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Turkey

Cotton and Products Update

Turkey Cotton Update

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Report Highlights:

MY 2015 Turkish cotton crop is estimated at 370,000 hectares and 580,000 metric tons (MT) (2.7 million bales). Excessive rains during the picking season adversely affected quality in Cukurova, and some parts of the Aegean and GAP regions. Domestic cotton consumption increased to 1.4 million metric tons (MMT) (6.4 million bales) in MY 2014 and is expected to remain the same in MY 2015.

Total cotton imports during MY 2014 reached 800,000 MT (3.6 million bales) of which 338,000 MT (1.55 million bales) were U.S. cotton. The antidumping investigation on U.S. cotton exports to Turkey is still continuing and causing a disturbance in the Turkish textile industry since Turkey produce less than half of its needs, and about half of the total imports are sourced from the United States.

Post:
Ankara

Commodities:
Cotton

Production

Post estimates MY 2015 cotton planting area and production at 370,000 hectares and 580,000 MT (2.7 million bales) down about seventeen percent compared to last year due to lower planting as a result of lower returns on cotton compared to other crops such as corn in cotton growing regions. The government's initiative to increase planting via increasing production bonus to TL 0.65(US \$0.23) per kilogram of seed cotton was late to be announced, and hence had a limited effect on farmers' planting decisions. Yields were also lower than last year due to rainy and cold spring following planting in the Aegean and GAP regions. Rains also had adverse effects during the picking season, mainly lowering quality. Planting next year will depend on this crop year's prices and returns, but so far lower local production is said to be supporting local prices.

Turkey became part of the Better Cotton Initiative (BCI) three years ago and estimated to have produced about 26,000 MT of BCI cotton in MY 2015. BCI cotton production is expected to increase in the coming years since higher profitability generated interest among the farmers in all regions.

Consumption

MY 2015 domestic cotton consumption is expected to remain about 1.4 MMT (6.4 million bales), with an anticipated increase in exports to new markets such as Iran helping to recover losses in Russian and Ukrainian markets.

The strong dollar against the major currencies and particularly against the euro caused an adverse effect on Turkish textile and garment exports in MY2014. While the total amount of textile goods exported increased, the total value of exports declined. Accordingly, Turkish exports of textiles and garments declined 7.7 percent and 7.5 percent respectively during the year ending in August 2015 and total exports value declined to US\$ 25.4 billion from US\$ 27.4 billion a year ago. Textiles are one of the leading foreign currency earning sectors of Turkey. The leading export market for Turkish textiles and products is the European Union where about seventy percent of total Turkish exports are shipped. Turkey is ranked the number three leading supplier of the EU market following China and Bangladesh. Strong US dollar against Euro adversely affected Turkish exports to the EU market lowering income since most of the raw material imports are purchased with U.S. dollars and sales with euros. In MY 2014, exports of garments to Iran increased somewhat following the easing of sanctions while continuing economic and political problems in Russia, Ukraine and in the Middle East region adversely affected Turkish textile exports.

Policy

On October 18, 2014, the GOT initiated an antidumping investigation on U.S. cotton exports to Turkey. The investigation has been extended for another six months, and continues to create confusion in the market and caused U.S. cotton orders to slow down as importers are worried about a possible retroactive duty while the investigation continues.

The local textile industry met the investigation with frustration, pointing out that domestic production

can only meet less than half of the sector's needs, and that the U.S. supplies about half of the required imports. The Turkish textile industry is hoping the investigation will be finalized without any antidumping duties, claiming that such a move will make Turkish textile exports more expensive and will cause Turkish products to lose market share in international markets. The textile industry is one of the crucial industries in Turkey, providing about fifteen percent of total exports and about 2.5 million jobs.

Trade

Total cotton imports for MY 2014 were 800,000 MT (3.6 Million bales) down from 924,000 MT (4.2 Million bales) of last marketing year due to the large domestic production. The United States was the leading supplier in MY 2014, followed by Turkmenistan (170,000 MT), Greece (128,000 MT), and Brazil (62,000 MT). Despite the conflict along Turkey's Southern border, about 28,000 MT of Syrian cotton also found its way to the Turkish market.

Turkey also imported about 105,000 MT of cotton during the first two months of MY 2015, up about twenty percent compared to the same period of last marketing year, of which 48,000 MT were U.S. cotton. Turkmenistan (19,000 MT) and Burkina Faso (12,000 MT) were other leading suppliers.

In MY 2014 Turkish total cotton exports (including hydrofoil cotton for medical use) reached 51,300 MT, of which 13,800 MT were lint cotton for textile use and the remaining 37,500 MT were hydrofoil cotton for medical use. About 2,700 MT of Turkish lint cotton exports were to the Mersin Free Trade Zone that can be re-imported later. Bangladesh was the leading destination for Turkish cotton with 2,750 MT, followed by Ethiopia at about 2,000 MT.

Turkey also exported about 6,000 MT of cotton in first two months of MY 2015 of which ninety percent were hydrofoil cotton.

PSD Turkey Cotton Bales

Cotton-Turkey (1000 Hectares) (1000 Bales)			
	2013/2014	2014/2015	2015/2016

Market Begin Year	Aug 2013		Aug 2014		Aug 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Turkey						
Area Planted	0	0	0	0	0	0
Area Harvested	330	330	430	430	380	370
Beginning Stocks	1315	826	1357	830	1596	1054
Production	2300	2300	3200	3214	2800	2662
Imports	4246	4242	3675	3672	3800	4016
MY Imports from U.S.	0	2037	0	1554	0	1720
Total Supply	7861	7368	8232	7716	8196	7732
Exports	204	204	236	236	250	252
Use	6300	6334	6400	6426	6400	6426
Loss	0	0	0	0	0	0
Total Dom. Cons.	6300	6334	6400	6426	6400	6426
Ending Stocks	1357	830	1596	1054	1546	1054
Total Distribution	7861	7368	8232	7716	8196	7732

Turkey						
Cotton (HECTARES)(MT)						
	2013		2014		2015	
	Post Old	Revised Post New	Post old	Estimate Post New	Post Old	Forecast Post New
Market Year Begin		Aug-13		14-Aug		15-Aug
Area Planted	330000	330000	430000	430000	370000	370000
Area Harvested	330000	330000	430000	430000	370000	370000
Beginning Stocks	180014	180014	180055	180055	225055	228830
Production	500000	500000	700000	700000	580000	580000
Imports	924373	924373	775000	800068	775000	875000
MY Imp. from U.S.	443855	443855	350000	338534	350000	375000
TOTAL SUPPLY	1604387	1604387	1655055	1680123	1580055	1683830
Exports	44332	44332	50000	51293	55000	55000
USE Dom. Consumption	1380000	1380000	1380000	1400000	1330000	1400000
Loss Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	1380000	1380000	1380000	1400000	1330000	1400000
Ending Stocks	180055	180055	225055	228830	195055	228830
TOTAL DISTRIBUTION	1604387	1604387	1655055	1680123	1580055	1683830

Import Trade Matrix	Turkey		
Commodity:	Cotton	Units:	Metric Tons

Time Period	Aug/July		Aug/July
Imports for:	MY 2013		MY 2014
U.S.	443855	U.S.	338534
Others			
Turkmenistan	165065	Turkmenistan	169841
Greece	144974	Greece	128132
India	52220	Brazil	62570
Syria	42993	Syria	28389
Tajikistan	18162	Tajikistan	14404
Brazil	17903	Argentina	13261
Uzbekistan	11885	Uzbekistan	6143
Burkina Faso	8731	Cod d'Ivoire	4643
Kyrgyzstan	3655	India	4300
FTZ Mersin	2980	Mali	3944
Total of Others	468568		435627
Others not listed	11950		25907
Grand Total	924373		800068
Country	Turkey		
Commodity:	Cotton	Units:	Bales
Time Period	Aug/July		Aug/July
Imports for:	MY 2013		MY 2014
U.S.	2037294	U.S.	1553871
Others			
Turkmenistan	757648	Turkmenistan	779570
Greece	665430	Greece	588126
India	239690	Brazil	287196
Syria	197338	Syria	130306
Tajikistan	83363	Tajikistan	66114
Brazil	82175	Argentina	60868
Uzbekistan	54552	Uzbekistan	28196
Burkina Faso	40075	Cod d'Ivoire	21311
Kyrgyzstan	16776	India	19737
FTZ Mersin	13678	Mali	18103
Total of Others	2150725		1999527
Others not listed	54850		118914
Grand Total	4242872		3672312