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Turkey

Cotton and Products Update

Turkey Cotton and Products Update

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Report Highlights:
The MY 2017/2018 Turkish cotton crop now estimated at 460,000 hectares and 840,000 MT (3.2 million bales). Even though excessive rains delayed planting and cool weather following planting impacted growth in the Aegean and GAP regions, good farming practices and plentiful irrigation water affected yields positively later in the season. Presently the crop is developing well with no major pest problems, pushing yields higher in all regions. Domestic cotton consumption for MY 2016/2017 is about 1.42 MMT (6.5 million bales), up slightly due to increases in domestic use and export markets. Total cotton imports during the first eleven months of MY 2016/2017 were 700,000 MT (3.2 million bales) of which 318,000 MT (1.45 million bales) were U.S. cotton.

Turkey Cotton and Products Update

Production

MY 2017/2108 cotton planting area and production are now estimated about 460,000 hectares and 840,000 MT, up about fifteen percent and twenty percent respectively compared to last crop year. In recent years Turkish farmers have been improving their field yields by increasing utilization of high quality certified seeds, taking measures to prevent pest attacks and using increasing amount of cotton harvesters. As of late August, no major pest attack is reported and the crop is developing well in all three major cotton growing regions: GAP, Aegean and Cukurova.

The Turkish government, to promote cotton planting, has been increasing the seed cotton production bonus during the last six years. Accordingly, MY 2017/2018 seed cotton production support increased to TL 0.80 per kilogram from 0.75 per kilogram a year ago (as of 8/24/2017 US$ 1= 3.5 TL). The support is provided only to certified seed users.

Turkey became part of the BCI (Better Cotton Initiative) four years ago and expected to produce about 40,000 MT of BCI cotton in MY 2017/2018.

Consumption

Domestic consumption is expected to go up, though marginally, to 1.425 MMT (6.5 million bales) during MY 2017/2108, due to increase in demand from domestic and international markets. Turkish mills have been investing in new machinery and technology to increase quality and lower costs to be ahead in the very competitive international textile trade. Domestic consumption is also expected to grow in MY 2018/2019 due to the upward trend in traditional export markets such as Europe and Russia, and also in new markets such as Iran. Additionally, relative growth in the economies of the Middle East region will also help to increase exports of Turkish textile products.

Trade

Total cotton imports for the first eleven months of MY 2016/2017 were about 700,000 MT (3.2 million bales), down about twenty two percent compared to the same period last year due to an increase in local availability. About forty five percent of the imports were sourced from the United States, which is 318,000 MT (1.45 million bales) despite the three percent antidumping duties which are currently applied to U.S. cotton. Brazil (77,000 MT), Turkmenistan (67,016 MT) and Greece (75,000MT) were the other leading suppliers during the same period. Despite the war conditions, about 26,000 MT of Syrian cotton also found its way to the Turkish market.

During the first eleven months of MY 2016/2017, low local prices triggered exports and Turkey's cotton exports were up about three times reaching 32,000 MT. Bangladesh (10,800 MT), Indonesia (5,800 MT), and Vietnam (5,600 MT) were the leading foreign destinations for Turkish cotton. About 2,500 MT of cotton was also exported to the Mersin and Kayseri Free Trade Zone with a possibility of being re-imported later. Additionally, Turkey exported about 37,500 MT of hydrophilic cotton for medical use during the same period, which added to exports in the PSD.

PSD, Turkey, Bales (1000 Hectares/1000 bales)

Cotton	2015/2016		2016/2017		2017/2018	
Market Begin Year	Aug 2015		Aug 2016		Aug 2017	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	370	370	400	400	485	460
Beginning Stocks	1596	1050	1583	926	1648	850
Production	2650	2662	3200	3236	3600	3855
Imports	4218	4215	3600	3557	3450	3328
MY Imports from U.S.	0	1512	0	1836	0	1836
Total Supply	8464	7927	8383	7720	8698	8033
Exports	231	231	335	330	325	321
Use	6650	6770	6400	6540	6600	6656
Loss	0	0	0	0	0	0
Total Dom. Cons.	6650	6770	6400	6540	6600	6656
Ending Stocks	1583	926	1648	850	1773	1056
Total Distribution	8464	7927	8383	7720	8698	8033

Turkey						
Cotton (HECTARES)(MT)						
	2015	Revised	2016	Estimate	2017	Forecast
	Post Old	Post Estimate New	Post old	Post Estimate New	Post Old	Post EstimateNew
Market Year Begin	August 2015		August 2016		August 2017	
Area Planted	370000	370000	400000	400000	460000	460000
Area Harvested	370000	370000	400000	400000	460000	460000
Beginning Stocks	228830	228830	201810	201810	221810	184810
Production	580000	580000	705000	705000	820000	840000
Imports	918307	918307	775000	775000	725000	725000
MY Imp. from U.S.	329384	329384	400000	380000	380000	380000
TOTAL SUPPLY	1727137	1727137	1681810	1681810	1766810	1774810
Exports	50327	50327	60000	72000	65000	70000
USE Dom. Consumption	1475000	1475000	1400000	1425000	1450000	1450000
Loss Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	1475000	1475000	1400000	1425000	1450000	1450000
Ending Stocks	201810	201810	221810	184810	251810	229810
TOTAL DISTRIBUTION	1727137	1727137	1681810	1681810	1766810	1774810