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Voluntary - Public

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## Turkey

**Post:** Istanbul

### Turkey Cotton Update June 2010

**Report Categories:**

Agricultural Situation

Cotton and Products

Oilseeds and Products

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**Report Highlights:**

MY 2010 Turkish cotton area and production in are now estimated to be 330,000 hectares and 500,000 MT. An increase in planting is reported in all regions due to high world prices and increased domestic demand. Domestic consumption for MY 2009 is now estimated about 1.2 MMT, about ten percent higher than earlier estimates. MY 2009 imports reached 681,000 MT in the first nine months of the marketing year and year end imports are expected to reach 820,000 MT. High U.S. cotton prices prevented a similar increase in Turkish imports from the United States, which remained at 312,000 MT (1.4 million bales) during the first nine months of the year. The GSM-102 Credit Guarantee Program continues to play an important role for U.S. exports to Turkey.

## Production:

MY 2010 cotton area and production are now estimated to be about 330,000 hectares and 500,000 MT (2.3 million bails) due to larger than anticipated planting as a result of high world cotton prices. Planting increases are reported in all regions and favorable weather conditions are expected to increase yields.

## Consumption:

MY 2009 domestic cotton consumption is now estimated to be about 1.2 MMT (3 million bails), which is about ten percent higher than early season estimates. The Turkish textile industry had higher than expected orders during the first half of the marketing year and some of the mills that were closed resumed operations. Accordingly, Turkish textiles and ready-to-wear item exports were up twenty-five and fifteen percent respectively during the first five months of 2010. However, recent economic problems in the EU member countries, where a majority of Turkish textiles are exported, have caused concerns among the Turkish textile exports. Decline in value of the Euro and the increasing value of the U.S. dollar are also sources of concern for Turkish textile manufacturers, as the Turkish textile industry buys its raw materials in U.S. dollars and sells finished products to EU member countries in Euros. In the mean time, an increase in domestic demand for textiles has brought some stability to the sector.

Turkish textile exporters benefit from geographical proximity to export markets, fast response time for orders and higher quality than their competitors. In recent years Turkish textile producers are increasingly focusing on design and technical textile products to increase sales.

## Trade:

According to available information, Turkey imported about 681,181 MT (3.1 Million bails) of cotton during the first nine months of MY 2009, of which 312,214 MT (1.4 Million bails), or forty-six percent is U.S. cotton. This amount is lower than usual because of high U.S. cotton prices. Greece, the CIS countries, Brazil and India were the other suppliers. The GSM-102 credit guarantee program continues to play an important role in U.S. cotton sales to Turkey.

Turkish cotton exports during the same period were about 9,122 MT (41,870 bails), about 6,135 MT of which was to Turkish free trade zones, which means that some of this cotton may be imported back into the country. Turkey also exported about 16,650 MT of cotton for medical use during this period.

## Production, Supply and Demand Data Statistics:

	PSD Table Turkey Cotton, (HECTARES)(MT)					
	2008	Revised	2009	Estimate	2010	Forecast
	USDA		USDA		USDA	
	Official [Old]	Post Estimate[New]	Official [Old]	Post Estimate[New]	Official [Old]	Post Estimate[New]
Market Year						
Begin		Aug-08		Aug-09		Aug-10
Area Planted	350000	350000	280000	280000	310000	330000
Area						
Harvested	340000	340000	280000	280000	310000	330000
Beginning	272563	272563	267433	267433	232433	255433

<b>Stocks</b>						
<b>Production</b>	420000	420000	380000	380000	450000	500000
<b>Imports</b>	635632	635632	700000	820000	750000	770000
<b>MY Imp. from U.S.</b>	391500	391500	450000	380000	475000	450000
<b>TOTAL SUPPLY</b>	1328195	1328195	1347433	1467433	1432433	1525433
<b>Exports</b>	10762	10762	15000	12000	20000	15000
<b>USE Dom. Consumption</b>	1050000	1050000	1100000	1200000	1170000	1250000
<b>Loss Dom. Consumption</b>	0	0	0	0	0	0
<b>TOTAL Dom. Consumption</b>	1050000	1050000	1100000	1200000	1150000	1250000
<b>Ending Stocks</b>	267433	267433	232433	255433	242433	260433
<b>TOTAL DISTRIBUTION</b>	1328195	1328195	1347433	1467433	1432433	1525433

June update

Cotton	Turkey	2008/2009			2009/2010			2010/2011		
		Market Year Begin: Aug 2008			Market Year Begin: Aug 2009			Market Year Begin: Aug 2010		
		USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Planted		0	0	0	0		0	0		0
Area Harvested		340	380	340	280		280	345		330
Beginning Stocks		1,954	1,275	1,250	1,654		1,228	1,609		1,174
Production		1,930	2,300	1,930	1,750		1,745	2,100		2,295
Imports		2,919	3,100	2,918	3,900		3,764	3,000		3,534
MY Imports from U.S.		0	2,065	1,797	0		0	0		2,065
Total Supply		6,803	6,675	6,098	7,304		6,737	6,709		7,003
Exports		136	230	50	175		55	150		70
Use		5,100	5,510	4,820	5,600		5,508	5,500		5,738
Loss		-87	0	0	-80		0	-80		0
Total Dom. Cons.		5,013	5,510	4,820	5,520		5,508	5,420		5,738
Ending Stocks		1,654	935	1,228	1,609		1,174	1,139		1,195
Total Distribution		6,803	6,675	6,098	7,304		6,737	6,709		7,003
Stock to Use %		32	16	25	28		21	20		21
Yield		1,236.	1,318.	1,236.	1,361.		1,357.	1,325.		1,514.
TS=TD				0			0			0

<b>Import Trade Matrix</b>			
<b>Country</b>	<b>Turkey</b>		
<b>Commodity</b>	<b>Cotton</b>	<b>Units:</b>	<b>Metric tons</b>
<b>Time Period</b>	<b>Aug/July</b>		<b>Aug/April</b>
<b>Imports for:</b>	<b>MY 2008</b>		<b>MY 2009</b>
U.S.	391500	U.S.	312,214
Others			
Greece	137836	Greece	139173
Mersin FTZ	22566	Turkmenistan	50106
Brazil	20964	India	44540
Uzbekistan	17608	Uzbekistan	21908
Turkmenistan	17083	Syria	40908
India	13028	Brazil	14279
Egypt	3513	Pakistan	9198
Azerbaijan	2941	Azerbaijan	9957
Kyrgyzstan	1779	Nigeria	2450
Tajikistan	1550	Tajikistan	16860
Total of Others	238868		349379
Others not listed	5264		19588
Grand Total	635632		681181
<b>Country</b>	<b>Turkey</b>		
<b>Commodity</b>	<b>Cotton</b>	<b>Units:</b>	<b>Bales</b>
<b>Time Period</b>	<b>Aug/July</b>		<b>Aug/April</b>
<b>Imports for:</b>	<b>MY 2008</b>		<b>MY 2009</b>
U.S.	1796985	U.S.	1433062
Others			
Greece	632667	Greece	638804
Mersin FTZ	103578	Turkmenistan	229987
Brazil	96225	India	204439
Uzbekistan	80821	Uzbekistan	100558
Turkmenistan	78411	Syria	187768
India	59799	Brazil	65541
Egypt	16128	Pakistan	42219
Azerbaijan	13500	Azerbaijan	45703
Kyrgyzstan	8166	Nigeria	11246
Tajikistan	7155	Tajikistan	77387
Total of Others	1096404		1603652
Others not listed	24162		89909
Grand Total	2917551		3126621