



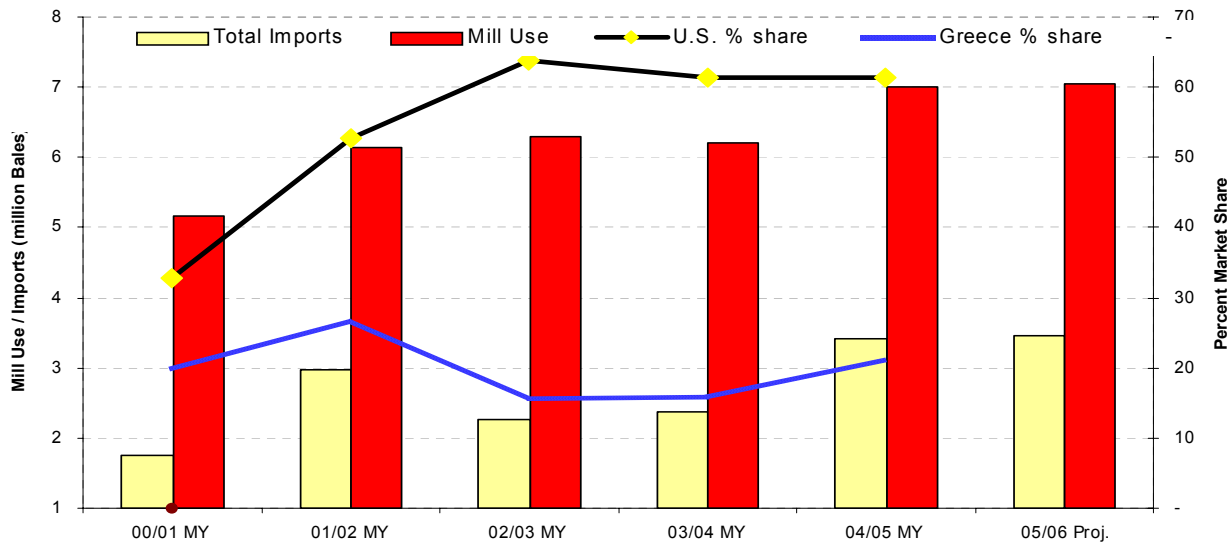
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Cotton: World Markets and Trade

U.S. Share of Turkey's Imports May Rise



Turkey's cotton imports and mill use are forecast at a record 7.1 and 3.5 million 480-lb bales, respectively, in 2005/06 MY, marginally above 2004/05 MY. Turkey is the world's second largest cotton importer and second largest market for U.S. exports. The United States is Turkey's primary cotton supplier with an import market share of about 61 percent for 2004/05. Export activity to date suggests that the U.S. will maintain or improve market share in 2005/06.

So far in 2005/06 (through December 29th), more than 577,000 bales of U.S. cotton were exported to Turkey, up 41 percent from the same period in 2004/05. Most of Turkey's increase in imports, as suggested by (August – November 2005) data, was U.S. cotton, driving up the U.S. market share from 55 percent to 65 percent. Although the market share for Greece, the second largest cotton supplier to Turkey, has faded from 30 percent to 17 percent over the same period, near record exportable cotton supplies will likely help push Greek exports to Turkey higher in the second half of 2005/06.

The growth seen in Turkey's cotton imports is mostly due to government action to stop the in-flow of low-priced yarn and fabric from the FSU and Asian countries. Additionally, a strong lira and new protocol expanding a preferential customs union to the ten newest members of the EU will continue to support local mill use and the country's dependence on cotton imports.

Approved by the World Agricultural Outlook Board