

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Required Report - public distribution

Date: 11/30/2010

Turkey

Cotton and Products Update

Turkey November Cotton Update

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Report Highlights:

The Turkish MY 2010 cotton crop is expected to remain at about 460,000 MT (2.1 million bales). Pest damage was detected in some areas. MY2009 domestic consumption is now estimated at about 1.32 MMT (6 million bales), up due to higher increases in both exports and local consumption. Imports reached 966,000 MT (4.4 million bales) during the marketing year of which 499,000 MT (2.2 million bales) were U.S. cotton.

Post:

Ankara

Author Defined:**Production**

MY 2010 cotton area and production are now estimated to be about 320,000 hectares and 460,000 MT (2.1 million bales), reduced due to bug damage in some of the cotton growing areas. It is reported that attractive world prices may lead some farmers not to plant winter grains in the GAP and Cukurova regions, and to plant cotton instead. Therefore cotton planting is expected to increase about fifteen percent in MY 2011.

Consumption

MY 2009 domestic cotton consumption is now estimated to be about 1.32 MMT (6.06 million bales). The Turkish textile industry experienced a boom in demand, particularly during the first eight months of 2010 from EU customers. An improved Turkish economy also led to increased local demand for textiles. According to available trade figures, Turkish textiles and ready to wear item exports were up 20.08 and 11.5 percent respectively during the first nine months of 2010. The high quality of Turkish textile products, geographic proximity to Europe, fast shipping response time, and improved design were all cited as reasons for export increases.

Additionally, high world cotton prices increased the cost of production for the Far-eastern producers, who buy and sell in U.S. dollars. The Turkish textile industry, however, buys its raw materials in U.S. dollars and sells textiles to EU member countries on a Euro bases. In addition, Turkish producers were generally covered by long-term cotton purchasing contracts, and were able to resist increasing prices for textiles longer than competitors without these contracts. This helped sales to European countries.

The Turkish textile industry reportedly ordered about 500,000 spindles in 2010, recovering some of the capacity lost in earlier years. The installment of the new machines will be completed by the summer of 2011 and investments in modern machinery should lead to a reduced cost of production in the coming years.

However, a recent decline in the value of the Euro against the U.S. dollar and the increase in the value of the Turkish lira against the U.S. dollar are causing the Turkish textile industry to lose its competitive advantage, putting an end to its export surge. According to trade sources, after the New Year Turkish textile and ready to wear item exports will decline. Also, high cotton prices caused an increase in local cotton yarn prices by about 20 percent in October alone, and has led to an increase in the use of man-made fibers by the Turkish textile industry. Therefore, MY 2010 domestic cotton consumption is expected to decline about ten percent and remain at about 1.2 MMT (5.5 million bales).

Trade

Turkey imported 966,267 MT (4.4 Million bales) of cotton during MY 2009, of which 498,897 MT (2.28 Million bales) is U.S. cotton. Greece, the CIS countries, Syria, Brazil and India were other suppliers to Turkey. 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 10,047 MT (46,116 bales), about 6,135 MT (28,160 bales) of which were to Turkish free trade zones. This indicates that some of this

cotton may be imported back into the country. Turkey also exported about 22,510 MT of cotton for medical use during this period.

PSD, Cotton 1000 480 lb bales

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	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 hec)	340	3,400	280	280	375	320
Area Harvested	340	340	280	280	375	320
Beginning Stocks	1,954	1,251	1,654	1,135	1,928	1,208
Production	1,930	1,927	1,750	1,744	2,250	2,111
Imports	2,919	2,918	4,394	4,435	3,100	3,557
MY Imports from U.S.	0	1,796	0	2,290	0	2,180
Total Supply	6,803	6,096	7,798	7,314	7,278	6,876
Exports	136	50	150	46	150	115
Use	5,100	4,911	5,800	6,060	5,900	5,508
Loss	-87	0	-80	0	-80	0
Total Dom. Cons.	5,013	4,911	5,720	6,060	5,820	5,508
Ending Stocks	1,654	1,135	1,928	1,208	1,308	1,253
Total Distribution	6,803	6,096	7,798	7,314	7,278	6,876
Stock to Use %	32	23	32	20	22	22
Yield	1,236.	1,234.	1,361.	1,356.	1,306.	1,436.

**Turkey, Cotton
(HECTARES)(MT)**

	2008	Revised	2009	Estimate	2010	Forecast
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]
Market Year Begin		Aug-08		Aug-09		Aug-10
Area Planted	350000	350000	280000	280000	310000	320000
Area Harvested	340000	340000	280000	280000	310000	320000
Beginning Stocks	272563	272563	267433	247433	232433	263653
Production	420000	420000	380000	380000	450000	460000
Imports	635632	635632	700000	966267	750000	775000
MY Imp. from U.S.	391500	391500	450000	498897	475000	475000
TOTAL SUPPLY	1328195	1328195	1347433	1593700	1432433	1498653
Exports	10762	10762	15000	10047	20000	25000
USE Dom. Consumption	1050000	1070000	1100000	1320000	1150000	1200000
Loss Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	1050000	1070000	1100000	1320000	1150000	1200000
Ending Stocks	267433	247433	232433	263653	242433	273653
TOTAL DISTRIBUTION	1328195	1328195	1347433	1593700	1432433	1498653

Import Trade Matrix

Country Commodity	Turkey Cotton	Units:	Metric tons
Time Period	Aug/July		Aug/July
Imports for:	MY 2008		MY 2009
U.S.	391500	U.S.	498897
Others			
Greece	137836	Greece	143628
Mersin FTZ	22566	Turkmenistan	79491
Brazil	20964	India	60399
Uzbekistan	17608	Uzbekistan	32370
Turkmenistan	17083	Syria	59069
India	13028	Brazil	19531
Egypt	3513	Pakistan	9198
Azerbaijan	2941	Azerbaijan	6701
Kyrgyzstan	1779	Burkina Faso	6581
Tajikistan	1550	Tajikistan	21972
Total of Others	238868		438940
Others not listed	5264		28430
Grand Total	635632		966267

Country Commodity	Turkey Cotton	Units:	Bales
Time Period	Aug/July		Aug/June
Imports for:	MY 2008		MY 2009
U.S.	1796985	U.S.	2289937
Others			
Greece	632667	Greece	659253
Mersin FTZ	103578	Turkmenistan	364864
Brazil	96225	India	277231
Uzbekistan	80821	Uzbekistan	148578
Turkmenistan	78411	Syria	271127
India	59799	Brazil	89647
Egypt	16128	Pakistan	42219
Azerbaijan	13500	Azerbaijan	30758
Kyrgyzstan	8166	Burkina Faso	30207
Tajikistan	7155	Tajikistan	100851
Total of Others	1096404		2014735
Others not listed	24162		130494
Grand Total	2917551		4435156