

Sources Grain Central September 9, 2024

Darwin Port set to export first bales of cotton

Emma Alsop



Cotton will soon be exported out of Australia's northernmost container port. Photo: Darwin Port

THE FIRST EVER cotton export is about to depart Darwin Port marking a significant step forward for the burgeoning industry.

Coordinated by Olam Agri subsidiary Queensland Cotton in collaboration with the WANT Cotton Gin in Katherine, the cotton is set for export in containers within two weeks.

Olam Agri Australia vice president of cotton lint trading, **Meg Strahle**, said the Darwin Port offers a more cost-effective export pathway to the existing supply chain.

Previously, bales coming out of the WANT Cotton Gin were trucked around 3000km to Queensland for export through the Port of Brisbane.

Instead of a three to four-day journey to southern Qld, bales from the WANT gin will now reach the port in just three hours.

"I am thrilled that we could come together to help shape a new supply chain option for the Northern Territory," Ms Strahle said.

"We are grateful for the enthusiastic support from local stakeholders including growers, supply chain providers, Darwin Port, and the WANT Cotton Gin.

"Looking ahead, we will continue to seek ways to enhance the efficiency of the supply chain."

WANT Cotton chairman and Tipperary general manager **David Connolly** said the announcement was "historic" for the Northern Territory and the cotton industry.

He said Queensland Cotton should “be congratulated” for facilitating the shipment.

“Queensland Cotton did all the hard yards and the heavy lifting,” Mr Connolly said.

“We facilitated the practical side of it and getting it in their boxes and getting it to them.”

This news also marks Queensland Cotton’s first move into the northern Australian cotton industry.

Rival business Louis Dreyfus Company has a joint venture with WANT Cotton to operate and the manage the gin, while Namoi Cotton has a 20-percent interest in the Kimberley Cotton Company, which is spearheading construction of the Kununurra gin in WA’s Ord region.

Mr Connolly said this shows that “all merchants can deal out of this cotton gin” in a competitive but collaborative way.

He said this was proof that the industry has a future in northern Australia.

“They are seeing that this is not a hobby farm; it’s not a trial.

“These two expert companies in the field of growing and processing and buying the product see value in the Northern Territory.”

Olam Agri Australia managing director **Ashish Govil** said the company saw the potential positive impacts from having a more sustainable supply chain.

“In line with its purpose to transform food, feed, and fibre for a more sustainable future, this milestone achievement not only has potential to streamline the cotton supply chain in the region, but also highlights Olam Agri’s commitment to creating positive change for regional communities, the environment, and the broader cotton industry,” Mr Govil said.

Darwin Port chief executive officer **Peter Dummett** said the organisation was “delighted to help enable this new industry in the NT”.

“We look forward to working with the cotton industry to ensure the efficiency and future growth of this supply chain,” Mr Dummett said.

Long-term ambition

Exporting cotton via Darwin has been the goal for the industry since its recent iteration about five years ago.



Allan Myers speaking at the Australian Cotton Conference last month. Photo: Cotton Australia

WANT Cotton and Tipperary Group of Stations chair **Allan Myers** told the Australian Cotton Conference last month that creating a sustainable supply chain for the lint and seed was the next step for industry members.

“The logistics of getting the ginned cotton to the market are obvious; it should go through the Port of Darwin,” Mr Myers said.

He said finding viable consumers for the cottonseed was also on the radar.

“It is to be expected that it may not...be profitable to be transported from northern Australia to markets in the south.

“The cattle industry in northern Australia will require a considerable amount of cottonseed but other uses need to be found for the seed in northern Australia or for exporting.

“We will export and that will put a floor in the market and those who want to take the opportunity of acquiring cottonseed should do so with it in mind that otherwise it will be exported.”

Tipperary Group is the NT’s largest cotton grower, and planted 6000ha last season.

Mr Myers said the operation plans to plant 7000ha next season, as well as growing additional irrigated cotton “but on a smaller scale”.

“The cotton industry in northern Australia is established but it’s clearly still not mature.

“With goodwill and reasonable cooperation between producers, processors, those involved in the logistics chain and government, a strong viable industry will be established.”

Ord classing gets RED grant

In further positive news for the northern Australian cotton industry, the WA Government last week announced a \$220,000 grant to support Ord River District Co-operative (ORDCO) establish a cotton classing facility at Kununurra.

The facility is expected to support the developing cotton industry and complement the gin under construction in the Kununurra.

It will remove the need for Kimberley cotton to leave the region for classing and will reduce costs and delays for Ord growers.

The project is expected to attract investment and jobs to the region, with ORDCO partnering with Australian Classing Services to bring the technical knowledge and training required to run the facility.



WA Member for Kimberley Divina D’Anna, ORDCO CEO Dan Raymond and WA Minister for Regional Development Don Punch. Photo: Don Punch

Kimberley MLA **Divina D’Anna** congratulated ORDCO and the six other Kimberley recipients of the latest Regional Economic Development Grants program.

“The RED Grants offer a unique opportunity to diversify our regional economies and create new jobs and sustainable employment opportunities,” Ms D’Anna said.

“Congratulations to all the successful recipients this year; the diverse range of projects reflect the robust, thriving, and innovative work happening across the region.”