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GAIN Report

Global Agricultural Information Network

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Uzbekistan - Republic of

Cotton and Products Annual

Annual Report

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Report Highlights:

MY 2016/2017 Uzbek cotton planted area and production is forecast at 1.255 million hectares and nearly 3.29 MMT of seed cotton, respectively. The Government of Uzbekistan (GOU) lowers the cotton planting area and targeted production of seed cotton in accordance to the plan of increasing vegetables and fruits production in the areas where seed cotton yields are low. MY 2015/2016 domestic consumption and exports are expected to be about 1.6 million bales and 2.75 million bales respectively. The GOU is continuing to promote domestic consumption by assisting local and foreign investments in textiles and garment production. China and Bangladesh continued to be the main export markets for Uzbek cotton exports. During the first seven months of the MY 2015/2016 Uzbek cotton exports to China were 477,000 bales.

Commodities:

Cotton

Production

MY 2106/2017 cotton planting will take place in April. Even though some farmers planted in early March, a cold front and rains interrupted planting and pushed it to April. Plants will benefit from rains in second half of March and possible rains in April after a relatively dry winter.

The GOU has declared a new plan to carry out structural reforms in agriculture and economy. Accordingly, cotton planting area gradually will be reduced until 2020 to limit domestic production at about 3 MMT of seed cotton, which is about 3.9 million bales of lint cotton, compared to 3.35 MMT, about 4.3 million bales of lint cotton, of recent years. The intention of the government is to reduce planting in areas where field yields are lower than the country average, such as in highly salinized areas and mountain regions, and facilitate production of other crops such as vegetables (particularly potatoes), fruits, and grains instead. It is indicated that with the new decision about 170,000 hectares of land will be available to plant products other than cotton. Accordingly, MY 2016 planned planting area has been reduced to 1.25 million hectares, a decline of two percent, while production is targeted about 3.28 MMT (4.2 million bales) of seed cotton, reduction of one percent, from government targets of earlier years. About half of the planted seeds will be early-ripening types and these varieties have better yields and resistance to various common diseases. About one-third of the rest of the varieties will be mid-ripening and the rest are new varieties (See Table 2).

MY 2016/2017 Uzbekistan seed cotton planting and production targets by regions.

Table 1

Regions	Area (Ha)	Cotton (MT)
Kashkadar	157,000	412,200
Syrkhandar	117,100	328,800
Bukhara	107,800	336,400
Sydarya	106,400	237,000
Ferghana	97,800	274,000
Dzhizak	97,700	222,000
Karakalpak	93,500	188,200
Khorezm	92,200	254,400
Andizhan	91,400	260,600
Tashkent	89,100	231,600
Samarkand	88,700	217,400
Navoi	35,200	98,600
TOTAL	1,255,000	3,287,000

Cotton varieties planned to be sown in MY 2016/17

Table 2

Variety type	Variety name	% of total plant area
Early-ripening	Namangan-77, Sultan, Bukhara-102, An Bayaut- 2	52%
Mid-ripening	C-6524, Bukhara-6, Bukhara-8	36%
New & Prospective	Porlok-1, Porlok-2	12%

Consumption

According to industry sources, about forty percent of local production of cotton is consumed domestically. MY 2015/2016 domestic consumption is estimated about 1.6 million bales (350,000 MT). The textile industry plays an important role in Uzbekistan's economy. It employs one third of the industrial work force and its share of industrial output is twenty-six percent. Presently about 180 enterprises are engaged in textile production in Uzbekistan. The Uzbek government is persuading new partnerships for larger use of cotton domestically. Many new textile production investments are approved that will increase domestic consumption gradually in coming years. The number of companies in the textile business is increasing year by year and new investments continue to come in. Uzbekistan's exports of cotton yarn, textiles and readymade garment exports are estimated about US\$1 billion annually.

Trade

The Uzbek government announced a decision to form a new holding company to cover all the cotton related activities under one roof. Accordingly, the new company named "Uzpakhtasanoateksport" will be responsible of receiving and processing raw cotton and exports of cotton fiber. The new entity is expected to take over the Uzbek cotton export function from the three main government exports houses Uzmarazimpeks, Uzprommashimpeks, and Uzinterimpex that have been undertaking cotton exports for the country.

In general Uzbekistan exports about sixty percent of its lint cotton production annually.

After the 11th International Uzbek Cotton and Textile fair it was announced that agreements were made for 3.2 million bales (700,000 MT) of Uzbek cotton exports to international markets during MY 2015/2016, up about twenty percent compared to last year's announcement. However, private sources indicated that market forces may limit some of the transactions and estimated final exports remains about 2.7 million bales (600,000 MT).

China and Bangladesh continue to be the main markets for Uzbek cotton, distantly followed by Turkey and Iran. It is estimated that China and Bangladesh annual combined imports of Uzbek cotton exceed 400,000 MT.

Accordingly, China's imports of Uzbek cotton during the first seven months of the MY 2015/2016 were 104,000 MT. The Uzbekistan and Bangladesh governments have signed an MOU to supply about 200,000 MT of Uzbek cotton annually to Bangladesh, though the amount of actual exports fluctuates year to year according to market conditions. There are no official Uzbek statistics for exports by

country available, however sources indicate that it is due to large exports to non-reporting countries such as Bangladesh. According to sources at some years exports to Bangladesh reaches as high as 300,000 MT.

Uzbek cotton exports to Turkey during the first seven months of the MY 2015 were 10,400 MT and 4,700 MT to Iran during the first five months of the marketing year. Exports to Russia however remained about 700 MT during the same period. Uzbekistan also exports a negligible amount of cotton to other destinations as well, as such as Vietnam.

China and Russia were among the leading export markets for Uzbek cotton yarn in CY 2015/2016, importing a total of 110,000 MT and 74,000 MT, respectively. Turkey's imports of Uzbek cotton yarn for CY 2015 were 10,600 MT. Also, Poland and Portugal each imported 2,100 MT during same period.

PSD Uzbekistan Cotton (Bales)

Cotton (1000 HA, 1000 480 lb. Bales)						
	2014/2015		2015/2016		2016/2017	
Market Begin Year	Aug 2014		May 2015		May 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	1280	0	1280	0	1255
Area Harvested	1285	1280	1285	1280	0	1255
Beginning Stocks	1248	1498	1148	1498	0	1368
Production	3900	4250	3700	4220	0	4270
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	5148	5748	4848	5718	0	5638
Exports	2450	2700	2300	2750	0	2750
Use	1550	1550	1575	1600	0	1650
Loss	0	0	0	0	0	0
Total Dom. Cons.	1550	1550	1575	1600	0	1650
Ending Stocks	1148	1498	973	1368	0	1238
Total Distribution	5148	5748	4848	5718	0	5638