



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.08

Voluntary Report - public distribution

Date: 3/14/2006

GAIN Report Number: GR6002

Greece

Cotton and Products

Update

2006

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Report Highlights:

Greek cotton production is up due to good weather conditions. However, next season's production is likely to decrease as a result of implementing the new CAP reform. As farmers are still hesitant about the new farm policies, the direction of future production is uncertain.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Rome [IT1]
[GR]

Production and Trade

The final cotton output (seed cotton basis) for 2005 in Greece is reported at 1,200,000 MT. The product is expected to be of very good quality, due to the favorable dry weather conditions that prevailed during harvest. The national weighted-average of cotton yields was in the neighborhood of 3,352 kg/Ha (seed cotton basis). Yields vary from region to region between 3,000 Kg/Ha to 4,100 Kg/Ha, according to weather and soil conditions, seed variety used and irrigation capacity. US cottonseed provides the higher yields to Greek farmers, always around 4,000 Kg/Ha of high quality product.

The MY 2005/2006 weighted average ratio for the 85 ginning plants operated in Greece of seed cotton to lint yield, is reported at 36 percent. In bales (480 lbs), the 2005/2006 output is estimated at 1,984,200 bales, compared to 1,791,292 a year earlier.

Policy

Marketing year 2005/2006 is the last year of the old CAP. As a result, only 1,100,000 MT of the total production will be covered by the price subsidy system. The remaining 100,000 MT do not qualify for the EU price subsidy. Greek farmers are expected to receive a price of approximately 0.88 - 1.0 Euros/Kg for the 1,100,000 MT covered under CAP. While the production not qualified for the EU price subsidy is expected to receive 0.29 - 0.38 Euros/Kg. These prices are set for raw cotton delivered to the ginning plants (seed cotton basis).

Outlook

According to Ministry of Agriculture and cotton trade sources, the area to be planted in cotton for spring 2006 is currently estimated at 350,000 ha. This is a slight drop from plantings in 2005. This drop is expected because the new cotton CAP reform starts in 2006. Many farmers fear and/or have difficulty understanding the operation of the new system. It is believed, however, that this downward change may only last for a transitional period, perhaps one or two crop years.

Moreover, due to the new CAP reform, land use changes are expected on irrigated land. This will undoubtedly have a downward affect on a number of crop acreages, particularly cotton and sugar beets. As a result, irrigated land, will be available for other crops, particularly those which promise a good income supplement to traditional cotton and sugar beet farmers in Thessaly plains, Macedonia and Thrace.

PS&D

PSD for Greek cotton is revised accordingly to include MY 2006/2007 preliminary estimates. Further and more precise estimates for the 2006 cotton planting acreage will be available in May, 2006.

PSD Table

Country Commodity	Greece		(HECTARES)(MT)				UOM
	2004	Revised	2005	Estimate	2006	Forecast	
Market Year Begin	USDA Official [t	Estimate[New]	USDA Official [t	Estimate[New]	USDA Official [t	Estimate[New]	MM/YYYY
Area Planted	0	380000	0	358000	0	350000	(HECTARES)
Area Harvested	375000	375000	385000	356000	0	349000	(HECTARES)
Beginning Stocks	84913	9908	108863	3758	113218	15158	(MT)
Production	391908	390000	413680	432000	0	422000	(MT)
Imports	2177	15000	4355	2000	0	3000	(MT)
MY Imp. from U.S.	0	250	0	400	0	0	(MT)
TOTAL SUPPLY	478998	414908	526898	437758	113218	440158	(MT)
Exports	250386	255000	315704	260000	0	258000	(MT)
USE Dom. Consumption	108863	155750	87091	162000	0	158000	(MT)
Loss Dom. Consumption	10886	400	10886	600	0	500	(MT)
TOTAL Dom. Consumption	119749	156150	97977	162600	0	158500	(MT)
Ending Stocks	108863	3758	113218	15158	0	23658	(MT)
TOTAL DISTRIBUTION	478998	414908	526899	437758	0	440158	(MT)