

MEDIA RELEASE



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2017 Australian Cotton Comparative Analysis Released

The analysis is conducted annually by Boyce Chartered Accountants, the largest regionally based accounting firm in Australia, in conjunction with the Cotton Research and Development Corporation (CRDC).

The 2017 analysis is the thirteenth report to be produced by Boyce and CRDC. From 1986 to 2004 the report was published independently by Boyce.

The aim of the study is to collect and critically analyse data that will assist the industry to grow and develop sustainably through a focus on best practice techniques. The study is regarded by the cotton industry as the benchmark for the economics of cotton growing in Australia.

The 2017 report is based on sample figures from participants who produced just on 498,000 bales, which is approximately 13% of the total Australian cotton production.

The average hectares planted per participant increased from 878 hectares in 2016 to 1,206 hectares in 2017. This is due to water availability and participants in the analysis changing.

The 2017 report reveals that the average group achieved a profit per hectare of \$1,557, being slightly lower than \$1,706 in 2016, however greater than the five year average of \$1,257.

It was an excellent season for growers in the top 20% group, with a profit of \$2,592 per hectare compared to the five year average of around \$2,443.

Report co-author Paul Fisher, a director of Boyce Moree, noted that 'the 2017 analysis is interesting as it shows, for the first time in at least 7 years, a reduction of the importance of yield in terms of achieving Top 20% results. 2017 yield was disappointing with respect to the past two years, whereas prices were excellent and costs per hectare were well down'.

In 2017, the cost of production for the top 20% of growers was \$3,447 per hectare, \$275 lower than that achieved by the average growers.

Boyce and CRDC encourage all growers to consider participating in the benchmarking study as a way to greatly enhance understanding of the key drivers that consistently define the top cotton producers in Australia.

For more information contact Paul Fisher at Boyce Moree on 02 6751 2000 or Linda Mackellar at Boyce Wagga Wagga on 02 6971 0600.

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