



United States  
Department of  
Agriculture

Foreign Agricultural  
Service

May 15, 2020

# Commodity Intelligence Report

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## 2019/20 Australia Cotton: Production Estimate Down 72 Percent from Last Year

The 2019/20 Australia cotton crop is estimated at 0.625 million 480-pound bales (0.136 million metric tons), down 1.575 million or 72 percent from last year (see Figure 1). Harvested area is estimated at 0.06 million hectares, unchanged from last month, but down 84 percent from last year. The severe lack of irrigation water and dry conditions resulted in a historically low cotton area of 0.06 million hectares, a result of persistent below normal precipitation exacerbated by the 2019 drought. On average, Australia ranks as the eighth largest producer of raw cotton based on the most recent 5-year average from 2015/16 to 2019/20 (see Figure 2).

Yield is forecast at 2,268 kilograms per hectare, 23 percent above the 5-year average due to a larger proportion of irrigated cotton. The very dry start to the season resulted in an unusually small amount of lower yielding dryland cotton being sown.

Australian cotton growers achieve the highest yields in the world--three times the world average of 591 kilograms per hectare (see Figure 3). Irrigated cotton yields are substantially higher than dryland yields, and the difference widens in low-rainfall years. On average about 90 percent of Australia's total cotton production comes from irrigated areas (see Figure 4). According to the Australia government there are about 1,470 cotton farms, split nearly evenly between New South Wales and Queensland, except for one percent of farms in Victoria.

The location of irrigated, dryland and fallow land can be observed in satellite imagery because irrigated cotton fields have a dense canopy and reflect more in the infrared spectrum. This is apparent in the year-to-year comparison in producing areas near Emerald, Queensland (see Figure 5) and Gunnedah, New South Wales (see Figure 6).

Cotton harvest for the 2019/20 season has begun in earlier planted areas. In central Queensland crops are starting to be defoliated. Picking will commence in mid-May and continue through to the end of May. In southern Queensland defoliant was applied at the end of April and it is likely harvest will be completed by the end of May. Along the border of Queensland and New South Wales in the Darling Downs region, defoliation began the first week of May. South of Darling Downs, in the Gwydir Valley, defoliation operations are delayed because crops were planted four weeks late. Further south in the Namoi Valley, picking was well underway late last month. In central New South Wales, defoliation is in full swing with picking expected to begin in mid-May.

Australia is one of the world's largest exporters of raw cotton. More than 90 percent of Australia's production is exported, mainly to spinning mill customers in Asia. Australia is the fourth largest cotton exporter based on the recent five-year average.

**Forecast for the MY 2020/21 Season:** Planting of the 2020/21 season is a few months away and will be sown in October. USDA forecasts 2020/21 Australia cotton production at 1.7 million 480-pound bales, up 1.08 million



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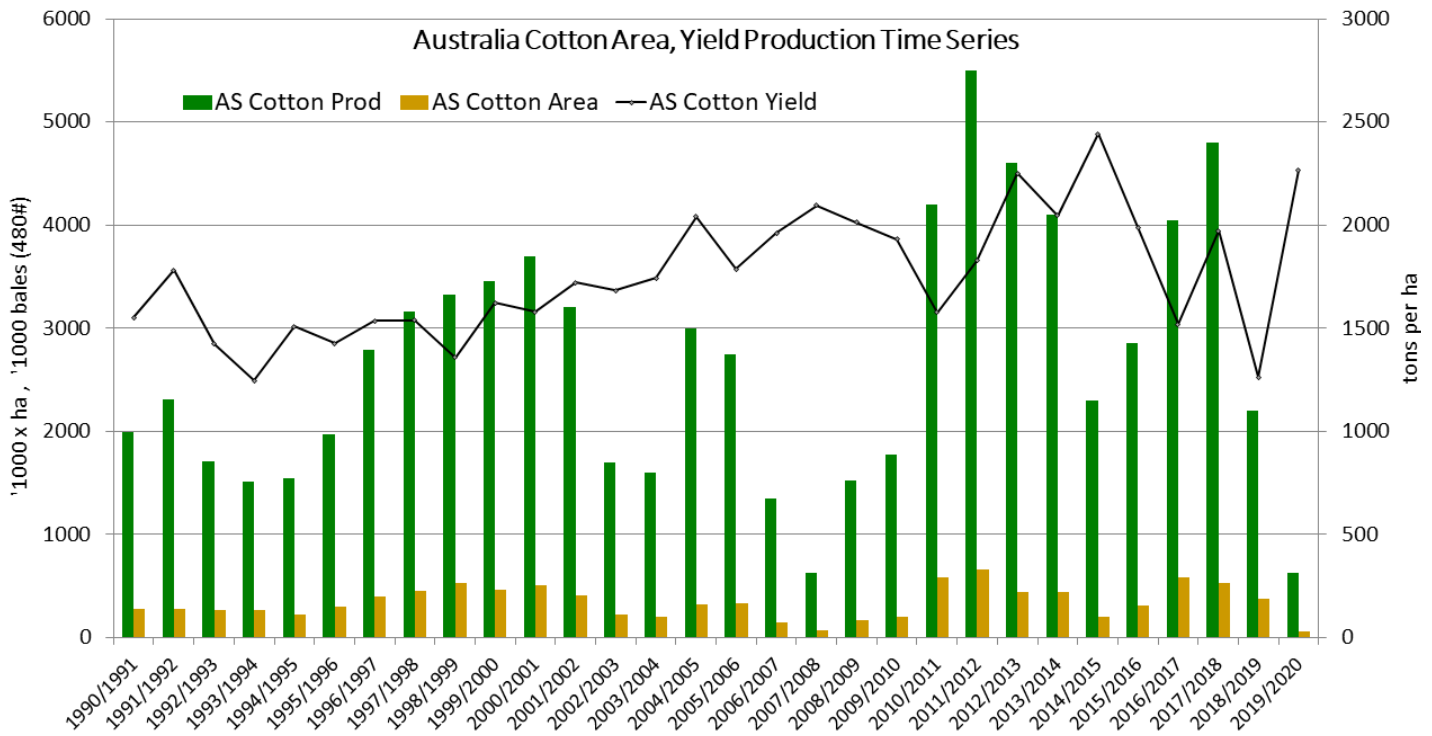
(172 percent) from last year. Harvested area is forecast at 180,000 hectares, up 200 percent from last year but 52 percent below the 5-year average. Yield is forecast at 2,056 kilograms per hectare, 14 percent above the 5-year average. Abundant rainfall from January through April 2020 has markedly improved soil moisture content in the drought-affected cotton growing regions. This precipitation has increased the runoff into rivers, catchments and reservoirs and is expected to increase irrigation availability at sowing. As a result, planted area is anticipated to expand, leading to higher production. Continued rainfall is necessary from now until sowing to further increase reservoir levels.



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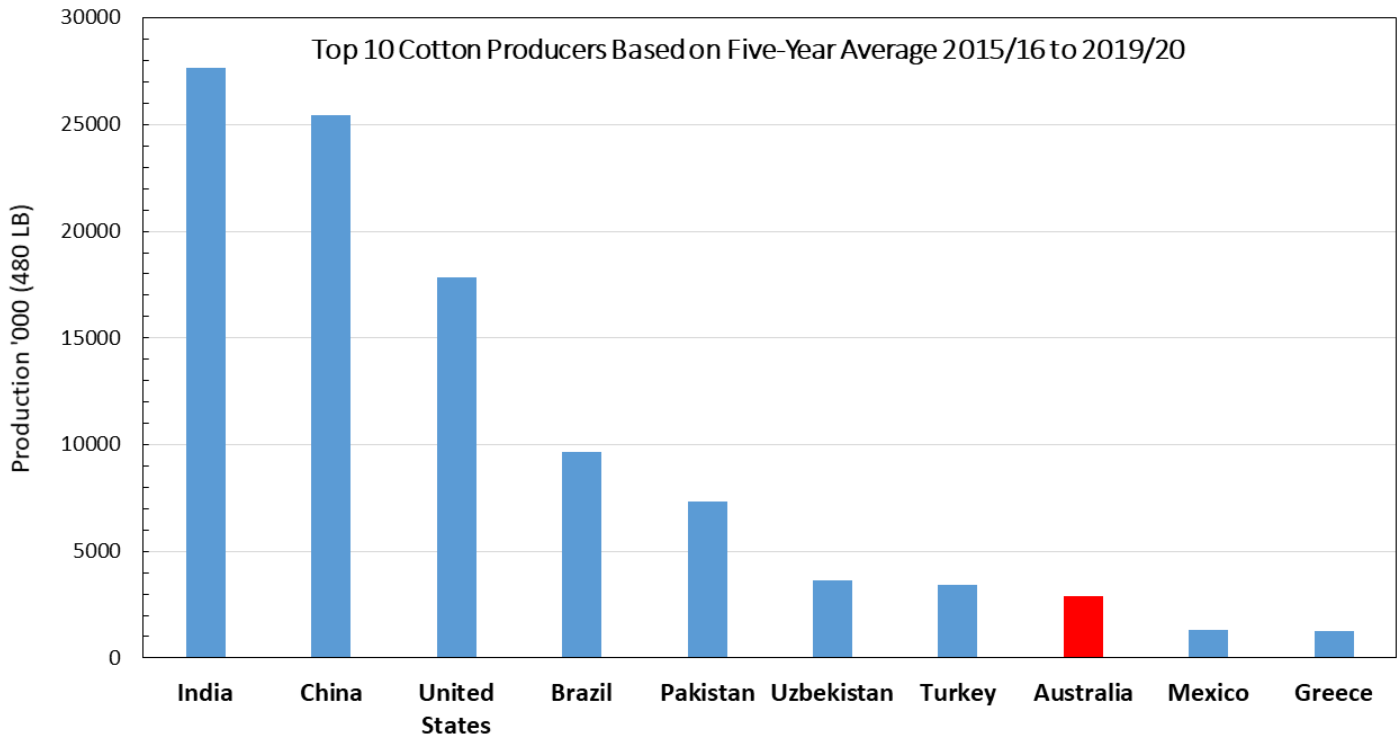
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Figure 1. Australia Cotton Production and Yield Time Series



Source: USDA-FAS PSD

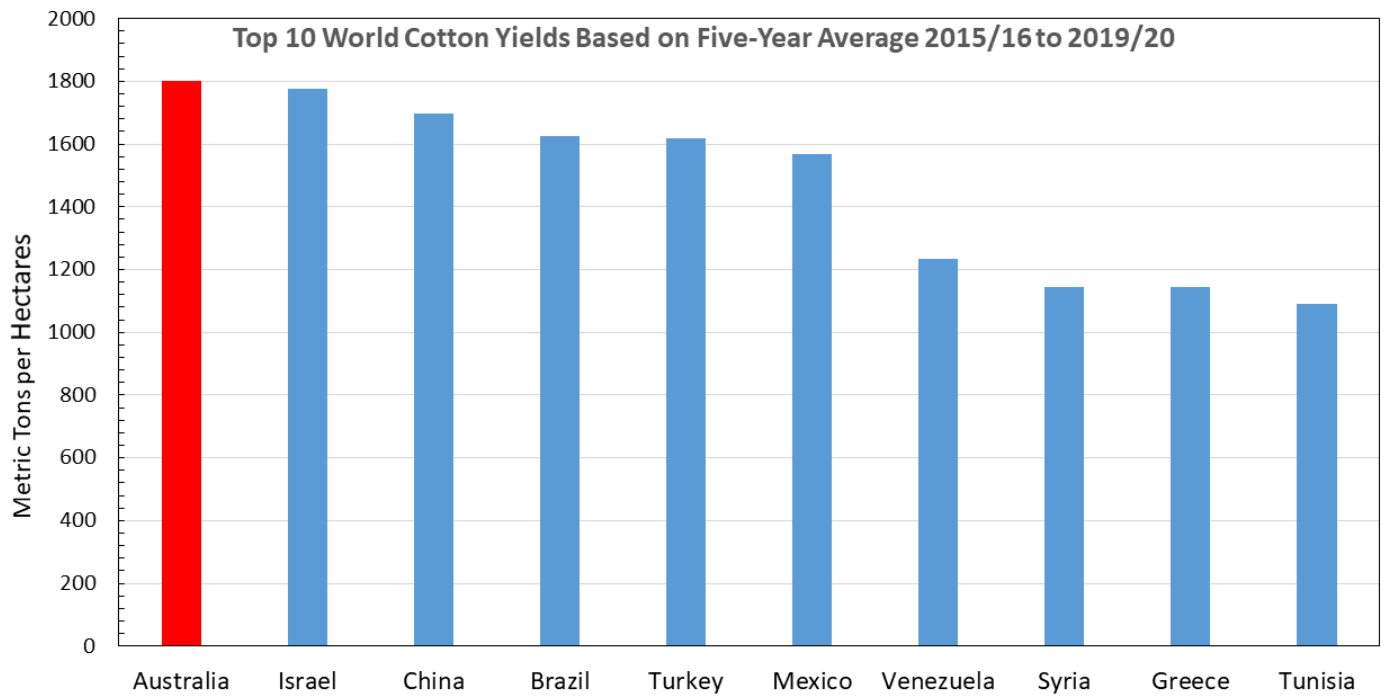
Figure 2. Australia's position among the world's Top 10 cotton producing countries.



Source: USDA-FAS PSD

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Figure 3. Australia's position in yield among the world's Top 10 countries.

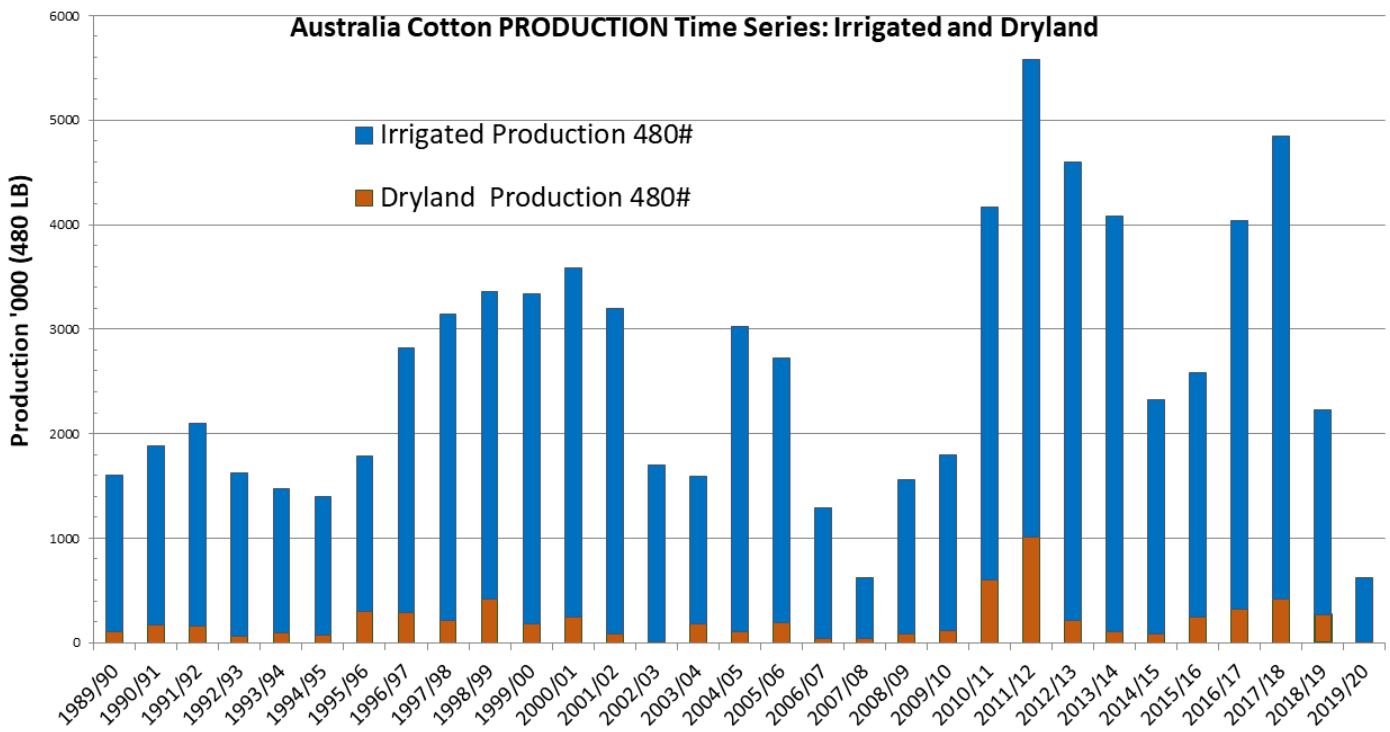


Source: USDA-FAS PSD

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Figure 4. Australia Cotton Production Time Series by Irrigated and Dryland



Source: Cotton Australia, Cotton Growers Publication, FAS

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Figure 5. Satellite image view comparing 2018 to 2019 in major cotton growing area near Emerald, Queensland. Source GDA Corp: Sentinel-2A, Sentinel-2B; FAS)

January 10, 2019 (MY 2018/19)

January 10, 2020 (MY 2019/20)

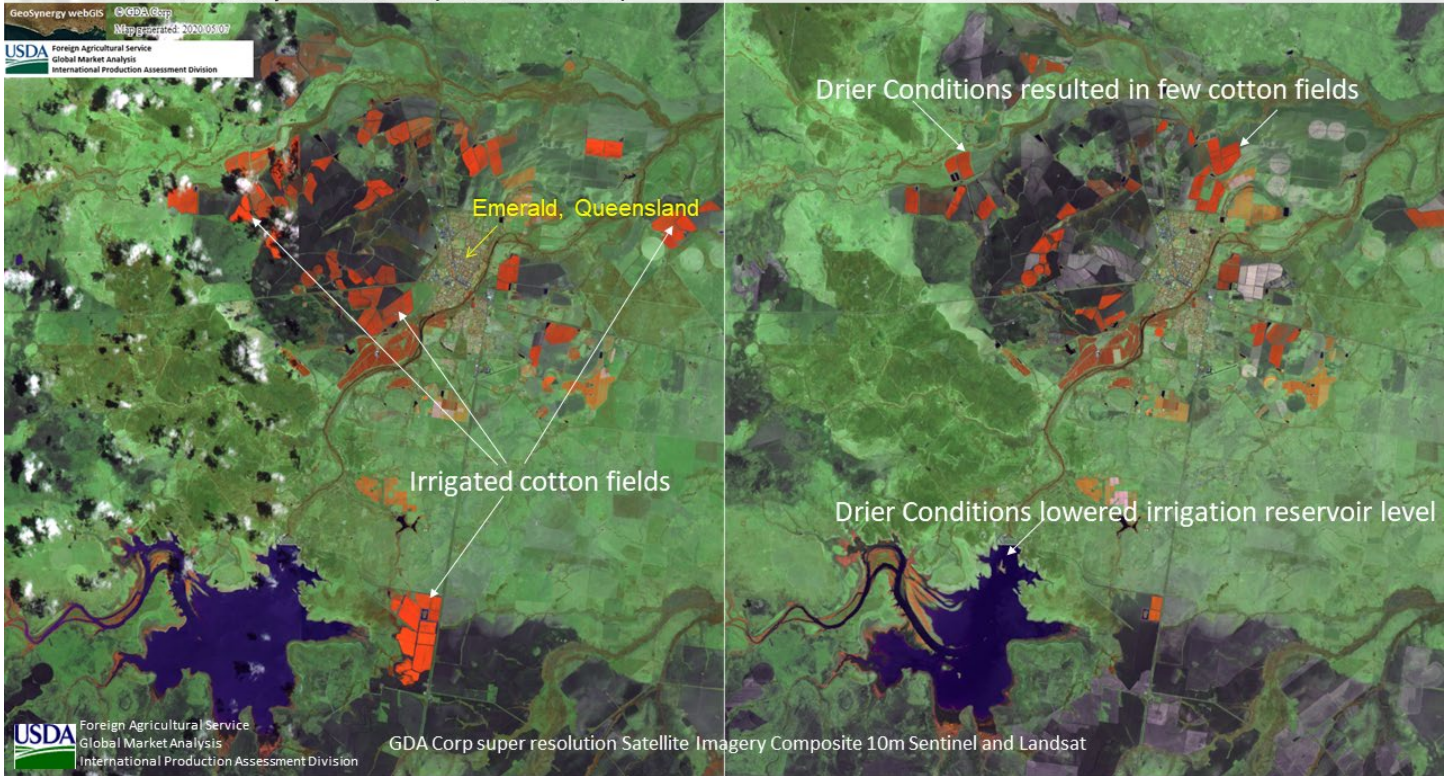
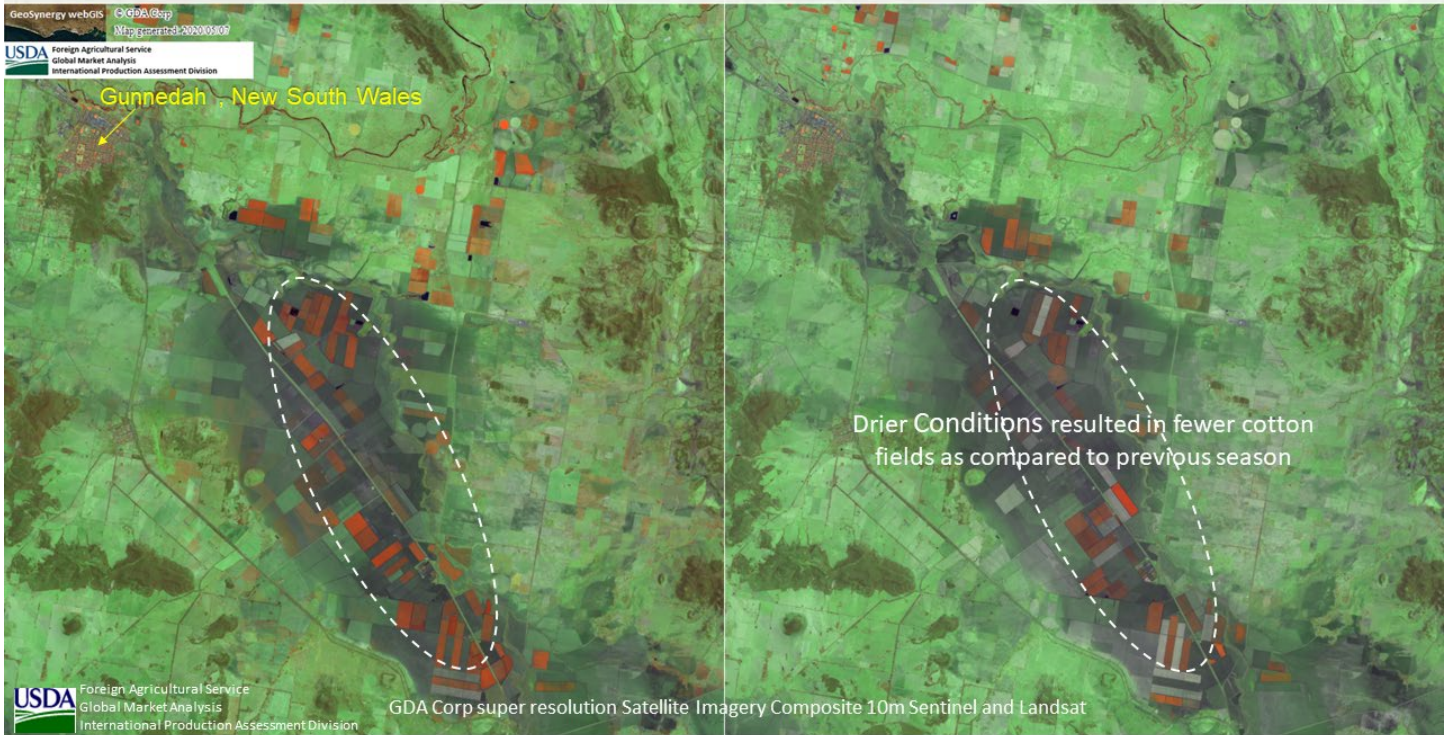


Figure 6. Satellite image view comparing 2018 to 2019 in major cotton growing area near Gunnedah, New South Wales. Source GDA Corp: Sentinel-2A, Sentinel-2B; FAS)

January 10, 2019 (MY 2018/19)

January 10, 2020 (MY 2019/20)





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Current area and production estimates for grains and other agricultural commodities are available on IPAD's  
Agricultural Production page:

[Crop Explorer https://ipad.fas.usda.gov/cropexplorer/](https://ipad.fas.usda.gov/cropexplorer/) or  
Production, Supply and Distribution Database (PSD Online):  
<http://apps.fas.usda.gov/psdonline/psdHome.aspx>

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