



Paddock PROFITABILITY

| growing livelihoods



Grower profitability is as volatile as the seasons.

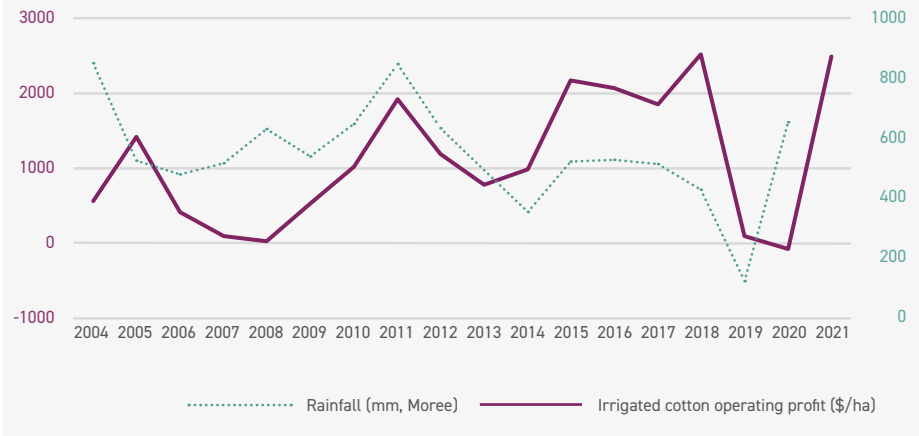
Profitability can vary greatly between seasons: for example, in 2019/20 the average operating profit for irrigated cotton was -\$69/ha, and one year later it was \$2,485/ha. Profitability also varies between regions.

Many factors influence the profitability of cotton production.

Some of the drivers of grower profitability (seasonal conditions, global cotton prices and exchange rates) are outside the control of the industry.

Others (yield and operating costs) can be influenced by individual decisions: these are the areas industry invests in research and innovation.

Rainfall and profitability are highly variable



Profitable farmers are more resilient, and can invest in their farm and community.

Profitability is a fundamental sustainability indicator for growers. Profitable cotton growers can invest in the technologies and practices needed to adapt to a changing environment and market. It also enables them to contribute to local communities, economies and the environment.

2022 research of farms that grow irrigated crops, dryland crops and livestock revealed irrigated cotton makes the most significant contribution to whole farm profitability, provided it is grown well. This translates to a more financially sustainable whole farm business, and greater resilience to manage through poorer seasons.



OUR GOAL

Growers have sufficient profitability to confidently re-invest in their business and community.

SDG ALIGNMENT



SDG 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation.

PATHWAY

1. Establish an industry-owned data platform to deliver increased profitability through better decision-making, facilitating innovative research to deliver better solutions
2. Enhance the value and market access of Australian cotton.

KEY FACTS

More than **75%** of cotton grower business expenses are spent locally



8 people employed per cotton farm in 2021/22



Cotton was grown in 65 local government areas in 2021, and was a significant economic contributor in 24 of them.

(As defined by cotton representing over 10% of the gross crop value grown in an LGA).

