Voluntary _ Public

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Australia

Post: Canberra

Cotton and Products Voluntary - November 2012

Report Categories:

Cotton and Products

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Report Highlights:

Post's forecast of Australia's 2012-13 cotton crop has been revised downward (nearly 6%) to 4.0 million bales. Planting of the 2012-13 cotton crop is largely complete with total area expected to be down by as much as 25-30% compared to last year. Post's estimate of the 2011-12 crop has been revised upward (2%) to 5.3 million bales.

Summary

Post's forecast of Australia's 2012-13 cotton crop has been revised downward (nearly 6%) to 4.0 million bales. Planting of the 2012-13 cotton crop is largely complete with total area expected to be down by as much as 25-30% compared to last year. Post's estimate of the 2011-12 crop has been revised upward (2%) to 5.3 million bales as mid-season flooding had less of an impact on yield than previously anticipated. Due to the record size of the 2011-12 crop ginning will not be completed until mid-December therefore final production figures will not be known until early in 2013.

In the Darling Downs, a key cotton-growing region, planting has finished with approximately 20,000 hectares of dryland and between 20,000 and 30,000 hectares of irrigated. This is approximately half of the area planted to cotton compared to the previous season. Over the weekend of the 17-18th November the region also suffered a severe hailstorm. Damage reports from the storm are still forthcoming but it is extremely unlikely that any damaged areas were replanted in cotton as the planting window closed on the 25th November.

Nationally, irrigated cotton area is expected to be down by approximately 22%. Water storages levels are reported to be good therefore, barring any significant disease outbreaks or extreme weather events, irrigated cotton yields should be reasonably good. Dryland cotton area is projected to be down by as much as 50%, accounting for only 12% of total cotton area, compared to 20% last year.

The overall decline in area reflects growers' response to the decline in world cotton prices and (particularly in the case of dryland cotton) drier planting conditions. Additionally, after back-to-back record crops, there are limits to how much area can be re-planted to cotton year-on-year (which again, is particularly true in the case of dryland area). The shift in area planted is further supported by current high prices for alternative summer crops such as corn and sorghum.

Production, Supply and Demand Data Statistics :

Cotton Australia	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Aug 2010		Market Year Begin: Aug 2011		Market Year Begin: Aug 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	544	544	580	590	475	415
Beginning Stocks	749	749	2,550	2,550	3,518	3,420
Production	4,200	4,200	5,500	5,300	4,250	4,000
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	4,949	4,949	8,050	7,850	7,768	7,420
Exports	2,509	2,509	4,642	4,600	4,250	4,000
Use	40	40	40	40	40	40
Loss	-150	-150	-150	-210	-150	-160
Total Dom. Cons.	-110	-110	-110	-170	-110	-120
Ending Stocks	2,550	2,550	3,518	3,420	3,628	3,540
Total Distribution	4,949	4,949	8,050	7,850	7,768	7,420
1000 HA, 1000 480 lb. Bales, PERCENT, KG/HA						