



# COTTON TENDERING

*The Table represents 16 Australian cotton merchant current P&D sheets in 2018 - in terms of average and range of discounts per grade*

	1-3/32" (35)			1-1/8" (36)			1-1/16" (38)			1-1/4" (40)		
	Average	High	Low	Average	High	Low	Average	High	Low	Avg	High	Low
11-1	-408	-200	-600	27	0	75	45	100	0	94	200	25
11-2	-408	-200	-600	27	0	75	44	100	0	93	200	25
11-3	-414	-200	-600	13	0	50	22	50	0	42	75	0
11-4	-605	-200	-600	-267	-75	-500	-267	-75	-500	-264	-75	-500
21-1	-427	-200	-600	18	0	50	37	75	0	81	25	200
21-2	-427	-200	-600	18	0	50	34	75	0	78	0	200
21-3	-439	-200	-600	6	0	25	11	30	0	30	0	75
21-4	-639	-475	-900	-298	-125	-500	-292	-125	-500	-289	-125	-500
31-2	-498	-350	-600	0	0	0	Micronaire			Other		Average
31-3	-509	-350	-700	0	0	0	3.3-3.4	-731	-500	-850	Lt Grass/Brk	-345
31-4	-747	-450	-1,000	-375	-100	-600	5.0-5.2	-528	-350	-700	Hvy Grss/Bk	-772
31-5	-1122	-950	-1,400	-916	-600	-1200	STRENGTH			Nep/Prep		-202
41-3	-1184	-800	-1,500	-772	-500	-1100	26-27.9	-172	-75	-350	Hvy Sticky	-3038
41-4	-1269	-800	-1,600	-875	-500	-1150	25-25.9	-353	-100	-600		

## Benefits to farmers:

- No longer need to sell cotton prior to ginning
- No more P&D sheets – the difference between the highest and lowest range discounts for a 41-4 1-1/8" cotton is 650 points (US\$32.50/bale) in 2018 MY
- Ability to segregate cotton bales into specific lots based on quality & quantity
- No payment & credit risk
- Pre-payment & Risk Management options available prior to physical sale

## Benefits to Buyers:

- Buy direct from Australian cotton farmers
- Buy known specific cotton grades and quantities
- Traceability – can be assured cotton is grown ethically and in a friendly environmental manner
- Merchant/traders bid on lots to suit their forward sale program
- Cotton transferred from a reputable storage & handling organization

More time to capitalise on marketing opportunities

No longer forced to sell BOC pre-ginning

Limit your payment risk

Ability to defer pricing for taxation purposes

Sell bales based on quality to attract premiums

Sell bales based on quality to attract premiums

Take advantage of ATA marketing knowledge and expertise

