Australian Government
Cotton Research and Development Corporation

TRAVEL, CONFERENCE or SCIENTIFIC EXCHANGE REPORT 2016

Part 1 - Summary Details

Please use your TAB key to complete Parts 1 & 2.

CRDC Project Number: ACSA1601

Project Title: ACSA EMD TRIP to Bangladesh, Indonesia and ThailandM

Project Commencement Date: 29/5/2016 **Project Completion Date:** 3/6/2016

CRDC Research Program: 3 Customers

Part 2 – Contact Details

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Signature of Research Provider Representative: ______________________________

Date Submitted: __________________

Part 3 – Travel, Conference or Scientific Exchange Report

(Maximum two pages)

1. A brief description of the purpose of the travel.

The Australian Cotton Shippers Association (ACSA) invited CSIRO to give presentations on new CSIRO varieties and spin and dye trials as part of Export Market Development (EMD) seminars in Bangladesh, Indonesia and Thailand held between 29/5/2016 and 3/6/2016.

2. What were the:

a) major findings and outcomes

b) other highlights

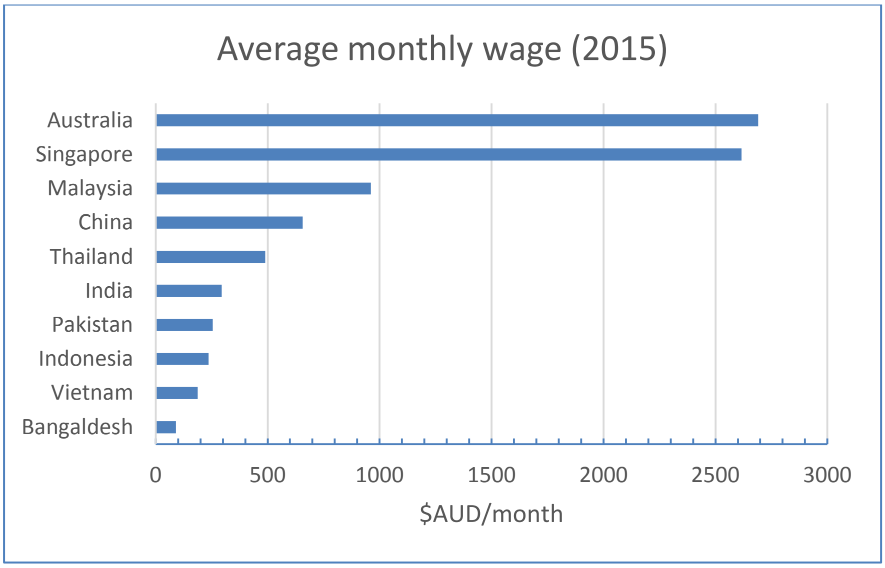
The EMD seminars were held in Dhaka, Bangladesh on Monday May 30th, in Jakarta, Indonesia on June 1st and in Bangkok, Thailand on June 3rd.

Presentations covered by the EMD tour group included the Australian cotton industry (by Cliff White – Omni Cotton); cotton growing (Fleur Anderson – Cotton Australia Director and grower); fibre quality (Arthur Spellson – Auscott); new varieties and spin quality (Stuart Gordon – CSIRO) and the cotton market (Matthew Bradd – Ecom).

Seminars were attended by cotton brokers, traders, agents and spinning mills. Good crowds attended with >50 at each seminar. The Bangladeshi meeting was particularly good, with many questions and long conversations after the seminar.

Bangladesh

Bangladesh represents an emerging market for Australian cotton (currently 3% of Australia's production), whilst Indonesia (10%) and Thailand (6%) are mature (and now diminishing) markets. China remains the largest market (57%) followed by Vietnam (13%). The Vietnam and Bangladesh markets are growing, China is decreasing. Interest in cotton spinning (and textile manufacture) in these markets reflects monthly wage costs – see Figure below.



The demand for quality is different in each market. Australian long staple Upland is less attractive in Bangladesh, who do not need length beyond 1.125 inches but do need (prefer) strength >32 GPT. In this market, Australian cotton is used to spin medium count yarns that go into the bulk textile market, i.e. Ne 15 – 40 for casual knits, t-shits, shirts, some bedding and underwear. Bangladesh has 400 mills with 11.5M spindles; grows only 2-3% of its own cotton and requires 6M bales of imported cotton/yr to supply its mills. Its spinning sector is growing; with investment from current (fabric and clothing) manufacturers integrating processing back down to yarn manufacture and with investment from China. Bangladesh GDP is growing >6%yr and has some 80M people able to work (from a population of 156M).

Bangladesh Textile Association strategies and links are healthy; positive towards Australian cotton. Links to Australia are surprisingly strong, e.g. Square Group in Bangladesh (have a spinning mill) were educated in Australia (according to the Australian Trade Commissioner).

Questions from the Bangladeshi spinners were around dye quality and fibre strength, particularly in comparison with CIS cotton (from Uzbekistan), one of the main growths used by Bangladesh. This cotton is shorter but according to Bangladeshi dyers, dyed better (deeper) than Australian cotton. These questions prompted ACSA see ask CSIRO for a project proposal to examine Australian v. CIS cotton with respect to dyeing (see below).

Indonesia
Although Australian cotton is well respected and a traditionally used growth in Indonesia, the Indonesian seminar was not as well attended as Bangladesh. Most spinners are located outside Jakarta and the traffic in Jakarta is a major obstacle for meetings in that city. A suggestion was made to hold the next meeting in Bandung (Central West Java), where more mills are located.

Indonesia mills have consolidated over last few years, particularly mills around Jakarta, where real estate wealth is growing. There are still a wide range of mills in terms of yarn and fabric qualities.

Thailand
Thai mills are feeling pressure from wages, power and real estate. Four mills have exited in the last two years. Remaining mills are under challenge; spin finer counts and tend to be integrated through to fabric/garment. Mills have used Australian cotton for many years. Thai mills appreciated Australia's fibre length more, although would also prefer higher strength (>32 GPT). Questions were raised about neps, dyeability and Australian fibre quality relative to SJV. The Thai Textile Association is alive; acknowledged Australian quality over long period.

3. **Detail the persons and institutions visited, giving full title, position details, location, duration of visit and purpose of visit to these people/places. (NB:- Please provide full names of institutions, not just acronyms.)**

Guest lists to the seminars are available from ACSA and the Australian Trade Commissioners in each country.

4. **a) Are there any potential areas worth following up as a result of the travel?**
   b) Any relevance or possible impact on the Australian Cotton Industry?

Two proposals have been made as a result of this trip.

One on comparative trials of Australian cotton dyeing quality in Bangladesh. The objective is to run comparative spin and dye trials of Australian cotton for Bangladeshi spinners who stated they preferred CIS over AUS cotton on the basis of dye uptake. Trials will demonstrate dye quality of Australian cotton compared to CIS and Brazilian cotton.

The second proposal is to conduct baseline testing of Australian cotton fibre fineness and maturity. The objective is to provide better information on Australian cotton for the market by testing Australian cotton fibre fineness and maturity on a yearly basis. Accurate information about a cotton’s fineness and maturity values will give ACSA evidence to differentiate a cotton, e.g. of the same low or high Micronaire, into more valuable product and provide growers and the wider industry incentives to manage this aspect of their fibre quality.

Full details of these proposals have been sent to ACSA and CRDC.

5. How do you intend to share the knowledge you have gained with other people in the cotton industry?

A copy of the presentation given during the EMD seminars is appended to this report.

The important information gathered during this trip and actions to remediate the gap in information is contained in the two proposals described above.

6. Please list expenditure incurred. ***(Double click inside the table to enter the data)***

Date	Description	Amount excl GST	GST	Total
26/04/2016	Partial fee - air travel - CRDC		0.00	
26/04/2016	Partial fee - air travel - ACSA		0.00	
14/05/2016	Accommodation, local travel - CSIRO		0.00	~$
				0.00
				0.00
				0.00
				0.00
				0.00
				0.00
				0.00
				0.00
			TOTAL	

Please email your report 30 days after travel/conference to: research@crdc.com.au