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## **Report Name:** Cotton and Products Annual

**Country:** Turkiye

**Post:** Ankara

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**Prepared By:** Caglar Erdogan, Senior Specialist

**Approved By:** Rishan Chaudhry

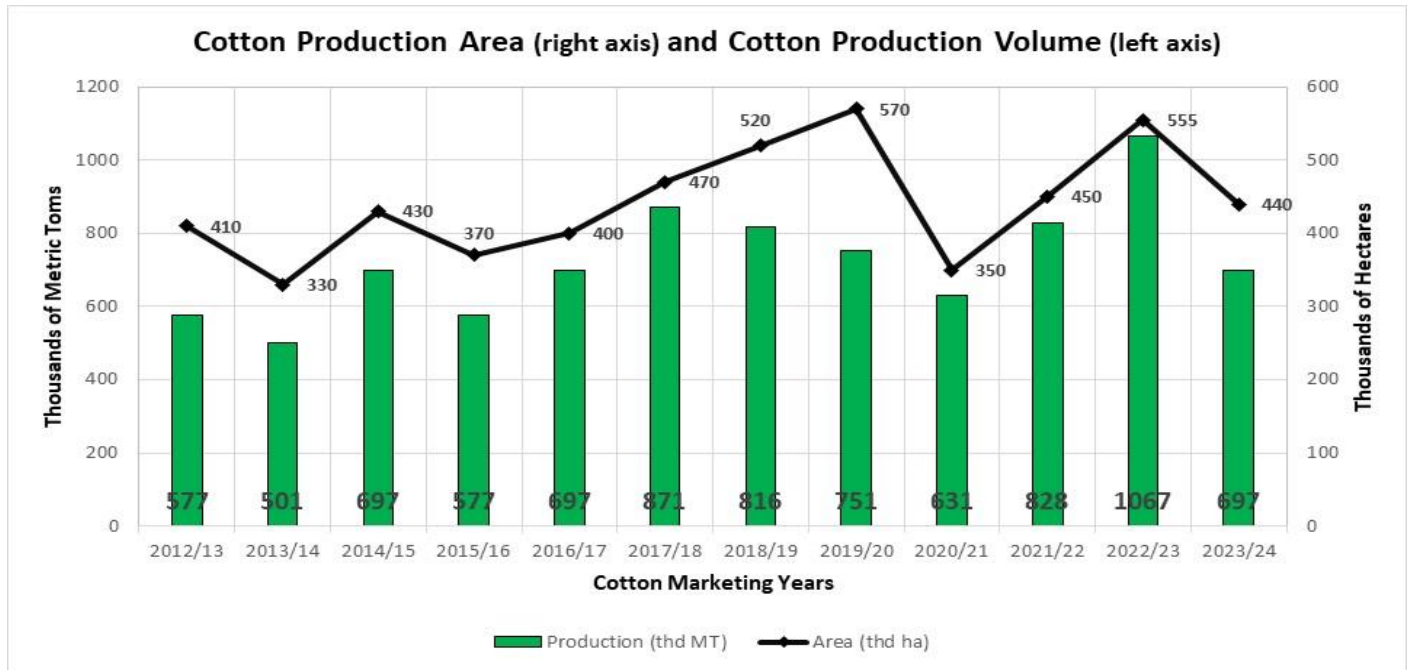
### **Report Highlights:**

Türkiye's cotton production in marketing year (MY) 2024/25 is forecast to increase to 820,000 metric tons (MT; 3.8 million bales), based on the assumption that cotton prices which increased at the beginning of 2024 will remain stagnant and orders to Turkish ready-to-wear apparel producers will at least continue at mediocre levels. Cotton farmers were unable to make adequate profits in MY 2022/23 and the first half of MY 2023/24 to cover rising input costs. In MY 2024/25, Turkish cotton consumption is expected to increase to 1.6 million MT (7.5 million bales) due to lower demand from end consumers of ready-to-wear-garments in western markets and a decrease in garment orders due to high costs of production in the country. Cotton imports in MY2024/25 are forecast to be 820,000 MT (3.8 million bales) for the same period, with the United States maintaining its market share as the leading supplier and strong competition from Brazil.

# I. Production

Post projects approximately 820,000 metric tons (MT) (3.8 million bales) of cotton fiber production on about 485,000 hectares (ha) in marketing year (MY) 2024/25. This forecast production amount is about 18 percent more than the previous MY, although the planting area is expected to increase 10 percent. Yield in MY 2023/24 was irregularly low, Post assumes regular yield for 2024/25 as of one month before the planting starts.

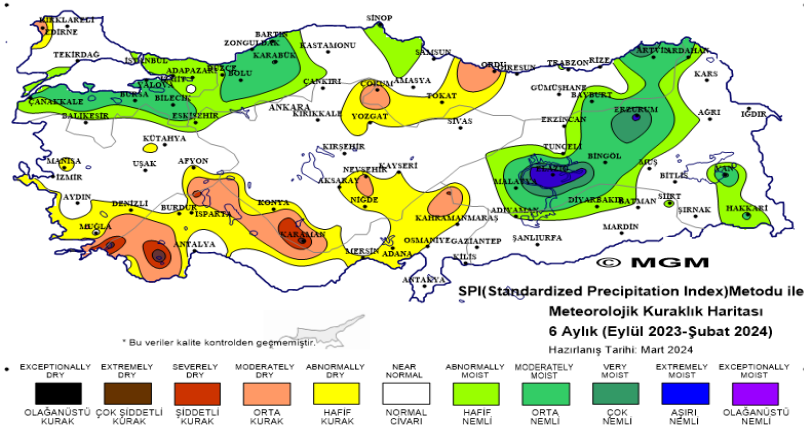
**Chart 1: Cotton production amounts (left axis) and cotton production area (right axis) in Turkiye**



Source: USDA, Foreign Agricultural Service official PS&D data.

A 10 percent increase is estimated for the cotton planting area for MY 2024/25 compared to MY 2023/24 since cotton prices increased as of the beginning of 2024 following decreasing prices since the summer of 2022.

**Map 1: Standard Precipitation Index (SPI) Method Draught Map for last 6 Months (Sept. 2023 – Feb. 2024)**



Source: General Directorate of Meteorology of Turkiye.

As cotton farmers in Turkiye did not make adequate profits for the last two MYs, farmers are still quite skeptical about the increase in cotton price levels, and are worried it might turn out to be a temporary increase. Additionally, although at slower rates compared to previous MYs, production costs are continuously increasing in Turkiye due to ongoing high inflation, which might hinder the ability of farmers to make sufficient profits even with slightly higher price levels compared to earlier months.

Another reason for expecting larger

planting areas and regular yields is that drought, which affected the planting decisions for the last MY, is not expected to be an issue for the upcoming MY. Almost all Turkiye has received precipitation at least at normal levels in the last six months (see Map 1). Reservoir-fed irrigation should be adequate this summer, as reservoirs are at sufficient levels.

Moreover, about one month before the cotton seeds are put into the soil in Turkiye, there is no reason to believe that the conditions that caused low yields in MY 2023/24 mentioned in [last November's](#) report will repeat for MY 2024/25.

*Increasing Cotton Prices Leads to Increase in Cotton Production, Despite Input Cost Increases*

Domestically produced cotton was \$1.58 per pound in June 2022, just before cotton prices started to decline globally and domestically. Domestic cotton prices went down to 72.58¢ per pound at the start of MY 2023/24 (August 2023) due to low demand from the domestic yarn industry in connection with lower demand for ready-to-wear garments in Europe, the U.S., and Turkiye, and because of the February 2023 earthquake in Turkiye effecting some yarn facilities.

However, as of January 2024, due to the escalating Israel-Hamas conflict, the Red Sea (Suez Canal) was blocked for shipments. European ready-to-wear garment brands began ordering from Turkish garment/apparel producers again, since their orders from Far East ready-to-wear garment production countries started taking more time to be delivered to Europe via longer sea routes, and subsequently increasing costs of shipment. Due to the macro-economic situation in Europe and low demand, garment/apparel brands there maintained low stocks, so they had to supply garments quickly to decrease the risk of having empty racks in stores. This has led to increasing cotton prices in Turkiye starting in January 2024, with prices reaching \$1.20 per pound as of mid-March with an upward trend. Market sources indicate that cotton yarn factories in Turkiye have started working with visibly higher capacities.

By the beginning of 2024, cotton prices started to go up in international markets, too, thanks to expectations of lower cotton supply in the world. Increasing cotton prices in international markets also fueled domestic cotton prices in Turkiye.

Market sources indicate that some farmers in the Aegean region that had converted to planting wheat will return to planting cotton, as wheat has not given high yields or profits in the Aegean region this past MY. Furthermore, it is indicated that some new fields in Diyarbakir province are opening to irrigated agriculture. The expectation is that most, if not all of this will be dedicated to cotton production.

In addition to low cotton prices in MY 2022/23 and the first half of MY 2023/24, the ongoing inflation of input prices like seed, fertilizer, diesel, and electricity continues. According to the [Turkish Statistical Institute's](#) (TurkStat) Agricultural Inputs Price Index (AIPI), inflation was about 103 percent for 2022

**Table 1: Indicative Cotton Prices in Turkiye**

Aegean Cotton Price *	Color Grade 41
MY 2022/23 & 2023/24	US cent per lb.
2023, March	93.81
2023, April	91.79
2023, May	93.59
2023, June	85.40
2023, July	75.33
2023, August	72.58
2023, September	75.80
2023, October	72.92
2023, November	75.54
2023, December	74.07
2024, January	77.72
2024, February	95.68

\* Average of prices that occurred at [Izmir Commodity Exchange](#) during real time transactions each month.

and 44 percent for 2023.<sup>1</sup> Similarly, the consumer price index (CPI) and the producer price index (PPI) continued to be high in the country<sup>1</sup>.

Farmers partially rely on subsidies to offset rising input costs. The direct subsidy for 2023/24 was 1.60 Turkish Lira (TL)/kilogram (kg) (~ 5¢ with March 2024 exchange rates; it was ~ 5.5¢ when it was kept unchanged from previous MY for the 2023/24 harvest and ~ 9¢ when it was first declared in December 2022). The National Cotton Council of Turkiye ([NCCT](#)) declared in the news that the direct subsidies need to be a minimum of 4.60 TL/kg (~14 ¢) in August 2023 for seed cotton produced, in order for cotton farmers to continue production<sup>2</sup>. Post forecasts that although cotton prices naturally started to increase five months after this statement by NCCT, because of increasing input costs it is estimated that farmers should get 4.00–5.00 TL/kg direct subsidies for their seed cotton production to realize adequate profits. Additionally, market sources indicate that subsidies that are not announced before the planting season do not assist with the planting decisions of farmers, and they criticized GoT for not planning ahead well. Moreover, subsidies are not paid out to farmers until six months after the harvest, which farmers unions and agricultural chambers complain is very late.

### *Turkiye's Cotton Production Concentrated in Three Areas*

There are three major cotton production regions in Turkiye. The first one is the Aegean region, located in the western part of the country, mostly in the Aydin and Izmir provinces.

The second is the Cukurova region, which is the area in and around Adana province and several neighboring provinces in the Eastern Mediterranean area located in south-central Turkiye. Cukurova has traditionally been a cotton production area in Turkiye, but in the last decade many cotton fields have been replaced by citrus orchards due to ease of exports and more stable income. In addition, farmers in this region have been planting alternative crops such as wheat, maize, and soybeans. Cotton production in Hatay province is considered to be in this region for the purposes of cotton production statistics.

The third and largest area of production for cotton is in the southeast of Turkiye, where the Southeast Anatolia Project (GAP) has been underway since the late 1980s. GAP is a major hydroelectric and irrigation project developed by the GoT, supporting the plains of the southeastern area of the country. The GAP area includes the northern Mesopotamia region north of the Turkish–Syrian border. According to market sources, the investment pace has slowed in the last decade or so, especially in terms of the irrigation phases of the project.

In addition to these three major planting zones, there is a small amount of cotton production around Antalya. Most of Turkiye's cotton is planted between mid-March and mid-May and harvested from mid-August through November.

### *Sufficient Seed Supplies Available for Planting MY 2024/25 Cotton Crop*

Market sources indicate that cotton seeds for planting are readily available in the market from different sources and brands for planting in MY 2024/25. Turkiye had no seed shortage or logistical challenges in the last MY, despite devastating [earthquakes in February 2023](#). Seeds for different varieties of cotton are readily available for farmers who are willing to pay for them. Turkiye does not allow GE seeds, in

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<sup>1</sup> Annual CPI inflation for 2023 was 64.77 percent (67 percent as of Feb. 2024) and PPI inflation for 2023 was 44.22 percent (47.29 percent as of Feb. 2024). Some Turkish NGOs related to economics find these calculations of GoT overly optimistic and announce higher inflation rates.

<sup>2</sup> News in Turkish <https://www.tarimdunyasi.net/2023/10/10/pamukta-yasanan-krize-cozum-araniyor/>

accordance with the [Biosafety Law](#). For more information about the law, please see our [Agriculture Biotechnology Annual Report](#).

The increased utilization of certified seeds, estimated to be about 95 percent of total seeds used, compared to a few decades ago has also helped increase yields. Additional information can be found in the [Planting Seeds Sector Report](#).

Farmers and farmer associations are interested in seeing government research centers develop new and better seed types to meet the challenges of current farming conditions, such as more drought resistant varieties. Additionally, allowing imports and development of GE seeds could help improve yields in Turkiye. However, due to Turkiye's aforementioned Biosafety Law, farmers do not currently have access to GE insect resistant or drought resistant seeds. In a news excerpt from a Turkish economical newspaper, GAP Region Agricultural Research Institute ([GAPTAEM](#)) stated that, together with several private seed companies, they have been working on developing new cotton varieties with longer, thinner, and stronger fibers. The institute has registered six new kinds of cotton seeds on its own, and additional 19 varieties with private companies. The institute stated that they have a target to produce heat and drought resistant seeds in the future, as well.<sup>3</sup>

### *Sustainable & Organic Production Expected to Grow*

Turkiye is hoping to increase the production of both [Better Cotton Initiative](#) (BCI) cotton and organic cotton in the coming years, as the demand for organic apparel and garments is expected to grow. BCI refers to cotton produced with sustainable farming practices, such as using fewer chemicals and less water during production. This area is considered a growing niche market in which Turkiye can be more successful in comparison to some of the other larger garment-producing countries.

In MY 2023/24, BCI cotton production was about 99,047 MT (454,919 bales) of cotton fiber, or about 14 percent of total cotton production, as reported by Turkiye's [Association of Better Cotton Initiative](#) (IPUD). The Association forecasts that BCI cotton fiber production will increase further to approximately 156,537 MT (718,955 bales) in MY 2024/25, since the area for production will increase. The first harvest of BCI cotton in Turkiye was in 2013.

IPUD has recently announced that they are continuing their trainings about climate-friendly practices in Better Cotton production in Izmir and Sanliurfa provinces in cooperation with the [Association of Ecological Agriculture Organization](#) of Turkiye. IPUD is also working on a project called "Work that suits human" with the strategic goal of combating child labor and raising awareness about cotton workers. The association aims to test the health and safety consultancy program in cotton fields and contribute to the education of children who are at risk of entering the labor market at a young age. IPUD's implementation of the education program is financed by [European Bank of Reconstruction and Development](#) (EBRD).

Market sources indicate that the orders for apparel and garments made from this type of cotton, yarn, and fabric is increasing, especially from European and North American clothing and fashion brands, the most important markets for Turkiye's ready-to-wear-apparel and garments.

The Turkish Ministry of Agriculture & Forestry (MinAF) reported production of 13,859 MT seed organic cotton during MY 2022/23. This would be approximately 5,500 MT of cotton fiber (approx. 25,260 bales). The area in transition to organic cotton shows that there will be gradual increases in production of organic cotton in Turkiye in coming MYs.

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<sup>3</sup> News in Turkish <https://www.ekonomigazetesi.com/sehirler/urfa-pamugunun-kalitesi-tohum-islahiyla-artiriliyor-29368/>

## II. Production Policy

### *Better Irrigation Technology Important to Future Cotton Production in Turkiye*

Due to inconsistent precipitation in recent years, Turkiye has been experiencing drought conditions in some years but not in others; specifically, MYs 2020/21 and 2022/23 were challenging seasons in terms of irrigation. Irrigation of the cotton crop in the Aegean region has not been fully done in MY 2023/24 due to low levels in some reservoirs. MY 2024/25 looks more promising. Nevertheless, discussions among farmers and the Turkish government about the need for new and better irrigation techniques and technologies, which are lacking all over the country, continue. However, not much progress has been made in installing new technologies so far, and furrow irrigation remains the main way farmers water their crops. More investment in irrigation systems in the main crop-growing regions of the country will be needed as water resources are expected to become increasingly scarce in the years to come because of climate change.

The GoT has spent more than \$25 billion over the past three decades on the GAP project. When finished, the goal of the project is to irrigate 1.4 million hectares of land using water from 22 dams. To date, about 80 percent of the hydroelectric projects are completed, but only 25 percent of the irrigation projects. Damage to the irrigation channels in the GAP region due to the recent earthquakes may further delay the progress of these goals. During the last five years, the GoT allocated funds to revitalize some of the irrigation projects, probably due to increasing dry weather conditions. In a few years, it is expected that a total of 1.1 million hectares of land in this region will be irrigated, both through the project and through the private sector's independent efforts. This increased irrigation could eventually increase cotton planting and production in the region.

Market sources indicate that with completion of some parts of a dam and irrigation project around Diyarbakir, some new irrigated land is opening to farming as of MY 2024/25. Sources indicate that most of it will be dedicated to cotton farming.

### *Government & Industry Incentives Support Conventional and Organic Cotton Production*

The GoT uses subsidies to incentivize cotton production, and they have remained the same (in TL terms) for the last two years. This has

**Table 2: Financial Supports Provided to Cotton Farmers by Turkish State**

GoT Supports for Cotton Production	2019	2020	2021	2022	2023
<b>Direct Support for Seed Cotton (TL/kg)</b>	0.80	1.10	1.10	1.60	1.60
<b>Fuel &amp; Fertilizer Support (TL/ha)</b>	660	660	760	2,710	3,660

Source: Turkish Ministry of Agriculture and Forestry. Exchange rate as of mid-March 2024 is 32 TL/USD.

not been very encouraging for farmers, since the costs of production continue to increase due to inflation. As mentioned in [earlier reports](#), the GoT ties the subsidy payment to having the farmers rotate their crops in order to improve soil quality. Farmers are unable to receive subsidy payments if they plant the same crop for three-years in a row. These subsidies are intended to support farmers, who are facing tighter profit margins from rising input costs.

Demand for organic cotton is expected to increase going forward due to growing demand from U.S. and European clothing brands. To spur greater domestic production of organic cotton, the [Turkish Garment Manufacturers' Association](#) (TGSD), in cooperation with MinAF, announced an organic cotton production project in 2022. The project works with farmers in the Aegean Region to grow organic

cotton. TGSD is offering farmers a purchase guarantee for the product that will be harvested during the three-year transition period. Additionally, some training is provided to farmers in the regions to teach them about organic cotton farming, in collaboration with MinAF. TGSD is undertaking these projects to produce more organic cotton domestically, since sourcing it from abroad is difficult and expensive.

As mentioned in [earlier reports](#), sourcing organic cotton, yarn, and fabric is challenging as the demand for organic garments is growing faster than the increase in organic cotton cultivation in the world. Consumers of ready-to-wear-apparel demand more organic and “better cotton” (e.g., [U.S. Cotton Trust Protocol](#) cotton or BCI cotton) made garments, in addition to demanding better traceability of their apparel and garments, especially in developed countries. As the traceability requests increase from ordering brands, TGSD has said that they will increase the traceability of each garment.

### *Turkiye’s Cotton Production is Highly Mechanized*

The total number of mechanical harvesters in Turkiye has increased rapidly to about 1,600 by the beginning of 2024, according to the latest data from TurkStat, representing a 12 percent increase compared to two years ago. Most harvesters are modern and new, and about 20 percent are used and modified harvesters. According to market sources, about 50 percent of these harvesters are in the Southeast Anatolian region, 30 percent are in the Aegean region, and 20 percent of the harvesters are in the Adana region, including Cukurova, Osmaniye, Mersin, Antalya, and Hatay. Most of the cotton in Turkiye is being harvested by machine, and human labor is confined to smaller fields where using a harvester is inefficient. The demand for mechanical harvesters has increased in recent years because the high cost and scarcity of labor have resulted in cotton picking delays and losses.

There are an estimated 600 cotton gins in Turkiye, all of which are privately owned by companies or cooperatives. Most of the gins in Turkiye are roller gins. However, the recent increase in machine harvesting has triggered the construction of new saw gins. The agricultural cooperatives [Taris](#) and [Cukobirlik](#) have invested in new saw gins to meet the needs of their members. Private groups continue to invest in saw gin projects in the GAP region as well.

The ginning rate average is about 38-40 percent, depending on the season’s cotton quality and the region where the farming and ginning is done. Ginners generally purchase seed cotton directly from growers. An increasing amount of local cotton is graded by High Volume Instrument (HVI) testing machines at measurement centers run by the regional commodity exchanges. The [Izmir Commodity Exchange](#) is the domestic pioneer in this area, with [its two laboratories](#) in the Aegean region. They also have established a branch in the GAP region in Sanliurfa. Also, [Soke Commodity Exchange](#) (SCE) has a cotton grading lab working with HVI machines to grade local cotton by international standards.

## **III. Consumption**

Post forecasts that consumption of cotton in Turkiye will increase to 1.64 MMT (7.51 million bales) in MY 2024/25, representing a 5.5 percent increase compared to the last MY. Cotton consumption for MY 2023/24 is now estimated at 1.55 MMT (7.12 million bales), 7 percent higher than the [previous estimate](#) in November 2023.

### *Consumption Increases, Not Too Much So Far*

As the demand from end users of ready-to-wear-apparel around the globe has continued to be low due to perception of rough macro-economic conditions by end consumers of garments and apparel, the use of

cotton lint in yarn factories in Turkiye also decreased in MY 2023/24. Moreover, due to local economic conditions, garment/apparel production in Turkiye has become more expensive in USD terms and it became almost impossible to compete with Far East and South Asian production countries (China, Pakistan, Bangladesh, Vietnam, etc.) during MY 2023/24. Many European and US brands stopped ordering production from Turkiye as of MY 2023/24.

The situation continued in the first half of MY 2023/24 until the armed conflict in Gaza Strip elevated. As mentioned in the [production section](#) of this report, as of the beginning of 2024, the challenges in the Red Sea (Suez Canal) have made it very hard for commercial ships to pass safely, causing ships to transit the Cape of Good hope in southern Africa, and arrive to Europe from the Atlantic Ocean. Consequently, some European brands started ordering garment/apparel from Turkiye in the second half of MY 2023/24. The garment production, which is estimated to be approximately 40 percent more expensive in Turkiye than Far Eastern and South Asian competitors, became again attractive for European fast-fashion and garment/apparel brands both due to financial benefits and shorter delivery time. As Turkish the ready-to-wear garment producers started to get orders from Europe, the whole textile supply chain started to move. Domestic demand for fabric and yarn increased, therefore Post revised the domestic cotton consumption up a bit for MY 2023/24 compared to the report in November 2023. Post forecasts that this is likely to be a temporary situation, as it is most likely that the Red Sea (Suez Canal) route will be restored in the coming months. If Turkiye can even partially solve the macro-economic issues it faces, like high inflation and an overvalued TL, the increase in consumption for MY 2024/25 may be even higher than expected.

Furthermore, as explained in the [policy section](#) of this report, Turkiye levied higher import tariffs on many textiles items and garments in 2023. Therefore, importing cotton yarn from cheaper yarn production countries like Uzbekistan has become more expensive. Post predicts that this will also create a small increase in consumption of cotton in the second half of MY 2023/24 and a relatively bigger effect in MY 2024/25.

Additionally, the continuing war in Ukraine is also having negative effects on the buying patterns of consumers, especially in Europe, who cut back on discretionary purchases including ready-to-wear-garments. Europe is the main export market of the Turkish textile and ready-to-wear garment industry, therefore the demand for cotton in Turkiye is significantly affected by the ready-to-wear-apparel demand of European countries.

Moreover, domestic demand in Turkiye for ready-to-wear-apparel also slowed down because of the deteriorating macro-economic conditions in the country and extreme inflation of the Turkish currency. Post's [Exporter Guide](#) has additional information about the macro-economic situation for interested readers.

### *Accumulated Cotton and Cotton Yarn Stocks Are Being Used*

Since end user demand in the ready-to-wear-garment industry in major markets stagnated in MY 2022/23, excess yarn stocks accumulated at yarn manufacturers' warehouses. The yarn in the warehouses was used during the first half of MY 2023/24, and not much cotton was consumed by yarn factories. This led to excess cotton stocks in traders' storage, as well as in some yarn factory warehouses. However, as demand for yarn increased in 2024, cotton produced in 2023/24 has begun to be used. As these excess cotton stocks are being used up in the second half of MY 2023/24 there will be need for increased imports in MY 2024/25.



As of mid-March, producers of yarn are carefully purchasing cotton, mostly domestic originated, to increase production capacity slightly with increased demand for cotton yarn. Nevertheless, they are still cautious, as there are many unknowns in the market, like the upcoming Turkish municipal elections, the reaction of exchange rates and financial markets to the election results, high inflation, the wars in Ukraine and Gaza, and lower ready-to-wear-garment demand from Europe, the U.S., and domestically.

### *Turkiye's Textile Industry Remains a Major Driver of the Turkish Economy*

The textile industry continues to be one of the most important sectors for the Turkish economy. According to the [Turkish Exporter's Assembly](#), in calendar year (CY) 2023, exports of ready-to-wear items reached \$19.2 billion, down about nine percent year-over-year. Exports of textile and raw materials dropped to \$9.6 billion, a decrease of about eight percent compared to the year prior. Overall, the share of textiles and products of Türkiye's total exports was about 14 percent in 2023, making it one of the top export industries of the country. Turkish textile exporters have the advantage of faster order response times, the ability to produce lower quantities, and higher quality compared to many of their competitors.

Türkiye's yarn production capacity is estimated at 8-8.5 million spindles and 800,000-900,000 rotors. Türkiye ranks among the top five countries in the world in terms of yarn production capacity and number six in ready-to-wear-items production. Over the years, Turkish mills have invested in new machinery and technology to increase quality and lower costs to stay ahead in the very competitive international textile trade. These investments signal a long-term, positive trend for cotton consumption in Türkiye.

### *Domestic Cotton Traded on Domestic Commodity Exchanges*

Domestic cotton is mainly sold directly to mills by ginnerers or cotton traders, and the remainder is traded on a spot basis at the exchanges in Izmir and Soke. The Izmir exchange also trades some cotton from other regions and countries. There are smaller spot markets in Adana and in the Southeast. The [Izmir Commodity Exchange](#) formed a company and built a [licensed storage facility](#) with a capacity of 15,000 MT where farmers can store their cotton for future sales. The [Sanliurfa Commodity Exchange](#) in the GAP region has also built a [licensed storage facility](#) with a capacity of 20,000 MT that started operations in January 2019. Furthermore, the licensed warehouse for cotton with 20,000 MT capacity that [Soke Commodity Exchange](#) was investing in since December 2021, with the support of the [Izmir Development Agency](#) and the [Southern Aegean Region Development Agency](#), opened in December 2023 in Soke, Aydin in the Aegean Region.<sup>4</sup> The new cotton storage facility is called [Buyuk Menderes Agricultural Goods Licensed Warehousing](#) and also has its own licensed cotton classification laboratory called [Sokelab](#). These storage facilities will bring new opportunities to Turkish farmers in cotton marketing, ease early season price pressures, and enable them to sell later in the season with higher prices.

## **IV. Trade**

Post forecasts approximately 820,000 MT (3.77 million bales) of cotton imports for MY 2024/25, which is about 9 percent higher than the previous year's estimate. Türkiye's cotton imports reached 302,411

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<sup>4</sup> News in Turkish <https://www.sesgazetesi.com.tr/gundem/18387908/soke-lisansli-deposuna-kavustu>

MT (1.39 million bales) during the first half of the MY 2023/24. Post forecasts that as the large cotton stocks on hand in the beginning of MY 2023/24 are being used up during MY 2023/24, Turkiye will start to import more cotton in MY 2024/25. Higher domestic cotton exports in the first half of MY 2023/24 and upward movement in the use of cotton in the beginning of CY 2024 will decrease Turkiye’s cotton stocks. This is likely to motivate imports, assuming that the uptick in the cotton use continues with increased demand from the Turkish ready-to-wear garment industry.

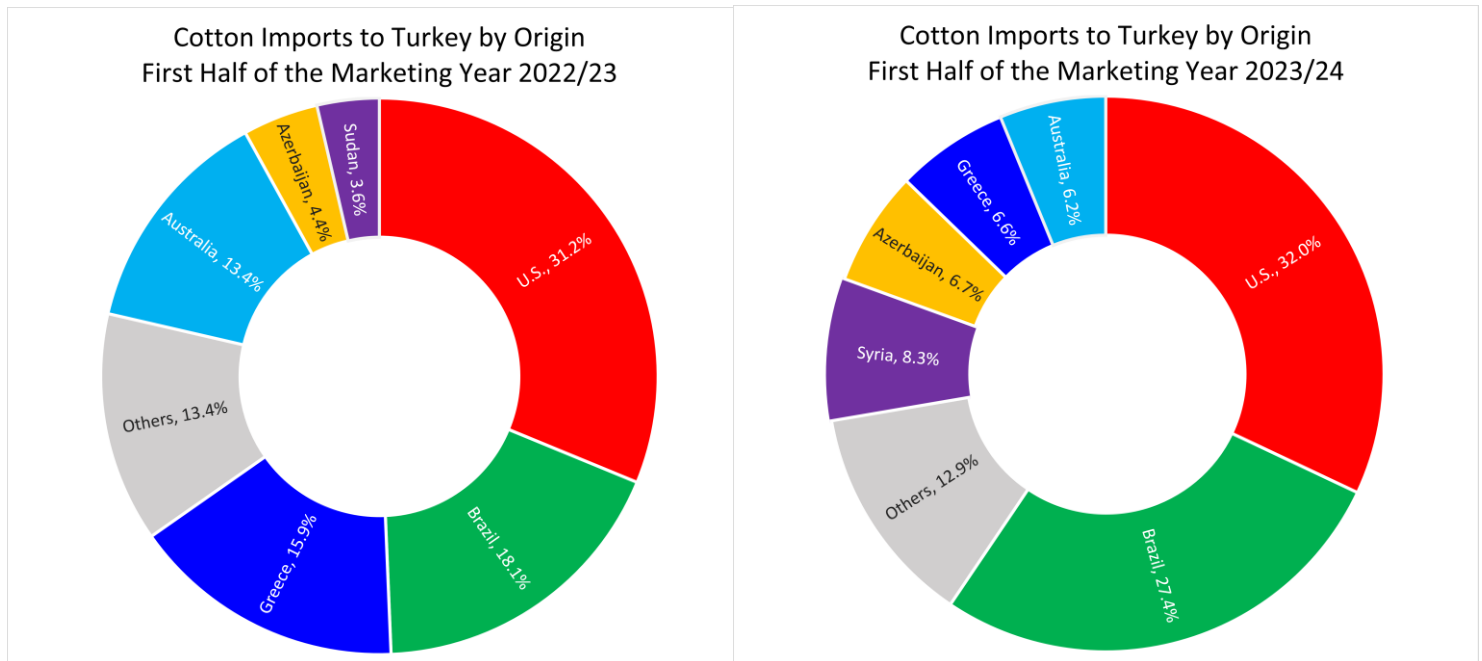
In long run, with demand for cotton expected to continue to outpace local production, Turkiye will remain a major import market.

*U.S.is the Leading Supplier of Cotton Amid Lower Demand from Turkish Textile Industry*

In the first six months of MY 2023/24, the United States has been the leading supplier of cotton to Turkiye, with imports of 96,801 MT (444,603 bales) and a market share of about 32 percent. Imports from Brazil totaled 82,963 MT (381,046 bales), with a market share of about 27 percent. The other leading supplier of cotton was Syria, with 24,996 MT (114,806 bales), representing a market share of about 8 percent. Some other important cotton suppliers for the first half of the MY 2023/24 were Azerbaijan, Greece, and Australia. In the long run there is a risk of losing market leadership to Brazil.

The U.S. continued to be the leading supplier of cotton to Turkiye even though the total cotton demand from Turkiye decreased. In contrast to previous years when Greece was the major supplier after U.S. and Brazil, in the first half of MY 2023/24 Syria has emerged as an important cotton supplier for Turkiye in the region. Syria, slowly recovering from the effects of the recent civil war in the country, and Turkiye becoming more amicable with Syrian government might be some of the reasons of the increasing cotton imports from there.

**Chart 2: Cotton imports to Turkiye from various sources (previous & current MY)**



Source: Trade Data Monitor, LLC.

### *Turkiye Exported More Cotton Compared to Previous MYs*

Cotton exports for MY 2024/25 are estimated at 125,000 MT (574,120 bales), 55 percent lower than the previous MY. The export level for 2023/24 (280,000 MT or 1,286,030 bales), although not an extensive amount, is about 50 percent higher than MY 2022/23. The reason for this increase in cotton exports in MY 2023/24 is the carry-on stocks from the good harvest in 2022/23 which could not be utilized by the Turkish yarn industry.

In regular years, as Türkiye is a major yarn, textile, and garment producing country, most of the cotton produced or imported is used domestically. Only a small amount is exported, some of which is organic cotton.

### *Imports and Exports of Cotton Yarn Decrease*

Türkiye imports and exports sizeable volumes of cotton yarn. In CY 2023, imports of cotton yarn decreased by about 13 percent year-over-year, reaching 213,119 MT. Cotton yarn exports also decreased compared to the previous CY by about 11 percent to 120,621 MT. Stagnating demand for ready-to-wear apparel in international, especially European, markets contributed to the decline of the cotton yarn exports from Türkiye, as European countries account for 50 to 60 percent of Turkish cotton yarn exports.

While Central (Uzbekistan, Turkmenistan, Azerbaijan) and South Asian (India, Pakistan) countries were the main sources for yarn imports, the EU was the main destination for Turkish yarn exports. As in CY 2022, in addition to EU countries, Egypt and Morocco continued to be important cotton yarn customers of Türkiye in CY 2023.

### *Cotton Fabric Imports and Exports Decline*

Türkiye's cotton fabric imports and exports were 220 million meters squared (m<sup>2</sup>) and 363 million m<sup>2</sup>, respectively, during CY 2023. Cotton fabric imports decreased about 24 percent year-on-year, while cotton fabric exports decreased about 14 percent. As demand for ready-to-wear apparel decreased both in the domestic market and in export markets starting the second half of 2022, demand for fabric also decreased both in domestic and international markets.

EU countries continue to be the main destinations for Turkish cotton fabric exports, together with Egypt, Tunisia, Morocco, and Pakistan. Meanwhile, Pakistan, Turkmenistan, China, and Egypt are the main suppliers of cotton fabric to the Turkish ready-to-wear-garment production industry. A few European countries (like Italy and Germany) and India were also among the sources for imports of cotton fabrics for 2023.

## **V. Policy**

### *No Duty on Imported Cotton, But Yarn from non-FTA Partners Faces Higher Import Tax*

Cotton imports are subject to a zero-import duty. Until April 2021, there was a three percent anti-dumping duty on U.S. cotton imports that had been in place for the five years prior. The Turkish textile, fashion, and ready-to-wear-apparel industry and the cotton yarn and fabric producers were supportive of removing the anti-dumping duty since they were the ones with increased costs as buyers of U.S. cotton. Details of the removal of the anti-dumping duty can be found in [our report](#).

In October 2023 the GoT levied additional customs tariffs (CT) on hundreds of textiles and ready-to-wear apparel items, including all man-made and natural-fiber yarns, and woven and knitted fabric made of man-made and/or natural fibers (except from countries that Turkiye has free trade agreements (FTA) with such as all EU, EFTA, and [19 other countries](#)). For yarns, the CT rates are now between 10 and 13 percent; for fabrics the CT rates are now 27 percent. For ready-to-wear-garments/apparel and home textiles and garnishing, the CT was increased to 39 and 29 percent, respectively. For FTA countries the CT rates are 0 percent. Previously, Uzbekistan and Pakistan were also exempt from the CT, however they are now included, which is important because these countries are where Turkiye imports a lot of yarn and fabric from. These new CT went into effect November 15, 2023, according to the Presidential Decision Decree (PDD No:7709 published on November 16, 2023, see it attached to the [previous cotton report](#) from FAS Turkiye). The tariff rates for textile raw materials such yarn and fabric were between 5 to 8 percent previously. The customs tariff rate for cotton is still 0 percent from all origins.

There have been mixed reactions from Turkish industry. Although yarn and fabric producers are happy with the decision, since it was getting harder for them to compete with imported yarn and fabric, ready-to-wear garment and apparel producers are unhappy about the increase of CT on textile items since they will have to source the raw material at higher costs. It was already difficult for Turkish clothing producers to compete with other, cheaper garment and apparel producing countries.

As the cost of production of ready-to-wear garments increase in Turkiye, partly caused by these increases in CT, some Turkish ready-to-wear garment/apparel brands have also started to source from outside of Turkiye, according to the president of Turkish Knitters Association ([ORSAD](#)). ORSAD represents most of the fabric producers in Turkiye.

## VI. Production, Supply and Distribution Tables

**Table 3: Production, Supply and Distribution Table, Bales**  
(thousands of hectares, thousands of 480lb. bales)

Cotton	2022/2023		2023/2024		2024/2025	
Market Begin Year	August 2022		August 2023		August 2023	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	555	555	440	440	0	485
Beginning Stocks	1,915	2,556	2,629	4,149	1,479	2,381
Production	4,900	4,937	3,200	3,192	0	3,766
Imports	4,189	4,189	4,000	3,445	0	3,766
Total Supply	11,004	11,682	9,829	10,786	1,479	9,914
Exports	860	859	1,150	1,286	0	574
Domestic Use	7,500	6,660	7,200	7,119	0	7,509
Loss	15	14	0	0	0	0
Domestic Use & Loss	7,515	6,674	7,200	7,119	0	7,509
Ending Stocks	2,629	4,149	1,479	2,381	1,479	1,830
Total Distribution	11,004	11,682	9,829	10,786	1,479	9,914
Stock to use %	31.45	55.19	17.71	28.33	0	22.64
Yield (kg/HA)	1,922	1,937	1,583	1,580	0	1,691

Source: USDA forecasts, FAS Istanbul forecasts.

**Table 4: Production, Supply and Demand Table, Metric Tons**  
(thousands of hectares, thousands of MT)

Cotton	2022/2023		2023/2024		2024/2025	
Market Begin Year	August 2022		August 2023		August 2023	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	555	555	440	440	0	485
Beginning Stocks	417	556	572	903	322	518
Production	1,067	1,075	697	695	0	820
Imports	912	912	871	750	0	820
Total Supply	2,396	2,543	2,140	2,348	322	2,158
Exports	187	187	250	280	0	125
Domestic Use	1,633	1,450	1,568	1,550	0	1,635
Loss	3	3	0	0	0	0
Domestic Use & Loss	1,636	1,453	1,568	1,550	0	1,635
Ending Stocks	572	903	322	518	322	398
Total Distribution	2,396	2,543	2,140	2,348	322	2,158
Stock to use %	31.45	55.19	17.71	28.33	0	22.64
Yield (kg/HA)	1,922	1,937	1,583	1,580	0	1,691

Source: USDA forecasts, FAS Istanbul forecasts.

## VII. Trade Matrices

### a. Cotton Trade Matrices

**Table 5: Cotton Imports to Turkiye (HS Code: 5201), 480lb. Bales**

TURKEY					
COTTON					
Import Trade Matrix					
Units:	Bales				
Time Period	Aug/July		Aug/July		Aug/Jan (6 months)
Imports for:	MY 2021/22		MY 2022/23		MY 2023/24
U.S.	1,669,078	U.S.	1,604,037	U.S.	444,603
<b>Others</b>		<b>Others</b>		<b>Others</b>	
Brazil	1,071,442	Brazil	632,323	Brazil	381,046
Greece	848,155	Greece	631,895	Syria	114,806
Azerbaijan	396,428	Australia	357,847	Azerbaijan	92,847
Australia	258,212	Azerbaijan	226,585	Greece	90,996
Sudan	198,843	Mexico	124,864	Australia	85,962
Tajikistan	159,752	Kazakhstan	100,283	Tajikistan	58,547
Turkmenistan	151,012	Sudan	97,490	Sudan	27,080
Mexico	117,456	Syria	97,183	Kyrgyzstan	19,488
Spain	90,941	Tajikistan	72,762	Mexico	13,641
Mali	74,443	Cameroon	33,584	Kazakhstan	11,616
<b>Total of others</b>	<b>3,366,684</b>	<b>Total of others</b>	<b>2,374,815</b>	<b>Total of others</b>	<b>896,028</b>
Others not listed	488,136	Others not listed	209,747	Others not listed	48,332
<b>GRAND TOTAL</b>	<b>5,523,898</b>	<b>GRAND TOTAL</b>	<b>4,188,599</b>	<b>GRAND TOTAL</b>	<b>1,388,963</b>

Source: Trade Data Monitor. LLC

**Table 6: Cotton Imports to Turkiye (HS Code: 5201), metric tons (MT)**

TURKEY					
COTTON					
Import Trade Matrix					
Units:	Metric Tons				
Time Period	Aug/July		Aug/July		Aug/Jan (6 months)
Imports for:	MY 2021/22		MY 2022/23		MY 2023/24
U.S.	363,399	U.S.	349,238	U.S.	96,801
<b>Others</b>		<b>Others</b>		<b>Others</b>	
Brazil	233,279	Brazil	137,672	Brazil	82,963
Greece	184,664	Greece	137,579	Syria	24,996
Azerbaijan	86,312	Australia	77,912	Azerbaijan	20,215
Australia	56,219	Azerbaijan	49,333	Greece	19,812
Sudan	43,293	Mexico	27,186	Australia	18,716
Tajikistan	34,782	Kazakhstan	21,834	Tajikistan	12,747
Turkmenistan	32,879	Sudan	21,226	Sudan	5,896
Mexico	25,573	Syria	21,159	Kyrgyzstan	4,243
Spain	19,800	Tajikistan	15,842	Mexico	2,970
Mali	16,208	Cameroon	7,312	Kazakhstan	2,529
<b>Total of others</b>	<b>733,009</b>	<b>Total of others</b>	<b>517,055</b>	<b>Total of others</b>	<b>195,087</b>
Others not listed	106,279	Others not listed	45,667	Others not listed	10,523
<b>GRAND TOTAL</b>	<b>1,202,687</b>	<b>GRAND TOTAL</b>	<b>911,960</b>	<b>GRAND TOTAL</b>	<b>302,411</b>

Source: Trade Data Monitor. LLC

## b. Cotton Yarn Trade Matrices

**Table 7: Cotton Yarn Imports to Turkiye (HS Code: 5204, 5205, 5207), metric tons (MT)**

TURKEY	COTTON YARN		
Import Trade Matrix	Units: Metric Ton		
Time Period	Jan-Dec	Jan-Dec	Jan-Dec
Import from:	CY 2021	CY 2022	CY 2023
U.S.	0	3	9
<b>Others</b>			
Uzbekistan	125,607	141,371	107,669
India	19,890	35,555	42,685
Turkmenistan	58,968	40,879	41,292
Azerbaijan	15,134	6,763	8,546
Pakistan	5,815	9,313	7,387
Tajikistan	3,506	3,453	2,325
Egypt	2,267	3,364	1,807
Italy	278	546	371
China	883	1,508	262
Germany	139	157	123
<b>Total of others</b>	<b>232,487</b>	<b>242,909</b>	<b>212,467</b>
Others not listed	1,900	3,406	643
<b>GRAND TOTAL</b>	<b>234,387</b>	<b>246,318</b>	<b>213,119</b>

Source: Trade Data Monitor. LLC

**Table 8: Cotton Yarn Exports from Turkiye (HS Code: 5204, 5205, 5207), metric tons (MT)**

TURKEY	COTTON YARN		
Export Trade Matrix	Units: Metric Ton		
Time Period	Jan-Dec	Jan-Dec	Jan-Dec
Export to:	CY 2021	CY 2022	CY 2023
U.S.	1,730	1,615	948
<b>Others</b>			
Portugal	44,670	27,419	21,588
Egypt	21,663	18,233	17,581
Italy	32,538	23,334	17,449
Morocco	2,545	11,359	9,286
Germany	8,035	6,698	5,353
Spain	6,820	4,537	5,352
Russia	310	2,486	4,933
Greece	5,232	4,198	4,202
Bulgaria	5,920	4,125	4,163
Pakistan	15,843	3,915	3955
<b>Total of others</b>	<b>143,576</b>	<b>106,304</b>	<b>93,862</b>
Others not listed	52,905	27,866	25,811
<b>GRAND TOTAL</b>	<b>198,211</b>	<b>135,785</b>	<b>120,621</b>

Source: Trade Data Monitor. LLC



### c. Cotton Fabric Trade Matrices

**Table 9: Cotton Fabric Imports to Turkiye, (HS Code: 5208, 5209), thds. of square meters (m<sup>2</sup>)**

<b>TURKEY</b>	<b>COTTON FABRIC</b>		
<b>Import Trade Matrix</b>	<b>Units: 1,000 m2</b>		
<b>Time Period</b>	<b>Jan-Dec</b>	<b>Jan-Dec</b>	<b>Jan-Dec</b>
<b>Import from:</b>	<b>CY 2021</b>	<b>CY 2022</b>	<b>2023</b>
U.S.	57	161	34
<b>Others</b>	0	0	0
Pakistan	87,994	88,546	89,545
Turkmenistan	73,476	61,299	45,465
China	55,167	59,577	29,533
Egypt	27,452	28,047	23,090
Italy	10,797	12,239	7,941
India	9,560	9,027	6,412
Germany	3,290	4,388	3,262
Malaysia	2,718	1,928	2,229
Spain	3,391	4,153	2,106
Greece	89	13	1,808
<b>Total of others</b>	273,935	269,218	211,390
Others not listed	15,376	20,858	8,389
<b>GRAND TOTAL</b>	<b>289,368</b>	<b>290,237</b>	<b>219,813</b>

Source: Trade Data Monitor

**Table 10: Cotton Fabric Exports from Turkiye, (HS Code: 5208, 5209), thds. of square meters (m<sup>2</sup>)**

<b>TURKEY</b>	<b>COTTON FABRIC</b>		
<b>Export Trade Matrix</b>	<b>Units: 1,000 m2</b>		
<b>Time Period</b>	<b>Jan-Dec</b>	<b>Jan-Dec</b>	<b>Jan-Dec</b>
<b>Export to:</b>	<b>CY 2021</b>	<b>CY 2022</b>	<b>2023</b>
U.S.	4,297	8,066	5,287
<b>Others</b>			
Italy	104,011	85,468	55,366
Egypt	28,391	21,896	24,849
Tunisia	26,983	31,547	24,613
Spain	29,975	26,054	23,704
Morocco	24,829	27,408	21,174
Pakistan	46,470	11,126	16,553
Georgia	13,606	13,102	14,865
Belgium	33,360	20,512	12,116
Bulgaria	14,254	8,870	11,739
Portugal	23,934	15,685	10,207
<b>Total of others</b>	345,813	261,668	215,187
Others not listed	186,428	153,288	143,014
<b>GRAND TOTAL</b>	<b>536,537</b>	<b>423,022</b>	<b>363,487</b>

Source: Trade Data Monitor

**Attachments:**

No Attachments