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Australian Cotton Shippers Association (ACSA) brings together stakeholders to foster collaboration and expand global reach

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More than 100 industry representatives gathered in Toowoomba last week for the Australian Cotton Shippers Association's inaugural Post Farm-Gate Forum. The event brought together logistics firms, shipping lines, merchants, ginners, and warehousing companies to collaborate and develop solutions to the cotton industry's challenges in the year ahead. It was also part of ACSA's strategy to foster industry collaboration, strengthen communication with the Australian Government, and enhance engagement with global trading partners.

The forum kicked off with presentations from **ACSA chair Cliff White** and industry representatives **David Goss from MSC, AWH head of cotton and dry bulk Graeme Wood**, **ICM founder Matthew Leeson**, and **Australian Cotton Ginners Association president Ben Suttor**. ACSA chairÂ Cliff White said emphasized that despite being competitors, it's in everyone's interest to promote a united front for cotton in a global marketplace. He mentioned that the industry was hopeful of seeing an uplift in prices after seeing the market fall to "some of the lowest cotton prices that we've seen in years."

After reaching highs of just under $1000 per bale in mid-2022, prices for the 2024 crop sit below the $600-per-bale level. Mr. White also pointed out potential upside "in terms of the supply-and-demand balance." He noted that recently there had been "plenty of cotton around" but uncertainty around new crop from both the United States and Brazil could start to see a return to a more balanced supply-demand outlook.

Volatility continues in global trade. A shift towards increased protectionism, ongoing conflict in the Red Sea, and China's economic slowdown are expected to weigh on Australia's cotton industry. As a wholly exported commodity, cotton was heavily

impacted by overseas conflicts, changes to trade flows, and availability of infrastructure, such as vessels and containers.

Discussing the global shipping outlook, MSC's Mr. Goss said there was potential for Australian cotton to benefit from the US tariff policy. He noted that Donald Trump had imposed a 25-percent tariff on Chinese goods, with the Chinese government reacting by enacting a 15pc retaliatory tariff on the US.

Mr. Goss highlighted the impact of the ongoing conflict in the Red Sea region, which has had a profound impact on the shipping industry since the end of 2023. Shipping companies have had to deploy more vessels and carry more containers to complete journeys to regions from Australia. He noted that another factor influencing global trade flows was the flow-on effects of the recent slowdown in Chinese economic growth, which was mostly led by the real estate sector. Mr. Goss pointed out that another global trend filtering down to the post farm-gate industry was a marked increase in shipping companies' investment in infrastructure following a period of strong profits for the shipping industry post-COVID. He noted that this investment was going into building new ships, more containers, and developing digital platforms to "create efficiencies within the industry." Investment was also being directed towards hard infrastructure like ports, terminals, warehouses, road, and rail assets to ensure better networks and capabilities to provide a more complete service.