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Turkey

Cotton and Products

Cotton and products update

2008

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Report Highlights:

Estimates of Turkey's MY 2007 domestic cotton consumption and imports have both been lowered, to 1.42 MMT (6.5 million bales) and 725,000 MT (3.2 million bales) respectively. the high value of the Turkish Lira has been hurting Turkish yarn and textile exports and aiding imports of both yarn and textiles from low-cost producers such as Uzbekistan and India. MY 2008 planting of cotton also is forecast to decline as high grain prices encourage corn planting in traditional cotton areas. Although total cotton imports are expected to decline in MY 2007, imports of U.S. cotton should remain the same at about 500,000 MT (2.3 million bales) hence U.S. market share will increase. The GSM-102 Export Credit Guarantee Program plays an important role in U.S. exports to Turkey; the delay in announcing the FY2008 program had an adverse effect on utilization.

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

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Production

Turkey's MY 2007 cotton area and production estimates have been lowered to 550,000 hectares and 700,000 MT (3.2 million bales) due to increased planting of alternative crops such as vegetables, and affect of drought and heat during the growing season. MY 2006 cotton area and production has been reduced as well to 825,000 MT (3.7 million bales) and 630,000 hectares due to excessive rain during harvest.

MY 2008 cotton planting will depend on the production bonus program for the MY 2007 crop. Yet regardless of the upcoming announcement, farmers in some of the traditional cotton growing areas, including the GAP region, are expected to plant corn due to higher returns. The recent increase of VAT on domestic cotton trade from 1 percent to 8 percent will increase the cost of local cotton trade and put additional financial burden on traders and adversely affect planting of cotton.

In search of better prices, some farmers have turned to organic cotton production: although total cotton production is declining, organic cotton production has grown rapidly in recent years. Turkey became the world's number one organic cotton producing country in MY 2006, surpassing India, with 58,000 MT (266,000 bales). Organic cotton production in 2004 and 2005 were 25,000 MT (115,000 bales) and 38,000 MT (175,000 bales) respectively.

Consumption

Turkish domestic cotton consumption is expected to decline to 1.42 MMT (6.5 million bales) due to adverse affects of the strong Turkish Lira on exports. While Turkish exporters are facing difficulties exporting, cheap yarn and textile imports from CIS countries such as Uzbekistan and Turkmenistan and South Asian Countries such as India and Pakistan are hurting the domestic consumption. The end of Chinese textile export quotas in 2008 is expected to have an adverse affect on Turkish textile exports as well. About 35 mills are reported to be closed or cease operation until conditions become favorable.

Trade

Total imports in MY 2007 are expected to decline to 700,000 MT (3.2 Million bales) compared to early season estimates of 875,000 MT (4 Million bales). Although total cotton imports will decline in quantity, purchases from the United States should remained as forecast and U.S. market share will increase due to short supplies in other producing countries, such as Greece and Syria, and also due to continued availability of the GSM-102 export credit guarantee program. The late announcement of the FY 2008 program had an adverse affect on utilization of the program for cotton. Some mills bought from other sources; some mills postponed purchases and reportedly registered cotton purchases immediately after the announcement of the new program.

According to official sources Turkey imported about 276,000 MT (1.27 Million bales) of cotton during the first four months of MY 2007 of which 74 percent was U.S. cotton. Greece, CIS countries and India were the other suppliers. Turkish cotton exports during the same period were about 14,000 MT (65,000 bales) but export destinations are not available.

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	570000	550000
Area Harvested	580000	580000	640000	630000	570000	550000
Beginning Stocks	276025	276025	240237	240237	292897	267897
Production	750000	750000	850000	825000	725000	700000
Imports	744212	744212	872660	872660	875000	725000
MY Imp. from U.S.	412176	412176	525049	525049	500000	500000
TOTAL SUPPLY	1770237	1770237	1962897	1937897	1892897	1692897
Exports	30000	30000	45000	45000	25000	30000
USE Dom. Consumption	1500000	1500000	1625000	1625000	1600000	1425000
Loss Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	1500000	1500000	1625000	1625000	1600000	1425000
Ending Stocks	240237	240237	292897	267897	267897	237897
TOTAL DISTRIBUTION	1770237	1770237	1962897	1937897	1892897	1692897

Turkey Cotton									
(HECTARES)1000 480 lb. Bales(PERCENT)(KG/HA)									
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate 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	640	640	630	570	570	550
Beginning Stocks	1790	1270	1270	1665	1105	1105	2055	1345	1230
Production	3550	3450	3450	3900	3900	3785	3300	3327	3215
Imports	3400	3423	3423	4000	4005	4005	3750	4016	3325
MY Imports from U.S.	0	1896	1896	0	2410	2410	0	2295	2295
Total Supply	8740	8143	8143	9565	9010	8895	9105	8688	7770
Exports	175	138	138	210	207	207	200	115	140
Use	6900	6900	6900	7300	7458	7458	7200	7343	6540
Loss	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	6900	6900	6900	7300	7458	7458	7200	7343	6540
Ending Stocks	1665	1105	1105	2055	1345	1230	1705	1230	1090
Total Distribution	8740	8143	8143	9565	9010	8895	9105	8688	7770
Stock to Use %	23.53357	15.70048	15.70048	27.36352	17.54729	16.04697	23.04054	16.49236	16.31737
Yield	1288	1295	1295	1327	1327	1308	1261	1271	1273

Import Trade Matrix

Country Turkey

Commodity Cotton Units: MT

Time Period Aug/July Aug/Nov

Imports for: MY2006 MY2007

U.S. 525049 U.S. 203656

Others Others

Total C.I.S.	116867	Greece	28622
Greece	94969	CIS	17350
India	83560	India	6468
Mersin FTZ	17047	Brazil	5170
Syria	8792	Egypt	1570
Egypt	5287	Mersin FTZ	1110
Brazil	1137	Syria	571

Total for Others 327659 60861

Others not Listed 19952 11460

Grand Total 872660 275977

Import Trade Matrix

Country Turkey

Commodity Cotton Units: Bales

Time Period Aug/July Aug/Nov

Imports for: MY2006 MY2007

U.S. 2409975 U.S. 934780

Others Others

Total C.I.S.	536420	Greece	131375
Greece	435908	CIS	79636
India	383540	India	28688
Mersin FTZ	78245	Brazil	23730
Syria	40355	Egypt	7206
Egypt	24267	Mersin FTZ	5095
Brazil	5219	Syria	2620

Total for Others 327659 279352

Others not Listed 91580 52601

Grand Total 2829214 1266733