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Turkey

Cotton and Products

Cotton Update

2007

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Report Highlights:

Because of heat and water scarcity forecasts of MY 2007 Turkish cotton area and production have been lowered to 570,000 hectares and 725,000 MT (3.3 million bails). Severe lack of rainfall and irrigation water had a larger than predicted adverse affect on production particularly in the Aegean and Cukurova regions. Large imports during the last month of the marketing year increased total imports for MY 2006 to 872,000 MT (4 million bales). The United States continues to be the leading supplier, providing about sixty percent of total imports, and GSM 102 credit guarantees continue to play an important role in U.S. cotton exports to Turkey. A timely announcement of the FY 2008 program is crucial for importers.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Ankara [TU1]
[TU]

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Production

According to the latest available information, forecasts of MY 2007 cotton area harvested and production in Turkey are even lower than previously-reduced forecasts, and are expected to reach only 570,000 hectares and 725,000 MT (3.3 million bales). Extreme heat, lack of both rainfall and irrigation water and competition from other crops were the reasons for the decline. Extreme heat is reported to have adversely affected cotton yields in all regions, causing plants to mature before completing growth. Lack of irrigation water is reported to have a larger than expected adverse affect on the cotton crop in the Aegean region as many farmers who were concerned about the low water supply before planting planted other crops such as corn. In the Cukurova region better returns persuaded some farmers to plant corn in place of cotton, especially by those who feared insect infestations as aerial spraying has been banned. Although the water situation was better than in other regions, extreme heat affected yields adversely in the GAP region and there was some shift to wheat and corn. Because of expected higher temperatures and scarcity of irrigation water it is essential for Turkish farmers to use drip irrigation and heat resistant seed varieties for higher yields in the future. It is also reported that excessive rain during the fall 2006 picking season caused greater damage than previously believed and total production estimates have been lowered to 850,000MT (3.9 million bales).

Extreme heat accelerated maturing and harvests began two weeks earlier than normal in all regions; and so far picking has enjoyed perfect weather conditions. Picking is finished in the Aegean region and is about to finish in the Cukurova region. In the GAP region picking is continuing in Urfa and has just started in the Diyarbakir area.

Despite lack of experience, Turkish cotton farmers generally have found machine harvesting to be cost effective compared to hand picking. The number of mechanical harvesters is growing in all regions, and in some areas up to ninety percent of the crop is collected by machine.

Consumption

Recently the exchange rate for the New Turkish Lira (YTL) against the U.S. dollar reached USD 1=YTL 1.19 compared to USD 1=YTL 1.48 a year ago. The continuing currency appreciation is working against textile and yarn exporters and causing an influx of low-cost yarn and textiles from India and Pakistan. Domestic mills are reported to building up stocks of yarn in the last six weeks and looking for ways to lower production; some are planning employee furloughs. Industry sources feel that with the recent exchange rates domestic consumption can not increase during MY 2007 but will remain about 1.6 MMT (7.34 million bales).

Trade

Available unofficial trade figures indicate that total imports in MY 2006 reached 872,000 MT (4 million bales). U.S. cotton imports constituted sixty percent of total imports. GSM 102 export credit program continues to play an important role in U.S. cotton sales to Turkey and timely announcements of the program is crucial to meet importers' needs. Although imports from Greece and Syria have declined there has been an increase from CIS and India. Exports remained at 25,000 MT (115,000 bales) due to low production and high local prices. Imports in MY 2007 are projected 875,000 MT (4 million bales) about the same as MY 2006 due to lack of domestic supplies

Note: A breakdown of exports by destination is not available.
(USD 1 = YTL 1.20)

PSD, MT

Turkey Cotton (HECTARES) (MT)						
	2005	Revised	2006	Estimate	2007	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		08/2005		08/2006		08/2007
Area Planted	580000	580000	670000	670000	600000	570000
Area Harvested	580000	580000	640000	640000	600000	570000
Beginning Stocks	276025	276025	240237	240237	290237	292897
Production	750000	750000	875000	850000	750000	725000
Imports	744212	744212	820000	872660	875000	875000
MY Imp. from U.S.	412176	412176	475000	525049	500000	500000
TOTAL SUPPLY	1770237	1770237	1935237	1962897	1915237	1892897
Exports	30000	30000	45000	45000	25000	25000
USE Dom. Consumption	1500000	1500000	1600000	1625000	1650000	1600000
Loss Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	1500000	1500000	1600000	1625000	1650000	1600000
Ending Stocks	240237	240237	290237	292897	240237	267897
TOTAL DISTRIBUTION	1770237	1770237	1935237	1962897	1915237	1892897

PSD, Bails

Turkey Cotton									
(HECTARES)1000 480 lb. Bales(PERCENT)(KG/HA)									
	2005	Revised		2006	Est.		2007	Fore.	
	USDA Official	Post Est.	Post Est. New	USDA Official	Post Est.	Post Est. New	USDA Official	Post Est.	Post Est. New
Market Year Begin		08/2005	08/2005		08/2006	08/2006		08/2007	08/2007
Area Planted	0	0	0	0	0	0	0	0	0
Area Harvested	600	580	580	670	640	640	580	600	570
Beginning Stocks	1790	1270	1270	1698	1105	1105	2166	1335	1345
Production	3550	3450	3450	4020	4025	3900	3450	3450	3327
Imports	3383	3423	3423	3928	3772	4005	3650	4025	4016
MY Imports from U.S.	0	1896	1896	0	2185	2410	0	2300	2295
Total Supply	8723	8143	8143	9646	8902	9010	9266	8810	8688
Exports	125	138	138	80	207	207	75	115	115
Use	6900	6900	6900	7400	7360	7458	7300	7590	7343
Loss	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	6900	6900	6900	7400	7360	7458	7300	7590	7343
Ending Stocks	1698	1105	1105	2166	1335	1345	1891	1105	1230
Total Distribution	8723	8143	8143	9646	8902	9010	9266	8810	8688
Stock to Use %	24.1708 2	15.7004 8	15.7004 8	28.9572 2	17.6423 9	17.5472 9	25.6406 8	14.3413 4	16.4923 6
Yield	1288	1295	1295	1306	1369	1327	1295	1252	1271

Import TM

Import Trade Matrix**Country** Turkey**Commodity** Cotton

Units: MT

Time Period Imports for: U.S. U.S.

Others Others

Greece	188522	Total C.I.S.	116867
Syria	45868	Greece	94969
Total C.I.S.	39986	India	83560
Free Z. Turkey	10578	Mersin FTZ	17047
Brazil	6572	Syria	8792
Egypt	6005	Egypt	5287
W. Africa	4724	Brazil	1137
Israel	3527		
Australia	509		

Total for Others 306291 327659

Others not Listed

Grand Total 744212 872660

Time Period Imports for: U.S. U.S.

Others Others

Greece	867201	Total C.I.S.	536420
Syria	210993	Greece	435908
Total C.I.S.	183936	India	383540
Free Z. Turkey	48659	Mersin FTZ	78245
Brazil	30231	Syria	40355
Egypt	27623	Egypt	24267
W. Africa	21730	Brazil	5219
Israel	16224		
Australia	2341		

Total for Others 1408938 1503955

Others not Listed

Grand Total 3423375 4005510