AgroSpectrum ASIA
Envisaging Future | Updating Present

Australian Cotton shippers (ACSA) sign MOU with Cotton Association of India (CAI)

11 April 2025 | News

Reinforcing the cotton supply chain between two powerhouse cotton nations to drive long-term sustainability, trade, and mutual growth

Reinforcing the cotton supply chain between two powerhouse cotton nations to drive long-term sustainability, trade, and mutual growth

THE AUSTRALIAN Cotton Shippers Association (ACSA) has signed a memorandum of understanding with the Cotton Association of India (CAI) which will lay the foundation for stronger bilateral cooperation between the nations.

The MOU focuses on: sharing market intelligence and production trends; collaborating on global pricing and forecasts; improving market access and advocating for enhanced tariff-free quotas for Australian cotton; and promoting reciprocal support for both markets. This is a significant step forward in reinforcing the cotton supply chain between two powerhouse cotton nations â?? and driving long-term sustainability, trade, and mutual growth.

The signing came at the culmination of an eight-day visit to India and Bangladesh by a small continent of ASCA representatives. It comes almost one year after ASCA finalised a MOU agreement with the American Cotton Shippers Association and the Brazilian Cotton Shippers Association that was also designed to advance the global industry through greater cooperation.

Alongside talks with the CIA, the delegation â?? including ACSA members **Cliff White**, **Joel Hatherell**, **Shay Dhareula** and CEO **Jules Willis** â?? also met with representatives from Indiaâ??s Textile Export Promotion Council (TEXPROCIL), the Southern India Millsâ?? Association, the Indian Cotton Federation, and a range of agents, cotton buyers and spinning mill operators.

They also met with the Australian Consul General from the Department of Agriculture, Fisheries and Forestry and Austradeâ??s Trade and Investment Commissioner to discuss topics such as Australia-India trade relations, Indiaâ??s economic outlook, the impact of newly released US tariffs, Australian cotton exports to India, and the dynamics of the local market.

India ranked as Australiaâ??s third-largest cotton export market in March, accounting for 12 percent of exports, behind China at 28pc and Vietnam 26pc, according to the latest ASCA Market Report.

Under the Australia-India Economic Cooperation and Trade Agreement (AI-ECTA), which came into effect in December 2022, India established a tariff rate quota allowing 51,000 tonnes of Australian cotton to enter duty-free each year.

This quota represented a substantial reduction from the previous 11 % tariff imposed on Australian cotton exports. Since taking effect, Australian exporters have made use of 99pc of this quota amount. ACSA had discussions with Indiaâ??s Textile Export Promotion Council. DAFF data shows that, as of 31 March, 5,839 tonnes of cotton had been exported to India under the AI-ECTA, with 5,339t shipped under the â??allocatedâ?• quota and a further 500t under the â??first-come, first-servedâ?• provision.

The final position for the 2024 quota year at 50,719t shipped to India, with a similar amount of 50,690t shipped at the end of the 2023 quota year. During in-market trips to India since December 2022, Cotton Australia and other industry representatives have pushed the case for increasing this quota to more than 100,000t.