:

- Assisted in the organisation of spray application workshops, which helped reduce incidents of off-target spray drift onto cotton in the valley this season
- Worked to drive myBMP uptake in the Gwydir Valley, with 10 additional farms now achieving certification over the past year
- Helped promote integrated pest management by representing Cotton Australia at important Area Wide Management Group meetings
- Bolstered biosecurity efforts by hosting a visit by the Board of Plant Health Australia, the national coordinator of the government-industry partnership for plant biosecurity
- Improved on-farm safety and compliance by organising a first aid course for Gwydir cotton growers
- Helped growers track Solenopsis Mealybug after it was observed in the valley
- Presented to participants at the annual 'Evening With Cotton' event, an important function to engage directly with the community and help promote a positive perception of our industry locally

Image: Paul Sloman moved to the position of Policy Officer / Grower engagement within Cotton Australia in January 2018, with Alec Macintosh subsequently assuming regional manager duties.

NAMOI

Regional Manager(s): Paul Sloman / Alec Macintosh
Hectares grown in 2017-18: 77,550
Bales produced in 2017-18: 709,150



Cotton Australia highlights:

- Improved on-farm safety and compliance by organising a first aid course for Namoi cotton growers
- Worked to directly assist growers affected by off-target spray drift, which was particularly widespread in the Namoi. Cotton Australia's annual spray drift campaign was expanded this season, and in the Namoi included additional radio advertisements and spray application workshops
- Presented to hundreds of students at the North West Careers Expo at Tamworth, in conjunction with Cotton Australia's Education Coordinator and CSIRO's Science Education Officer, providing Year 10 students with an insight into the broad array of careers available in the cotton industry
- Promoted a positive perception of our industry by presenting to participants at the Boggabri Drivers Camp event, held on the farm of Andrew Watson's family. The event helped engage with travelling Australians curious about our industry, and promoted a positive view of cotton and agriculture as a whole
- Presented to Year 10 students at Narrabri High School about the physiology of cotton and its growth cycle. Engaging with students and teachers helps ensure an understanding of our industry now and into the future
- Presented at the Farrer Memorial Agricultural High School Education Day to more than 100 students about the local cotton industry, informing educators about cotton farming and promoting a positive view of our industry to teachers and students
- Facilitated a visit by Cotton Australia's mining & CSG policy expert to engage with growers around Boggabri and Breeza affected by existing and proposed coal mining sites, an important initiative allowing the organisation to better tackle problems posed by resources operations and exploration activities

Image: Cotton Australia Namoi Regional Manager Alec Macintosh.

WALGETT & BOURKE

Regional Manager(s): Paul Sloman / Alec Macintosh
Hectares grown in 2017-18: 20,170
Bales produced in 2017-18: 194,625



Cotton Australia highlights:

- Directly assisted growers affected by off-target spray drift in these valleys, particularly around Walgett, which experienced widespread damage which impacted yields and, potentially, quality of cotton. Drift in northern NSW was particularly severe in the 2017-18 season, a damaging blow to growers already suffering from a lack of rainfall and low river flows - a scenario that reduced the size of both the irrigated and rainfed crop. Cotton Australia worked at both a local and national level to assist affected farmers and help the reduce severity of, or eliminate, future drift events. This included organising spray application workshops for growers, farm staff and contractors
- Worked to improve connections between the cotton industry and the indigenous community by participating in the Clontarf Foundation Coonamble Academy Awards Night. Cotton Australia has partnered with the Clontarf Foundation to improve prospects for young indigenous men and encourage them to consider careers in cotton

Image: Cotton Australia Regional Manager Alec Macintosh (right) with Walgett grower Dave Miller ('Mourable')

MACQUARIE

Regional Manager: Julie Wise
Hectares grown in 2017-18: 37,200
Bales produced in 2017-18: 476,600



Cotton Australia highlights:

- Helped organise spray drift events in conjunction with the local spray drift mitigation committee. The events attracted 250 attendees over three sessions at different locations, achieving very good engagement with local chemical resellers, contractors and others involved in the chemical application process. Cotton Australia has worked at both a local and national level this season to assist affected farmers and help the reduce severity of, or eliminate, future drift events
- Cotton Australia has poured considerable effort into myBMP in the Macquarie Valley in the past year, through promotion and directly helping growers in the valley engage with the system. In addition, Cotton Australia facilitated a tour through the valley by Corin Wood Jones, Head of Partnerships for the Better Cotton Initiative (BCI) – an important initiative, given that myBMP-accredited growers can now sell through the BCI system
- Gave growers a voice in setting crucial research priorities by organising face-to-face meetings so growers could give feedback on research direction
- Helped Cotton Australia's policy team work with local growers to resolve an unusual, ongoing issue presented by Dubbo Regional Council, which requires a formal development application to grow cotton. Cotton Australia will continue to work towards reducing undue red tape for growers
- Helped promote workplace health and safety by organising a first aid course for growers and farm staff. It was very well attended

Image: Cotton Australia Macquarie Regional Manager Julie Wise with attendees at a transport forum.

RIVERINA & SOUTHERN VALLEYS


Regional Manager: Honi Anderson
Hectares grown in 2017-18: 96,300
Bales produced in 2017-18: 1,102,875



Cotton Australia highlights:

- Ensured the success of the National Grower of the Year Field Day in March by working with the CGA and hosts, the Toscan family, to help organise the event. The field day was extremely well attended, attracting more than 300 participants
- Gave growers a voice in setting crucial research priorities by organising face-to-face meetings so growers could give feedback on research direction
- Co-organised numerous educational events, including a Teach The Teacher event for Griffith / Leeton educators, workshops for year 10 students from multiple schools, and a presentation to fourth-year agriculture students at Charles Sturt University's Wagga Wagga campus. All of these events promote the value of the industry young audiences and influencers
- Met with growers and advisors at Condobolin to address the issue of spray drift in the Forbes / Condobolin region. Also supported and attended a bus trip with Swan Hill Chemicals to involve other resellers in that area to highlight the severity and impact of spray drift on cotton and managed the day-to-day administration of the CottonMap website
- Helped ease the entry of non-cotton farmers into the industry by organising an event for new growers. Workshops such as these are an important part of our industry's engagement process with new farmers in the Southern Valleys, the site of the most rapid growth of our industry
- Helped growers engage with the myBMP program, assisting growers to work towards audit and gain accreditation

Image: Cotton Australia Regional Manager Honi Anderson (centre) with Board member Peter Tuohey and Shadow Minister for Workplace Relations, Lisa Chesters, on her recent tour of the Southern Valleys.



GROWING TOMORROW



COTTON AUSTRALIA BOARD



SIMON CORISH
Chairman
Cotton Grower
Goondiwindi, Qld



HAMISH MCINTYRE
Deputy Chairman
Cotton Grower
St George &
Dirranbandi, Qld



FLEUR ANDERSON
Grower & Community
Relations Executive
Theodore, Qld



NIGEL BURNETT
Cotton Grower
Emerald, Qld



**JEREMY
CALLACHOR**
Chief Executive
Officer
Namoi Cotton



BOB DALL'ALBA
Executive Director
and Country Head
Olam



BARB GREY
Cotton Grower
Mungindi, NSW



CHRIS HOGENDYK
Cotton Grower
Warren, NSW



MATT MCVEIGH
Cotton Grower
Dalby, Qld



PETER TUOHEY
Cotton Grower
Carrathool, NSW

COTTON AUSTRALIA STAFF



ADAM KAY
Chief Executive
Officer



MICHAEL MURRAY
General Manager



HONI ANDERSON
Regional Manager –
Riverina



RENEE ANDERSON
Regional Manager
– Central Highlands
(part time)



ANGELA BRADBURN
Policy Officer



ALI BRIGGS
Education
Coordinator



JENNIFER BROWN
Policy Officer



BRON CHRISTENSEN
Regional Manager –
Dawson Valley
(part time)



SARAH CLARRY
Marketing &
Communications
Specialist (part time)



REBECCA FING
Workforce & Training
Coordinator



JANE HILL
Regional Manager –
St George,
Dirranbandi &
Mungindi (part time)



RICK KOWITZ
myBMP Manager



CHRIS LARSEN
Communications
Manager



ALEC MACINTOSH
Regional Manager –
Northern NSW



MARY O'BRIEN
Regional Manager –
Darling Downs (part
time)



NICOLE SCOTT
myBMP Customer
Service Officer



PAUL SLOMAN
Policy Officer /
Grower Engagement



ANDREW SPLATT
Graduate Policy
Officer



BROOKE SUMMERS
Project Lead – Cotton
To Market & Cotton
LEADS™ (part time)



CLAUDIA VICARY
Project Officer –
AgSkilled



ROBERT VIRTUE
Communications
Officer



CATE WILD
Regional Manager –
Macintyre Valley (part
time)



JULIE WISE
Regional Manager
– Macquarie Valley
(part time)



THERESE WOODEN
Finance Manager



ROCHELLE ZAKHER
Executive Assistant

FINANCIAL SUMMARY

2017-18

INCOME

YEAR	LEVY	OTHER INCOME
2013/2014	4,992,797	423,538
2014/2015	3,473,309	507,722
2015/2016	2,319,332	299,891
2016/2017	2,983,310	601,211
2017/2018	4,043,991	456,804

OPERATING EXPENDITURE INCLUDING CAPITAL

	OPERATING	CAPITAL
2013/2014	3,379,617	7,267
2014/2015	3,694,123	62,456
2015/2016	3,957,444	49,994
2016/2017	3,792,619	22,207
2017/2018	3,649,186	78,438

OPERATING EXPENDITURE BY PROGRAM

	2017/2018	2016/2017
Board and Executive	540,902	581,633
Policy and Advocacy	462,503	509,262
Affiliations	148,414	170,364
Communications & Engagement	753,748	777,165
Grower Services	517,533	485,431
myBMP	283,983	257,014
Research	121,913	117,357
Education	72,905	102,499
Administration	177,182	210,226
Office Overheads	570,103	581,668
TOTAL	3,649,186	3,792,619
Levy Contribution	72%	73%