



ANNUAL OPERATIONAL PLAN
2025-26



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Acknowledgement of country

CRDC acknowledges the Traditional Custodians of the lands of Australia's cotton communities, and recognises their enduring connection to the land and waterways that sustain us. We value the Aboriginal and Torres Strait Islander people who have cared for this country for thousands of years. We pay our respects to their Elders past, present and emerging, and extend that respect to all First Nations peoples today.





About CRDC and Australian cotton

CRDC exists to grow the sustainable future of cotton through innovation with impact. We deliver world-class research, development and extension (RD&E) outcomes for the cotton industry through thought leadership, innovation, adoption and collaboration.

Cotton growers are at the heart of what we do: they determine our RD&E priorities and co-fund our research through a grower levy, matched by Commonwealth contributions.

Our growers, and the cotton they produce, are a major contributor to the nation's environmental, social and economic fabric.

Australian cotton is considered to be one of the most sustainable in the world, thanks in part to the RD&E that underpins it. Compared to 1992, Australian cotton growers use 97 per cent less pesticides, 52 per cent less water, and 34 per cent less land to grow one bale of cotton.

Cotton employs more than 12,000 people across 150 rural and regional communities, many of which rely heavily on cotton for their economic prosperity and viability. Each year, Australia grows enough of this high-quality natural fibre to clothe 500 million people.

According to the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), the value of cotton exports will be \$3.4 billion from 2025-26.

Innovative and adaptive growers, supported by RD&E and world-leading researchers, have driven Australian cotton's success. CRDC's role is to continue driving this success through RD&E.



Our purpose

Grow the sustainable future of cotton through innovation with impact.

Our mission

Deliver world-class RD&E outcomes for the cotton industry through thought leadership, innovation and adoption through collaboration and partnership.

Our responsible Minister

The Hon. Julie Collins MP, Minister for Agriculture, Fisheries and Forestry

Our enabling legislation

The *Primary Industries Research and Development (PIRD) Act 1989*.



Our people



CRDC Board

Chair Richard Haire

Deputy Chair Bernie George

Non-Executive Director Ross Burnett

Non-Executive Director Julie Bird

Non-Executive Director The Hon. Niall Blair

Non-Executive Director Sally Morgan

Non-Executive Director Michelle Tierney

Executive Director Allan Williams

Our values

Bold, collaborative, future-focused and trusted.



CRDC Board of Directors

CRDC Chair Richard Haire

CRDC Executive Director

Allan Williams



Innovation

**General Manager
Innovation**
Dr Meredith Conaty*

Innovation Brokers
Susan Maas
Elsie Hudson
Dr Nicola Cottee*
Nick Tomkins
Rachel Holloway*
Stacey Vogel*
Cathy Phelps*

Innovation Administrators
Megan Baker
Lynda George
Callie Hudson

Advisors

Chris Cosgrove, Sustainability*
Evan Wilcox, Commercialisation*
Warwick Waters, Innovation*



Business and Finance

**General Manager
Business and Finance**
Graeme Tolson

Senior Accountant
Paula Ryan

Accounts Officer
Jeevitha Arjunan*

Executive Assistant
Delece Hartnett*

IT Manager
Tim Watkins*



Communications & Extension

**General Manager
Communications & Extension**
Ruth Redfern

CottonInfo Program Manager
Dr Janelle Montgomery

CottonInfo Communications Lead
Megan Woodward

Monitoring & Evaluation Manager
Dr Burton Wu

CottonInfo Regional Extension Officers

Andrew McKay
Annabel Twine
Blake Palmer
Bob Ford
Greg Bramley
Kieran O'Keeffe
Rochelle Field
Thamsanqa (Tami) Buranda

*Contractors *Part-time

Introduction

Annual Operational Plan

The CRDC Annual Operational Plan outlines the RD&E investments we will make in 2025–26.

Our investments are governed by a five-year strategic plan, and 2025–26 marks the third year under CRDC's Strategic RD&E Plan 2023–28: **Clever Cotton**.

Clever Cotton sets out CRDC's vision for a sophisticated, prosperous and sustainable Australian cotton industry that is strongly connected to its value chain.

Clever Cotton is bold and unashamedly ambitious. It commits CRDC to invest in RD&E to address and capitalise on challenges and opportunities for the benefit of levy payers, the cotton industry and the wider community.

The strategic RD&E investments that CRDC will make in 2025–26 under Clever Cotton will help the industry increase its productivity and profitability, sustainably address the impacts of climate change, and improve decision making using data and digital technologies. CRDC's goal is to add an additional \$1 billion in economic value to the Australian cotton industry over the next five to ten years.

In 2025–26, Australian cotton growers and the Commonwealth Government will co-invest \$33.2 million through CRDC into Clever Cotton, in collaboration with research partners.

The investments will be made via three pillars of investment – Paddock, People, Planet – aligned with the Australian Cotton Industry's Sustainability Framework. Each of these pillars contains three themes, creating nine key investment areas:

Paddock: our future fields

- + Data-driven decisions
- + Adaptive systems
- + Connected market intelligence

People: central to our success

- + Design and innovation
- + Leadership and capacity
- + Adoption and impact

Planet: our shared future

- + Natural capital
- + Carbon
- + Circular economy



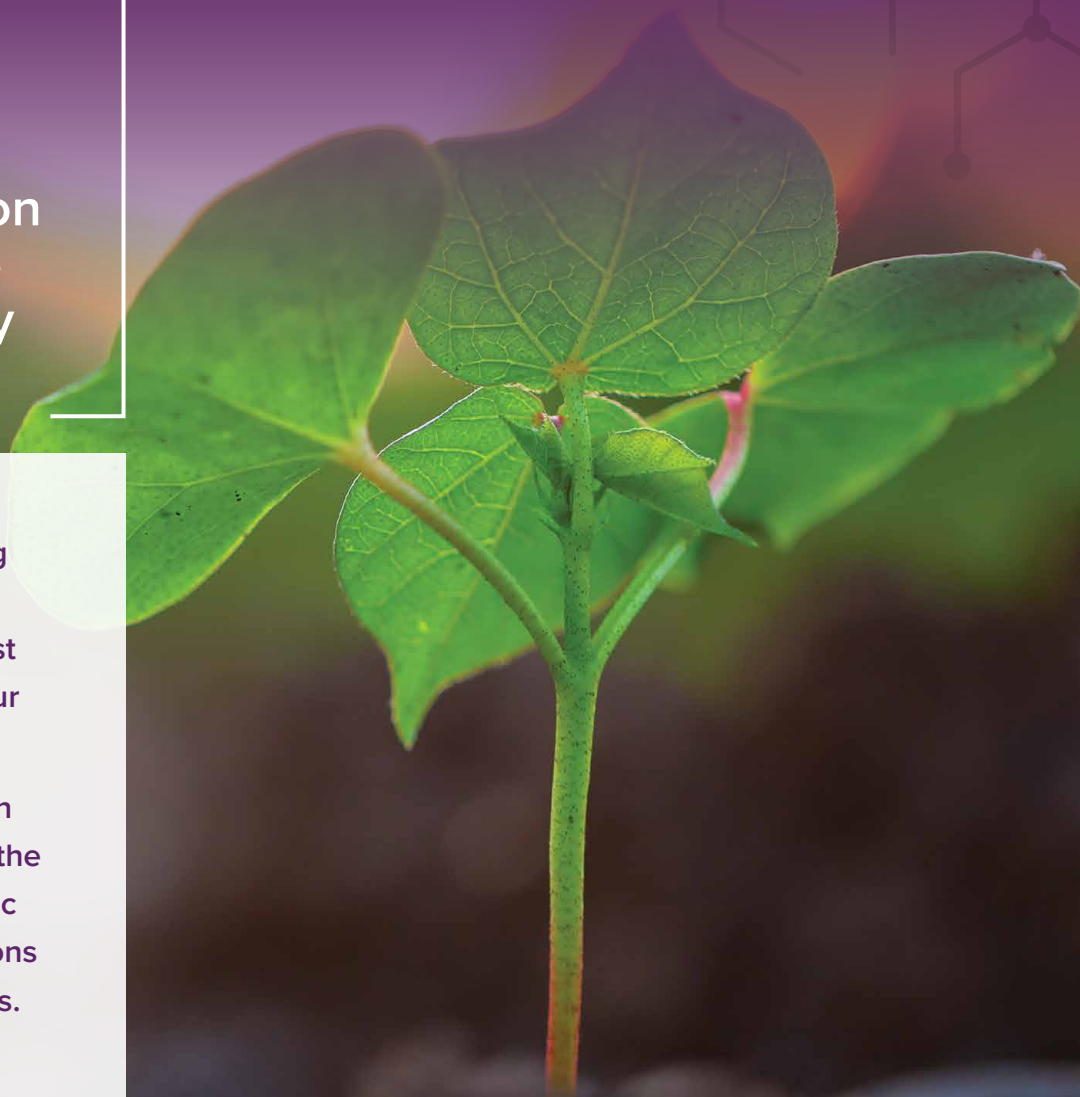


Clever Cotton

Our plan to deliver \$1 billion
in additional value to the
Australian cotton industry

Clever Cotton commits CRDC to investing across nine themes to achieve our vision and to deliver the greatest impact and best outcomes for growers (our levy payers), our industry and the wider community.

The three pillars and nine themes are both distinct and interconnected. Each supports the other while directly targeting bold strategic priorities and outcomes to meet the ambitions of the cotton industry and our communities.



Snapshot of the 2023–28 CRDC Strategic RD&E Plan

Paddock

Our future fields



Data-driven decisions

Objective

Improve productivity, profitability, and sustainability by accurately monitoring and measuring every field on every cotton farm.

Impact

In 2028, a transparent and trusted data platform will deliver increased profitability and productivity through better decision-making, facilitating innovative research, and building trusted engagement.



Adaptive systems

Objective

Grow the profitability and resilience of Australian cotton-farming systems through innovative solutions, technologies and practices.

Impact

In 2028, Australian cotton-farming systems are resilient, biosecure, and able to thrive in an increasingly variable climate with enhanced resource efficiency.



Connected market intelligence

Objective

Enhance the sustainability, market access and diversity, and value of Australian cotton.

Impact

In 2028, Australian cotton growers are preferred suppliers of sustainable cotton.

People

Central to our success



Design and innovation

Objective

Embed collaboration in RD&E prioritisation, design, development, and adoption.

Impact

In 2028, growers can see RD&E addressing their problems and creating practical solutions to be adapted and adopted into their production systems.



Leadership and capacity

Objective

Develop people and skills to support industry RD&E.

Impact

In 2028, the development of world-class research capability supports industry goals.



Adoption and impact

Objective

Adopt knowledge and technology through dedicated development and delivery pathways.

Impact

In 2028, adoption has increased its rate, reach and effectiveness.

Planet

Our shared future



Natural capital

Objective

Implement resilient natural capital practices that support productivity, help maintain biodiverse ecosystems, strengthen capacity for adaptation to climate change, and progressively improve regional water, land and soil quality.

Impact

In 2028, cotton farms have maintained and enhanced natural capital and are more resilient to shocks.



Carbon

Objective

Establish a sustainable low-carbon cotton production system for a changing future.

Impact

In 2028, the cotton industry meets market, community and government expectations for carbon.



Circular economy

Objective

Develop the circular economy for Australian cotton.


Impact

In 2028, the cotton industry can participate in the circular economy, providing lasting end-of-life solutions for cotton textiles.



Our RD&E investment priorities & measures of success



	Objective	Measure/s	2025-26 target	2028 target
PILLAR 1: Paddock	The Paddock pillar focuses on the on-farm cotton system, uniting data and insights to support thriving cotton farms producing a premium product being demanded by the market.	CRDC will measure its success in this pillar by the economic value the three themes add to the industry.	An economic assessment of key drivers of profitability for Australian cotton is undertaken to demonstrate a production increase of \$0.2 billion.	CRDC's 2028 target for added value is \$1 billion.
 Data-driven decisions	Improve productivity, profitability, and sustainability by accurately monitoring and measuring every field on every cotton farm.	<ul style="list-style-type: none"> + Yield per hectare. + The value of data analysis and insights created from the management and production data captured in the industry data platform. 	<ul style="list-style-type: none"> + Yield improvement is maintained at three per cent year on year. + Develop and deploy the cotton industry data platform. 	In 2028, a transparent and trusted data platform will deliver increased profitability and productivity through better decision-making, facilitating innovative research, and building trusted engagement.



Adaptive systems

Grow the profitability and resilience of Australian cotton-farming systems through innovative solutions, technologies, and practices.

+ The value of the systems solutions created to address the challenges of disease, sustainable industry expansion, adaptation to climate change, biosecurity threats and reduced availability of inputs.

+ Research is commenced to identify innovative solutions to address crop protection and biosecurity challenges.
+ Research is commenced to improve resilience and profitability of dryland and limited water systems.

In 2028, Australian cotton-farming systems are resilient, biosecure, and able to thrive in an increasingly variable climate with enhanced resource efficiency.



Connected market intelligence

Enhance the sustainability, market access and diversity, and value of Australian cotton.


+ Percentage of Australian cotton sold as more sustainable (as defined by the market).

+ A process for regular review of value chain needs is established and implemented.
+ Participation in three partnerships and/or initiatives focused on sustainability through the value chain.




In 2028, Australian cotton growers are globally preferred suppliers of sustainable cotton.





	Objective	Measure/s	2025-26 target	2028 target
PILLAR 2: People	The 'People' pillar aims to ensure that in developing our world-class research capability, we are providing practical RD&E solutions and increasing the reach and impact of adoption.	CRDC will measure its success in this pillar by the level of satisfaction in CRDC by growers and research partners.	Surveys demonstrate growers and research partners are satisfied with CRDC's performance.	In 2028, growers and research partners are satisfied with CRDC. CRDC is nationally recognised for developing world-leading RD&E talent.
 Design and innovation	Embed collaboration in RD&E prioritisation, design, development, and adoption.	<ul style="list-style-type: none"> + Growers acknowledge the utility of solutions and technologies developed through CRDC investment. + Progression of innovations through Technology Readiness Levels (TRLs) tracked. 	<ul style="list-style-type: none"> + Innovations are delivered through clear pathways to impact. + At least 10 per cent of growers are contributing data to industry research and development. 	In 2028, growers can see RD&E addressing their problems and creating practical solutions to be adapted and adopted into their production systems.
 Leadership and capacity	Develop people and skills to support industry RD&E.	<ul style="list-style-type: none"> + Research capacity is assessed and integrated into CRDC's new research programs. + Industry capacity to lead change and contribute to the future of cotton and Australia's rural industries. 	<ul style="list-style-type: none"> + Capacity audit and leadership program reviews are complete with recommendations for industry action, and a framework developed to inform capacity planning. 	In 2028, the development of world-class research capability supports industry goals.
 Adoption and impact	Adopt knowledge and technology through dedicated development and delivery pathways.	<ul style="list-style-type: none"> + Percentage of growers actively contributing to RD&E adaptation through regional trials and data collection. + Percentage of growers actively engaged with RD&E programs. + Percentage of growers recognising that CRDC and CottonInfo have contributed to improving their productivity and sustainability. 	<ul style="list-style-type: none"> + Ten per cent of growers are involved in increasing utility and adaptation of research outcomes through trials and data collection. 	In 2028, adoption has increased its rate, reach and effectiveness.



	Objective	Measure/s	2025-26 target	2028 target
PILLAR 3: Planet	The 'Planet' pillar aims to ensure that the cotton industry contributes positively to the environment, meeting community, government and market expectations.	CRDC will measure its success in this pillar by the level of trust the industry has from the community, the market and government about how it manages and reports on its environmental and social impacts.	Surveys demonstrate trust from community, the market and government about cotton's management and reporting of environmental and social impacts.	The community, market and government demonstrate trust in cotton's management and reporting of environmental and social impacts.
	Natural capital	Implement resilient natural capital practices that support productivity, help maintain biodiverse ecosystems, strengthen capacity for adaptation to climate change, and progressively improve regional water, land and soil quality.	<ul style="list-style-type: none"> + Condition and value of natural capital on cotton farms as measured by sustainability framework metrics. + Higher community and stakeholder trust in the cotton industry as a responsible steward of natural capital. 	<ul style="list-style-type: none"> + Tools and technology are implemented to enable farms to quantify natural capital changes. <p>In 2028, cotton farms have maintained and enhanced natural capital and are more resilient to shocks.</p>
	Carbon	Establish a sustainable low-carbon cotton production system for a changing future.	<ul style="list-style-type: none"> + Development of a clear pathway to carbon neutrality available to support industry targets. + Improvement in nitrogen (N)-use efficiency, with N inputs matching plant demand across the rotation cycle. + Development of regionally specific guidelines for on-farm carbon sequestration in soils or native vegetation. 	<ul style="list-style-type: none"> + Low emissions intensity farming systems are defined and demonstrated through collaboration across broadacre industries. + Two demonstration sites of a low carbon production system are established and an extension plan developed to support the industry initiatives. <p>In 2028, the cotton industry meets market, community and government expectations for carbon.</p>
	Circular economy	Develop the circular economy for Australian cotton.	<ul style="list-style-type: none"> + The 'added value' developed through interventions to create a circular economy for cotton. + Two new technologies or products developed from the textile waste stream. 	<p>In 2028, the cotton industry can participate in the circular economy, providing lasting end-of-life solutions for cotton textiles.</p>



Setting the priorities

CRDC works with the Australian cotton industry to determine the sector's key RD&E priorities, and with Government to determine its overarching agricultural RD&E priorities. In turn, these priorities help to shape CRDC's strategic RD&E priorities, which are formalised under the 2023–28 Strategic RD&E Plan, Clever Cotton.

Industry accountability

CRDC is accountable to the cotton industry through its representative organisation, Cotton Australia. As the industry representative organisation, Cotton Australia is responsible for providing advice on industry research priorities.

CRDC engages with Cotton Australia in a formal process of consultation around strategic priorities and RD&E investments. Through this consultation, industry research priorities are regularly reviewed, emerging issues are actively considered, and research outcomes are adopted in the form of best practices.

Government accountability

CRDC is accountable to the Australian Government through the Minister for Agriculture, Fisheries and Forestry. Government communicates its expectations of CRDC through Ministerial direction, enunciation of policy, administration of the *Primary Industries Research and Development (PIRD) Act 1989*, and priorities (National Science and Research Priorities, National Agricultural Innovation Priorities, and the Department of Agriculture, Fisheries and Forestry's priorities).

CRDC responds to government expectations through regular communication, compliance with the Funding Agreement, policy and legislated requirements, and the development of Strategic RD&E Plans, Annual Operational Plans, Annual Reports and Performance Reports.

The Australian Government describes National Science and Research Priorities and National Agricultural Innovation Priorities.

The National Science and Research Priorities are:

- + Transitioning to a net zero future
- + Supporting healthy and thriving communities
- + Elevating Aboriginal and Torres Strait Islander knowledge systems
- + Protecting and restoring Australia's environment
- + Building a secure and resilient nation.

The National Agricultural Innovation Priorities are:

- + Australia is a trusted exporter of premium food and agricultural products.
- + Australia will champion climate resilience to increase the productivity, profitability and sustainability of the agricultural sector.
- + Australia is a world leader in preventing and rapidly responding to significant pests and diseases through futureproofing our disease system.
- + Australia is a mature adopter, developer and exporter of digital agriculture.

The Department of Agriculture, Fisheries and Forestry's priorities for RD&E are biosecurity, climate change and sustainability, trade and market access, First Nations engagement, workforce and digital innovation.



Our structure: CRDC governance

CRDC Board

CRDC's Board is responsible for the stewardship of CRDC and oversees corporate governance. The Board's functions include setting strategic direction and monitoring the ongoing performance of the business. The Board's decisions are implemented by CRDC's Executive Leadership Team, which comprises the Executive Director and the General Managers of CRDC's three business groups: Innovation; Business and Finance; and Communications and Extension.

Members of the CRDC Board are selected and appointed in accordance with the PIRD Act. The Chair is appointed by the Minister for Agriculture, Fisheries and Forestry, and the Executive Director is appointed by the Board. All other Board members are nominated by a Ministerially appointed Selection Committee in consultation with Cotton Australia. Appointment of Directors is subject to Ministerial approval, and Directors (other than the Executive Director) are appointed for three-year terms.

The Board is committed to high standards of corporate governance to ensure CRDC meets its obligations to government and industry stakeholders, and appropriately manages resources to achieve its outcome and Strategic Plan goals. The Board has established a governance framework and systems that enhance performance and ensures that CRDC is operating according to accountability provisions of the PIRD Act and the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

The Board operates three committees: Audit and Risk; Investment; and People. The committees are formed by Directors, with the addition of a skills-based appointee on the Audit and Risk Committee.

The Audit and Risk Committee provides independent assurance to the Board by reviewing the appropriateness and effectiveness of CRDC's financial reporting, performance reporting, systems of risk oversight and management, system of internal control and compliance framework, including internal and external audits.

The Investment Committee helps the Board to fulfill its responsibilities and strategic objectives for investment in RD&E, intellectual property (IP) management and commercialisation of project outputs.

The People Committee helps the Board to fulfill its corporate governance responsibilities for human resource management.

Remuneration of Directors

The Chairperson and Non-Executive Directors are remunerated under the PIRD Act in accordance with such remuneration as is determined by the Remuneration Tribunal established under the *Remuneration Tribunal Act 1973*. Under the PIRD Act, the Executive Director's remuneration is determined by the Board through the recommendation of the People Committee.

The total budgeted remuneration for the Chair, Executive Director and six Non-executive Directors in 2025–26, including superannuation, is \$694,420.

Payment to representative bodies

Cotton Australia is CRDC's representative organisation under the PIRD Act. CRDC contributes to Cotton Australia to support industry consultation activities, capacity building of advisory panel members, and RD&E projects. CRDC does not pay a fee for service to Cotton Australia for these activities, instead contributing to the expenses incurred in carrying them out, as authorised by section 15 of the PIRD Act.

In 2025–26, CRDC has budgeted to pay Cotton Australia \$30,000 towards the cost of hosting and building capacity with cotton growers attending the CRDC priority-setting forums.

CRDC revenue sources

Cotton growers pay a R&D levy based on production. The main source of levies is from cotton ginned in Australia at a rate of \$2.25 for each 227 kilogram bale of cotton (including \$0.04 per bale for cotton industry membership of Plant Health Australia). If seed cotton is exported (i.e. not ginned in Australia), it is levied at a rate of \$4.06 per tonne (including \$0.07 per tonne for membership of Plant Health Australia).

Australian ginning and export of seed cotton occurs from March to October of each calendar year. Therefore, cotton levy revenue in any financial year is drawn from two consecutive cotton crops.

The Australian Government matches CRDC's levy expenditure on eligible R&D, up to the lesser of 50 per cent of CRDC's R&D spending, or 0.5 per cent of the cotton industry's three-year average gross value of production. The setting and collection of levies in the cotton industry is enabled by the *Primary Industries (Excise) Levies Act 2024* and the *Primary Industries (Services) Levies Act 2024*.

Royalties from intellectual property licences, interest on investments, external grant revenue and research project refunds make up the balance of CRDC's income.

Ensuring efficiency

Ensuring continuous improvement in organisational efficiency and productivity is a key focus for CRDC. CRDC is charged with investing in RD&E on behalf of cotton growers and the Government, so ensuring these funds are used to best effect is critically important. CRDC has invested in improved systems and infrastructure to ensure continuous improvement in the organisation's productivity.

Additionally, in order to achieve both industry and national RD&E efficiency, CRDC works in collaboration with other cotton industry organisations, the Cotton Innovation Network and other rural RDCs to achieve greater strategic outcomes for the cotton and other rural industries. CRDC's collaborative approach underpins our investment strategy: we partner in approximately 80 per cent of RD&E projects conducted in the cotton sector. In 2025–26, 55 per cent of all CRDC investments will be made in cross-sectoral RD&E.



The year ahead: 2025–26 industry and financial outlook

Industry

As at June 2025, the 2024–25 cotton season is drawing to a close. Approximately 480,000 hectares were planted to irrigated and dryland cotton this season, a decrease on the 509,000 hectares the season before due to less favourable seasonal conditions. Cotton harvest is still underway, so the full results of the season are not yet known. However, it is estimated that total production will exceed five million bales.

Looking forward to the 2025–26 cotton season, the current industry estimated crop size is four million bales.

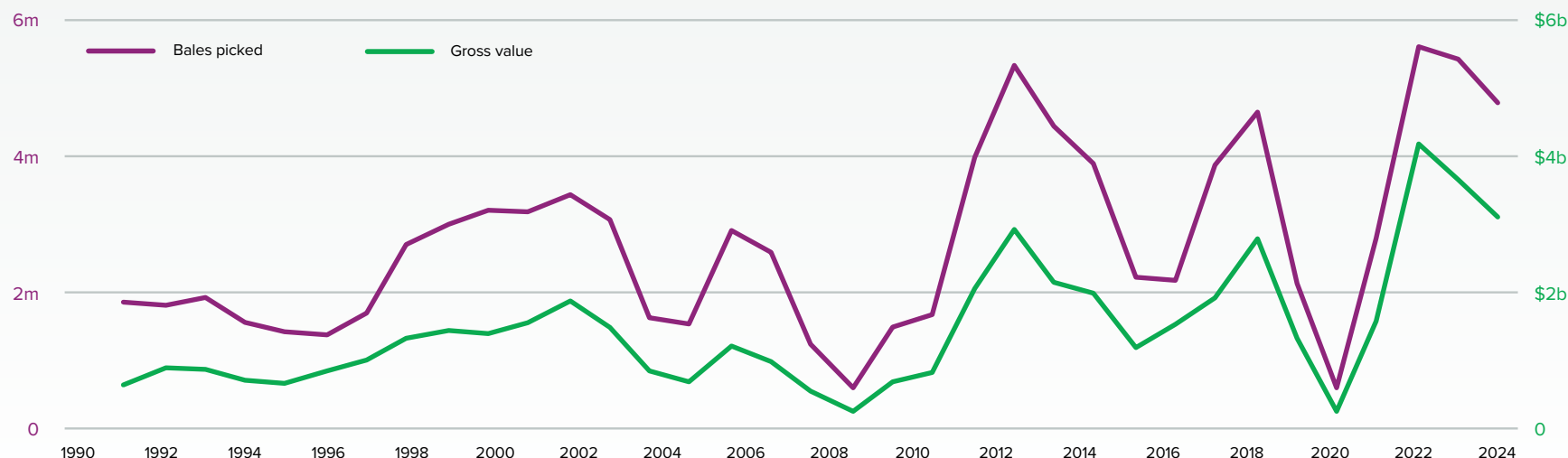
Financial

In 2025–26, CRDC has budgeted for a deficit of \$1.82 million, based on revenues of \$31.38 million and expenditure of \$33.20 million, which includes RD&E expenditure of \$27.54 million. CRDC will draw on the \$37.93 million estimated reserves at 30 June 2025 to manage the proposed deficit. Sufficient surplus funds were accumulated previously and strategically held for the purpose of ensuring RD&E investment can continue irrespective of production.

Wherever possible, CRDC aims to use its reserves to maintain research investment at a consistent level despite years where crop levels are below average due to climatic conditions.

The use of CRDC's reserves complies with the organisation's Financial Reserves Policy which ensures the organisation maintains sufficient financial reserves to ensure the efficient and effective performance of its business, the achievement of its strategic RD&E outcomes, and capacity to meet its fiduciary responsibilities.

Australian cotton production and value





Our 2025–26 investment portfolio

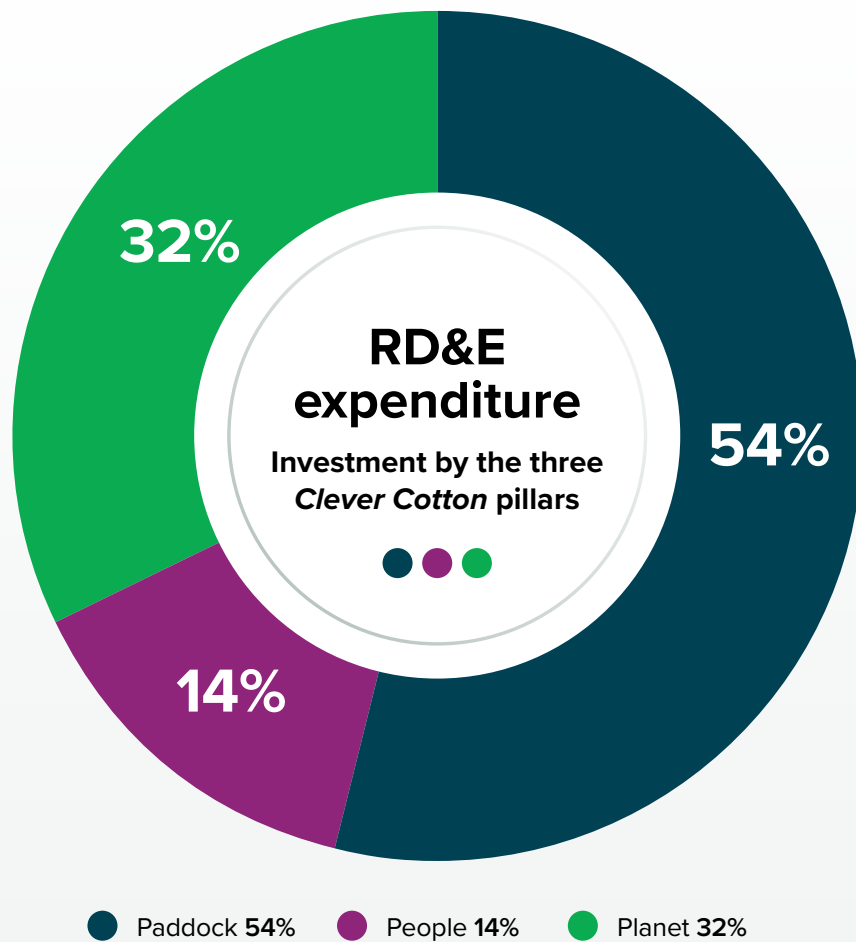
For 2025–26, CRDC's RD&E investment is \$27.541 million, which includes active and planned investments of \$21.613 million, and corporate research and development, anticipated future grants and contingency budgets. Of this expenditure, \$6.798 million is to be invested in new research commencing in 2025–26 as part of the total RD&E portfolio.

Over the life of Clever Cotton, CRDC plans to invest a total of \$125 million. CRDC's objective is to achieve a balanced RD&E portfolio that considers distribution of investment across:

- + The RD&E strategies.
- + The type of research including knowledge creation, knowledge transfer/application, innovation, benchmarking, and capacity and education.
- + In-project risks.
- + Researcher experience, capability and capacity.
- + Research providers.
- + Timeframe to outcomes.
- + The likely return on investment for projects and programs.
- + Expenditure on RD&E management.

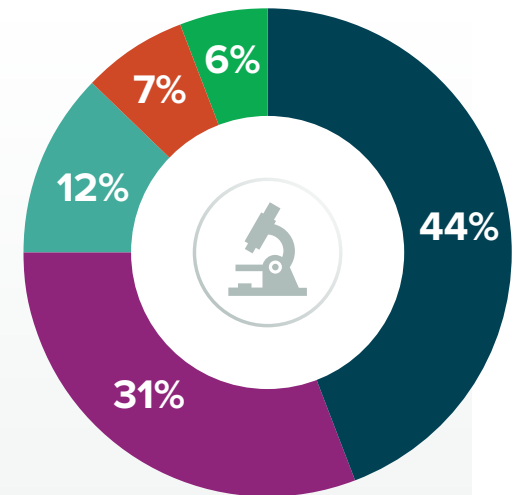
CRDC 2025–26 portfolio overview

Each year CRDC reviews the portfolio balance together with the measures of success for each program to inform decisions on any adjustments to research priorities and the allocation of resources.



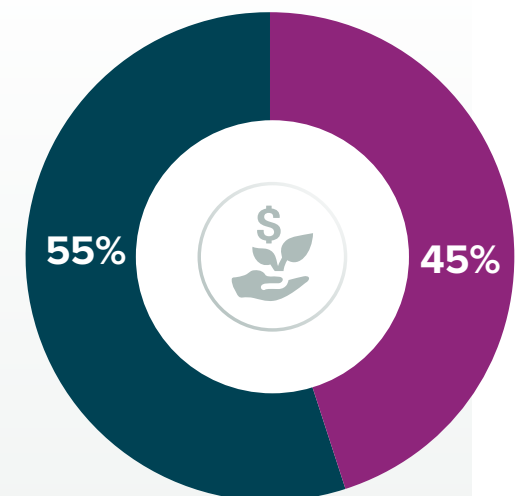
Investment by research type

- Innovation 44%
- Knowledge creation 31%
- Knowledge transfer/application 12%
- Benchmarking 7%
- Capacity & education 6%



Investment by sector – cotton specific and cross sectoral RD&E:

- Cross sectoral 55%
- Cotton specific 45%





Our investment process

The process of deciding where to invest CRDC's annual RD&E funding is a collaborative one, involving all major stakeholders.

CRDC works closely with the industry's representative organisation, Cotton Australia, and the Australian Government on an annual basis to identify and evaluate the cotton industry's requirements for RD&E. Cotton Australia panels and committees provide advice to CRDC on research projects and where research dollars should be invested, guided by the priorities established in the 2023–28 Strategic RD&E Plan, Clever Cotton.

In line with Clever Cotton, CRDC continues to hold an annual research priority forum. Organised in collaboration with Cotton Australia, it brings together growers from all cotton-growing regions and cotton supply chain representatives to identify the gaps in the existing research portfolio and opportunities for new research. Advisory committees and discipline forums with research partners also identify emerging research issues.

From here, CRDC determines the investment priorities. As part of ensuring proposed investments meet grower priorities, CRDC again undertakes a process of consultation with growers prior to making the final investment decision. The final decision-making authority rests with the CRDC Board.

Successful proposals become contracted projects with CRDC and are delivered by our research partners. Critically, CRDC's success in delivering RD&E outcomes to growers and the industry is contingent upon strong relationships with our research partners, who deliver projects on our behalf.

Clever Cotton utilises a new program and investment plan framework for RD&E investments. This enables CRDC to focus on delivering large-scale desired outcomes that provide better solutions for complex problems and have a greater impact for the industry. Greater emphasis and support is also provided to ensure that researchers collaborate and share their results with each other and the broader industry.

2025–26 R&D priorities

The 2025–26 priorities forum, held in June 2024, identified a range of broad areas of focus for future RD&E investment. These were incorporated into the development of the investment plans for Clever Cotton and its strategic RD&E priorities.

These key areas included:



- + The management of disease and the impact of disease on productivity and profitability.
- + The better use and integration of data collected on-farm to support decision-making and on-farm management.
- + The management of pests and a reduction in the reliance of the industry on pesticides to control and manage key pests.
- + The management of water, including automation, optimisation, improved scheduling technologies, and strategies to reduce evaporation from storages.
- + The calculation of carbon emissions from cotton production and how to transition to a low carbon farming system, including the standardisation of carbon accounting and measurement.
- + The measurement and management of biodiversity, including habitat provision in riparian areas and weed management in remnant vegetation.
- + Capacity, and the challenges associated with attracting and retaining staff.
- + Timely and targeted linkages between researchers and research findings and grower communities to ensure growers have access to the latest innovations and research.

Through Clever Cotton and the 2025–26 investment plans, CRDC is investing in projects to address these key needs.




Our 2024–25 investments

PILLAR 1 **Paddock:** Our future fields

Objective	R&D Investments 2025-26	Collaborative Partners
 Data-driven decisions		
<p>Improve productivity, profitability, and sustainability by accurately monitoring and measuring every field on every cotton farm.</p>	<ul style="list-style-type: none"> • Building an industry data platform • Collecting data to address key strategic data gaps, including workforce, human rights, biodiversity and sustainability data 	<ul style="list-style-type: none"> • Rural Safety Health Alliance • AgriFutures • Cotton supply chain stakeholders
 Adaptive systems		
<p>Grow the profitability and resilience of Australian cotton-farming systems through innovative solutions, technologies, and practices.</p>	<p>Solving farming system constraints (water, agronomy, climate change):</p> <ul style="list-style-type: none"> • Optimising irrigation performance through technology and system innovation • Support for making decisions with limited water • Supporting northern and southern specific cotton production systems • Understanding the key drivers of profitability • Advancing field sensing for improved cotton management • Developing region-specific cover cropping guidelines • Climate-proofing Australia's cotton industry through improving crop water use and photosynthetic carbon assimilation • Developing innovative solutions for dryland/limited water cotton to enhance resilience & reliability of cotton growing <p>Disease:</p> <ul style="list-style-type: none"> • Researching disease management in cotton farming systems • The Australian Cotton Disease Collaboration, focused on solving disease challenges (especially Fusarium Wilt, Verticillium, Black Root Rot, Alternaria and other common diseases) 	<ul style="list-style-type: none"> • Deakin • NSW DPIRD • CSD • UniSQ • CSIRO • USYD • WSU • UniSQ • QLD DPI • CSD • NSW DPIRD

PILLAR 1 Paddock




 Objective Adaptive systems <i>(continued)</i>	R&D Investments 2025-26	Collaborative Partners
	<p>Biosecurity:</p> <ul style="list-style-type: none"> • Demonstrating integrated weed tactics across farming systems (regionally) • Supporting the ARC Research Hub for Sustainable Crop Protection • Developing proactive approaches to integrated pest management (IPM) in cotton production systems • Improving insecticide resistance monitoring for key pests, to support sustainable insect management • Supporting the Plant Biosecurity Research Initiative (PBRI) • Supporting the Weather and Networked Data (WAND) spray drift hazard alert and warning system <p>Northern Australia:</p> <ul style="list-style-type: none"> • Supporting a sustainable cotton, grain and cattle system for Northern Australia • Investigating innovation in crop destruction and end of season plant management • Improving surveillance systems and understanding for endemic and exotic threats to northern production systems 	<ul style="list-style-type: none"> • NSW DPIRD • HIA • UQ • CSIRO • QLD DPI • GRDC • Goanna Ag (Discovery Ag) • CRCNA • GRDC • CSD • NT BAR • WA DPIRD • QLD DPI
 Connected market intelligence Enhance the sustainability, market access and diversity, and value of Australian cotton.	<ul style="list-style-type: none"> • Assessing the methodology and implementation of a product environmental footprint (PEF) from an agricultural perspective • Assessing the performance of Australian cotton in light of current trends • Supporting the development of the Australian Cotton Strategic Roadmap • Supporting the cross-sectoral community trust in rural industries project • Supporting various memberships and partnerships including Sustainable Apparel Coalition, Better Cotton Initiative and the Sustainable Agriculture Initiative • Reviewing industry best management practice and its effectiveness in delivering sustainability outcomes 	<ul style="list-style-type: none"> • CSIRO • Cotton Australia • ACSA • AgriFutures • SAC • SAI • BCI



PILLAR 2 People

Objective	R&D Investments 2025-26	Collaborative Partners
 Design and innovation		
Drive prioritisation, design, development, and adoption through collaboration.	<ul style="list-style-type: none"> • Linking on-field experimentation to research and development prioritisation • Supporting process innovation and advisory committees 	<ul style="list-style-type: none"> • Cotton Grower Associations • NSW DPIRD • CSD
 Leadership and capacity		
Develop people and skills to support industry RD&E.	<ul style="list-style-type: none"> • Supporting PhDs, scholarship programs and science forums • Supporting participation in leadership and development programs such as the Australian Rural Leadership Program, Nuffield Farming Scholarships, and AgriFutures Australia Horizons Scholarships • Research into attracting and retaining diverse staff on cotton farms 	<ul style="list-style-type: none"> • CSIRO • Universities • AgriFutures • ARLF • Nuffield • CQU • GRDC
 Adoption and impact		
Adopt knowledge and technology through dedicated development and delivery pathways.	<ul style="list-style-type: none"> • Supporting CottonInfo Technical Leads for natural resource management, climate and energy, fibre quality, soil health, IPM, biosecurity, and nutrition • Supporting on-farm demonstration trials • Conducting impact assessments of RD&E projects • Supporting commercialisation activities across our research portfolio 	<ul style="list-style-type: none"> • CSD • Cotton Australia • CottonInfo

PILLAR 3 Planet

Objective	R&D Investments 2025-26	Collaborative Partners
 Natural capital		
Implement resilient natural capital practices that support productivity, help maintain biodiverse ecosystems, strengthen capacity for adaptation to climate change, and progressively improve land and soil quality.	<p>Biodiversity and soils:</p> <ul style="list-style-type: none"> • Researching riparian zone revegetation • Establishing biodiversity assessment metrics • Investigating industry-level natural and social capital accounts • Developing methodologies to monitor and manage biodiversity across cotton regions <p>Water:</p> <ul style="list-style-type: none"> • Understanding the environmental co-benefits of irrigation water in the northern Murray-Darling Basin • Evaluating the economic and environmental return on investment of modern fish screens • Evaporation mitigation solutions for minimising water loss across the catchment through floating solar panels and novel polymer deployment <p>Pesticides and nitrogen:</p> <ul style="list-style-type: none"> • Monitoring water quality throughout the catchment and across landscapes • Establishing methodologies for monitoring and measuring the movement of chemicals through the environment 	<ul style="list-style-type: none"> • Landcare • NRM groups • UNE • Griffith University • NSW DPIRD • UniSQ • SCU • NSW DPIRD
 Carbon		
Establish a sustainable low-carbon cotton production system for a changing future.	<ul style="list-style-type: none"> • Assessing the critical nitrogen and phosphorus values of cotton cultivars for improved yield and fertiliser efficiency • Benchmarking soil carbon, soil properties and management between long term experimental sites and on-farm cotton industry sites • Benchmarking carbon and biodiversity in non-production areas on cotton farms • Developing greenhouse gas baselines and mitigation strategies for cotton production • Understanding nitrogen cycling in cotton soils • Developing and demonstrating Low Emissions Intensity Farming Systems (LEIFS) • Developing a common methodology for measuring and monitoring greenhouse gas emissions on farm 	<ul style="list-style-type: none"> • UQ • NSW DPIRD • UNE • CSIRO • NCSU • UNE • GRDC • AIA • ZNE-Ag CRC
 Circular Economy		
Develop the circular economy for Australian cotton.	<ul style="list-style-type: none"> • Investigating textile waste composting for improving cotton's carbon footprint and sustainability • Understanding the greenhouse gas emissions from textile waste in landfill, used as on-farm compost or in pelletisation • Identifying opportunities for adding value to cotton through the circular economy 	<ul style="list-style-type: none"> • Cotton Australia • UNE • UoN • UTS • UQ • RMIT

Our 2025–26 budgets

Table 3.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)

	2024–25 Estimated actual \$'000	2025–26 Budget \$'000	2026–27 Forward estimate \$'000	2027–28 Forward estimate \$'000	2028–29 Forward estimate \$'000
Expenses					
Employee benefits	3,923	4,125	4,310	4,511	4,719
Suppliers	1,293	1,370	1,574	1,427	1,454
Grants	26,532	27,541	24,489	23,790	13,738
Depreciation and amortisation	159	159	162	162	162
Total expenses	31,907	33,195	30,535	29,890	20,073
Less: Own-source income					
Own-source revenue					
Interest	1,000	500	500	500	500
Grants	250	60	60	60	-
Royalties	25	25	25	25	25
Other	250	250	250	250	250
Total own-source revenue	1,525	835	835	835	775
Total own-source income	1,525	835	835	835	775
Net cost of (contribution by) services	30,382	32,360	29,700	29,055	19,298
Revenue from Government ^(a)					
Commonwealth contribution	10,351	14,507	12,608	10,621	10,404
Industry contributions	10,352	11,094	8,674	7,735	7,901
Payment from related entities	-	-	-	-	-
Other grants	4,750	4,940	4,940	4,940	5,000
Total revenue from Government	25,453	30,541	26,222	23,296	23,305
Surplus/(deficit) attributable to the Australian Government	(4,929)	(1,819)	(3,478)	(5,759)	4,007
Total comprehensive income/(loss) attributable to the Australian Government	(4,929)	(1,819)	(3,478)	(5,759)	4,007

(a) Revenue from Government includes a Commonwealth contribution under the PIRD Act and levies collected from industry by DAFF for R&D activities.
Prepared on Australian Accounting Standards basis.

Our 2025–26 budgets

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2024–25 Estimated actual \$'000	2025–26 Budget \$'000	2026–27 Forward estimate \$'000	2027–28 Forward estimate \$'000	2028–29 Forward estimate \$'000
Assets					
Financial assets					
Cash and cash equivalents	5,109	10,306	12,932	5,244	7,275
Trade and other receivables	3,900	3,900	3,900	3,899	3,900
Investments	31,000	24,000	18,000	20,000	22,000
Total financial assets	40,009	38,206	34,832	29,143	33,175
Non-financial assets					
Land and buildings	1,200	1,200	1,200	1,200	1,200
Property, plant and equipment	481	537	505	507	554
Intangibles	9	17	25	33	41
Total non-financial assets	1,690	1,754	1,730	1,740	1,795
Total assets	41,699	39,960	36,562	30,883	34,970
Liabilities					
Payables					
Suppliers	115	115	115	115	115
Grants	3,000	3,000	3,000	3,000	3,000
Total payables	3,115	3,115	3,115	3,115	3,115
Provisions					
Employee provisions	659	739	819	899	979
Total provisions	659	739	819	899	979
Total liabilities	3,774	3,854	3,934	4,014	4,094
Net assets	37,925	36,106	32,628	26,869	30,876
Equity*					
Parent entity interest					
Reserves	385	385	385	385	385
Retained surplus/(accumulated deficit)	37,540	35,721	32,243	26,484	30,491
Total parent entity interest	37,925	36,106	32,628	26,869	30,876
Total Equity	37,925	36,106	32,628	26,869	30,876

**Equity* is the residual interest in assets after deduction of liabilities.
Prepared on an Australian Accounting Standards basis.



Our 2025–26 budgets

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2024–25 Estimated actual \$'000	2025–26 Budget \$'000	2026–27 Forward estimate \$'000	2027–28 Forward estimate \$'000	2028–29 Forward estimate \$'000
Operating Activities					
Cash received					
Revenue from Government	10,828	14,507	12,608	10,621	10,404
Industry contributions	10,625	11,094	8,674	7,735	7,901
Other Government Grants	4,750	4,940	4,940	4,940	5,000
Other Industry Grants	250	60	60	60	-
Interest	1,246	500	500	500	500
Net GST received	2,679	2,754	2,449	2,379	1,374
Other	196	275	275	276	274
Total cash received	30,574	34,130	29,506	26,511	25,453
Cash used					
Employees	3,843	4,045	4,230	4,431	4,639
Suppliers	1,336	1,370	1,574	1,427	1,454
Grants	30,479	30,295	26,938	26,169	15,112
Total cash used	35,658	35,710	32,742	32,027	21,205
Net cash from (used by) operating activities	(5,084)	(1,580)	(3,236)	(5,516)	4,248
Investing Activities					
Cash received					
Proceeds from sale of property, plant and equipment	-	107	72	37	113
Investments	27,000	28,000	26,000	17,000	17,000
Total cash received	27,000	28,107	26,072	17,037	17,113
Cash used					
Purchase of property, plant and equipment and intangibles	494	330	210	209	330
Investments	21,000	21,000	20,000	19,000	19,000
Total cash used	21,494	21,330	20,210	19,209	19,330
Net cash from (used by) investing activities	5,506	6,777	5,862	(2,172)	(2,217)
Net increase (decrease) in cash held	422	5,197	2,626	(7,688)	2,031
Cash and cash equivalents at the beginning of the reporting period	4,687	5,109	10,306	12,932	5,244
Cash and cash equivalents at the end of the reporting period	5,109	10,306	12,932	5,244	7,275

Prepared on Australian Accounting Standards basis.



Attachment A: CRDC expenditure across the Government priorities

Note: These tables exclude budgeted employee and supplier expenditure, and corporate research activities which support RD&E planning and adoption.

Table A: Research and development expenditure estimates 2025–26 across the National Science and Research Priorities.

	Transitioning to a net zero future	Supporting healthy and thriving communities	Elevating Aboriginal and Torres Strait Islander knowledge systems	Protecting and restoring Australia's environment	Building a secure and resilient nation	Total (\$'000)
Expenditure	\$4,041	\$3,551	\$1,492	\$9,998	\$2,531	\$21,613
Percentage of total	18.7%	16.4%	6.9%	46.3%	11.7%	100%

Table B: Research and development expenditure estimates 2025–26 across the National Agricultural Innovation Priorities.

	Trusted exporter of premium food and agricultural products (\$'000)	Australia will champion climate resilience to increase the productivity, profitability and sustainability of the agricultural sector (\$'000)	Australia is a world leader in preventing and rapidly responding to significant pests and diseases through future-proofing our biosecurity system (\$'000)	Australia is a mature adopter, developer and exporter of digital agriculture (\$'000)	Total (\$'000)
Expenditure	\$1,531	\$15,159	\$2,094	\$2,829	\$21,613
Percentage of total	7.1%	70.1%	9.7%	13.1%	100%



Attachment B: Research partner acronyms

ACSA	Australian Cotton Shippers Association	QLD DPI	Queensland Department of Primary Industries
AgriFutures	AgriFutures Australia	RMIT	Royal Melbourne Institute of Technology
AIA	Agricultural Innovation Australia	SAC	Sustainable Apparel Coalition
ARLF	Australian Rural Leadership Foundation	SAI	Sustainable Agriculture Initiative
BCI	Better Cotton Initiative	SCU	Southern Cross University
CQU	Central Queensland University	UNE	University of New England
CRCNA	Cooperative Research Centre for Northern Australia	UniSQ	University of Southern Queensland
CRDC	Cotton Research and Development Corporation	UoN	University of Newcastle
CSD	Cotton Seed Distributors	UQ	University of Queensland
CSIRO	Commonwealth Scientific and Industrial Research Organisation	USYD	University of Sydney
GRDC	Grains Research and Development Corporation	UTS	University of Technology Sydney
HIA	Hort Innovation	WA DPIRD	Western Australian Department of Primary Industries and Regional Development
NCSU	North Carolina State University	WSU	Western Sydney University
NSW DPIRD	New South Wales Department of Primary Industries and Regional Development	ZNE-Ag CRC	Zero Net Emissions from Agriculture Cooperative Research Centre
NT TBAR	Northern Territory Department of Trade, Business and Asian Relations		



Cotton Research and Development Corporation
2 Lloyd Street (PO Box 282)
Narrabri NSW 2390
Phone: 02 6792 4088
Email: crdc@crdc.com.au

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