80th Plenary Meeting of the ICAC

29 November 2022 - 01 December 2022

Virtual Platform

TÜRKİYE COUNTRY REPORT

Foreword

Mr. Chairman, Distinguished Members, Ladies and Gentlemen,

It is my distinct honor and privilege to address you at the 80th Plenary Meeting of the International Cotton Advisory Committee on behalf of the Turkish delegation.

I am convinced that this plenary meeting will provide a special opportunity for us to discuss cotton supply chain and new approaches to new challenges about cotton industry.

As a start, I would like to briefly touch upon the recent developments in the Turkish cotton market.

Türkiye is one of the few countries in the world that can carry out all production stages of textile and apparel sectors from cotton production to apparel production. Türkiye is a traditional cotton producer and uses this advantage in the textile and apparel sector. Cotton, as one of the most important raw material of textile and apparel sectors, is mostly grown in the Southeastern Anatolia region in Türkiye which accounts for 59% of Türkiye’s current cotton production. As one of the results of the Southeastern Anatolia Project (GAP), which is the largest project ever attempted in Türkiye, cotton production in the region and in Türkiye has begun to increase. The second largest cotton production is realized in the Aegean region with a rate of 24%. In Türkiye, The cotton production area had decreased by 24.8% and became 3.592 ha in the 2020/2021 season. The uncertainties caused by COVID-19, the decrease in yield due to climatic conditions in the 2019/20 season, the decrease in cotton prices both in Türkiye and the world, the increase in cost of production and the rotation in cotton production areas were the main reasons of this decrease. But in 2021/22, due to the increasing cotton production area, cotton production increased significantly by 27% compared to the previous season. And in the 2022/23 season, cotton production is expected to increase even more and reach over 1 million tons.

Meanwhile, in 2021/22 season, the total cotton yield per harvested hectare amounted to 1.930 kilograms (kgs/ha), making Türkiye third in the world. In the 2021/22 season, Türkiye ranked 7th in global cotton production, and 4th in global cotton consumption.

Clothing and textiles are among the largest and best-performing sectors of the Turkish economy, accounting for around 6,2 % of the country's GDP. There are over 65 thousand textile and clothing companies operating in the country and they employ over 2 million people, which corresponds to 13% share in total employment and 26,2% of overall manufacturing labour force. And they provide the highest female employment with the rate of 41.5%. The Turkish clothing and textiles industry exported some 65% of its production, accounting for nearly 14% of Türkiye 's total exports in 2021. The Turkish textile and clothing sector covered approximately one seventh (30 billion US dollar) of total export earnings (225 billion USD) of Türkiye in 2021.

The strong Turkish textile industry is partially dependent on imported cotton. Domestic output does not fully meet demand, which makes Türkiye the world's fourth-largest cotton importer after China, Bangladesh, Vietnam. Türkiye imported 1.195 million tons in the 2020/21 season.

As it is known due to the pandemic that started in 2019, sustainability and green production became very important issues in the textile and ready-to-wear sectors as well as in all sectors. At the same time, with the increase in the demand for comfortable wear, the demand for cotton has increased day by day depending on the consumer demand and the share of cotton consumption in our country has increased compared to other fibers. Yet, the cotton prices had an increasing trend as of 2020

April both in Türkiye and global. While concerns about supply, decline in stocks, problems with delivery and lack of containers led to an increase in agricultural commodity prices in 2021, the performance of cotton attracted attention. In May 2022, cotton prices reached the highest level of the last 11 years, then started to decline by the end of June 2022.

Due to intense challenges in international markets, many Turkish textile and clothing producers have moved on to new designs and fashion styles targeting high-end customers, especially from European countries. This has led to increased demand for high quality cotton from local textile/clothing manufacturers to support the industry's climb up the quality ladder.

Currently, almost all of the cotton grown in Türkiye is Gossypium hirsutum, “upland” type, whose lint characteristics proved to be suitable to most applications. 100% of the cotton is produced from (Genetically-modified) GMO-Free seeds in Türkiye.

The Turkish National Cotton Council developed some quality standards for GMO-Free Turkish cotton and has made this standard ready to use. GMO Free Turkish Cotton is cotton that has been produced and processed responsibly in accordance with environmental and social sustainability criteria, using GMO free seeds. The Council updated the use of "GMO-Free" seals/labels in 2018 to work closely to strengthen cotton, which is so vital to the welfare of millions of people all over the world.

To conclude, I wish a successful meeting and would like to express my profound gratitude the Organizing Committee for the excellent arrangements made for the 80th Plenary Meeting.

Thank you.

Erbulent Kursun (Mr.)
Deputy Director General
Ministry of Trade

80th Plenary Meeting of ICAC

COUNTRY REPORT OF TÜRKİYE

Introductory remarks:

According to the Turkish Statistics Institute, the number of people actively engaged in agriculture, presently varies between 23-26 % of the total labour force. Approximately, 4 million farm units operate in the agricultural sector with an average farm size of around 4 ha. However, the share of agriculture in Turkish GDP has progressively decreased due to significant increases in industrial production, construction and services sectors, leaving agriculture with a share of just 8 %. The most important agricultural commodities are cereals, oil seeds, table olives, olive oil, cotton, tobacco, various types of dried fruit, hazelnuts, as well as various types of vegetables. Cotton, which is one of the basic agricultural income sources for many farmers in Türkiye, has also gained increased importance, especially following the significant expansion of country's textiles and clothing industries.

Cotton's contribution to food and fiber industries is still significant. Cottonseed oil is mainly used to cover part of the domestic deficiency for vegetable oils, for which there is constantly a growing demand, which can only be satisfied by imports at increased amounts. These imports are mainly as sunflower seed oil, soya oil and partly palm oil, for which Türkiye has a significant demand.

With a lint cotton production of about 900 thousand tons, until a few years ago, Türkiye used to be ranked as the sixth largest cotton producing country in the world, after China, India, the USA, Pakistan and Uzbekistan. However, Australia and, particularly Brazil, have significantly surpassed Türkiye in cotton production, pushing the country to the 8th position in 2016/2017 season. However, in 2017/18 season Türkiye again ranked as the 6th largest cotton producing country surpassing Uzbekistan and Australia. And after ranked as the seventh largest cotton producing country for the following two seasons, in 2020/21 Türkiye again ranked the 6th largest producing country surpassing Australia. Then in 2021/22 season, again ranked 7th largest cotton producing country and although, researches have not been finished yet in 2022/23 season, it is expected that Türkiye will rank 7th position after India, China, United States, Brazil, Australia and Pakistan.

With the gradual development of the textile and clothing sectors during the last three decades, cotton has become important to the industrial sector as well as to the internal and external trade of Türkiye. Türkiye saw approximately 25% increase to nearly 1 million tones production in 2018/19 season. Thanks to production increase, the cotton import of Türkiye decreased 11% and reached to 793 thousand tones in that season. However, in 2020/21 season the production decreased sharply, therefore, cotton import reached to 1,167 million tonnes. In 2021/22 season, although the production increased, due to growing consumption in overall Türkiye, cotton imports increased to 1,195 million tons and Türkiye kept to rank as the 4th positions in cotton import. Currently, the Turkish textile and clothing sector covers just below approximately one seventh of total export earnings.

Global financial crisis, which had erupted in mid-2008, had made itself felt in many sectors, especially in manufacturing, as well as in domestic and export marketing of textiles and clothing sub-sectors, causing consumption of cotton drop significantly. Thanks to the gradual increases in cotton prices, especially witnessed soon after October 2009, together with increased demand for textile products, which ultimately triggered price increases on cotton. This trend continued even more fiercely as we entered the 2010/11 season, which will be remembered as one in which cotton prices had shot upwards, the Cotlook A Index reaching its apex value of 241 US cent/lb in March 2011.

In 2021/22 season, both the A-Index and New York futures cotton prices saw the peak of 11 years. The same increase happened in the local cotton prices. The ICE colour grade price saw 154,72 US cent/lb while Cotlook A Index is 159,66 US cent/lb.

While concerns about supply, decline in stocks, problems with delivery and lack of containers led to an increase in agricultural commodity prices in 2021 and for the first half of the 2022, the performance of cotton attracted attention.

1. The Economic Outlook of Türkiye

Gross Domestic Product (GDP) per capita rose from $3.608 to $8.597 in 2020, nearly 2.5 times higher than in 2002. GDP per capita in 2019 was $28.270 according to Purchasing Power Parity (PPP). As of 2020, Türkiye is the 11th largest economy in the world and the 4th largest economy in Europe (according to PPP) and Turkish economy grew by 1.8% in 2020.
Türkiye 's GDP grew by 11% in 2021 and GDP per capita in Türkiye was last recorded at 31.252,08 US dollars in 2021, according to PPP and GDP for 2021 was $9,587, a 12.3% increase from 2020.

In the January-October period of 2022, compared to the same period of the previous year;
Exports increased by 15.4% to 209 billion 450 million dollars,
Imports increased by 39.5% to 300 billion 553 million dollars,
Foreign trade volume increased by 28.5% and reached 510 billion 3 million dollars.

2. Sustainable developments in cotton production

2.1 Brief information on the developments of sustainable cotton production techniques

i) Sustainable Development of New Cotton Varieties

Sustainable development of new seed varieties came with the liberalization of seed sector in mid-1980s, many private sector seed development companies also encouraged the cultivation of some additional varieties, which they considered promising. However, no genetically modified (GM) cotton has so far been commercially cultivated in Türkiye. Presently, almost all of the cotton grown in Türkiye is Gossypium hirsutum, “upland” type, whose lint characteristics proved to be suitable to most applications, except those, which necessitated the use of yarns with very fine counts.

During the recent years, exports of cottonseeds to various countries, including Greece, Spain, Azerbaijan, Tajikistan, and more recently to sub-Saharan African countries, such as Ethiopia, Mozambique, etc., have been made. Mozambique also tested trial plantations, from which favorable results have been reported.

A good number of seed development companies have also been successful in exporting cottonseeds of high yielding varieties, with good fibre properties. However, there exists a growing concern towards the use of uncertified seeds, which infringe the Intellectual Property Rights Rules on Seed Trade.

ii) Sustainable Developments in Cotton Cultivation Techniques:

Both the cotton research stations of the Ministry of Agriculture and Forestry (MAF), as well as the private sector conduct various research and development work in order to improve sustainability of cotton production techniques, bearing in mind the necessity to cause the least harm to the field and environmental resources. Some of the production techniques, such as ridge planting, cultivation of a secondary crop after cotton, use of less water in cotton cultivation, etc., are just a few examples. Positive results obtained from these field studies are shared with various countries. For example, ridge planting methods, which had been proved to be beneficial to faster plant growth, use of less amount of water, shorter maturity periods, etc., were also applied in Kyrgyzstan and Tajikistan, with the technical support of Türkiye (providing suitable seeds, seed planting equipment, technical advice, etc.), where excellent results had been obtained in increasing cotton yields.

iii) Sustainable Developments on Crop Productivity and Pesticide Use:

A study conducted by the SEEP, an Expert Panel on the Social Environmental and Economic Performance of Cotton Production, showed that there is no correspondence between variation in pesticide use over time and cotton yields. Australia achieved a decrease in per-hectare average pesticide use over the studied period, while the average cotton yield per hectare increased. Türkiye has been achieving the third highest cotton yield per hectare since the season 2016/17 after Australia and Israil. Despite the lowest average amount of pesticides used per hectare of cotton.

Yields have continued to increase in Türkiye due to continued development and investment to the irrigated crop in the southern region of the country in 2018/19. Australia’s yields and production fell in 2018/19 for the largely irrigated crop as water levels in the country decreased. Yields continued to recover in Israel through an increase of 11% to 1900 kg/ha following a 2% increase the previous season. Yields in China increased 2%, reaching a high of 1794 kg/ ha. The average yield Brazil remained steady at 1672 kg/ha in 2018/19.

In 2019/20 season, the total cotton yield per harvested hectare amounted to 1.700 kg/ha, making Türkiye fourth in the world. Due to the heat and precipitation during the harvest period efficiency lost in the carding period and due to the diseases and pests seen in the regions outside the Aegean Region, there was a decrease of approximately 10% in the yield in the 2019/20 season.

In 2020/21 season, the total cotton yield per harvested hectare amounted to 1,830 kilograms kg/ha and in 2021/22, it is increased to 1.930 kg/ha.

2.2 Linkage with a Sustainable Cotton Identity Programme IPUD (BCI Türkiye):

Main stakeholders of the private sector associations, under the overall coordination of the UPK- the National Cotton Council of Türkiye, and supported by regional textiles and raw materials exporters associations, the cotton exchanges in Izmir and Adana, Tariş Cotton ASCU, some regional chambers of trade, etc., had come together to support the formation of IPUD (**I**yi **P**amuk **U**ygulamaları **D**erneği-Good Cotton Practices Association) and IPUD completed its foundation process in September 2013. In June 2014 IPUD signed a Strategic Partnership Agreement with the BCI- The Better Cotton Initiative.

IPUD, the Strategic Partner of the Better Cotton Initiative, is responsible for the implementation of the Better Cotton Standard System in Türkiye.

IPUD has been working on making cotton production in Türkiye sustainable in environmental, economic, and social terms by locally producing licensed “Better Cotton”.

The potential farmers had already been trained on the BCI during the 2012/13 season; as a result, around 14 thousand tons of BCI cotton had been produced in that season. The IPUD has also developed ambitious plans for growing BCI cotton in selected areas of Türkiye; namely in the Aegean, Mediterranean, and the South East. Support of the Turkish textile industry, which had been manufacturing for large retail chain stores in many parts of the world, was also very strong.

IPUD has a vision of Türkiye where cotton production is environmentally, economically and socially sustainable. It acts with the aim of serving to provide common benefits for the relevant parties by popularizing the sustainable cotton production in Türkiye.

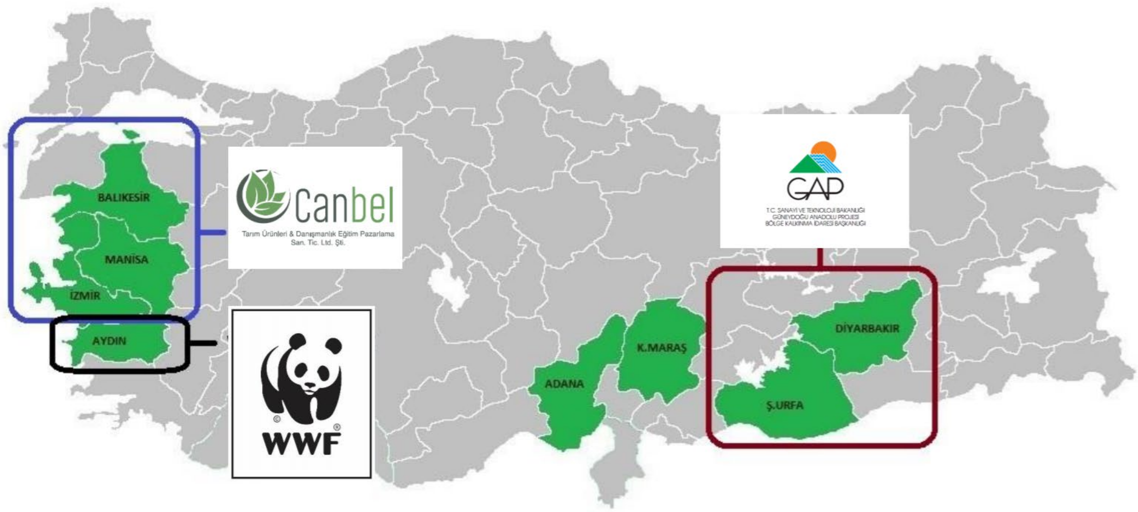
The objectives related to the establishment of IPUD were as follows:

- To enable the improvement of cotton production in Türkiye, for the benefit of those producing it, for the environment in which cotton is grown, and finally for the benefit of Türkiye’s better future!
- During the implementation periods to work always with different stakeholders by encouraging sustainable and measurable improvements.
- To enable production of better cotton with sustainable and main commercial commodity, with the aim of converting the whole cotton production practices towards a positive direction.
- To minimize negative environmental effects of cotton production practices.

•	To improve the income levels and the economic developments of the cotton production regions,
•	To increase the demand for “Better Cotton” through the supply chain and contribute to the development of increased demand, making the demand for better cotton more widespread.
•	To increase the demand for the Better Cotton, by which to expand the demand and make it extremely popular among the growers and users.
•	“To make Better Cotton Production and its Credibility sustainable.

Turkish textile industry has been supporting IPUD’s activities since its foundation, as a young organisation their support has been crucial in terms of IPUD’s institutional development. IPUD also has been supported by various brands especially in its early stages of operation. Thus, IPUD represent a good example of national, international, public and industry collaboration to start a sustainability effort.

IPUD had been operation in several cotton producing provinces from west to east. Operation regions in 2021 were:



It is very important to establish local Implementation Partners in order to provide technical support to farmers in the transition to sustainable cotton production and to seek solutions to local sustainability problems with common sense.
Therefore, as of 2020, IPUD carries out its processes with three Implementing Partners. Technical cooperation with the Wildlife Conservation Foundation (WWF- Türkiye) in Aydın, Canbel Agricultural Consulting in Manisa İzmir, and GAP Regional Development Administration and UNDP in Şanlıurfa and Diyarbakır.

IPUD finds and supports PPs. In order to ensure PPs quality of support to farmers, IPUD invests in capacity building of agricultural engineers. IPUD directly trains all PP staff. Besides the general Better Cotton Standard System training at the beginning of the season, IPUD support all PP staff during the season on technical trainings, Internal Management System and Result Indicators Report and data collection and support PPs on local partnerships. In some cases, IPUD support PPs with the technical trainings given by expert consultants based on needs of the farmers and PP staff. Trainings include but not limited to correct use of pesticides, resistance management, the importance of using PPE, water management, soil health and fertilization methods, lint quality and Decent Work etc.

IPUD also implements BC assurance mechanism and realises field audits and collects data at the farm level.

The Turkish Better Cotton production numbers are:

	2013	2014	2015	2016	2017	2018	2019	2020	2021	Licenced 2022*
Area (ha)	7.237	12.712	13.041	15.651	20.376	25.974	53.400	34.188	30.551	47.757
Seed Cotton (MT)	34.517	60.645	60.680	77.999	106.023	135.788	262.865	172.242	172.772	277.718
Lint Cotton (MT)	13.462	23.652	23.665	30.420	41.349	52.957	102.517	67.174	67.381	108.310
Farmer Number	278	533	441	659	791	962	3.299	1.986	2.018	2.423

*Early licenced numbers will be updated till February 2023

In addition to Better Cotton Standard System implementation, IPUD partners with variety of actors to design projects on sustainability issues to create an enabling environment for farmers.
One of the areas IPUD investing is Decent Work. IPUD implemented some projects in Şanlıurfa in partnership with some BC brands. The activities involved from field-level interventions to test risk-mitigation strategies and also increasing capacity of major actors, mobilize public and social services.

The other area IPUD invests is enhancing the capacities of actors in BC production, for this IPUD partnered in a project with European Reconstruction and Development Bank (EBRD) in 2021/22 season. The project's overall objective was to develop the capacities of Programme Partners, field facilitators, farmers and ginners to improve the adoption of BC standard and the efficiency of cotton farming in Türkiye. Project consisted of; training of trainers, farmer training, field pilots including technological tools such as climate stations and pest trap camaras, PP support, ginner support and research on digital data collection. The project will continue with additional activities in 2022/23 season as well.

2.3 *GMO FREE TURKISH COTTON*

Türkiye is one of the rare countries producing GMO Free cotton, and the only countries producing GMO Free cotton in the world are Türkiye, Greece and Spain. However, Türkiye stands out among other countries in terms of textile production.
The sustainable cotton project "GMO Free Turkish Cotton", initiated with the initiative of the Izmir Commodity Exchange and the National Cotton Council, gained momentum with the participation of Istanbul Textile and Raw Materials in the executive committee and becoming a partner in the brand. The project, which has been preparing for 3 years, is realized by the executive partners this year with the establishment of "GMO'suz Pamuk A.Ş."

The standards of the "GMO Free Turkish Cotton" Project, which was included in the strategy plan with the support of the Ministry of Agriculture and Forestry and the Ministry of Commerce, were also determined.
Moreover;
- Organizations authorized for the certificate have been approved.

- The entire system has been made ready to carry this sustainable brand to Turkish textile products.
- In the chain from cotton production to the consumer, certification bodies will carry out their controls.
- With this brand unique to our country, Turkish textile production will have an advantage over its competitors in the world and will increase its competitiveness.

While the production of GMO cotton is spreading rapidly around the world, Türkiye, together with Greece and Spain, completely banned the use of GMO cotton seeds, including for R&D purposes, adhering to the European Union Biosafety Law, and thus only " GMO Free Cotton".
It has become one of the three privileged world countries producing" and the largest.
Türkiye has gained a very important and unique position in the world cotton industry as a producer of püre GMO Free cotton original and by-products, as well as a country that has never been contaminated and has a genetic source of GMO Free cotton.

Based on this fact, the "GMO FREE TURKISH COTTON" project has been implemented by the Izmir Commodity Exchange and the National Cotton Council in order to ensure that GMO Free Turkish cotton is recognized around the world and in this context, GMO Free cotton production is noticed by global end consumers.

As a result of the studies started in 2010, it was possible to write the phrase "GMO FREE" as a label on all textile apparel products made of cotton, starting with cotton bales.

In the following process, it has been understood that realizing an official registration process by applying to the Turkish Patent and Trademark Office as a "Warranty Mark" by the Izmir

Commodity Exchange and the National Cotton Council will contribute to the institutionalization of the project and the branding of GMO Free cottons produced in our country and the textile and apparel products produced from these cottons.

In all industrial processes where cotton main and by-products are processed, a standard has been set and modern, new logos have been designed to monitor the purchase, processing and use of GMO Free cotton original and by-products, and to determine and certify producer criteria. As a result of the studies carried out, the phrase "GMO FREE TURKISH COTTON" has been approved by the Turkish Patent and Trademark Office, effective as of August 15, 2018.

In order for the project to cover all sector stakeholders and to promote it more effectively in international markets, a transfer of rights to the "GMO FREE TURKISH COTTON" Guarantee Brand was carried out to the Istanbul Textile and Raw Materials Exporters' Association with equal rights with the Izmir Commodity Exchange and the National Cotton Council.

In order to organize the operation of the "GMO FREE TURKISH COTTON" brand and its promotional activities in national and international markets, it is planned to establish an Executive Board consisting of representatives of the relevant sector, primarily 3 companies that own the brand.
Lastly, this executive board was appointed as "GDO SUZ PAMUK A.Ş." established this company and started its activities.

2.4 Overview of developments related to cotton production in Türkiye

Cotton production regions of Türkiye are shown in **Figure 1.** During the last decade, significant increases in cotton planted area have occurred in the South-Eastern Anatolia, "GAP" region, as opposed to drops in Çukurova and the Aegean regions. Machine picking has increased in both the Aegean, Mediterranean and the "GAP" regions, indicating almost 80-90% usage in medium to large size fields. This was due to costly hand picking, arising mainly from the scarcity of manual pickers. **Table 1** gives the cotton production figures for the last 17 seasons (i.e between 2005/06 and 2021/22 seasons). It can be seen that during the recent seasons, except for the 2020/21 season, thanks to the yield increases, the overall country level production increases were also achieved.

Diminishing in planted area in all regions and the limited application of machine picking in small sized cotton fields started to indicate a stagnation in the demand for new mechanical pickers. However, cotton price increases since October 2009 had again raised the sales of the mechanical harvesting equipment.

An important aspect worth mentioning is the significantly weakened positions of the Agricultural Sales Cooperatives and their Unions (ASCU), such as Tariş, Çukobirlik and Antbirlik, which can also be regarded as a major factor for the limited interest to cotton growing because these ASCUs used to be very powerful in the past, also in charge of implementing government support policies, mainly in 1970s and 1980s, and partly in 1990s. They even continued giving such support from their own resources at times when market prices or "the premium levels" had fallen short of their members' expectations. These cooperative unions had long been regarded as "good shelters" for most of the small to medium size growers. However, the restructuring process, through which the agricultural sales cooperatives and their unions had to undergo early in 2000s, could not produce a good outcome. It was their significantly weakened financial positions, which greatly deprived them from giving adequate support, making them eventually lose their comparative advantage towards their grower members.

Another important factor for their weakened position was the reluctance displayed by the management of these cooperatives to take drastic steps while restructuring their cooperatives in such a way as to make them competitive, self-financed and effective organizations. There had been increased expectations that with the lowered world stocks and accelerated world cotton prices since December 2009, farmers would again turn to cotton growing for the 2010/11, 2011/12 and 2012/13 seasons, respectively. These expectations were largely realized as reflected at the production data provided in **Table 1.** These data were also verified by the ginnery output data, which had been kept on regional bases by the regional standardization control authorities of the Ministry of Trade.

i) Cotton Production for the 2019/20 Season

In the 2019/20 season, 814 thousand tons of lint cotton were produced on an area of 478 thousand hectares. Due to the heavy rains and cold weather in the spring of 2019, the planting period delayed by about 1 month. Due to the heat and precipitation during the harvest period efficiency lost in the carding period and due to the diseases and pests seen in the regions outside the Aegean Region, there was a decrease of approximately 10% in the yield in the 2019/20 season.

In the 2019/20 cotton production season, 6 provinces that meet 85% of the production in Türkiye was respectively; Şanlıurfa, Aydın, Diyarbakir, Hatay, Adana and Izmir. Fiber cotton production amount were 450 thousand tons in the Southeast Anatolia region, 180 thousand tons in the Aegean Region, 177 thousand tons in the Çukurova Region and 8 thousand tons in Antalya.

Planted Area	: 477.868 ha
Production (Ton)	: 814.000 tons
Yield	: 1.700 kg/ha

ii) Cotton Production for the 2020/21 Season

In the 2020/21 season in Türkiye, cotton cultivation areas decreased by 25% compared to the previous season and fell to the lowest level of the last 30 years. Cotton has been planted on a total area of 359 thousand hectares in 23 provinces and 86% of the cotton planting areas were located in Sanlıurfa, Diyarbakır, Aydın, Hatay, Adana and İzmir.

In the 2020/21 cotton production season, 1.77 million tons of seed cotton, which corresponds to 656 thousand tons of fiber cotton were produced in Türkiye. 6 provinces that meet 85% of the production in Türkiye was respectively; Şanlıurfa, Aydın, Diyarbakir, Hatay, Adana and Izmir. Fiber cotton production amount was 330 thousand tons in Southeastern Anatolia Region, 195 thousand tons in Aegean Region and 123 thousand tons in Çukurova Region as it is shown **in Table 2.**

In the 2020/21 season, the production realized 656.251 tons in overall Türkiye depending on the decreased harvested area as it is shown in **Table 1.**

Planted Area	: 359.220 ha
Production (Ton)	: 656.251 tons
Yield	: 1.830 kg/ha

iii) Cotton Production for the 2021/22 Season

In the 2021/22 season in Türkiye, 832,500 tons of fiber cotton was produced in an area of 4.3 million decares in return for the production of 2.25 million tons of unseed cotton in Türkiye.

The 6 provinces that meet 87% of the cotton production in Türkiye in 2021 are Şanlıurfa (40%), Diyarbakır (14%), Aydın (12%), Hatay (9%), İzmir (7%) and Adana (5%).

Planted Area	: 432.279 ha
Production (Ton)	: 832.500 tons
Yield	: 1.930 kg/ha

iv) Cotton Production for the 2022/23 Season

It is projected that the production will be 1.100.000 tons, as one of the highest level, in overall Türkiye as it is shown in **Table 1.** The increase in cotton prices encouraged farmers to increase their cultivation areas in 2022

3. Cotton Consumption

3.1 Outlook for Cotton Consumption in Türkiye

Turkish cotton industry is still one of the major sub-sectors, having a large export earning as well as employment potential. The textile industry has partly been dependent on imported cotton, since local cotton production is not sufficient to meet the demand for approximately 1.6-1.8 million tons of lint cotton, hence often making the country the **amongst the top importers of cotton** in the world.

Cotton consumption figures since the 2000/01 season are given in **Table 3.** Between 2000/01 and 2003/04 seasons, Türkiye had rapidly recovered from the economic and financial crisis of 2001, when sharp depreciation of the domestic currency had occurred, together with an economic slowdown, which also limited the increase in mill consumption of cotton.

Significant improvement in cotton consumption occurred especially just after October 2015. This “come-back” was with a healthy demand for raw textile materials, such as cotton, cotton yarn, and fabrics, woven or knitted products, leaving the chances for further improvement to the year 2016.

Parallel to cotton price increases, which noticeably accelerated in the second half of, demand for cotton also remained dull. However, from September 2011 until January 2012, there had been some higher volatility in cotton prices. Excessively high cotton prices, which had been mainly caused by speculative market behaviours, ultimately forced some spinners and fabric manufacturers to reduce their dependence on cotton, by switching, where possible, to other fabricated fibres, or to cotton/polyester blends.

All these developments lead to the difficulty in foreseeing the future behaviour of the cotton markets, which in turn resulted in a sudden and abrupt fall in cotton demand, hence in prices of cotton and cotton yarn. This unpredictable and mainly speculative market behaviour had created an understandable cause for concern on the part of textile manufacturers in Türkiye and in many parts of the world, especially in some large textiles manufacturing countries, where cotton started to be offered back by many spinning mills, which preferred not to be caught with large cotton inventories at high prices.

During the 2015/16 season, as the above mentioned decreasing demand for cotton prevailed in both cotton producing and consuming countries, so did the behaviour of *“Wait and see!”,* causing significant drops in cotton prices. Adding to these developments were the difficulties experienced in the financial markets, over the deteriorating economic conditions in some of the Euro-zone countries on one side, and the existing concerns over the developments in the US economy, particularly on the US Dollar. Coupled with the political uprisings, in North Africa and the Middle

East, all translated into significant drops in per capita income, hence lower demand for cotton, despite the lowering of cotton prices even during the transition of cotton markets from one season to the next.

During the 2016/17 season imports of Türkiye, the world's fourth largest buyer of cotton, increased to 824.610 tons due to the less crop this season.

The amount of cotton import continued to increase in Türkiye, as the increase in consumption could not be met by domestic production in parallel with the decrease in cotton production over the years and the development in the textile sector.

In 2018, the USA ranked first in Türkiye 's cotton import of approximately 1.4 billion dollars with a 50% share. As it has been for many years, our country preference for imports has not changed, 70% of the import is made from 3 countries, which are the USA, Brazil and Greece.

In 2019/20 season, with the effect of the COVID-19 pandemic, consumption decreased by 12% and ending stocks increased by 30% in Türkiye as well as in the world.

In 2020/21 season, with the recovery of the COVID-19 pandemic, the consumption demand increased and our cotton consumption increased compared to the previous season and amounted to 1,676 thousand tons.

In 2021/22 season, the consumption increased and reached to 1.894 thousand tons in overall Türkiye and consequently, 1.195 thousand tons of cotton was imported due to insufficient cotton production.

Finally a "Supply and Use Cotton Table" was constructed in Table 5 in order to see the overall picture related to the starting and ending stocks, productions, consumptions, cotton productions, and finally trade (exports and imports).

3.2 Cotton Trade

Türkiye has a fully liberalized cotton trading market since 1990s, with no quantitative restrictions in exports, nor in imports. There is no duty or levy charged to exports or imports of cotton. Cotton is freely traded in the market and prices are determined by domestic and international supply and demand conditions, reflected by the Cotlook A indices, New York ICE futures contract prices, and other related exchanges, such as the Indian and China Forward or Futures quotations.

i. Trade in Seed Cotton

Main players in seed cotton trading markets are the Agricultural Sales Cooperatives (ASCs) and their Unions (ASCUs), individual cotton producers, traders and cotton ginners, while the main players in the lint cotton market are again the ginners, spinning mills, directly or through their commission agents, and finally, the domestic and foreign trading cotton companies.

Farmers, who sell their seed cotton to ginners, generally do not engage themselves in lint cotton trading. In the past, ASCUs were important market makers (both in seed and in lint cotton markets) with an overall share of generally between 15-20% in total crop volume. As mentioned above, the ASCUs active in cotton have significantly lost their power to control the market, due to their weakened financial strengths.

As part of the restructuring program for the ASCUs, the governments can no longer provide finance for their crop procurements, thus, the ASCUs were expected to build-up their own capital for their crop procurements, as well as maintain their working capital to meet their operating costs.

It is worth to remember that price supports on behalf of the government through the ASCUs have ceased to be practised and seed cotton purchases of these unions had been solely on their own accounts, especially since the 2000/01 season. The amount of cotton the ASCUs can get from their members depends largely on the procurement prices they announce, payment conditions and the prices offered by the ginners, traders, and other intermediaries in relation to market realities.

Of the three ASCUs, Tariş, had overlooked the market realities until a few seasons back, when it had offered to their members prices much higher than the prevalent market prices. This practice had put themselves under big losses as well as under severe shortages of finance for their upcoming seed cotton procurements. Antbirlik, situated in the province of Antalya, and not having a large cotton production base, was able to command a good control of the seed cotton markets in its own region. Lastly, Çukobirlik covers a very large area with scattered cotton production spots, stretching from the Mediterranean Region covering Çukurova, Hatay, and K. Maraş, Urfa, Diyarbakır, etc., cotton growing areas to the south-east (i.e. the "GAP" area). Like Tariş, Çukobirlik also operates with a limited working capital.

Private sector involvement in the seed cotton market is mainly through the ginners or traders. Local intermediaries buy seed cotton and sell to ginners charging them a small commission/fee. Imported lint cotton prices also affect the formation of prices in the domestic seed cotton market.

During the recent seasons, a much simpler way of fixing seed cotton price was established. The lint cotton price, which is daily established at the Izmir Cotton Exchange, is multiplied by the ginning outturn to arrive at the seed cotton price. In this transaction, it is assumed that the value of the cottonseeds, coming out of the ginnery is roughly equivalent to the cost of ginning. **Table 4** gives the cottonseeds' procurement prices by the ASCUs from 1997/98 season until the 2021/22 season. Please note that the methodology of calculating the seed cotton price changed by adopting the simpler way of calculation as mentioned above.

ii. Trade in Lint Cotton

In Türkiye, the domestic lint cotton market can be described as a competitive market with no restriction on foreign trade and with no government intervention. Thus, the market forces determine prices. Domestic lint cotton market is integrated with international markets so that prices are open to the global price signals.

The Izmir Cotton Exchange operating under the Izmir Mercantile Exchange, IME, has a well-deserved history as the most significant institution in Türkiye in the price discovery and trading of cotton. Prices are daily established after a 10 minutes trading session held in the trading pit, by an outcry method, from where the prices so established are disseminated rapidly. Cotton trading can also take place elsewhere in the country, where the closing session prices from Izmir also guide the basis of most of these transactions.

Cotton price behavior during the 2015/16 season; The Cotlook A Index between August 2015 and July 2016 was fluctuating between 65-83 cents per lb. Especially after March the prices started to increase sharply and reached to the level of 83 cents per lb at the end of the season. During the same period, prices at the Izmir Bourse moved in a narrower band according to Cootlook A and completed the season approximately at the level of 80 cent per lb.

In 2016/17, the Cotlook A Index increased by 12 cts/lb from 2015/16, averaging 82,77 cents per pound for the season. Given the increase in world production and prices in 2016/17, the value of world cotton production rose to $45 billion.

In 2017/18 season, the averaged Cotlook A Index increased by 5,10 cents/lb compared with previous season, averaging 87,87 cent/ libre. During the same period the Turkish lira has declined and depreciated by over 35 percent since the beginning of the year.Turkish cotton price is lower than the counterparts by about 20 cents/lb (compared price:the price of cotton that delivered to Türkiye).

In 2018/19 season, the Cotlook A index decreased 25% in a year as shown Figure 2 (From August 2018 to August 2019). On the other hand, while comparing Cotlook A index and grade 41 Izmir domestic cotton; in the first six months the Türkiye domestic cotton price increased by 9% and then decline trend took place and reached the same level in a year.

As of the following two seasons, it was seen that the relationship between IME and Cotlook A Index prices has returned to its usual course; While the average price of IME was 4 Cent/kg above the Cotlook A Index in the 2019/20 season, it fell behind 8 Cent/USD in the 2020/21 season.

In 2020/21 season, as it is seen in the **Figure 2** the price difference between ICE colour grade 41 and Cotlook A Index increased in the last months.

While concerns about supply, decline in stocks, problems with delivery and lack of containers led to an increase in agricultural commodity prices in 2021, the performance of cotton attracted attention.

Both the A-Index and New York futures cotton prices saw the peak of 10 years and exceeded 1 dollar for the first time in 10 years and became one of the products that gained the most value in 2021.

In 2021/22 season which price fluctuations are felt most intensely, the price of cotton continue to increase and in May 2022, cotton prices reached the highest level of the last 11 years, then started to decline as of June 2022.

4 Sustainable development of the textiles and clothing sub-sectors in Türkiye

a. Brief Historical Developments of Türkiye's Textile and Clothing Industry:

Historical developments of Türkiye's cotton based textile industry begin with the foundation of the Republic in 1923, although cotton cultivation in Anatolia dates back to the first century to the Romans, followed by the Byzantines and lastly by the Ottomans, from whom Türkiye also inherited the tradition of manufacturing of textiles and clothing products. Initial developments were realised during the early years of the Republic at the hands of the public sector with the establishment of Sumerbank, a very large state economic enterprise, involved mainly in textiles and clothing, as well as in banking was established in 1930s and actively operated until 1987, when it was privatised. From 1950 onwards, it was felt that for the sustainable development of the Turkish textile sector, major private sector investments were also needed, which started to take place immediately after 1950s, and gained weight in 1970s, in parallel with the rapid increase in cotton production.

With the investment incentives granted to the textile sector during the same period, modern spinning plants had been put into operation in 1970s and 1980s, at a time when the textile industries of Europe, mainly Italy, Germany, Belgium, France and England, had their production facilities also operating at high capacities, and being largely dependent on imported yarn, which could be obtained from a nearest source, such as Türkiye. However, Türkiye was soon to face quantitative restrictions to its cotton yarn exports in 1974[1]. Such restrictions were formally imposed in mid 1980s, initially onto cotton yarn[2], which would later be extended to other textile products, such as woven or knitted fabrics, etc. Finally, clothing exports had also become subject to quantitative restrictions towards mid-1980s.

Türkiye's Customs Union with the European Union, which went into effect on 1st January 1996, eliminated all the quantitative restrictions in the textile and clothing trade between Türkiye and the EU. It was in the second half of 1995 and in the following 3 years, which triggered off the investments in textile and clothing machinery in Türkiye to get benefit from the removed quotas.

The WTO Agreement on Textiles, which went into effect in 1995, was to eliminate quotas progressively, with a total elimination in January 1, 2005. As part of the Agreement on Textiles and Clothing (ATC), and all restrictions were terminated on January 1, 2005. The expiry of the ten-year transition period of ATC implementation meant that trade in textile and clothing products

[1] *Complaint was first received from Britain*
[2] *In the form of voluntary restrictions with a given annual quota*

was no longer subject to quotas under a special regime outside normal WTO/GATT rules, but was now governed by the general rules and disciplines embodied in the multilateral trading system.

Contrary to the earlier predictions of many experts, Turkish manufacturer-exporters of textiles and clothing products have proven their continued ability to *sustainably* maintain and even expand their presence in most foreign markets, in increased volumes and values, even after entering the quota-free era, mainly to the EU markets, which still constituted Türkiye's number one trading partner, not only in textiles and clothing but also in most other sectors.

For the achievement of sustainable development of the Turkish textiles and clothing sub-sectors, principal foundations had long been laid down to face the quota-free era by private sector initiatives, backed by the strong entrepreneurship, dynamic economic growth, utmost respect to innovation, support by the existing and new talents in design and creativity, close follow-up of market trends, active presence in the existing and new markets, participation in prestigious international fairs, etc., organising buying missions, collaboration with the educational and training, as well as with the R & D institutions. The role of the exporters' associations in Türkiye in acting as catalysing bodies should not be underestimated in the overall success of the textiles and clothing sub-sectors.

4.2 Sustainable Development of Türkiye's Textile and Clothing Potential

Before the start of the "quota free era" Turkish entrepreneurs had been preparing themselves for the new rules of the game, which was *"to become and remain competitive in a highly competitive world"*.

Türkiye is one of the very few countries in which its textile and clothing industry has managed to remain competitive, even after the end of textile quotas, and under the fierce competition coming from low-cost countries, such as China, India, Bangladesh, etc. This is mainly because new investments in spinning, weaving and knitting have continued, especially in new provinces, such as Adana, Gaziantep, K. Maraş, Kayseri, Niğde, and Malatya in southern and central Anatolia, where there had been a shifting of spinning, weaving and knitting activities. At the same time, Denizli emerged as the new basin for the manufacture of bathrobes, towels, bed linen, etc., leaving Bursa and Çorlu as manufacturing centres for woven or knitted fabrics, and their articles. It is evident that Istanbul has become the leading production base for the high quality ready-made garments, followed by Izmir and Bursa. Istanbul (and to a lesser extend Izmir and Bursa) have also become the regional centres for fashion development as well as manufacturing bases for leading international brands.

Mention should also be made to Türkiye's continuous investments in new textiles and clothing machinery, which basically aims at ensuring *sustainability* in country's success in various sectors, among which textiles and clothing, food, chemicals, petro-chemicals, electronics, machinery, etc., industries play important roles.

Finally, the government had introduced a new investment incentives scheme, which was specifically designed to encourage investments with the potential to reduce dependency on the importation of intermediate goods vital to the country's strategic sectors. Reducing the current account deficit; boosting investment support to lesser developed regions; increasing the level of support instruments; promoting clustering activities, and supporting investments that will create the transfer of technology, are all among the primary objectives of the new investment incentives scheme, which went into effect as of January 1, 2012. Lastly, local and foreign investors have equal access to all the investment schemes (i.e general, regional, large-scale and strategic investments incentives schemes). It is believed that this initiative will play a critical role in ensuring ***sustainability*** in various sectors, besides the cotton, textiles and clothing sub-sectors.

In 2021, Turkish textile and apparel industries provide**:**

- 6,2 % of Türkiye GDP
- 15% of overall manufacturing
- 26,2 % of overall manufacturing labour force
- 14% of Turkish total export earnings

Turkish textile and apparel industries are the leading industries in manufacturing and employment in Türkiye. Below, Türkiye's position in the global market for both textile and apparel industries are summarized with figures;

Textile Exports (10,2 billion $ in 2021)

- World's 6th biggest supplier
- EU's 2nd biggest supplier after China
- Leading producer and exporter in knitted and denim fabrics
- Well-known producer of high-quality organic cotton

Apparel Exports (20,3 billion $ in 2021)

- World's 6th biggest supplier
- EU's *3rd* biggest supplier after China and Bangladesh
- World's *3rd* biggest hosiery supplier after China and Italy
- World's *3rd* biggest woven products supplier after China and Bangladesh
- *Leader* in denim and knitted products

4.3 Major issues facing the cotton, textiles and apparel industries of Türkiye

i) Major issues facing the Turkish Cotton Industry

The most important issue facing Türkiye's cotton industry today is the unfair competition created by the government measures implemented by various cotton producing countries, which generally result in depressed world market prices. This is a common issue, facing most of the cotton producing developing countries. Unfortunately, the gradually diminishing hopes for achieving a successful conclusion in the Doha Round in the very near future also diminish the expectations of many cotton producing developing countries for a significant improvement in the cotton markets worldwide.

The other main issues, faced by the cotton growers in Türkiye listed below:

- high input costs, (labour, fuel, chemicals, fertilisers etc.,)
high cost of hand picking (use of harvesting equipment has been expanding at a rapid pace, now reaching at almost 80% levels in relatively large cotton fields)
- high cost of finance,
- Better returns expected from alternative crops, especially from food crops, making market prices of cotton most often lower than the cost of production.

And adding to that would be;

- the likelihood of entering another period of world–wide recession and financial crisis, with its inevitable repercussions to the world cotton economy.

5. Future prospects of the cotton industry of Türkiye

5.1 Cotton production prospects

Türkiye is a traditional cotton producer and uses this advantage in the textile and apparel sector. Cotton, as one of the most important raw material of textile and apparel sectors, is mostly grown in the Southeastern Anatolia region in Türkiye which accounts for %59 of Türkiye's current cotton production. As one of the results of the Southeastern Anatolia Project (GAP), which is the largest project ever attempted in Türkiye, cotton production in the region and in Türkiye has begun to increase.
The second largest cotton production is realized in the Aegean region with a rate of 24%. The Aegean region, where the best quality "upland" cotton is being grown, and where the planted area did not indicate a large drop until a few years ago, has also been experiencing significant diversion to other crops, mainly to maize, simply because of higher cost of cotton production

In Türkiye, The cotton production area had decreased by 24.8% and became 3.592 ha in the 2020/2021 season. The uncertainties caused by COVID-19, the decrease in yield due to climatic conditions in the 2019/20 season, the decrease in cotton prices both in Türkiye and the world, the increase in cost of production and the rotation in cotton production areas were the main reasons of this decrease. But in 2021/22, due to the increasing cotton production area, cotton production increased significantly by 27% compared to the previous season.

The increase in cotton prices is expected to encourage farmers to increase their cultivation areas in 2022. Global production will surpass consumption in the 2022/23 season forecast, and consumption will decrease in response to inflation and increasing energy costs. The increase in production and the possible decrease in demand will put prices under downward pressure.

And in the 2022/23 season, cotton production is expected to increase even more and reach to 1 million 100 thousand tons.

5.2 Cotton consumption prospects:

In a quota-free world, it was anticipated that relatively low priced imported textile products would reduce the demand for domestic yarn, raw and finished fabric to some extent, limiting possible increases in mill consumption. The degree at which the domestic textile industry is likely to be affected from such imports will be largely dictated by the quality and price levels of the imported products compared to the domestic products. Under such circumstances, where imported yarn, raw or finished fabric appears more competitive, importing those products under the Inward Processing Regime and using them in the manufacturing of more value added products, might be the most advantageous and cost effective strategy. In this case, it will not be difficult to foresee a drop in cotton consumption, which will affect not only the domestic cotton production but also the consumption of imported cotton.

In 2019/20 season, at the beginning period of COVID-19 pandemic, general consumption decreased sharply both in Türkiye and all over the world. At this stage, consumption habits of the customers have changed and the interest in comfortable clothes has increased.

In 2020/21 season, with the recovery of the COVID-19 pandemic, the consumption demand increased and due to increased interest in comfortable clothes, cotton based products demand affected positively. Türkiye's cotton consumption increased compared to the previous season and amounted to 1,676 thousand tons.

In 2021/22 season, although the production increased, due to growing consumption in overall Türkiye, cotton imports increased to 1,195 million tons and Türkiye kept to rank as the 4th positions in cotton import. Currently, the Turkish textile and clothing sector covers just below approximately one seventh of total export earnings.

5.3 Cotton export/import prospects

Türkiye was a net cotton exporting country until 1992. From 1993 onwards, Türkiye has become a net cotton importing country, with steady increases in cotton imports being realised during the last decade. In the last seasons, this situation made Türkiye one of the largest cotton importing country in the world. Thus, Türkiye's export potential for cotton in the future will remain insignificant.

It is projected in the next seasons, cotton demand will be increase and the increase in domestic production will only meet our increasing needs. Therefore, the needed cotton will be imported. The increase in domestic cotton production will meet our increasing demand; however will not decrease Türkiye's cotton imports.

6. Conclusions

Cotton price volatilities experienced during the recent seasons, have made a great impact on the world cotton economy, disrupting the smooth functioning of trade, which the world cotton markets had been enjoying for decades even centuries and seriously, threatened its world-wide sustainability.

While concerns about supply, decline in stocks, problems with delivery and lack of containers led to an increase in agricultural commodity prices in 2021 and for the first half of the 2022, the performance of cotton attracted attention.

In the meantime, Türkiye continues to be the 4th largest cotton importing country.

In the 2022/23 season, cotton production is expected to increase and reach to 1 million 100 thousand tons.

The Turkish clothing and textiles industry exported some 65% of its production, accounting for nearly 14% of Türkiye 's total exports in 2021. The Turkish textile and clothing sector covered approximately one seventh (30 billion US dollar) of total export earnings (225 billion USD) of Türkiye in 2021. In the January-October period of 2022, compared to the same period of the previous year Turkish textile and apparel exports increased by 6,5% to 26 billion 600 million dollars.

ANNEX: TABLES AND FIGURES

TABLES

TABLE 1			
COTTON PRODUCTION			
Crop Year	**Harvested Area (ha)**	**Production (Tonnes)**	**Yield (kg/ha)**
2005/06	546.880	863.700	1.580
2006/07	590.700	976.540	1.650
2007/08	530.253	867.716	1.640
2008/09	495.000	673.400	1.360
2009/10	420.000	638.250	1.520
2010/11	480.650	816.705	1.700
2011/12	542.000	954.600	1.760
2012/13	488.496	858.400	1.760
2013/14	450.890	877.500	1.950
2014/15	468.143	846.000	1.810
2015/16	434.013	738.000	1.700
2016/17	416.010	756.000	1.820
2017/18	501.853	882.000	1.760
2018/19	518.634	977.000	1.883
2019/20	477.868	814.000	1.700
2020/21	359.220	656.251	1.830
2021/22	432.279	832.500	1.930
2022/23*		1.100.000	

Source: Turkish Statistical Institute(TurkStat) & Ministry of Agriculture and Foresty
**Estimated*

TABLO 2. Cotton production datas according to regions and provinces.(2021-22)

TABLO 2		
Region/Province	**Area (da)**	**Production (ton)**
CUKUROVA	**678.222**	**132.564**
Adana	218.901	42.066
Mersin	29.922	4.918
Hatay	389.619	77.738
Kahramanmaras	38.080	7.534
Osmaniye	1.700	308
SOUTHEAST OF ANATOLIA	**2.619.897**	**489.880**
Diyarbakır	552.467	114.413
Sanlıurfa	1.834.608	330.373
Gaziantep	42.193	7.832
Adiyaman	61.169	11.425
Mardin	59.541	12.105
Siirt	6.655	1.488
Batman	5.507	1.073
Sirnak	53.307	10.343
Kilis	4.450	828
AEGEAN	**980.877**	**201.038**
Aydın	493.095	97.931
İzmir	262.207	55.731
Denizli	96.850	19.463
Manisa	123.977	27.061
Muğla	3.633	662
Balikesir	1.112	190
Bursa	3	0
ANTALYA	**43.794**	**9.018**
TOPLAM	**4.322.790**	**832.500**

Source: Turkish Statistical Institute(TurkStat)

TABLE 3	
TÜRKİYE COTTON CONSUMPTION	
Crop Year	(1000) TONNES
2000/01	1.250
2001/02	1.372
2002/03	1.390
2003/04	1.415
2004/05	1.550
2005/06	1.500
2006/07	1.550
2007/08	1.325
2008/09	1.130
2009/10	1.300
2010/11	1.300
2011/12	1.300
2012/13	1.360
2013/14	1.400
2014/15	1.486
2015/16	1.500
2016/17	1.450
2017/18	1.650
2018/19	1.500
2019/20	1.437
2020/21	1.676
2021/22	1.894

Source: Ministry of Agriculture and Forestry

TABLE 4 ***PURCHASE PRICES OF THE COOPERATIVE UNIONS*** **(For Std.1 Seed Cotton)**				
ASCUs	***Tariş***		***Çukobirlik***	
SEASONS	**TL/KG**	***US Cent/Kg***	**TL/KG.**	**US Cent/KG.**
1997/98	140 000	82.9	120 000	71.0
1998/99	195 000	71.4	160 000	58.5
1999/00	230 000	51.5	205 000	45.8
2000/01	380 000	59.2	305 000	47.5
2001/02	680 000	48.5	550 000	39.3
2002/03	800 000	48.8	650 000	39.7
2003/04	900 000	58.1	800 000	51.6
2004/05	900 000	61.0	840 000	56.0
2005/06	830 000	61.0	680 000	50.0
2006/07	1.0	66.0	0.74	49.0
2007/08	1.0	80.0	0.89	71.0
2008/09	1.0	77.0	0.85	65.0
2009/10	1.0	75.0	0.97	71.0
2010/11	1.50-1.80 TL/KG Variable price	1.00-1.20 US$/KG Variable price	1.35-1.50TL/KG Variable price	0.90-1.10 US$/KG Variable price
2011/12	*Variable price established by multiplying lint cotton price with ginning outturn ratio*			
2012/13	*Variable price established by multiplying lint cotton price with ginning outturn ratio*		*Variable price established by multiplying lint cotton price with ginning outturn ratio*	
2013/14	2.00 TL/kg	0.93 US cent/lb	1.80 TL/KG	0.90 US cent/lb
2014/15	1.60 TL/kg	0.94 US cent/lb	1.55TL/KG	0. 70 US cent/lb
2015/16	2,03 TL/kg	0,69 $/kg	1,82	0,62 $/kg
2016/17	Variable prices depending on Commodity Exchange prices		2,08	0,70 $/kg
2017/18	2,5 TL/kg	0,71 $/kg	2,5 TL/kg	0,71 $/kg
2018/19	3,50 – 4,00 TL/kg		3,85 TL/kg	
2019/20	3,50 – 4,00 TL/kg		3,55 TL/kg	
2020/21	5,5-6 TL/kg		4,85-6,5 TL/kg	
2021/22	13-14 TL/kg		9,6-12 TL/kg	

Source: Turkish Statistical Institute (TurkStat) & Ministry of Agriculture and Foresty

TABLE 5					
Supply and Demand of Cotton during the last 5 seasons in Türkiye					
					1000 tonnes
SEASONS	2018/19	2019/20	2020/21	2021/22	**2022/23***
Begining Stocks	753	887	1.182	1.207	1.215
Production	977	814	656	833	1.100
Imports	761	996	1.167	1.195	
Total Supply	2.491	2.697	3.005	3.235	
Exports	104	78	122	126	
Consumption	1.500	1.437	1.676	1.894	
Demand	1.604	1.515	1.798	2.020	
Ending Stocks	887	1.182	1.207	1.215	

**Estimated*

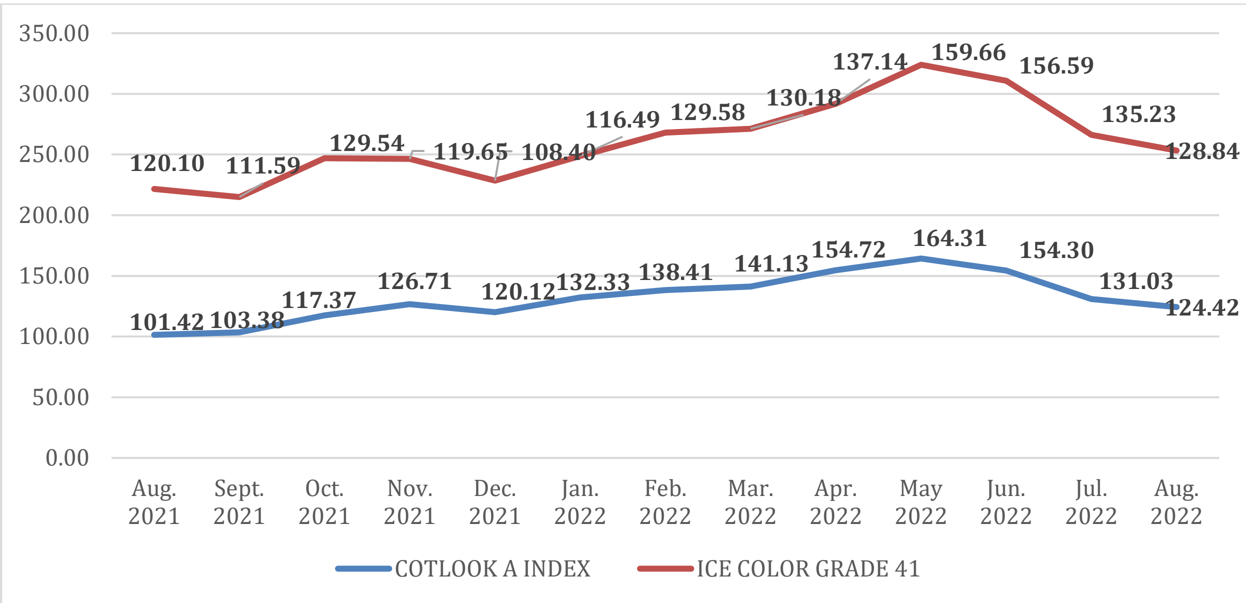
Sources:

1. *Foreign Trade:* Turkish Statistical Institute(TurkStat), August-July seasonal data
2. *Begining Stocks, Production, Consumption, Ending Stocks*: Ministry of Agriculture and Foresty

FIGURES

FIGURE 1: Cotton Production Regions in Türkiye

FIGURE 2: Comparison of Colour Grade 41 Izmir Cotton Domestic Prices with the Cotlook A Index (Cent/lb)



Source: İzmir Commodity Exchange

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