

**AUSTRALIA – COUNTRY STATEMENT**  
**ICAC 66<sup>th</sup> Plenary Meeting – Izmir, Turkey**

Thank you Chairman.

The Australian cotton industry continues to be affected by the worst drought in Australia in over one hundred years.

In 2006-07 Australia's cotton production fell by about 50 per cent from the previous year. In 2007-08, there will be further reduced plantings, down to between 55,000 and 65,000 hectares due to continuing drought and the consequent lack of water for irrigation. A harvest of between 90,000 to 180,000 tonnes is forecast for 2007-08. All sectors of Australian agriculture are experiencing similar difficulties due to drought.

In 2006-07 it is estimated that a total of 487,000 tonnes of Australian raw cotton was exported. This was valued at approximately AUD832 million, and represents more than 95 per cent of Australia's cotton production. Exports are mainly to countries in South-East Asia.

The Australian Government provides no subsidy or price support to cotton growing, ginning or marketing. Australia's cotton industry maintains world markets on its own merits and its cotton is acknowledged for its fibre quality - with low contamination, better uniformity and less colour variation. The industry also continues to strive towards competitive and environmentally

sustainable agronomic practices. The latest independent environmental audit reported high compliance with the recommendations that were made in the initial audit. This commendable achievement is largely attributable to the industry's Best Management Practices programme. The branded cotton resulting from this initiative is providing a reliable and consistent quality alternative to organics and has already gained strong interest from international end users.

Research is important to these successful endeavours. Australia's cotton industry and the Australian Government believe strongly in research. In 2006-07 the Cotton Research and Development Corporation invested approximately AUD10.1 million in strategic research, including crop protection and biotechnology. Research and implementation of genetically modified cotton have significantly reduced pesticide use. The average reduction in pesticide use over 5 years has been 72 per cent, compared with the requirements for conventional cotton. The industry receives equal funding from the Australian Government for research, to a maximum of one half of one per cent of the Gross Value of Production.

The Australian Government is implementing a number of broad initiatives on water and climate change across the whole agricultural sector and these will impact on the cotton industry also. The initiatives include the National Plan for Water Security, and the National Agriculture and Climate Change Action Plan.

Consultation with industry remains an important aspect of the Australian Government's current water policy framework. The cotton industry has also set its own target over the next ten years to double, on a per bale basis, the efficiency of its water use.

With significant investment in programmes for industry sustainability, the Australian cotton industry and the Australian Government are extremely disappointed by the lack of progress of World Trade Organisation negotiations and disputes on cotton. Domestic subsidisation distorts trade and competition; and delays the active development of environmentally sustainable practices across the globe.

Australia calls on ICAC to promote the implementation of world standards, protocols and trading on instrument based classing systems. Australia already has, and continues to progress such standards. Our global trade requires product integrity, truth in labelling and processes for brand protection and the traceability of cotton. National and international competitiveness; as well as social, environmental and economic performance will all benefit as a result.

Finally, the Australian delegation thanks the Turkish Government and the city of Izmir for hosting this plenary meeting.