



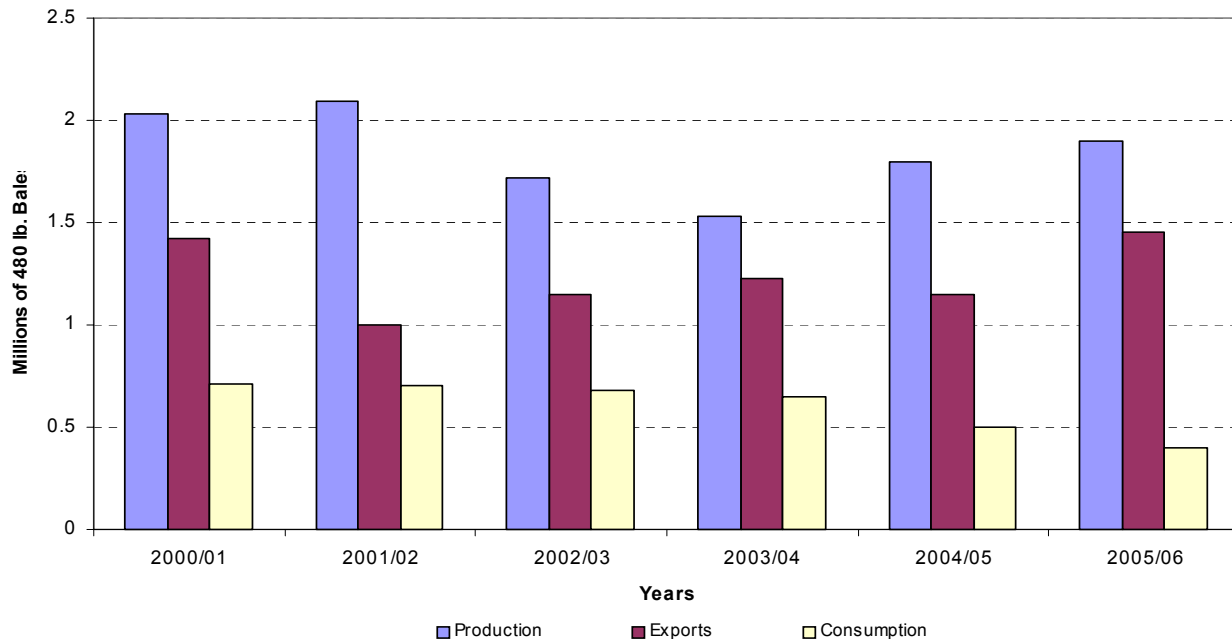
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Cotton: World Markets and Trade

Greece's Cotton Exports Rise, More Competition for U.S.



Greece is the largest EU cotton producer and the world's sixth largest cotton exporter. For 2005/06, production is forecast at 1.9 million bales and exportable supplies are forecast to grow to over 2 million bales, the largest since 2000/01. As Greek cotton production continues to increase and domestic consumption shrinks, Greek exports are forecast to reach 1.45 million bales in 2005/06.

Most Greek cotton exports are destined for Turkey, which in 2003/04 absorbed 33 percent of the total quantity exported. In 2004/05, Greek exports to Turkey grew by 20 percent and account for 50 percent of Greek cotton trade. Although the United States is the largest exporter to the Turkish market, Greece has proven to be a competitive force in the region with its expanding exports and close proximity to Turkey.

Greek exports to traditional markets within the European Union have decreased in recent years while Pakistan and China have emerged as Greek customers. After Turkey, Italy is the second largest market for Greek cotton, importing 139,000 bales in 2004/05, down from 348,000 bales in 2000/01. In 2004/05, Pakistan imported 37,000 bales and China imported 34,000 bales. Because of limited production capacity and proximity to the Turkish market, Greek expansion into these markets will likely be limited.

Approved by the World Agricultural Outlook Board