



STRATEGIC PLAN

COTTON SEED DISTRIBUTORS

2025 - 2030

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Message from the Chair and CEO

CSD plays a critical role as the sole supplier of cotton seed in the Australian cotton industry. This responsibility drives our commitment to delivering high-quality seed, in full and on time, by maintaining a reliable supply chain. We relish this as an opportunity to contribute positive change for the Australian cotton industry and communities.

We are a leading seed and technology company, enabling Australian growers to produce the most desirable, profitable, and sustainable cotton.

Our plan's objectives are ambitious. For the growers of Australian cotton, we aim to:

- Develop varieties that maintain our growers competitiveness and profitability, exceeding leading global standards;
- Grow the area of cotton production to 850,000 hectares, through supporting development in northern Australia and increasing our dryland production areas; and
- Target key disease issues, specifically verticillium wilt, fusarium wilt, black root rot and emerging tropical diseases.

Reflecting on our previous Strategic Plan (2020-2025), we are proud of the progress we have made. Despite significant challenges in its early stages, like the 2020 floods and the COVID-19 pandemic, we worked within restrictions to continue to produce and deliver high quality seed to our growers. CSD and CSIRO extended the Cotton Breeding Australia Joint Venture to 2034, providing research and capital commitment for our industry into the future. We also embraced growers feedback on varieties, seed quality and timeliness and in response launched the Seed Quality Improvement Plan in 2024.

To develop CSD's 2025-2030 Strategic Plan, we conducted over 50 stakeholder consultations to better understand the key challenges shaping the future of

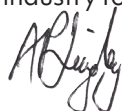
the Australian cotton industry and how CSD can play a role in addressing these challenges. We engaged with growers, agronomists, agents, industry and research partners from across all cotton-growing regions - from the Northern Territory to the Riverina - as well as globally. We also listened carefully to all the issues raised relating to CSD's operations from our Seed Increase Program, through to seed quality and customer service.

Our plan is structured around three strategic pillars.

1. Exceptional Customer Experiences, where we seek to maximise value for our customers by helping them to grow a more profitable and sustainable business.
2. Creating Future Solutions, through which we strive to address key industry challenges and maintain the competitiveness of Australian cotton.
3. People at the Centre, which harnesses the collective capabilities of our people, members and industry.

This plan covers the next five years, but the nature of our business means we need to look beyond that horizon. Accordingly, the plan establishes the foundations for the Australian cotton industry's success beyond 2030. We are also pleased to share the establishment of a collaborative industry fund, outlining CSD's strategic role in supporting the future of the Australian cotton industry through collaboration and investment in industry-good initiatives.

In closing, we look forward to working together to bring this vision to life. Together, we will continue to drive the growth, profitability, and sustainability of the Australian cotton industry for generations to come.



Tony Quigley
CSD Chair



Ian Taylor
CSD CEO



CSD 2025 – 2030 Overview

OUR AMBITION

We are a leading seed and technology company, enabling Australian growers to produce the most desirable, profitable and sustainable cotton.

PLAN OBJECTIVES

1. Reach 16 bales/ha (irrigated), 6 bales/ha (dryland), +42 (length), +34 (strength).¹
2. Drive expansion to 850,000 hectares.^{2, 3}
3. Holistic solutions to Verticillium wilt, Fusarium wilt, black root rot and emerging tropical diseases.

STRATEGIC ENABLERS



Sustainability

- Benchmark and report CSD's greenhouse gas emissions to comply with Australian requirements and to inform CSD's partners and growers.
- Collaborate with industry to help enhance cotton production sustainability.
- Implement circularity and waste reduction measures within CSD.



Modern Systems & Processes

To underpin operational excellence CSD will address core functions, including standard operating procedures, organisational structure, service delivery model, IT, data and intelligence, and risk and compliance.

OUR VALUES



Safety & Health



Integrity & Trust



Innovation & Excellence



Respect & Inclusion



Leadership & Collaboration

1. Based on international benchmarks, specifically Brazil's metrics (Source: Cotton Brazil Quality Report - Feb 2025)

2. (Source: Potential for Growth in the Australian Cotton Industry (Volume 1: Research and findings), prepared for Cotton Research and Development Corporation, 2014)

3. The total area of cotton production in Australia in 2023/24 season was 505,235 hectares (Source: CSD internal research on planting areas 2017-2025))

Our Strategic Pillars and Priorities



Exceptional Customer Experiences

Maximise value for our customers by helping them grow a more profitable and sustainable business.

Deliver seamless customer experiences to meet grower expectations

Elevate cotton as the growers' first choice

Cultivate trusting partnerships



Creating Future Solutions

Address key industry challenges and improve the competitiveness of Australian cotton.

Excel in next generation innovations

Grower confidence in seed supply and quality

Accelerate data-driven decision making



People at the Centre

Harness the collective capabilities of our people, members and industry.

Our people

Our growers

Our cotton communities

Exceptional Customer Experiences

Maximise value for our customers by helping them grow a more profitable and sustainable business.

Nurture seamless customer experiences to meet grower expectations

CSD will:

- Implement leading business systems and processes to deliver high quality planting seed in full and on time.
- Collaborate with growers, agronomists and agents to build shared expectations of doing business together.
- Simplify CSD's distribution to promote agent participation and achieve supply chain excellence.

Elevate cotton as the growers first choice

CSD will:

- Provide outstanding customer service and marketing to enhance grower productivity and profitability and build the CSD brand.
- Build the capability of the CSD extension team to provide world-class agronomic advice, constantly striving for production beyond 850,000 hectares.
- Deliver superior cotton with traits that outperform alternative summer crops and address grower agronomic concerns.

Cultivate trusting partnerships

CSD will:

- Strengthen partnerships with leading innovators to help shape the future of the cotton industry.
- Engage domestic and global cotton networks to adapt Australian cotton to emerging trends.
- Be the partner of choice to deliver innovative solutions for Australia's cotton growers



Creating Future Solutions

Address key industry challenges and improve the competitiveness of Australian cotton.

Excel in next generation innovations

CSD will:

- Partner with leading technology providers to improve resilience, yield and fibre quality of Australian cotton, such as RNAi and gene editing.
- Leverage artificial intelligence to reimagine cotton production systems, improve seed quality and increase efficiency of CSD operations.
- Evolve partnerships to deliver advanced seed protectants and biologicals for improved cotton seedling establishment, resilience and yield.

Accelerate data-driven decision making

CSD will:

- Create timely insights from CSD data to drive more effective decision making both internally and for growers on-farm.
- Automate agronomic data capture from seed-to-bale to improve analysis and decision making.
- Partner to deliver advanced tools for better grower and adviser decision making.

Confidence in seed supply

CSD will:

- Transform seed increase protocols and processing methodologies to enhance planting seed quality and vigour.
- Modernise to new automated and data-driven systems to improve efficiency in seed production and inventory management, delivering in full and on time.
- Enhance risk management across key processing elements to single source risk.





People at the Centre

Harness the collective capabilities of our people, members and industry.

Our people

CSD will:

- Foster a safe and inclusive environment for all to ensure our people return home safely everyday and have a sense of belonging.
- Build a purpose driven culture to align effort to our ambition, strategy and values to drive organisational success.
- Build today's workforce with the skillset for tomorrow to ensure we remain competitive, adaptable and innovative given the rapid pace of technological advancement.

Our growers

CSD will:

- Encourage all growers to be a member of CSD.
- Deliver improved seed quality, productivity and efficiency to deliver greater value to our members.
- Seek to better understand member business aspirations and support their development through focused extension initiatives.

Our cotton communities

CSD will:

- Help build vibrant regional communities wherever CSD operates.
- Collaborate and cooperate with key industry organisations such as Australian Cotton Shippers Association, Cotton Research Development Corporation, Crop Consultants Australia and Cotton Australia to drive innovation and expansion of the Australian industry.
- Commit to addressing major industry challenges with key industry partners to create a lasting impact.

Strategic Enablers



Sustainability

Sustainability is a key enabler of CSD's 2025-2030 Strategic Plan. CSD's purpose is to support sustainably grown cotton in Australia by developing innovative solutions and by embedding sustainability across CSD.

Initiatives include:

- Reduce emissions from CSD operations and help the broader cotton industry reduce emissions.
- Increase CSD's circularity and waste reduction across operations.
- Develop and support programs to help address cotton production sustainability issues.



Modern systems and processes

Upgrading CSD's operational infrastructure and processes is embedded across the 2025-2030 Strategic Plan. This will be supported through the design and implementation of a new target operating model, which includes:

Initiatives include:

- Review key workflows.
- Refine organisational structure.
- Optimise the service delivery model.
- Upgrade technology infrastructure.
- Measure key metrics.
- Refine key governance controls.

Future Cotton

True to our founding charter, we continue to refine how we invest our earnings for the benefit of the Australian cotton industry.

- As a member-based organisation since 1967, CSD exists to support the long-term success of the Australian cotton industry.
- In recent years CSD has delivered great results enabling it to build a strong financial position.
- CSD's members and stakeholders expect CSD to have a clear strategy for applying future surpluses to strengthen CSD's research and operations capabilities and support industry programs and communities.

Reserves standard

- Recognising its critical role in the Australian cotton industry, CSD established a Reserve Standard (2013) to support business continuity.
- This ensures resilience in adverse environmental conditions, supports multi-year commitments to germplasm and traits research and provides self-insurance.
- CSD will adopt annual operating budgets that are aligned to the delivery of the strategic plan and such that future surpluses are deployed in an effective and financially sustainable manner.

Updates to future approach

In addition to ensuring the maintenance of our reserve standard, we will continue to develop the framework for the investment of any surpluses to the benefit of the industry, in accordance with our charter. The key areas of investment are:

- a. Improving cotton seed resilience, yield, quality and sustainability through our RD&E program
- b. Upgrading CSD's operating infrastructure e.g. automation
- c. Fostering community engagement through sponsorship and development programs
- d. Partner with key stakeholders, including Australian Cotton Shippers Association, Cotton Research and Development Corporation and Cotton Australia to identify and support high-priority initiatives for the Australian cotton industry.



The Values that Guide CSD

Our values guide our decisions, behaviours and interactions with our people, growers and cotton communities.



Safe and healthy

We are committed to safe and healthy workplaces. We ensure everyone's physical and psychosocial well-being so we can work confidently and support one another effectively.



Integrity and trust

We act with honesty, transparency, and accountability in all our actions. We uphold ethical standards and ensure that our actions align with our words.



Innovation and excellence

We provide the highest quality product, embracing new ideas and technologies with the aim of constant improvement.



Respect and inclusion

We value each individual's unique contributions and create a welcoming, inclusive environment where everyone feels respected, heard, and empowered to succeed together.



Leadership and collaboration

We lead by example, inspiring others through integrity, accountability, and a commitment to growth.



CONTACT US

(02) 6975 0000

csd.net.au

2952 Culgoora Road
Wee Waa, NSW 2388

