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## **Report Name:** Livestock and Products Annual

**Country:** Turkey

**Post:** Ankara

**Report Category:** Livestock and Products

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### **Report Highlights:**

In Turkey, feed costs are still the biggest concern for livestock businesses, accounting for 80 percent of total expenditures. According to livestock producers, sufficient integration between livestock producers and feed producers have not been established well and feed markets are unsteady. In 2020, cattle imports are estimated to be 350,000 head which is 46 percent less than 2019 when 689,076 head of feeder cattle valued at \$672 million were imported. In 2020, despite a growing population, meat production is estimated to be the same as 2019 due to shortage of quality feed supply due to the high prices, restrictive policies on feeder cattle imports, which were imposed at the end of 2019, and insufficient production policies which causes low carcass yields. Turkey imported 6,552 CWT of meat in 2019, which is 89 percent less than 2018 due to pressure from domestic producers to limit cheaper imports. All imported meat in 2019 was beef.

**Production:**

The cattle number estimate for 2021 is expected to be 19 million head, which is 3.8 percent higher than 2020 as a result of the Ministry of Agriculture and Forestry (MinAF) subsidy policies for livestock production, especially for calves, and other grant programs for new construction of livestock barns to encourage farmers to continue their operations in spite of economic fluctuations. In 2020, the cattle population is expected to reach 18.3 million head which is 2.8 percent higher than 2019, a normal growth rate, especially considering restricted breeding incentives and feeder cattle import restrictions imposed by late 2019.

The Turkish Statistical Institute (TurkSTAT) announced that the cattle population in 2019 was estimated at 17.8 million head including buffalo, which is three percent higher than 2018. The sheep and goat population was estimated at 48.4 million head in 2019, a 4 percent increase over 2018. In 2019, purebred-cross cattle breeds increased the most with 7 percent more than the previous year. According to Turkish producers' preference to be "in line with the government" subsidies.

Turkey aims to increase sheep meat consumption as an alternative to beef since Turkey has had a beef deficiency for years. To achieve this, MinAF grants some subsidies for sheep and goat producers; however, people continue to prefer beef instead of sheep meat as a result of migration to cities and the very limited sales of sheep meat at supermarkets where most urban consumer shop. To encourage sheep and goat producers, MinAF has begun reclamation of marginal crop land to instead be used for sheep and goat production.

In Turkey, feed costs are still the biggest concern for livestock businesses, accounting for 80 percent of total expenditures. According to livestock producers, sufficient integration between livestock producers and feed producers have not been established well and feed markets are unsteady. The other concern is a lack of breeding strategies implemented by the government that may contribute to improved carcass and milk yield of animals.

In 2019, Turkey produced 24.9 million MT of mixed feed, with 14 million MT of raw feed material imported for this production. Since the beginning of the Covid-19 pandemic, imported feed costs have increased by 10 percent due to exporting countries stockpiling feed and logistic problems between countries. The exchange rate of the Turkish Lira (TL) compared to the euro and dollar has been increasing continuously and specifically impacts imported raw materials mostly used for production of DDGS, oilseeds, pulps, and bran production which is crucial for adequate animal nutrition. According to producers, meat and meat product prices in domestic markets will be higher due to dependency on the imported feed supply.

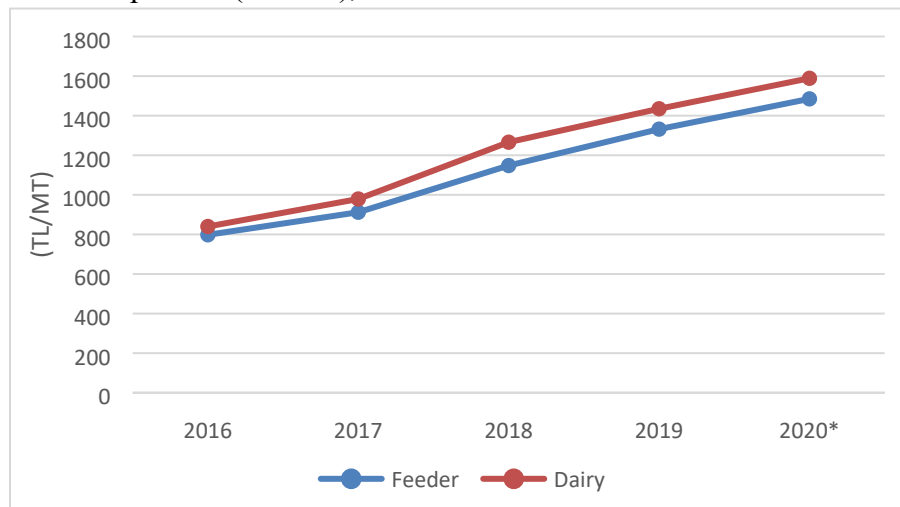
**Table 1.** Turkey Mixed Feed Production by Years (MT), 2017-2019

Years	Feeder Cattle Feed	Dairy Cows Feed	Broiler Feed	Laying Hens Feed	Other Mixed Feed*	Total
2017	4.594.552	6.171.275	4.753.989	3.369.665	3.528.862	<b>22.418.333</b>
2018	5.072.549	6.481.999	5.306.118	3.600.843	3.682.980	<b>24.144.489</b>
2019	5.406.167	6.550.258	5.363.210	3.828.441	3.791.041	<b>24.939.117</b>

Source: MinAF, 2020. \* Other mixed feed includes feed for small ruminants, fishes, horses, pet animals and pulp for bees.

According to TurkSTAT, in June 2020 the largest price increase among agricultural products was animal feed which was 12.42 percent higher than the same month of the previous year. Turkish producers believe that government subsidies should be specifically focused on wheat, sunflower and corn, which are all grown domestically, instead of more expensive imported soy. Producers are also willing to graze their animals on open state grasslands during certain times of year to reduce costs.

**Chart 1.** Feed Prices Comparison (TL/MT), 2016-2020



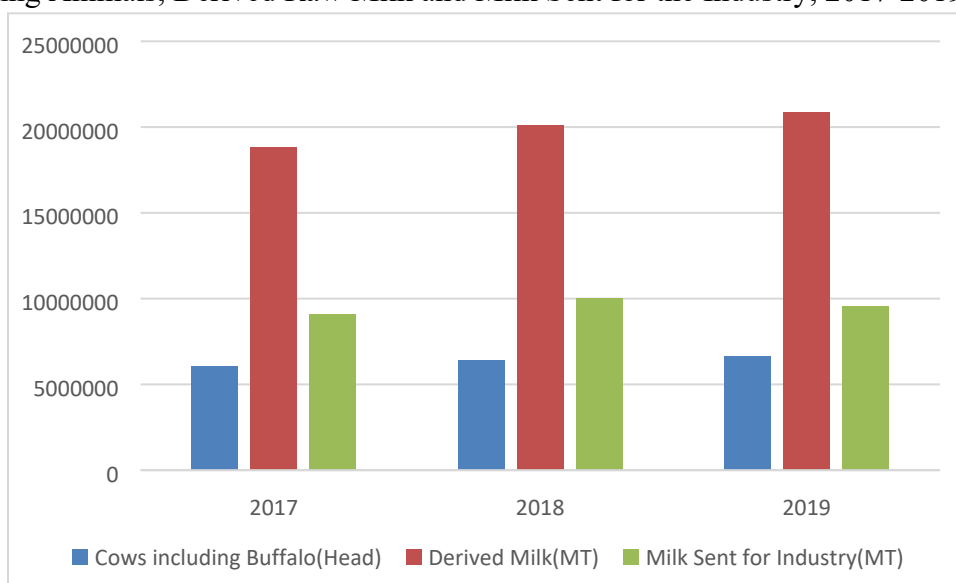
Source: Turkey Feed Industrialist Association, August 2020. \* Includes data until August 2020. (Note: As of August 24, 2020, \$1 = 7.4 TRY)

MinAF has announced that a “one-off grant” for feed will be given for small farmers who are struggling with supplying feed for their animals due to the sharp price increases during the Covid-19 pandemic period. With the Official Gazette dated on July 11 2020, 65 TL/per head (\$8.85) will be granted for a maximum 20 head of cattle (feeder and dairy) including buffalo, and 6.5 TL/per head (\$0.89) will be granted for a maximum 50 head of small ruminants.

On the other hand, raw milk prices set by the National Milk Council are too low and don’t account for all increased production costs. Producers want raw milk prices to reflect current feed prices, which are dependent on expensive imports.

Turkey produced 20.8 million MT of raw milk (including cow and buffalo milk) from 6.5 million head of milking cows in 2019, which is 3.7 percent more than 2018. Ninety percent of total produced milk is derived from cows in Turkey, rather than sheep and goats. However, only half of the total produced milk is sent to industry for further processing. In 2019, only 9.5 million MT of raw milk was sent to industry for processing. The use of the remaining quantity is unknown and considered as unregistered milk. Most of this milk is used in homes in villages or unregistered local dairy production. In 2019, there are 2,371 registered milk processing establishments in Turkey.

**Chart 2.** Milking Animals, Derived Raw Milk and Milk Sent for the Industry, 2017-2019



Source: Ministry of Agriculture and Forestry, 2020

Turkey has been implementing artificial insemination mostly for dairy animals to improve genetic traits of the animal population. MinAF controls semen producing facilities, importers, bull candidate selections, animal health status, semen collection, examination, storage, quality and security verification, the semen domestic market, and transportation including newborns according to its national regulation.

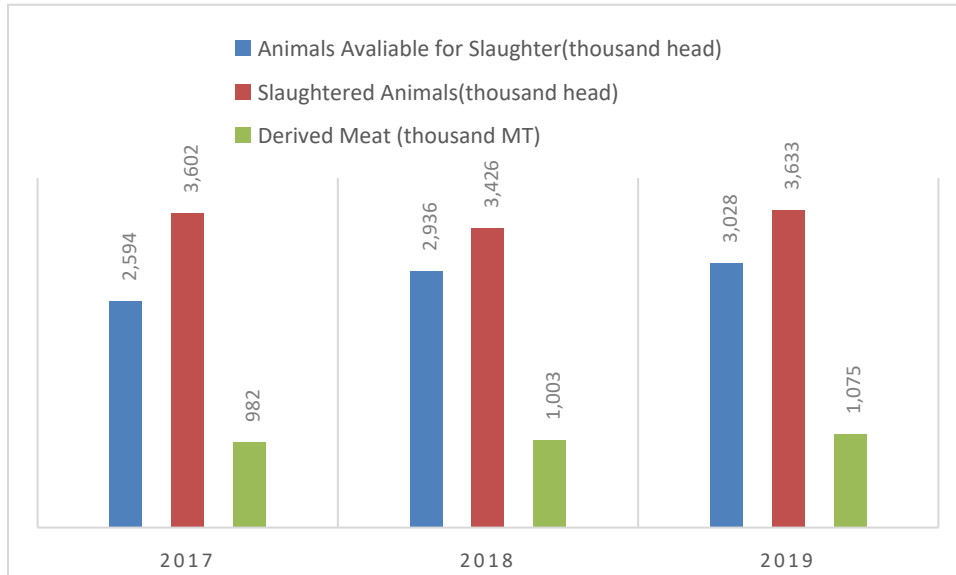
**Table 2.** Turkey Artificial Insemination Applications and Semen Production, 2017-2020

	Artificial Insemination Applications(Unit)	Semen Production(Unit)		Total
		Private	Government	
2017	2,261,275	840,010	1,262,394	2,102,404
2018	3,138,154	1,254,400	861,210	2,115,610
2019	2,888,646	977,890	800,710	1,778,600
2020*	1,468,735	417,060	150,375	567,435

Source: Ministry of Agriculture and Forestry, 2020. \* Data includes until August 2020.

The highest cattle populations in Turkey are located in Konya, Erzurum, Izmir, Diyarbakir and Balikesir, respectively. Those provinces have 20 percent of the total cattle population in Turkey.

**Chart 3.** Turkey’s Cattle Inventory on Feeder Cattle ready for Slaughter and Derived Meat, 2017-2019



Source: Turkish Statistical Institute (Turk Stat), 2020. Note: The rest of the slaughtered animals are not classified as feeder cattle, but include dairy cows and young animals.

**Sacrifice Holiday:**

Turkey celebrated the Sacrifice Holiday between July 31 - August 3, 2020. This year, Turkey implemented a pre-scheduled appointment system at slaughtering areas during the Sacrifice Holiday due to the Covid-19 pandemic in order to prevent spreading the virus. With this system, slaughters for the holiday were more organized and helped prevent large gatherings of people waiting at slaughter facilities.

According to MinAF, there were 4.7 million head of animals available for slaughter in Turkey for the sacrifice holiday, although only 800,000 head of cattle and 2.7 million of sheep were actually slaughtered for the holiday. The state-controlled Meat and Milk Board (ESK), which is responsible for regulating the meat market in Turkey and the only entity granted authority to import beef, will purchase the additional 1.2 million animals that were not sold during the sacrifice holiday from producers to support them. However, producers are not keen on ESK’s prices since they believe that the prices do not fairly compensate producers for production costs.

**Trade:**

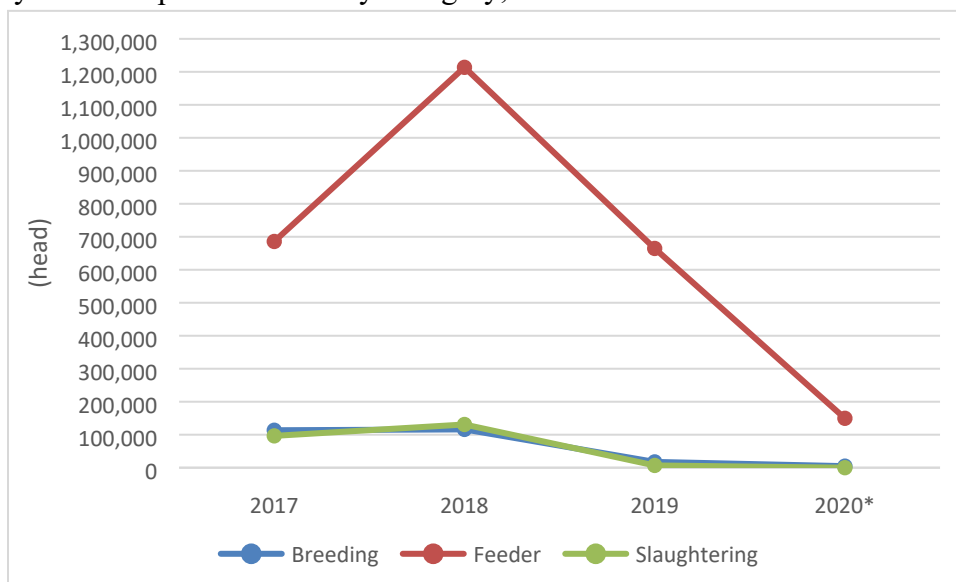
In 2021, Turkey’s livestock imports are expected to be lower than 2020 since MinAF announced in early 2020 that feeder cattle imports will be stopped by 2022. According to MinAF, cattle production and meat production will be self-sufficient for the population as a result of government subsidies given to

livestock producers. In 2020, cattle imports are estimated to be 350,000 head which is 46 percent less than 2019 when 689,076 head of feeder cattle valued at \$672 million were imported.

MinAF stated that starting in 2022, producers will get breeding animals from the domestic market instead of imported animals especially from `heifer centers` (heifer centers are facilities affiliated with MinAF to supply breeding animals to domestic producers), and imports will be minimized based on an “as needed” basis as MinAF deems necessary. This means that imports will be allowed if MinAF decides any specific breed is needed to improve animal genetic traits.

Despite these policies to limit imports, the cattle population and beef production are not sufficient for the population, including up to 50 million tourists a year, because of low feed production and high feed input prices, according to Turkish producers. Additionally, after a normalization period following the COVID-19 pandemic, meat consumption might increase after additional opening of restaurants and cafes while meat production is already not high enough to meet demand at affordable prices.

**Chart 4.** Turkey Cattle Import Numbers by Category, 2017-2020



Source: Trade Data Monitor, LLC. \* Includes data until May 2020.

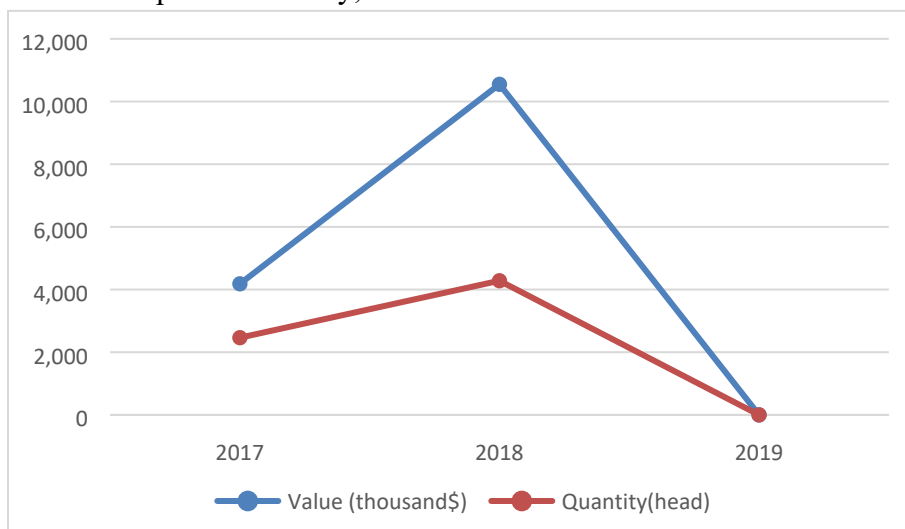
In 2019, Turkey imported 17,594 head of breeding cattle, which was 84 percent less than 2018, and 6,863 head of slaughtering cattle, which was 94 percent less than 2018.

Additionally, Turkey imported 77,867 head of breeding sheep and goats in 2019, which is 58 percent less than 2018. Nearly 90 percent of total breeding sheep and goats was imported from Hungary. Turkey did not import any sheep and goats not intended for breeding in 2019, a dramatic decrease from the 239,897 head of non-breeding sheep and goats imported in 2018.

Turkey imported feeder cattle mostly from Uruguay (33 percent share), Brazil (27 percent share) and the Czech Republic (11 percent share). Also, Turkey imported breeding cattle mostly from Germany (32 percent share), Austria (18 percent share), and the Czech Republic (14 percent share). Slaughtering cattle was imported mostly from Uruguay (49 percent share), Brazil (40 percent share) and France (11 percent share) in 2019.

Turkey has not been importing feeder cattle from the U.S. since 2013. Relatively high prices of U.S. breeding and feeder stock, partnered with a strong dollar, mean that the EU prices, and for feeder cattle, South American prices, were preferred by Turkish producers in recent years. In 2019 Turkey did not import either breeding or feeder cattle from the U.S. However, Turkish livestock buyers have recently been looking for opportunities to buy the U.S. cattle this year since Turkish producers are aware of the quality of U.S. beef and genetics and the good reputation and health of U.S. dairy cattle., Potential buyers are closely following U.S. cattle prices and believe that the U.S. cattle prices have recently been decreasing after COVID-19 pandemic, potentially making U.S. cattle competitive to buy.

**Chart 5.** The U.S. Cattle Exports to Turkey, 2017-2019



Source: Trade Data Monitor, LLC.

For Turkey’s Customs Taxes for all Countries for Cattle and Beef, 2019-2020, please click [here](#).

**Exports:** According to MinAF, Turkey exported 2,019 head of cattle to Iraq and Iran, consisting of 75 head of feeder cattle, 325 head of breeding cattle, and 1,616 head of slaughtering cattle in 2019. Also, Turkey exported 166,907 head of sheep and goat in 2019 mostly to Qatar and Lebanon, 900 percent more than 2018. In 2018 Turkey exported only 350 head of slaughtering cattle.

**Commodities:**

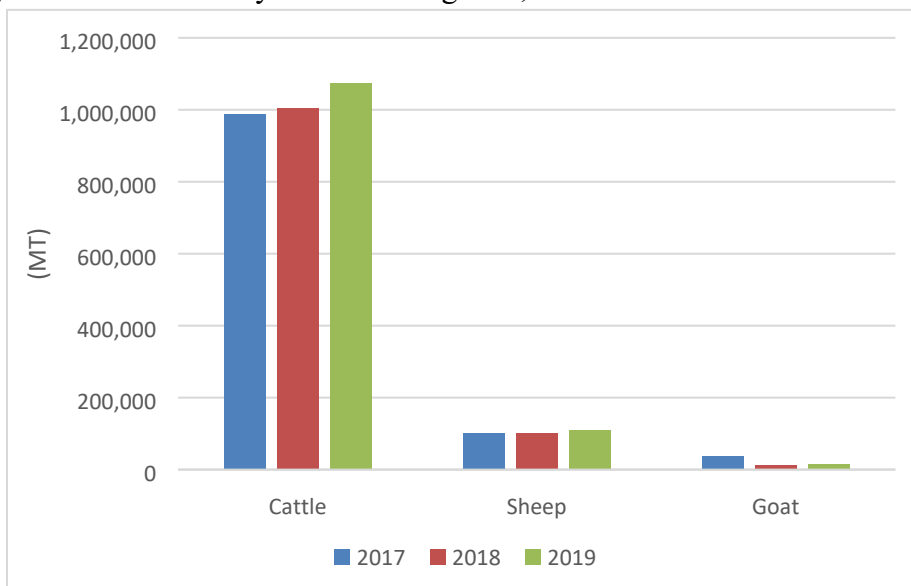
Meat, Beef and Veal

**Production:**

In 2021, meat production is estimated to be slightly higher than 2020 with a total of 1.2 million MT as a result of subsidies to be given for feeder calves and continuing dairy cow slaughters due to high feed prices and a low raw milk price.

In 2020, meat production is estimated to be the same as 2019 due to shortage of quality feed supply due to the high prices, restrictive policies on feeder cattle imports, which were imposed at the end of 2019, and insufficient production policies which causes low carcass yields. Turkey produced 1 million MT of meat in 2019 including buffalo, which is slightly higher than 2018, despite reduced feeder cattle imports. According to Turkish cattle producers, the main problem is slowing production in correlation with high feed prices and unsustainable government policies. Slaughter prices are too low, and producers cannot meet expenses of raising animals. Also, the carcass yield of the animals is very low, approximately 270-300 kg.

**Chart 6.** Turkey Meat Production by Animal Categories, 2017-2019



Source: TurkSTAT, 2020

According to Turkish producers, high feed prices and a shortage of hay reserves are forcing them to keep herd sizes low and slaughter more animals since they cannot afford input prices. Hay prices have sharply increased this year, 300 percent more than in 2019. Additionally, the other reason for lower production recently is due to less demand for meat from restaurants and cafes during their closures and limited reopenings during the COVID-19 pandemic. The other challenge for feeder cattle producers is the presence of animal diseases, especially foot and mouth disease (FMD), Brucellosis and Tuberculosis. Those diseases negatively affect sustainable beef production.

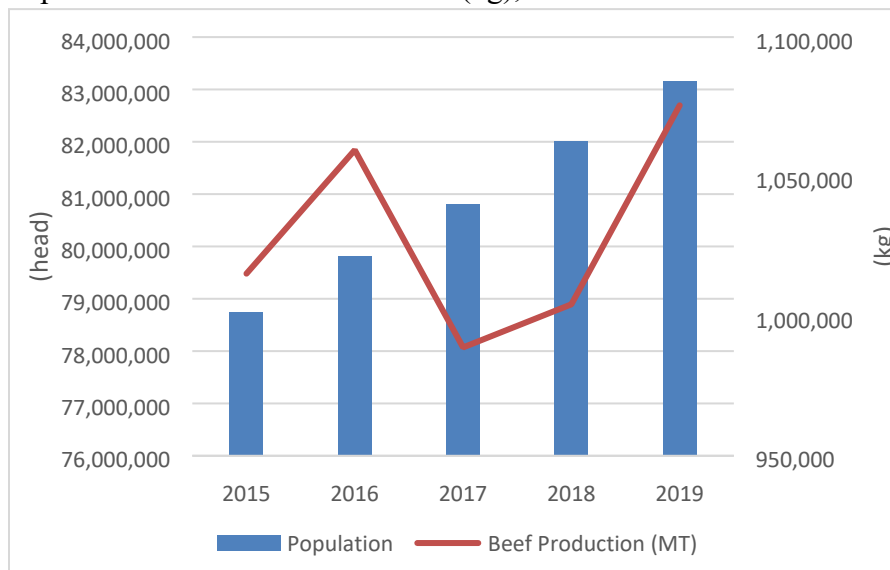


According to Turkish feeder cattle producers, they cannot afford raising beef cattle with slaughter prices which are mostly under the cost of production. The Turkish beef industry has not developed organized slaughtering standards, or a carcass classifying and grading system, even within the scope of EU harmonization. This issue causes insufficient quality/price standards on beef consumption. According to Turkish producers, it also causes unfair competition between beef producing facilities. TurkSTAT stated that red meat production statistics will be announced yearly instead of quarterly because of methodology changes, so official government information on the red meat production for 2020 will be published in February 2021.

**Consumption:**

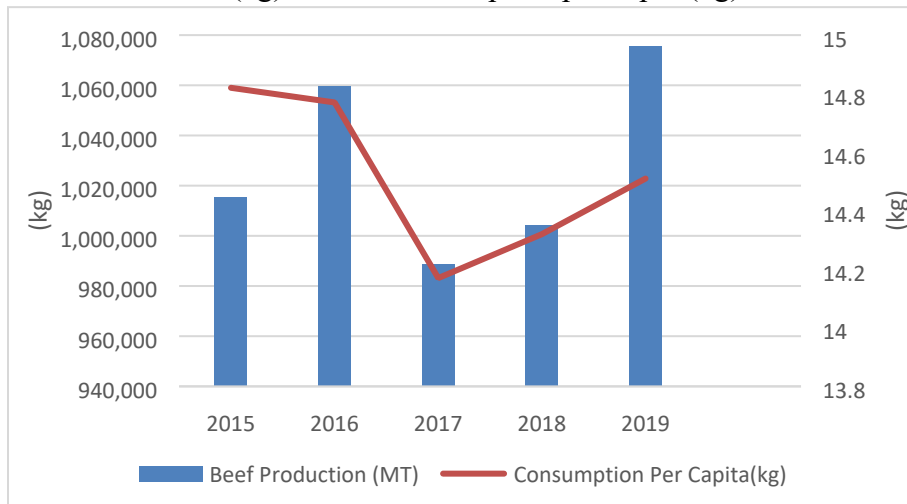
In 2021, beef consumption is expected to be stagnate in correlation with unchanging production. In 2020, beef consumption is expected remained stable at 14.5 kg per capita, the same as 2019 despite a growing population, due to continuing food inflation, high red meat prices, and weak purchasing power. Beef prices have increased at more than twice the rate of the country’s inflation for the last 2 years. Insufficient increases in the animal population causes beef and beef product prices to significantly increase in the domestic market and also contributes to rural poverty which forces people to migrate to cities.

**Chart 7. Turkey Population versus Beef Production (kg), 2015-2019**



Source: TurkSTAT, MinAF 2020

**Chart 8.** Turkey Beef Production (kg) versus Consumption per capita(kg), 2015-2019



Source: TurkSTAT, MinAF 2020

Although MinAF aims to increase sheep meat consumption as an alternative to beef, consumers still prefer beef. Likewise, most of the local markets and supermarkets prefer to sell beef instead of sheep meat.

**Table 3.** Beef and Beef Products Retail Prices (Consumer Price Index) in TL, Comparison June 2019-2020

	June 2020 (TL/kg)	%Change Compared to June 2019
Beef (Cut Pieces)	53,18	10.24
Sheep Meat (Bone-in)	61,44	18.73
Offal (Liver)	46,38	18.34
Sausage	69,99	8.80
Salami	36,12	3.56

Source: TurkSTAT, 2020. (Note: As of August 24 2020, \$1 = 7.4 TRY)

**Trade:**

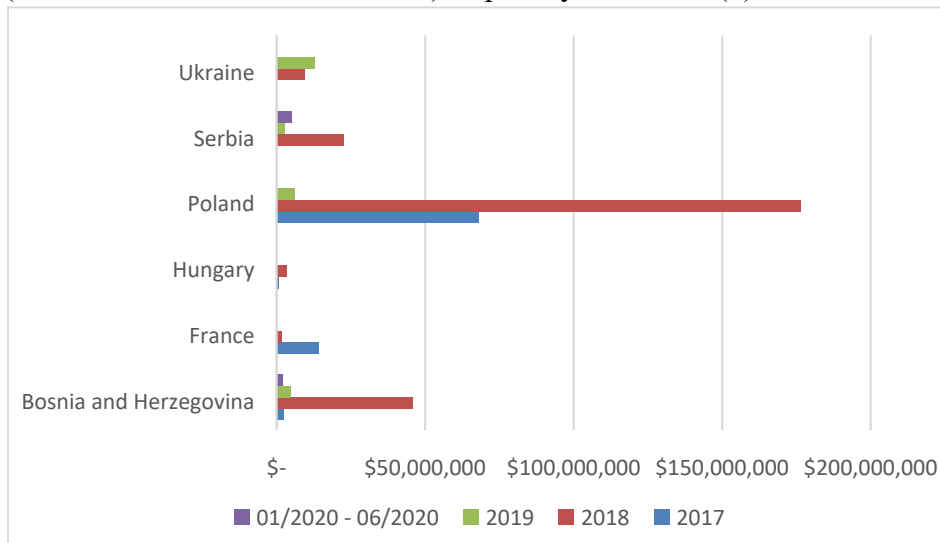
In 2021, beef imports are forecast to decline 10 percent due to the Ministry’s policy to drastically limit imports to protect domestic producers. As of May 2020, Turkey imported 608 CWT of beef and is forecast to reach 1,500 CWT in 2020. Turkey imported 6,552 CWT of meat in 2019, which is 89 percent less than 2018 due to pressure from domestic producers to limit cheaper imports. All imported meat in 2019 was beef.

**Table 4.** Turkey Meat Import (MT)-(\$), Comparison June 2018-2019

	Carcass	Boned	Boneless	Total
2018 (MT)	0	43,556	12,196	55,752
(\$)	0	182,199,191	77,908,495	260,107,686
2019 (MT)	0	852	4,184	5,036
(\$)	0	3,655,090	22,899,421	26,554,511
Change(% (MT)	0	-98	-65	-91
(\$)	0	-98	-70	-89

Source: TurkSTAT, 2020.

Meat imports are considered a measure the government can use when needed to reduce beef prices in Turkey, and the state-controlled Meat and Milk Board (ESK) is the only entity granted authorization to import beef. However, beef prices have not been stable in Turkey for years as seen in Table 3. In 2019, Turkey imported beef mostly from Poland and Ukraine, while in 2020, Turkey has been importing beef from Serbia and Bosnia and Herzegovina within the scope of free trade agreements.

**Chart 9.** Meat (HS 0201, 0202, 021020, 160250) Import by Countries (\$), 2017-2020

Source: Trade Data Monitor, LLC.

**Exports:** According to the state-controlled Meat and Milk Board (ESK), total beef exports from Turkey increased 56 percent to 249 MT in 2019 when compared to the previous year which was 159 MT.

**Subsidies:**

For 2019 Livestock Subsidies please click [here](#). Note: As of August, 24 2020, \$1 = 7.4 TL

**Attachments:**

No Attachments