

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Turkey

Cotton and Products Update

September 2013 Cotton and Products Update

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Report Highlights:

The Turkish cotton crop is benefiting from good weather condition and the availability of irrigation water in all regions. The MY 2013 Turkish cotton crop is projected at 330,000 hectares and 490,000 metric tons (MT) (2.2 million bales). Domestic cotton consumption is expected to be about 1.32 million metric tons (MMT) (6.08 MMT). Total imports during the first eleven months of MY 2012 were 723,000 MT (3.3 million bales) of which 406,000 MT (1.8 million bales) were US cotton. Availability of GSM-102 Credit Guarantee Program played an important role in U.S. exports to Turkey, where total registration for cotton reached US\$ 230 million so far in FY 2013.

Post:

Ankara

Production

MY 2013 Turkey cotton crop is developing in almost ideal conditions. Availability of irrigation water and suitable weather conditions are helping the crop so far in the season. Planted area and production are expected to be about 330,000 hectares and 490,000 MT. The government of Turkey (GOT) has increased the seed cotton production bonus for the 2013 crop year about ten percent to 0.5 Turkish Lira (TL) per kilogram, but farmer leaders are pressuring the government for higher support in the view of increases in all planting costs - fuel, seed and fertilizer. (As of 8/22/2013 \$1 = 1.95 TL)

Consumption

MY 2013 domestic cotton consumption is now estimated at 1.32 MMT (6.08 million bales). While elimination of import surcharges on imported yarn increased yarn imports and had an adverse effect on domestic cotton consumption, political turmoil in some countries in the region is expected to increase demand for Turkish yarn and textiles lifting domestic consumption upward slightly.

Turkish mills are continuing to invest in new machinery and renewing their plants to reduce costs and increase production. In 2012 and 2013 a total of 1 million new spindles are estimated to be put in utilization replacing old spindles. As a result, the total production capacity of the Turkish mills will be increased. Presently Turkey is estimated to have about 4 million spindles. Turkish mills are benefiting from high technology and geographical proximity to the EU, the Middle East and North African markets.

Trade

Total imports for the first eleven months of MY 2012 were 723,820 MT (3.3 Million bales) up significantly compared to last year. The U.S. provided about fifty six percent of the imports 406,913 MT (1.8 million Bales). Greece (94,156MT), Turkmenistan (63,649 MT) and Brazil (54,334 MT) were the other leading suppliers during the same period. There are also rumors in the industry that as much as 30,000 MT of Syrian cotton has found its way to the Turkish market illegally in addition to the 20,700 MT of legal imports.

GSM-102 credit guarantee program continues to play a critical role in U.S. cotton sales to Turkey. As of mid August in FY 2013 Turkish cotton importers registered US\$ 230 million worth of U.S. cotton under the program, which represents about thirty-two percent of Turkey's total usage of the program.

In first eleven months of MY 2012 Turkish total cotton exports (including hydrofoil cotton for medical use) reached 42,783 MT, of which 12,915 MT were lint cotton for textile use and the rest 29,868 MT were hydrofoil cotton for medical use. About 2,600 MT of exports were to the Mersin Free Trade Zone that can be imported back in to the country later. Indonesia (6,256 MT), Vietnam (1,462 MT) and Bangladesh (1,280 MT) were the other leading export destinations.

PSD, Cotton MT

Turkey Cotton (HECTARES)(MT)
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	2011	Revised	2012	Estimate	2013	Forecast
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]
Market Year Begin		Aug-11		12-Aug		13-Aug
Area Planted	490000	490000	410000	410000	330000	330000
Area Harvested	490000	490000	410000	410000	330000	330000
Beginning Stocks	200245	200245	193618	193618	178618	178618
Production	770000	770000	580000	580000	490000	490000
Imports	518610	518610	750000	775000	880000	900000
MY Imp. from U.S.	252663	252663	380000	430000	480000	450000
TOTAL SUPPLY	1488855	1488855	1523618	1548618	1548618	1568618
Exports	65237	65237	45000	45000	40000	40000
USE Dom. Consumption	1230000	1230000	1300000	1325000	1325000	1350000
Loss Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	1230000	1230000	1300000	1325000	1325000	1350000
Ending Stocks	193618	193618	178618	178618	183618	178618
TOTAL DISTRIBUTION	1488855	1488855	1523618	1548618	1548618	1568618

PSD Table (bales 1000)

Cotton Turkey	2011/2012	2012/2013	2013/2014
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	Market Year Begin: Aug 2011		Market Year Begin: Aug 2012		Market Year Begin: Aug 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	490	490	410	410	330	330
Beginning Stocks	1,319	919	1,241	888	1,456	820
Production	3,440	3,534	2,600	2,662	2,250	2,250
Imports	2,382	2,380	3,800	3,557	3,950	4,130
MY Imports from U.S.	0	1,160	0	1,973	0	2,065
Total Supply	7,141	6,833	7,641	7,107	7,656	7,200
Exports	300	300	185	207	175	185
Use	5,600	5,645	6,000	6,080	6,100	6,200
Loss	0	0	0	0	0	0
Total Dom. Cons.	5,600	5,645	6,000	6,080	6,100	6,200
Ending Stocks	1,241	888	1,456	820	1,381	815
Total Distribution	7,141	6,833	7,641	7,107	7,656	7,200
Stock to Use %	21	15	24	13	22	13
Yield	1,529.	1,570.	1,381.	1,414.	1,484.	1,484.

Cotton	Import Trade Matrix Turkey			
	Metric Tons	Bales	Metric Tons	Bales
Time Period	Aug/July	Aug/July	Aug/June	Aug/Apr
Imports for:	MY 2011		MY 2012	
U.S.	252663	1159723	406913	1867730
Others				
Greece	85740	393546	94156	432176
Brazil	81638	374718	54334	249393
Turkmenistan	27290	125261	63649	292149
Syria	0		20760	95288
Tajikistan	13302	61056	46435	213136
Argentina	11341	52055	4784	21958
Australia	8458	38822	0	0
Uzbekistan	7640	35067	0	0
Mersin FTZ	7588	34828	3852	17680
India	6248	28678	0	0
Azerbaijan	4712	21628	4761	21852
Egypt	0		3738	17155
Kyrgyzstan	0		3413	15666
Total of Others	253957	1165662	299882	1376453
Others not listed	11990	55034	17025	78137
Grand Total	518610	2380420	723820	3322327