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Collaboration key to Australia's cotton farming future

Cotton growers are navigating a challenging marketing season as global oversupply continues to heavily impact prices.

According to ANZ's Autumn Commodity InFocus report, latest forecasts point to cotton production of almost 120 million bales, slightly outpacing consumption across the globe.

Against the lower price backdrop, Australian cotton plantings have fallen, with the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) reporting more than 100,000 fewer hectares sown nationwide.

ANZ Associate Director of Agribusiness Insights Alanna Barrett says in Queensland, planted area is down 14% on last season to around 140,000 hectares.

"Producers are also grappling with the increasing cost of irrigated cotton production, with expenses exceeding \$4,500 per hectare before overheads. This, and softened global prices, are pushing break-even yields higher. Tighter water allocations and lack of in-season rainfall across several Queensland regions may further limit growers' ability to maximise yields this season."

Despite the challenges, Queensland remains home to some of the nation's most productive large-scale cotton enterprises.

Cotton Research and Development Corporation's 2024/25 grower survey shows producers in the Macintyre Balonne region operate some of Australia's largest cotton farms.

Survey results indicate large-scale growers across QLD and NSW (those farming more than 5,000 hectares) achieved an average yield of 12.72 bales per hectare, compared to smaller producers (sub 1,000 hectares) where an average yield of 11.89 bales per hectare was recorded.

Dalby grower, Matt McVeigh of McVeigh Partnership, says achieving viable scale in today's environment is increasingly challenging.

"The primary driver behind this shift has been machinery costs, combined with a lower long-term average bale price relative to today's inflationary pressures. Historically, the cost of a cotton picker was a reliable benchmark for determining viable farm scale. Twenty years ago, a grower could purchase a new picker and operate sustainably on 200 to 300 hectares. Today, a grower would now require around 800 to 1,000 hectares per picker to remain viable."

While prices at the start of Autumn remain historically subdued, industry efficiencies, scale, and the reputation of Australian cotton on global markets still allow for solid performance where good yields can be achieved – and growers remain optimistic.

"There is a strong future ahead for the cotton industry, but we need to work more collaboratively to help consumers better understand the choices they make when purchasing garments, particularly the implications of choosing synthetic, man-made fibres over natural alternatives. Rather than focusing on cotton production volumes in other countries, we should be working collectively to position cotton and other natural fibres as the preferred choice globally," Mr McVeigh said.

"Our industry has navigated difficult periods before and will continue to face challenges. Each time we adapt and overcome these, we emerge stronger and better positioned for the long term."

Further insights are available in the 2026 Autumn edition of ANZ's *Agri InFocus Commodity Insights* report.

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