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Report Highlights:

Greece's MY 2023/24 cotton production is estimated at 970,000 bales, down 33 percent from the previous season due to significant rainstorms which caused widespread flooding in Central Greece in early September 2023. In MY 2024/25 cotton acreage is forecasted to decrease further to approximately 200,000 hectares based on the assumption that farmers will choose to plant less cotton in response to decreasing cotton prices. Yields are expected to be higher. Production is forecasted at 1.1 million bales. Greece is a major cotton exporter. Turkey was the main destination in MY 2022/23, representing 48 percent of total exports.

Cotton Lint

Table 1: Production, Supply, and Demand (1000 480 lb Bales)

Cotton	2022/2023		2023/2024		2024/2025	
	Market Year Begin: Aug 2022		Market Year Begin: Aug 2023		Market Year Begin: Aug 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	255	255	200	210		200
Beginning Stocks	150	150	229	229		187
Production	1,450	1,450	950	970		1,100
Imports	30	30	30	28		30
Total Supply	1,630	1,630	1,209	1,227		1,317
Exports	1,331	1,331	975	970		1,050
Domestic Use	70	70	70	70		70
Loss	0	0	0	0		0
Total Domestic Use and Loss	70	70	70	70		70
Ending Stocks	229	229	164	187		197
Total Distribution	1,630	1,630	1,209	1,227		1,317
Stock to Use %	16.35	16.35	15.69	17.98		17.59
Yield	1,238	1,238	1,034	1,006		1,197

(1000 HA), 1000 480 lb. Bales, (PERCENT), (KG/HA)

Source: FAS estimates based on Greek industry contacts

Production

Greece's MY 2023/24 cotton production is estimated at 970,000 bales, down 33 percent from the previous season due to significant rainstorms which caused widespread flooding in Central Greece in early September 2023. Thessaly in Central Greece registered 90,000 hectares planted with cotton, which accounts for 35 percent of the total Greek cotton area. After the rainstorms, half of the area planted (approx. 40,000 hectares) was completely destroyed. Additionally, there were quality issues reported (discoloration) due to high humidity during the harvest.

MY 2024/25 cotton acreage is forecasted to decrease further to approximately 200,000 hectares based on the assumption that farmers will choose to plant less cotton in response to decreasing cotton prices. Yields are expected to be higher. Production is forecasted at 1.1 million bales.

The Ministry of Rural Development and Food granted cotton farmers two special exemptions for fungicide, three for acaricide, three for insecticide, and four for herbicides for use within March and December 2023.

After the September 2023 massive floods that struck Central Greece almost 40 percent of ginners reported extensive equipment damage. Greek ginning companies have high production capacity, as most of the ginning units were built in the 1990s, but cotton production has significantly decreased since then. Nearly 80 percent of the companies are privately owned while the remainder are cooperatives. Greece’s financial crisis negatively affected the cotton market, creating greater risk and uncertainty. Without help from banks, many ginners and cooperatives cannot afford to store their stocks. Ginners generally do not contract with growers but compete with each other to purchase the crop.

Consumption

Rising energy costs in Greece in 2022 hit the industry and households hard but inflation moderated in 2023 and is expected to decline gradually in 2024 and 2025.

According to the Hellenic Association of Textile Industries, revenue increased 15.1 percent for 2022, valued at €985.3 million, and stabilized towards pre-pandemic levels (Table 2). According to the Hellenic Fashion Industry Association, the pandemic has also affected the textile manufacturing industry. Additionally, lower demand from end consumers of ready-to-wear-garments in western markets further reduced consumption. Cotton yarn exports in 2023 decreased by 21.9 percent, mostly due to decreased demand from Germany, Switzerland, and France, while imports decreased 5.7 percent with the main suppliers being Turkey, Bulgaria, and India.

The consumption of domestic spinners is approximately 10 percent of lint production, and the remainder is exported. The supply of ginned cotton is fragmented. Most spinners are export oriented due to demand from foreign markets. About 55 percent of cottonseed production is crushed for oil and oilseed cake or retained for seed. Cottonseed meal is used for feed for sheep and goat livestock; cottonseed oil is traditionally used in foods and snack-food manufacturing industries or converted into biodiesel.

Table 2: Top-10 Greek Textile Companies (annual turnover)

Textile company annual turnover (€ thousand)				
	2019	2020	2021	2022
BSB	80,241	55,174	77,958	93,325
AXF	46,142	30,600	42,594	48,472
MERCURY	27,259	24,932	37,190	38,971
INTRAFASHION	25,868	18,832	27,630	35,584
ALTEX	20,429	15,667	26,024	34,033
VF HELLAS	23,934	15,004	24,392	30,491
TRIUMPH	20,355	16,001	20,837	22,783

MAYORAL	20,410	16,529	17,391	22,472
MINERVA	13,970	12,158	17,945	17,640
SIAMIDIS	10,267	11,386	12,959	15,364

Source: Hellenic Association of Textile Industries survey

Trade

Greece is a major cotton exporter. In the absence of strong domestic demand, exporting remain the preeminent channel for Greece’s cotton lint production. In MY 2024/25, exports are forecasted to increase by approximately 8 percent. Cotton lint exports during MY 2022/23 decreased by 6.7 percent due to lower demand from Turkey, the main destination for Greek cotton. On February 6, 2023, the Gaziantep province in south-eastern Turkey was hit by one of the strongest earthquakes of the century. The province is in the center of Turkey’s cotton yarn and textile production region. In spite of the tragedy, the industry is already on the road to recovery. Turkey represents 48.1 percent of Greek total exports, followed by Egypt (20 percent), Pakistan (14.2 percent), and Indonesia (5.6 percent). Generally, only small amounts of cotton are imported for blending by the Greek spinning industry.

Graph 1. Greece’s Cotton Lint Exports in MY2022/23 (percent)

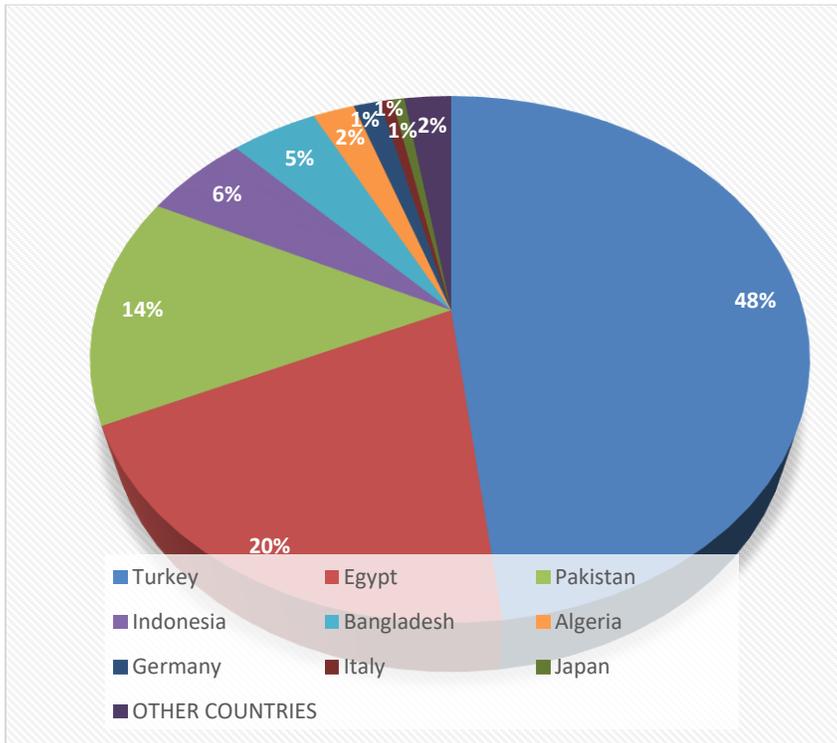


Table 3: Cotton Lint Exports (480 lb. bales)

	Aug-Jul 20/21	Aug-Jul 21/22	Aug-Jul 22/23
EU-27	43,569	77,632	36,660
Germany	24,300	34,059	18,815
Italy	6,237	18,636	8,860
Cyprus	227	1,014	2,174
Bulgaria	3,130	3,307	1,555
Extra EU-27	1,586,829	1,348,392	1,294,347
Turkey	816,074	826,752	640,544
Egypt	335,928	233,493	266,238
Pakistan	100,314	32,421	189,179
Indonesia	87,765	88,340	74,309
Bangladesh	100,696	64,782	61,756
Algeria	23,048	20,384	29,736
Japan	26,494	27,852	8,838
India	21,631	20,674	8,390
World	1,630,398	1,426,024	1,331,007

Source: TDM (Trade Data Monitor, LLC)

Table 4: Cotton Lint Imports (480 lb. bales)

	Aug-Jul 20/21	Aug-Jul 21/22	Aug-Jul 22/23
EU-27	6,134	21,782	10,160
Spain	1,026	16,697	5,402
Bulgaria	5,052	2,139	2,810
Germany	0	1,495	1,263
Extra EU-27	16,879	24,580	20,301
Turkey	9,620	15,653	8,138
Pakistan	1,439	2,339	3,335
India	662	2,455	3,137
Egypt	0	43	2,652
World	23,013	46,362	30,461

Source: TDM

Policy

The future of the cotton sector in Greece is directly related to the subsidy scheme and the implementation of the Common Agricultural Policy (CAP). The Ministry of Rural Development and Food submitted [Greece's strategic plan](#) to the European Commission in application for support under the Common Agricultural Policy 2023-2027. According to the CAP, the allocation of direct payments dedicated to coupled support depends upon the choices made by Member States. Key aspects of the new CAP include the introduction of a results-focused approach and an increased environmental focus compared to the previous policy. The enhanced conditionality merges cross-compliance with

environmental payment requirements (mandatory). Additionally, farmer compliance with eco-schemes defined at the Member State level is voluntary.

The crop-specific payment for cotton is a coupled payment granted per hectare of eligible area of cotton. The area is only eligible if it is located on Greek agricultural land authorized for cotton production, planted with certified varieties and harvested under normal growing conditions. Cotton will continue to receive the specific support that was established pursuant to Greece's EU Accession Treaty of 1979. The National Guaranteed Area for the Cotton Specific Support is 250,000 ha with a total annual budget of €183.5 million. Specific conditions to be eligible to receive this coupled support are defined on a yearly basis in Greece's National Gazette.

Marketing

Table 5: Cotton Yarn Imports (metric tons, (MT))

	2021	2022	2023
EU-27	1,939	1,373	1,127
Bulgaria	1,572	1,108	927
Italy	126	86	67
Portugal	87	80	64
Extra EU-27	6,045	5,099	4,974
Turkey	5,211	4,105	3,957
India	556	534	731
Uzbekistan	69	97	175
World	7,894	6,472	6,101

Source: TDM

Table 6: Cotton Yarn Exports (MT)

	2021	2022	2023
EU-27	4,600	2,896	2,216
Bulgaria	536	521	648
Italy	572	496	552
Germany	2,015	1,333	551
Extra EU-27	222	196	101
Switzerland	187	168	104
Tunisia	3	1	62
Turkey	0	1	20
World	4,822	3,092	2,417

Source: TDM

Table 7: Cotton Fabric Imports (square meter, (M2))

	2021	2022	2023
EU-27	2,030,072	1,696,287	1,888,616
Italy	1,036,531	786,257	908,008

Spain	289,755	203,244	235,894
Bulgaria	93,090	126,689	190,553
Extra EU-27	22,999,137	20,355,145	14,127,951
Pakistan	5,545,376	8,431,989	7,705,104
China	12,455,110	9,517,865	5,077,638
Turkey	4,051,617	1,933,492	976,029
India	139,000	239,937	246,207
World	25,029,209	22,051,432	16,016,567

Source: TDM

Table 8: Cotton Fabric Exports (M2)

	2021	2022	2023
EU-27	8,575,880	6,685,906	2,765,462
Italy	7,357,022	5,589,963	1,501,354
Bulgaria	799,921	678,114	840,124
Romania	68,077	95,583	115,279
Extra EU-27	658,182	1,283,101	3,222,940
Turkey	164,685	377,178	2,586,298
Albania	373,408	339,842	204,699
North Macedonia	94,858	75,963	162,302
United Kingdom	4,800	392,788	127,332
World	9,234,062	7,969,007	5,988,402

Source: TDM

Abbreviations and Definitions Used in this Report.

The PSD tables are prepared based on an August 1 to July 31 marketing year.

HS codes considered for Lint Cotton trade data: 5201

HS codes considered for Yarn Cotton trade data: 5205

HS codes considered for Fabric Cotton trade data: 5208, 5209

EU European Union

Ha hectare; 1 ha = 2.471 acres

MT Metric ton = 1,000 kg

1 MT = 4.593 480 lb. bales

480 lb. bale equivalent to 218 kg bale

Attachments:

No Attachments