



# COTTON



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# INTRODUCTION

## I- BASIC INFORMATION

According to the data in 2004/2005;

- ❖ 4% of the total cotton production in the world,
- ❖ 6% of the total cotton consumption and
- ❖ 8% of the total cotton trade in the world are realised by Turkey.

With respect to the above mentioned data, Turkey is

- ❖ the fifth in the world cotton consumption,
- ❖ the sixth in the world cotton production and
- ❖ the second in the world cotton imports.

(Source: ICAC)



## I- BASIC INFORMATION

COTTON PRODUCTION (TONNES)				ENDING STOCKS (TONNES)
YEARS	UNGINNED	GINNED	AREA (HA)	
1998	2,025,867	882,154	756,566	187,602
1999	2,304,503	791,298	719,294	247,000
2000	2,260,921	879,940	654,177	217,851
2001	2,357,892	914,404	684,665	314,101
2002	2,541,832	988,120	721,077	444,000
2003	2,345,734	919,531	637,329	525,000
2004	2,390,305	928,122	636,832	692,000
2005*	2,455,000	982,000	670,000	460,000

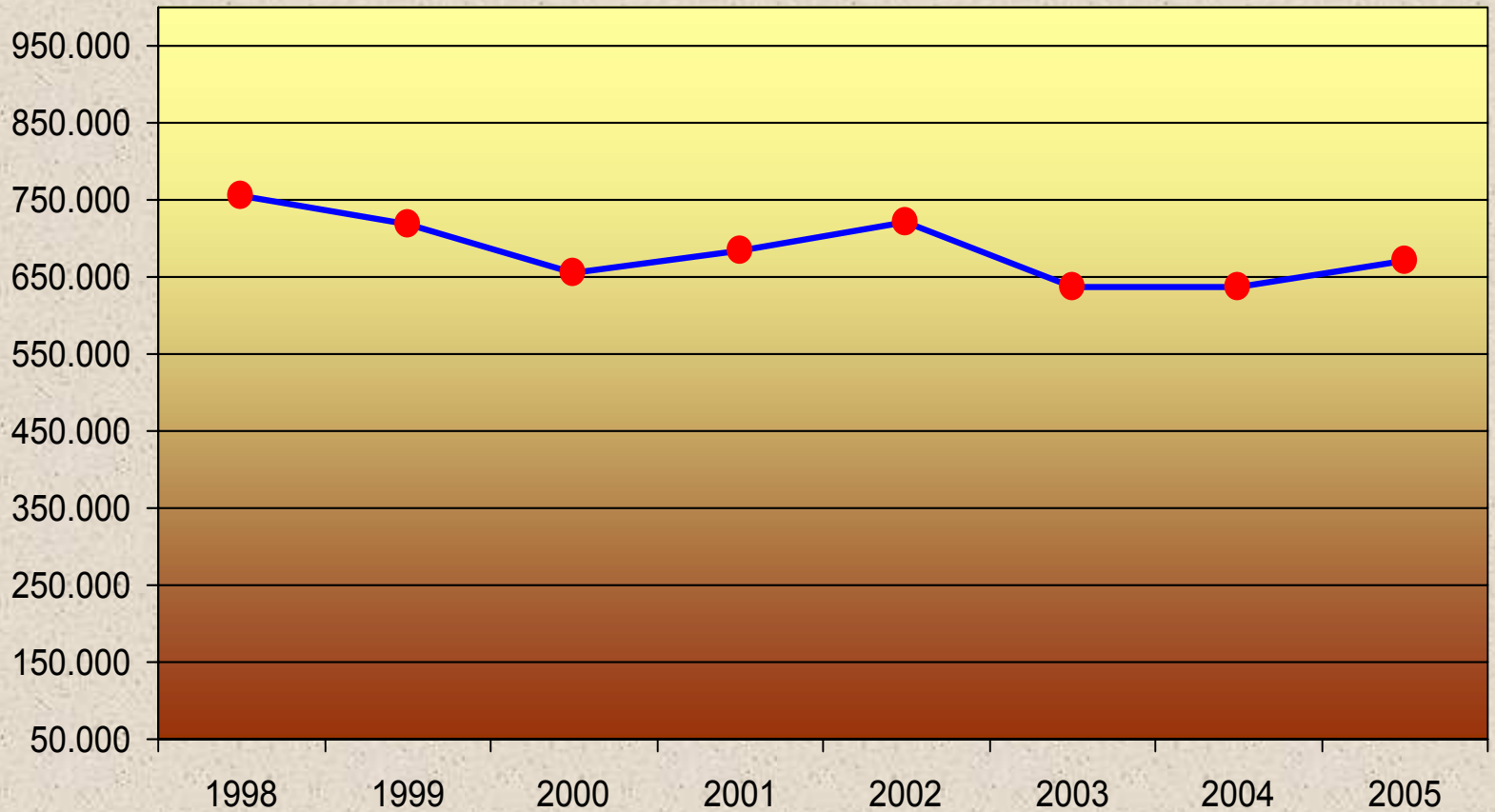
Source: TURKSTAT - MARA \* Estimate



SCREENING CHAPTER 11  
AGRICULTURE AND RURAL DEVELOPMENT  
AGENDA ITEM 6a: COTTON



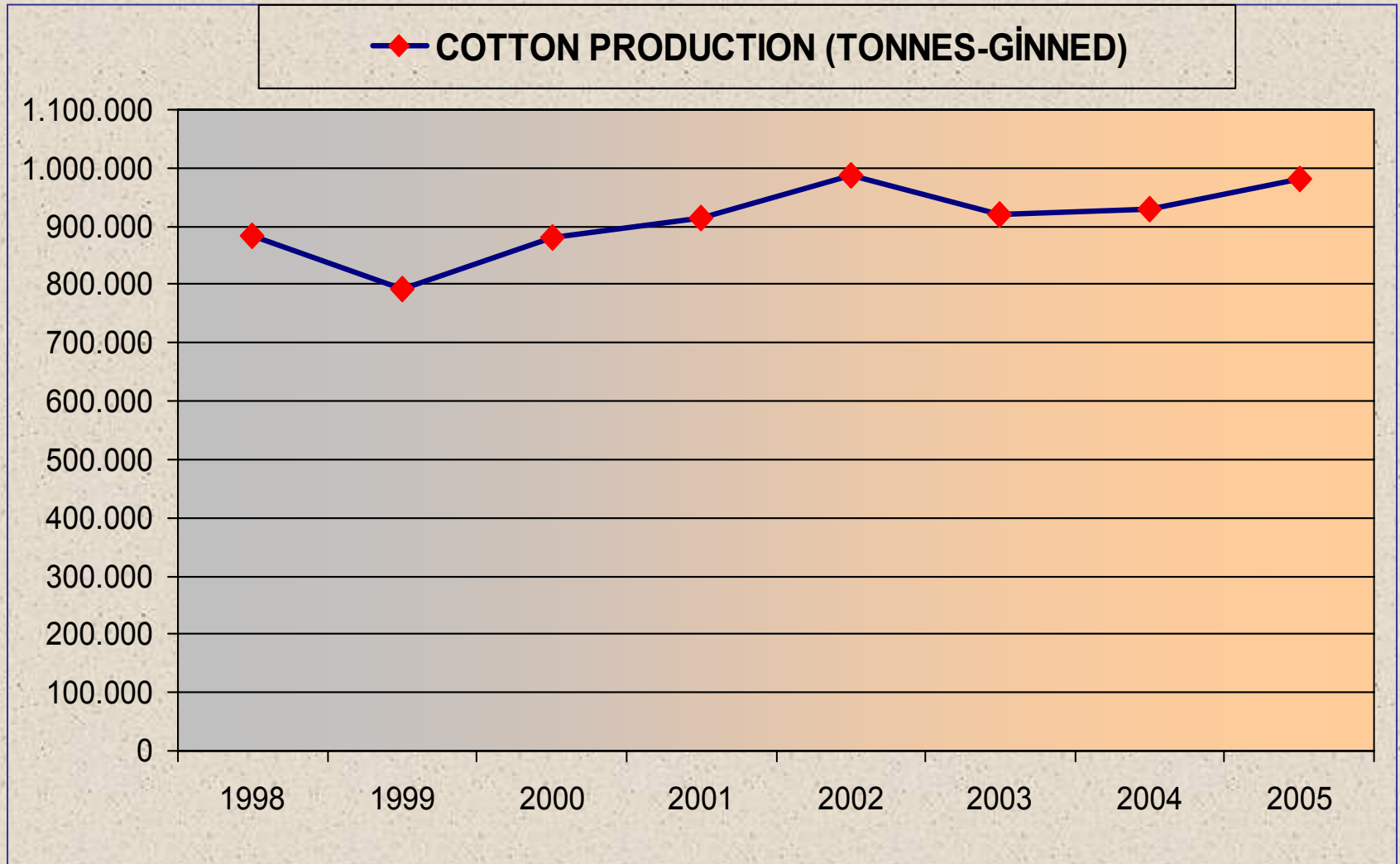
● COTTON PRODUCTION AREA (HA)







SCREENING CHAPTER 11  
AGRICULTURE AND RURAL DEVELOPMENT  
AGENDA ITEM 6a: COTTON



## ❖ Regions where cotton is cultivated in Turkey

- ❑ Southeast Anatolia
- ❑ Aegean
- ❑ Mediterranean

## ❖ Yields are well above the world average (world's highest after Australia and Israel)

(Source: ICAC)



- ❖ **According to the agricultural census conducted in 2001, the number of the cotton producers in Turkey is around 130,000.**
- ❖ **The average size of a cotton farm is 5,58 ha.**
- ❖ **There is no cultivation of transgenic cotton in Turkey. (Import of certified seeds of transgenic cotton varieties is forbidden – Circular No 2005/1)**

## **STANDARDISATION:**

**The main legislation is the Communiqué No 2001/20 on “Standardisation of Pressed Cotton”**

**In the Communiqué, the cotton is classified according to following criteria:**

### **1- Length of fibre:**

- a) short fibre cottons**
- b) medium fibre cottons**
- c) long fibre cottons**

### **2- Production areas**

### **3- Ranges of colour and the percentage of foreign materials**

### **4- Type of ginning**



## CLASSIFICATION OF COTTON

- ❖ The laboratories (with HVI) of the Commodity Exchanges, Agriculture Sales Cooperatives and their Unions, and as well as Regional Directories of Undersecretariat of Foreign Trade (UFT) are utilised in cotton classing and quality determination.
- ❖ Grading of the cottons is generally made by the experts visually under the north light or artificial illumination in the classification room.
- ❖ Sample boxes for standard cotton types are prepared every year.
- ❖ Every ginner must have the humidity measuring instrument, whose calibration certificates must be renewed annually.



# SUPPORT MECHANISMS

## II- SUPPORT MECHANISM

### 1- Premium Support

### 2- Direct Supports

- Direct Income Support,
- Diesel Support,
- Chemical Fertilizer Support

❖ There are no guaranteed;  
➤ minimum prices,  
➤ national production quantities  
for the cotton producers.





## 1- Premium Support

- ❖ **Legislation** :
  - Decree No. 2004/6946
  - Decree No. 2005/8670
  - Premium Communiqué No 2004/36

**(Legislation is renewed in every production period.)**
  
- ❖ **Premium Payments are provided to the producers:**
  - who are registered to the National Farmer Registration System (NFRS)
  - per Kg of unginned cotton
  - directly
  - once for every production period.





- ❖ **20% extra premium is provided to the producers using certified seeds.**

### **The amount of the Support Premium given in 2004**

<b>TO THE PRODUCER UTILISING:</b>	<b>SUPPORT PER KG (Cent)</b>	<b>TOTAL AMOUNT OF THE SUPPORT (MILLION €)</b>
<b>UNCERTIFIED SEEDS</b>	<b>11,4</b>	<b>269,2</b>
<b>CERTIFIED SEEDS</b>	<b>13,7</b>	

Source: Ziraat Bank



## 2- Direct Supports

- Legislation :**
- **By-law on National Farmer Registration System**
  - **Decree No. 2005/8629,**
  - **Decree No. 2005/9065,**
  - **The Communiqué No. 2005/21,**
  - **The Communiqué No. 2005/38,**

**Direct supports are provided to producers:**

- **who are registered to NFRS**
- **for the areas up to 50 hectares**
- **free from the production**
- **directly**
- **once for every year.**



### **3- Inspection of the supports and sanctions to be applied in case of infringements:**

- ❖ **Support payments given to cotton producers are controlled by
  - the Premium Examination Commissions and
  - Inspectors of the MARA**
- ❖ **Institutions assure the accuracy of the documents arranged and the payments given by themselves.**
- ❖ **In case of the infringement of the rules, payments given are recovered with its interest and the public prosecutor is notified.**



# TRADE MECHANISMS



### III- TRADE MECHANISM

- ❖ **Lint cotton trading mainly takes place in Commodity Exchanges.**
- ❖ **The reference prices in the cotton markets are formed in the Commodity Exchanges.**
- ❖ **The cooperatives, their unions, ginneries and traders have important roles in the domestic trade of cotton.**
- ❖ **There is no public body or institutions responsible for storage of cottons. This function has been partly assumed by the cooperatives (ASCs) and their Unions (ASCUs).**





- ❖ **Necessary legislation on licensed warehouse system is in place.  
(The Law No: 5300 and the Bye-law on cotton implementation)**
- ❖ **Transferring of the unginne cotton across the regions is prohibited.  
(Communiqué No 99/18)**
- ❖ **Prevention of contamination, which might occur during harvesting,  
transferring and storage of unginne cottons.**





# FOREIGN TRADE



## IV- FOREIGN TRADE:

### MAIN SUPPLIERS:

- USA,
- GREECE,
- SYRIA,
- TURKMENISTAN,
- UZBEKISTAN.

### MAIN DESTINATION:

- ITALY,
- PORTUGAL,
- NETHERLANDS,
- FRANCE,
- GREECE.

Source: UFT



- ❖ Under the current import/export regime, there is no license system in the cotton imports and exports.
- ❖ There are no subsidies for export.
- ❖ Cotton is in free circulation between Turkey and EU in accordance with EU-Turkey Association Council Decision No.1/95.
- ❖ There is no preferential import or export arrangement with candidate countries.
- ❖ Under Turkey-Bosnia and Herzegovina FTA, cotton is reciprocally subject to a concession of 0% duty on unlimited basis.



# PRODUCER ASSOCIATIONS



## V- PRODUCER ASSOCIATIONS

- ❖ **Legislation** : - The Law No. 4572,  
- The Law No. 1163

<b>The Association</b>	<b>Activity Areas related to cotton:</b>	<b>Number of Cooperatives</b>	<b>Number of Members</b>
<b>Tariş Pamuk</b>	<b>Ginning, storage, cottonseed and oil</b>	<b>44</b>	<b>48.988</b>
<b>Çukobirlik</b>		<b>36</b>	<b>54.323</b>
<b>Antbirlik</b>		<b>6</b>	<b>22.624</b>
<b>GAP Birlik</b>		<b>3</b>	<b>220</b>

Source: MIT



## **Cooperatives and associations;**

- ❖ **have significant price setting powers**
- ❖ **purchase approximately 20% of the total cotton production in Turkey.**
- ❖ **also purchase from non-members.**
- ❖ **have important cotton yarns, ginning, pressing and storage facilities and oil extraction plants.**
- ❖ **supply the substantial amounts of the production inputs to the members.**





# GINNERS

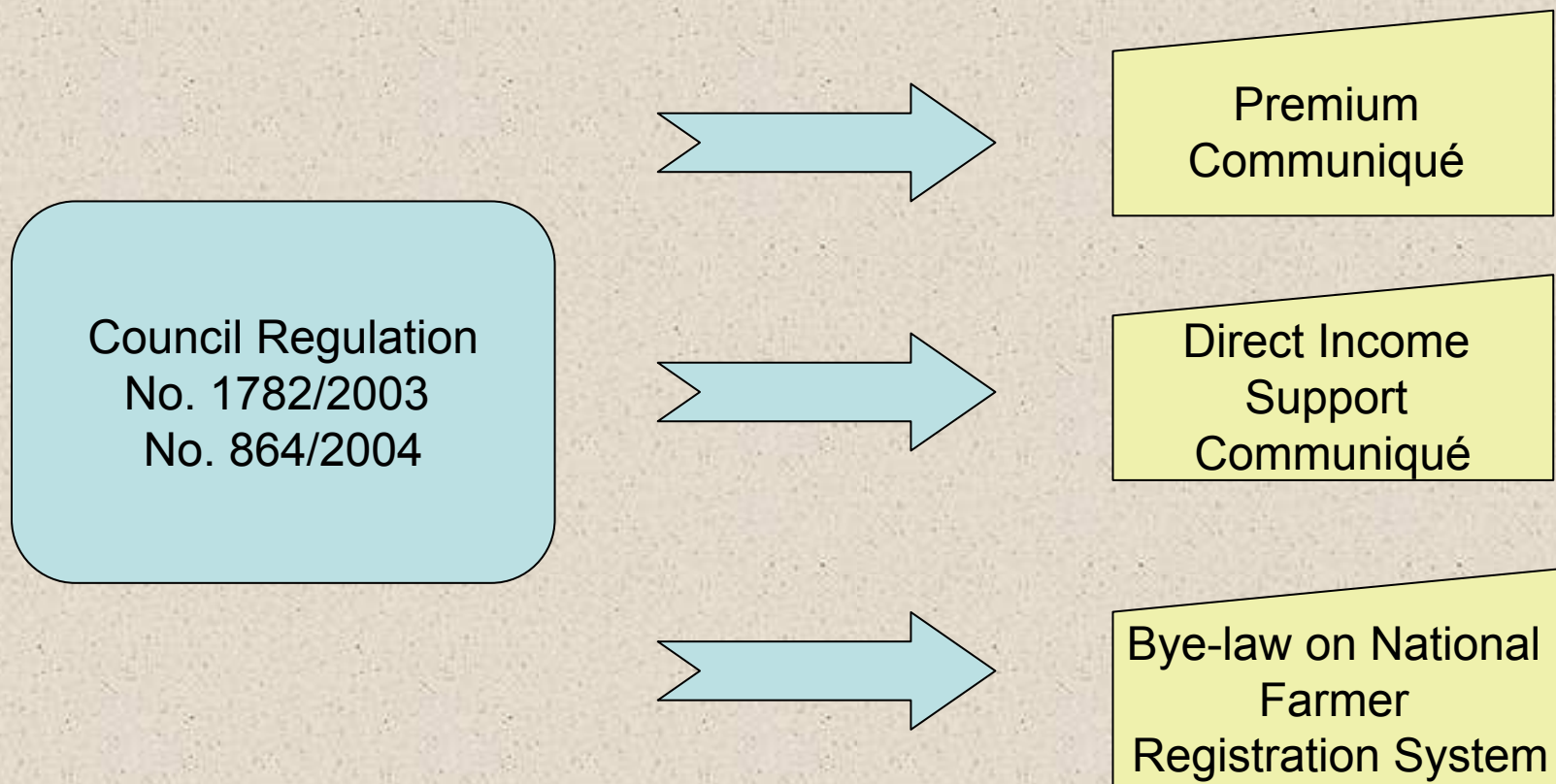
## VI- GINNERS

- ❖ **Legislation :** - Regulation on Control of Ginning, Pressing and Storage of the Cottons,  
- Regulation on Control of the Cotton
- ❖ **There are in total 809 ginning-processing plants, 49 of these plants belong to the Cooperatives and Unions. (Source: UFT)**
- ❖ **Records of the all operating ginning and processing plants are kept by a central unit within UFT. Every ginner is given a code number.**
- ❖ **Ginning and processing plants are inspected regularly.**



# COMPARISON OF THE ACQUIS WITH THE TURKISH LEGISLATION

## VII- COMPARISON OF THE ACQUIS WITH THE TURKISH LEGISLATION





<b>THE EU LEGISLATION</b>	<b>THE TURKISH LEGISLATION</b>
<b>Payment of the supports directly to the producers.</b>	<b>It is considered to be compatible with the EU legislation</b>
<b>Differentiation of the supports given to the producers; provision of some supports according to area free from the production.</b>	<b>It is also considered to be partially compatible with the EU legislation</b>
<b>Provision of the supports to the registered producers, who made their declarations.</b>	<b>It is also considered to be partially compatible with the EU legislation</b>
<b>Relating the supports partially with the quality and productivity.</b>	<b>It is also considered to be partially compatible with the EU legislation.</b>



**THANK YOU FOR YOUR ATTENTION**