A REVIEW OF SOCIAL INDICATOR TRENDS OF THE COTTON SERVICE SECTOR

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SUMMARY

- 66% of business owner consultants are aged between 35-49
- 81% have a bachelor level degree or higher postgraduate qualification
- The majority of their employees (65%) also have a Bachelor degree
- permanent staff employed per business increased from 1.6 in 2008 to 2.1 by 2011
- casual staff employed has increased from 1.1 in 2009 to 2.8 employees per business in 2011
- In 2011, the average number of hectares of cotton serviced per employee was 1969 ha (dryland & irrigated)
- In terms of recruitment, 32% of respondents said it was more difficult than past experience to find suitable applicants to fill positions in 2011, while 42% said it was similar to past experiences
- Of the staff recruited into the businesses in 2011 one third were "return employees"
- Consultants viewed their largest OH&S risks as driving accidents, chemical exposure, & sun/heat exposure
- zero workers compensation claims had been made in the last 12 months and only two in the past five years
- 72% of consultancy income of these businesses is derived from cotton crops.
- 58% of consultancy time services is for cotton pest monitoring and recommendations
- Major external factors that influence business planning include chemical supply and commodity price fluctuations.

INTRODUCTION

As part of the cotton industry sustainability understanding it is necessary to understand social indicators of the industry's human resources. An analysis was undertaken of the raw data from the Crop Consultant's Australia survey of its membership after the 2010-11 cotton season.

Thirty two crop consultants provided responses. The area of cotton these consultants provided agronomic advice covered 308,692 ha, of which 215,110 ha was irrigated cotton and 93,582 ha was dryland cotton. This represented 59% of the industry irrigated area and 62% of the dryland area. The respondent's services covered 455 cotton farm businesses.

The majority of respondents, 77% or 24 respondents, were from independent crop consultancy businesses not associated with reselling agronomic input products.

The average number of farms serviced by each consulting business was 14. The median number of farms serviced was 12.5 farms. There was a wide range in the number of farms the consulting business serviced ranging between 1 and 51 farms.

RESULTS

Age of the Business Owner

Figure 1 shows the age of the cotton consultant business owners that responded to the survey. The majority (66%) were aged between 35 and 49, with 47% aged between 35 to 44. Only 13% of the business owners were aged over 55, while 19% were aged less than 35 years. These figures are consistent (almost identical) with the WRI (2008) survey of cotton consultants. The data indicate that owners of cotton agronomy businesses would generally be considered a young person's industry.

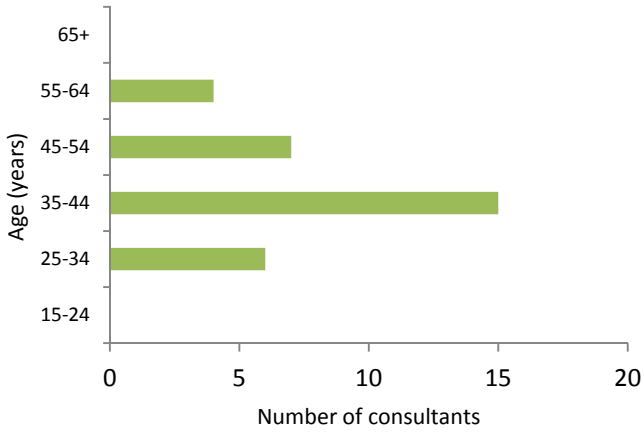

Figure 1: Age distribution of cotton consultants

Education levels - Highest post school qualification

Education levels are usually measured with the highest post school qualification. Education is a measure of human capital of the cotton industry.

Business owners

The highest post school qualification of the business owner is shown in Figure 2. The majority (65%) have a bachelor level degree, while 81% have a bachelor level degree or higher postgraduate qualification. In 2007, 64% of the Cotton Consultants Australia total membership had a bachelor degree or higher. The difference is likely due to differences in the sample size and more data is needed before drawing a conclusive comment that education levels have risen between 2007 and 2011. The key message is that the business owner members of Crop Consultants Australia have high post school qualification levels.

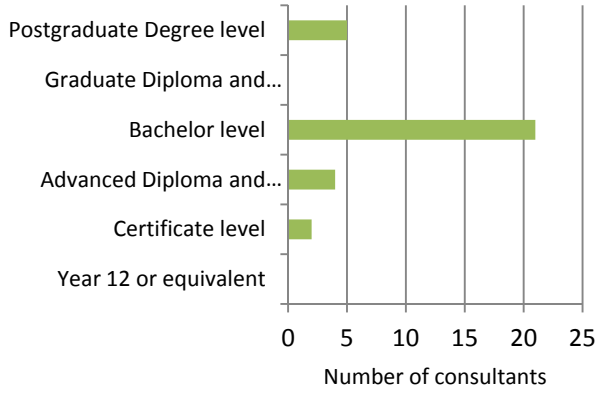

Figure 2: Qualification of cotton consultants

Permanent employees

The highest post school qualification of permanent employees is shown in Figure 3. The majority of employees (65%) also have a Bachelor degree. A small number of employees only have Year 12 or equivalent as their highest post school qualification, which would be expected as these businesses recruit young staff.

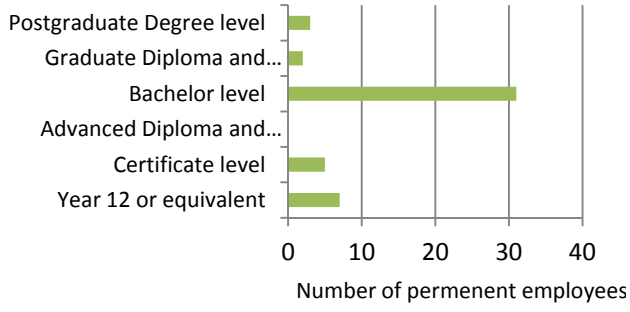

Figure 3: Qualification of cotton consultant's permanent employees

For cotton growers, the number with a bachelor degree has risen 8.4% from 13.5% to 21.9% between 1991 and 2006. The majority of cotton growers highest post school qualification is an advanced diploma (2006 – 19.8%) or certificate level (47.5%) qualification. 15% of cotton ginners had a bachelor degree or higher (Roth 2010).

Employment

Permanent staff

A social metric to compare employment over time is the number of permanent staff employed per business (Figure 4). In 2008 when cotton production area was at a record low, 1.6 permanent staff employed per business. By 2011, 2.1 permanent staff were employed per business as the cotton area increased following good commodity prices and widespread rain. (Note: These figures include the business owner.)

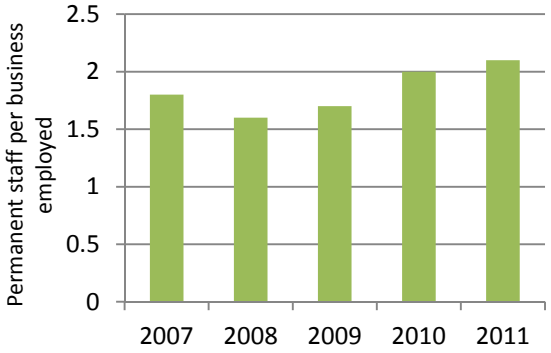

Figure 4: Permanent staff per business

Casual staff

The number of casual staff employed per business during January each year between 2007 and 2011 is shown in Figure 5). There was a significant increase (about 250%) in the number of casual employees hired in 2011 in response to the record area of cotton planted. On average, the number of casuals employed has increased from 1.1 per business in 2009 to 2.8 casual employees per consulting business in 2011.

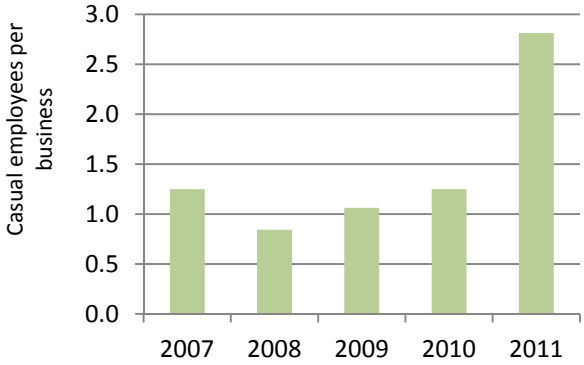

Figure 5: Casual staff per business

Hectares of cotton serviced per employee of the agronomic consulting business

In 2011, the average number of hectares of cotton serviced per employee (permanent and casual) of the agronomic consulting business was calculated as 1969 ha. (Note this area includes irrigated and dryland cotton).

Recruitment challenges

In terms of recruitment, 32% of respondents said it was more difficult than past experience to find suitable applicants to fill positions in 2011, while 42% said it was similar to past experiences.

Business Income

Figure 6 shows 72% of consultancy income of these businesses is derived from cotton crops. Other summer crops contribute 5%, winter cereals 9%, winter pulse crops 6%, pastures and natural areas <0.5%).

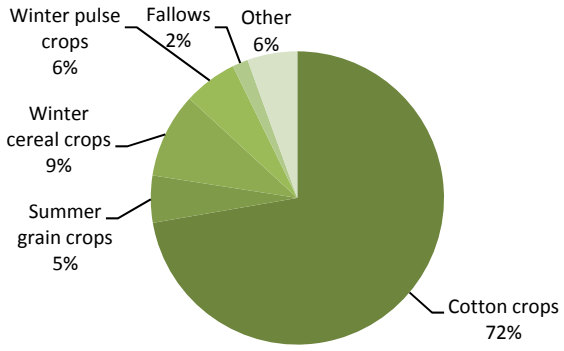

Figure 6: Business income

In terms of cotton work, Figure 7 shows the percentage of consultancy time derived from services includes cotton pest monitoring and recommendations 58%, cotton weed monitoring and recommendations 12%, cotton irrigation scheduling and recommendations 13%, cotton nutrition monitoring and fertiliser recommendations 13% and other 4% (defoliation, pix, diseases etc).

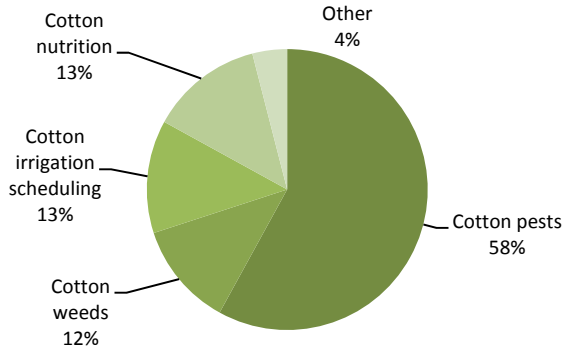

Figure 7: Consultancy business time

Most businesses (25) have not been involved with their local CMA or NRM body. The few that have been involved have been associated with water use efficiency (5) and water quality projects (2), as well as conservation farming (2).

ACKNOWLEDGMENT

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REFERENCES

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Roth G (2010) Economic, environmental & social sustainability indicators of the Australian cotton Industry. www.cottoncrc.org.au