

**Required Report:** Required - Public Distribution

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**Country:** Greece

**Post:** Rome

**Report Category:** Cotton and Products

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**Report Highlights:**

Greece's MY 2022/23 cotton production is estimated at 1.30 million 480 lb. bales, down 10 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 2021/22, representing 58 percent of total exports.

## Cotton Lint

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

Cotton	2021/2022		2022/2023		2023/2024	
	Market Year Begin: Aug 2021		Market Year Begin: Aug 2022		Market Year Begin: Aug 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Harvested</b>	262	262	255	255		240
<b>Beginning Stocks</b>	202	202	150	150		310
<b>Production</b>	1,400	1,400	1,380	1,450		1,300
<b>Imports</b>	46	46	25	30		40
<b>Total Supply</b>	1,648	1,648	1,555	1,630		1,650
<b>Exports</b>	1,428	1,428	1,275	1,250		1,200
<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>	150	150	210	310		380
<b>Total Distribution</b>	1,648	1,648	1,555	1,630		1,650

(1000 HA), 1000 480 lb. Bales

Source: FAS estimates based on Greek industry contacts

### Production

Greece's MY 2022/23 cotton production is estimated at 1.45 million 480 lb. bales, up 3.6 percent from the previous season due to very good yields and dry weather during harvest. MY 2022/23 cotton acreage decreased 2.7 percent, registering 255,000 ha, and is forecasted to further decrease in MY 2023/24 due to an increase in the area of durum wheat. 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 fungicide, one for acaricide and two for herbicides for use within March and December 2022.

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.

In 2022, Greece was the third most expensive electricity market in Europe (on average MWh prices), behind Switzerland and Italy. The rising cost of energy in Greece has hit the industry and households. Inflation continued rising throughout 2022.

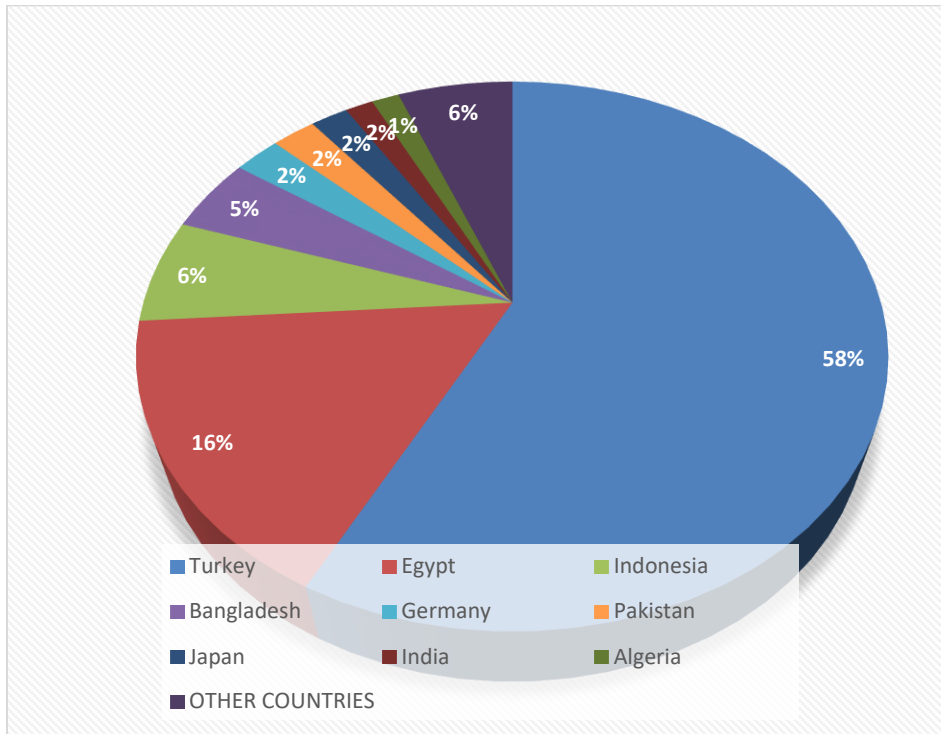
According to the Hellenic Association of Textile Industries, the Greek textile industry has been suffering from increased third-country imports (mainly from China, Pakistan, and Turkey). This has forced many small Greek companies out of business. According to the Hellenic Fashion Industry Association, the pandemic has also affected the textile manufacturing industry. Cotton yarn exports in 2022 decreased by 35.9 percent, mostly due to decreased demand from Germany and Austria, while imports decreased 18 percent with the main suppliers being Turkey, Bulgaria, and India.

## **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 2023/24, exports are forecasted to decrease by approximately 4 percent. Cotton lint exports during MY 2021/22 decreased by 12.5 percent due to Egypt's import restrictions and lower demand from Bangladesh and Pakistan. Turkey was the main destination, representing 58 percent of total exports, followed by Egypt (16.4 percent), Indonesia (6.2 percent), and Bangladesh (4.5 percent). On February 6, 2023, the Gaziantep province in south-eastern Turkey was hit by one of the strongest earthquakes of the century. The impact on the populations concerned, including those engaged in cotton production and processing, has been devastating. Trade disruptions are currently assessed.

Generally, only small amounts of cotton are imported for blending by the Greek spinning industry.

**Graph 1. Greece's Cotton Lint Exports in MY2021/22 (percent)**



**Table 2: Cotton Lint Exports (480 lb. bales)**

	Aug-Jul 19/20	Aug-Jul 20/21	Aug-Jul 21/22
<b>EU-27</b>	56,543	43,569	77,632
Germany	28,059	24,300	34,059
Italy	6,652	6,237	18,636
Spain	0	0	5,457
Netherlands	9,323	3,434	4,471
<b>Extra EU-27</b>	<b>1,412,324</b>	<b>1,586,829</b>	<b>1,348,392</b>
Turkey	758,513	816,074	826,752
Egypt	261,346	335,928	233,493
Indonesia	110,630	87,765	88,340
Bangladesh	91,812	100,696	64,782
Pakistan	46,395	100,314	32,421
Japan	19,435	26,494	27,852
India	14,266	21,631	20,674
<b>World</b>	<b>1,468,867</b>	<b>1,630,398</b>	<b>1,426,024</b>

Source: TDM (Trade Data Monitor, LLC)

**Table 3: Cotton Lint Imports (480 lb. bales)**

	Aug-Jul 19/20	Aug-Jul 20/21	Aug-Jul 21/22
<b>EU-27</b>	8,304	6,134	21,782

Spain	1,605	1,026	16,697
Bulgaria	6,684	5,052	2,139
Germany	0	0	1,495
<b>Extra EU-27</b>	<b>23,394</b>	<b>16,879</b>	<b>16,879</b>
Turkey	13,956	9,620	15,653
India	1,443	662	2,455
Pakistan	3,799	1,439	2,339
<b>World</b>	<b>31,698</b>	<b>23,013</b>	<b>46,362</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). 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.

## Marketing

**Table 4: Cotton Yarn Imports (metric tons, (MT))**

	2020	2021	2022
<b>EU-27</b>	<b>1,001</b>	<b>2,035</b>	<b>1,451</b>
Bulgaria	768	1,656	1,168
Italy	54	130	93
Portugal	48	87	83
<b>Extra EU-27</b>	<b>5,009</b>	<b>6,112</b>	<b>5,234</b>
Turkey	4,200	5,290	4,161
India	704	556	534

North Macedonia	1	22	209
<b>World</b>	<b>6,010</b>	<b>8,147</b>	<b>6,685</b>

Source: TDM

**Table 5: Cotton Yarn Exports (MT)**

	2020	2021	2022
<b>EU-27</b>	<b>4,586</b>	<b>4,766</b>	<b>3,001</b>
Germany	1,889	2,018	1,333
Italy	648	639	572
Bulgaria	639	604	530
<b>Extra EU-27</b>	<b>322</b>	<b>231</b>	<b>201</b>
Switzerland	270	187	168
North Macedonia	4	9	24
Serbia	2	21	3
<b>World</b>	<b>4,908</b>	<b>4,997</b>	<b>3,202</b>

Source: TDM

**Table 6: Cotton Fabric Imports (square meter, (M2))**

	2020	2021	2022
<b>EU-27</b>	<b>1,622,875</b>	<b>2,030,072</b>	<b>1,687,813</b>
Italy	808,358	1,036,531	784,945
Spain	134,853	289,755	202,810
Romania	14,127	38,358	135,561
Bulgaria	138,708	93,090	126,689
<b>Extra EU-27</b>	<b>17,615,701</b>	<b>25,999,137</b>	<b>20,355,145</b>
China	7,678,496	12,455,110	9,517,865
Pakistan	5,784,542	5,545,376	8,431,989
Turkey	3,035,546	4,051,617	1,933,492
India	138,037	139,000	239,937
<b>World</b>	<b>19,238,576</b>	<b>25,029,209</b>	<b>22,042,958</b>

Source: TDM

**Table 7: Cotton Fabric Exports (M2)**

	2020	2021	2022
<b>EU-27</b>	<b>5,197,463</b>	<b>8,575,880</b>	<b>5,656,440</b>
Italy	4,287,284	7,357,022	4,560,497
Bulgaria	500,125	799,921	678,114
Romania	191,532	68,077	95,583
<b>Extra EU-27</b>	<b>5,152,783</b>	<b>658,182</b>	<b>1,277,491</b>
United Kingdom	4,694	4,800	392,791
Turkey	4,674,254	164,685	374,868
Albania	291,479	373,408	339,842
<b>World</b>	<b>10,350,246</b>	<b>9,234,062</b>	<b>6,933,931</b>

Source: TDM

## **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