

**Required Report:** Required - Public Distribution

**Date:** April 01, 2022

**Report Number:** GR2022-0004

**Report Name:** Cotton and Products Annual

**Country:** Greece

**Post:** Rome

**Report Category:** Cotton and Products

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**Report Highlights:**

Greece's MY 2021/22 cotton production is estimated at 1.35 million 480 lb. bales, down 3.6 percent from the previous season due to a decrease in area planted. Greece is a major cotton exporter. Turkey was the main destination in MY 2020/21, representing 50.1 percent of total exports.

## Cotton Lint

**Table 1: Production, Supply, and Demand (1000 480 lb. Bales)**

	2020/2021		2021/2022		2022/2023	
Cotton	Market Year Begin: Aug 2020		Market Year Begin: Aug 2021		Market Year Begin: Aug 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Harvested</b>	276	276	262	262		270
<b>Beginning Stocks</b>	479	479	202	202		45
<b>Production</b>	1,400	1,400	1,240	1,350		1,370
<b>Imports</b>	23	23	30	32		30
<b>Total Supply</b>	1,902	1,902	1,472	1,584		1,445
<b>Exports</b>	1,630	1,630	1,350	1,469		1,340
<b>Use</b>	70	70	70	70		70
<b>Loss</b>	0	0	0	0		0
<b>Total Dom. Cons.</b>	70	70	70	70		70
<b>Ending Stocks</b>	202	202	52	45		35
<b>Total Distribution</b>	1,902	1,902	1,472	1,584		1,445
(1000 HA), 1000 480 lb. Bales						

Source: FAS estimates based on Greek industry contacts

## Production

Greece's MY 2021/22 cotton production is estimated at 1.35 million 480 lb. bales, down 3.6 percent from the previous season due to a decrease in area planted. MY 2021/22 cotton acreage decreased 5.1 percent, registering 262,000 ha. Before the conflict in Ukraine there were reports of a significant cotton area increase in MY2022/23 due to favorable prices; however, area planted to cotton is expected to increase approximately 3 percent due to increased corn, durum wheat, and sunflower cultivation. Yields are expected to be slightly lower, given the high price of fertilizers and cultivation supplies.

The Ministry of Rural Development and Food granted cotton farmers two special exemptions for acaricides, one for fungicide and two for herbicides for use within March and December 2021.

Greek ginning companies have high production capacity, as most of the ginning units were built in the 1990s, but cotton production has significantly decreased since then. Nearly 80 percent of the companies are privately owned while the remainder are cooperatives. Greece's financial crisis negatively affected the cotton market, creating greater risk and uncertainty. Without help from banks, many ginners and cooperatives cannot afford to store their stocks. There is also debate concerning the survival of cooperatives accustomed to receiving large agricultural loans that are no longer available. Ginners generally do not contract with growers but compete with each other to purchase the crop.

## Consumption

The consumption of domestic spinners is approximately 10 percent of lint production, and the remainder is exported. The supply of ginned cotton is fragmented. Most spinners are export oriented due to demand from foreign markets. About 55 percent of cottonseed production is crushed for oil and oilseed cake or retained for seed. Cottonseed meal is used for feed for sheep and goat livestock; cottonseed oil is traditionally used in foods and snack-food manufacturing industries or converted into biodiesel.

The COVID-19 pandemic has disrupted the European textile and apparel industry as never before. Textile and clothing production has been reduced to the minimum and in some cases has been discontinued. Nevertheless, companies are contributing to the fight by manufacturing face masks, gowns, and other protective garments. According to the Hellenic Association of Textile Industries, the Greek textile industry has been suffering from increased third-country imports (mainly from China, Pakistan, and Turkey). This has forced many small Greek companies out of business. According to the Hellenic Fashion Industry Association, the pandemic has also affected the textile manufacturing industry. In 2021, exports rebounded after significant losses the previous year, registering a 33.8 percent increase compared to 2020. Cotton yarn imports in 2021 (Table 2) increased significantly with the main suppliers being Turkey, Bulgaria, and India, while exports (Table 3) increased by 3.9 percent, mostly due to increased exports to Germany and Austria.

## Marketing

**Table 2: Cotton Yarn Imports (480 lb. bales)**

	2019	2020	2021
<b>EU-27</b>	<b>7,482</b>	<b>4,598</b>	<b>9,246</b>
Bulgaria	5,038	3,527	7,565
Italy	386	248	588
Germany	592	253	579
Portugal	225	220	400
<b>Extra EU-27</b>	<b>21,789</b>	<b>23,006</b>	<b>28,072</b>
Turkey	18,900	19,290	24,297
India	2,269	3,233	2,554
China	78	18	331
Uzbekistan	18	5	317
<b>World</b>	<b>29,271</b>	<b>27,604</b>	<b>37,318</b>

Source: TDM (Trade Data Monitor, LLC)

**Table 3: Cotton Yarn Exports (480 lb. bales)**

	2019	2020	2021
<b>EU-27</b>	<b>29,978</b>	<b>21,063</b>	<b>21,890</b>
Germany	10,238	8,676	9,269

Austria	3,293	4,060	4,694
Italy	5,695	2,976	2,935
Bulgaria	3,045	2,935	2,774
<b>Extra EU-27</b>	<b>2,765</b>	<b>1,479</b>	<b>1,061</b>
Switzerland	1,924	1,240	859
North Macedonia	73	18	41
Tunisia	87	69	14
<b>World</b>	<b>32,743</b>	<b>22,542</b>	<b>22,951</b>

Source: TDM

**Table 4: Cotton Fabric Imports (480 lb. bales)**

	2019	2020	2021
<b>EU-27</b>	<b>2,751</b>	<b>3,334</b>	<b>3,367</b>
Italy	1,346	1,043	1,474
Netherlands	243	340	464
Spain	207	225	349
Bulgaria	390	427	317
<b>Extra EU-27</b>	<b>16,043</b>	<b>10,963</b>	<b>12,576</b>
China	8,414	3,734	6,311
Pakistan	5,195	3,766	3,027
Turkey	2,108	2,228	2,480
Egypt	18	92	308
<b>World</b>	<b>18,794</b>	<b>14,298</b>	<b>15,942</b>

Source: TDM

**Table 5: Cotton Fabric Exports (480 lb. bales)**

	2019	2020	2021
<b>EU-27</b>	<b>6,770</b>	<b>3,743</b>	<b>4,836</b>
Italy	5,048	2,806	3,261
Bulgaria	1,116	482	868
Germany	207	41	322
<b>Extra EU-27</b>	<b>1,341</b>	<b>1,346</b>	<b>813</b>
Albania	528	432	537
North Macedonia	243	115	129
Turkey	537	721	115
<b>World</b>	<b>8,111</b>	<b>5,089</b>	<b>5,649</b>

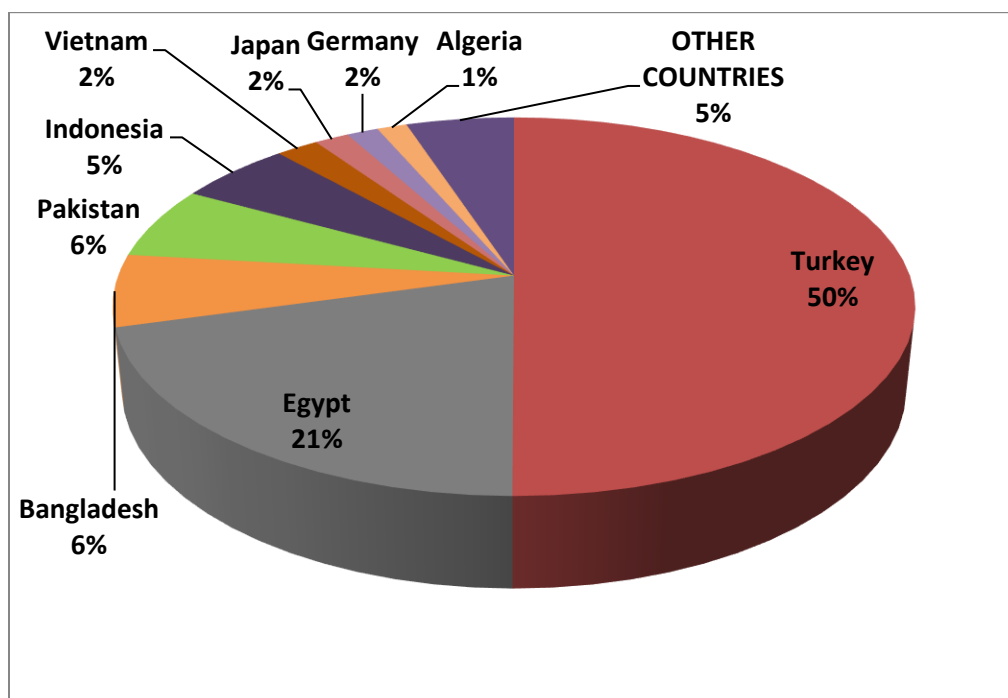
Source: TDM

## Trade

Greece is a major cotton exporter. In the absence of strong domestic demand, exporting remain the preeminent channel for Greece's cotton lint production. In MY 2022/23, exports are forecasted to decrease by approximately 8.5 percent due to lower production. Cotton lint exports during MY 2020/21

increased by 11 percent driven by higher production but are expected to decline by 9.9 percent in MY 2021/22 due to lower production and acreage. Turkey was the main destination, representing 50.1 percent of total exports, followed by Egypt (20.6 percent), Bangladesh (6.2 percent), and Pakistan (6.1 percent). Generally, only small amounts of cotton are imported for blending by the domestic spinning industry.

**Graph 1. Greece's Cotton Lint Exports in MY2020/21 (percent %)**



**Table 6: Cotton Lint Exports (480 lb. bales)**

	Aug-Jul 18/19	Aug-Jul 19/20	Aug-Jul 20/21
<b>EU-27</b>	<b>50,180</b>	<b>56,543</b>	<b>43,569</b>
Germany	21,433	28,059	24,300
Italy	7,923	6,652	6,237
Netherlands	13,674	9,323	3,434
Bulgaria	4,858	2,795	3,130
<b>Extra EU-27</b>	<b>1,305,671</b>	<b>1,412,324</b>	<b>1,586,829</b>
Turkey	451,959	758,513	816,074
Egypt	238,175	261,346	335,928
Bangladesh	82,720	91,812	100,696
Pakistan	56,692	46,395	100,314
Indonesia	144,992	110,630	87,765
Vietnam	60,315	47,501	32,756
Japan	28,144	19,435	26,494
<b>World</b>	<b>1,355,851</b>	<b>1,468,867</b>	<b>1,630,398</b>

Source: TDM

**Table 7: Cotton Lint Imports (480 lb. bales)**

	<b>Aug-Jul 18/19</b>	<b>Aug-Jul 19/20</b>	<b>Aug-Jul 20/21</b>
<b>EU-27</b>	<b>8,607</b>	<b>8,304</b>	<b>6,134</b>
Bulgaria	3,506	6,684	5,052
Spain	2	1,605	1,026
Italy	57	13	56
<b>Extra EU-27</b>	<b>22,131</b>	<b>23,394</b>	<b>16,879</b>
Turkey	15,015	13,956	9,620
United States	139	2,155	3,388
Pakistan	1,090	3,799	1,439
<b>World</b>	<b>30,738</b>	<b>31,698</b>	<b>23,013</b>

Source: TDM

## Policy

The future of the cotton sector in Greece is directly related to the subsidy scheme and the implementation of the Common Agricultural Policy (CAP). Due to ongoing negotiations between the European Parliament and the Council of the EU, the provisional start date of the proposed CAP reform has been delayed to January 2023. In order to allow for continued payments to farmers and other CAP beneficiaries, a transitional regulation has been introduced for 2021 and 2022. The Ministry of Rural Development and Food submitted a strategic plan to the European Commission in application for support under the Common Agricultural Policy 2023-2027 on December 30, 2021. According to the CAP, the allocation of direct payments dedicated to coupled support depends upon the choices made by Member States. Key aspects of the new CAP include the introduction of a results-focused approach and an increased environmental focus compared to the previous policy. The enhanced conditionality merges cross-compliance with environmental payment requirements (mandatory). Additionally, farmer compliance with eco-schemes defined at the Member State level is voluntary.

The crop-specific payment for cotton is a coupled payment granted per hectare of eligible area of cotton. The area is only eligible if it is located on Greek agricultural land authorized for cotton production, planted with certified varieties and harvested under normal growing conditions. Cotton will continue to receive the specific support that was established pursuant to Greece's EU Accession Treaty of 1979. The National Guaranteed Area for the Cotton Specific Support is 250,000 ha with a total annual budget of €187.3 million. Specific conditions to be eligible to receive this coupled support are defined on a yearly basis in Greece's National Gazette.

## **Abbreviations and Definitions Used in this Report**

The PSD tables are prepared based on an August 1 to July 31 marketing year.

HS codes considered for Lint Cotton trade data: 5201

HS codes considered for Yarn Cotton trade data: 5204, 5205, 5207

HS codes considered for Fabric Cotton trade data: 5208, 5209

EU European Union

Ha hectare; 1 ha = 2.471 acres

MT Metric ton = 1,000 kg

1 MT = 4.593 480 lb. bales

480 lb. bale equivalent to 218 kg bale

## **Attachments:**

No Attachments