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Turkey

Oilseeds and Products Update

Turkey Oilseeds Update

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Report Highlights:

Turkish soybean area and production for MY 2015 are estimated about 25,000 hectares and 90,000 MT. Competition from other crops such as corn, wheat and peanut in the soy growing areas had adverse effect on soy in farmers planting decisions. Turkey imported 2.2 MMT of soybeans and 450,000 MT of soybean meal during the MY 2014. While soy imports increased thirty-eight percent, soymeal imports declined thirty-seven percent. Increases in crushing capacity and industrial use of soy oil were the reasons for soy imports increase. The U.S. supplied about 805,000 MT of soybean and 47,000 MT of soybean meal. Since July 2015, the Biosafety Board had approved a total of four biotech soy events and nine corn events, which somewhat eased the import problems that traders were facing. Despite the avian influenza outbreak this year that affected exports of Turkish poultry and eggs, production continued to increase during the marketing year.

Post:
Ankara

Commodities:
Oilseed, Soybean

Soybeans

Soybean PSD

Oilseed, Soybean	2013/2014		2014/2015		2015/2016	
Market Begin Year	Sep 2013		Sep 2014		Sep 2015	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	35	35	40	35	30	25
Area Harvested	35	35	35	35	25	25
Beginning Stocks	206	206	219	287	358	359
Production	130	130	135	135	90	90
MY Imports	1608	1608	2197	2197	2300	2300
MY Imp. from U.S.	350	350	450	805	450	900
MY Imp. from EU	0	0	0	32	0	30
Total Supply	1944	1944	2551	2619	2748	2749
MY Exports	7	7	93	10	50	14
MY Exp. to EU	0	0	0	0	0	0
Crush	600	600	950	1150	1200	1250
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1050	1050	1150	1100	1200	1150
Total Dom. Cons.	1650	1650	2100	2250	2400	2400
Ending Stocks	219	287	358	359	298	335
Total Distribution	1944	1944	2551	2619	2748	2749
CY Imports	2008	2008	2000	2200	2300	2300
CY Imp. from U.S.	492	492	450	700	450	850
CY Exports	3	3	70	12	40	15
CY Exp. to U.S.	0	0	0	0	0	0

(Tables In thousands of hectares and thousands of metric tons)

Production

MY2015 domestic soybean planting is estimated about 25,000 hectares and 90,000 MT down from 35,000 hectares and 135,000 MT of last year. In Cukurova region, where ninety-five percent of the local soybean crop is grown, farmers switched to wheat and corn. Also a three-fold increase in local peanut prices persuaded some farmers to plant peanuts in the region.

Consumption

Turkey's poultry meat and eggs industries continued to grow during MY 2014 despite the export obstacles caused by the avian influenza, as well as the import obstacles caused by the biosafety law which impacts feed materials.

In MY 2014, due to contamination of unapproved biotech events in shipments, the industry and traders suffered rejection of cargos and had to face heavy financial losses. Rejection of cargos also

caused shortage of the raw material in the domestic market and big price increases for these items. After months of negotiations with the Turkish officials, Besd-Bir (Turkish Poultry Meat Producers Association) had applied for approval of a total of 9 biotech soy events along with 14 corn, 10 cotton and 4 canola varieties under the speedy application regime. Accordingly, the Biosafety Board started to approve some of these events. In July 2015, the board announced approval of three corn events and two soy events (please refer to GAIN report number TR 5037). In November 2015, the Board also approved two soy events and six corn events (please refer to GAIN report number TR 5055). The remaining 24 traits are still undergoing risk and socio-economic assessments. Prior to the recent approvals, only three soy and 15 corn biotech events were approved for feed use in Turkey (Please see the Gain Report TR5022). The recent new approvals are not viewed by the trade as full relief, but somewhat of a relief, and they expect to face fewer problems in coming months during imports. The industry is expecting the rest of the events to be approved in a relatively shorter time and imports are expected to go back to normal flow.

In May 2015, the avian influenza cases, mostly in layer operations, in different regions of Turkey effected egg production. Following the outbreak, major buyers of Turkish poultry meat and eggs such as Iraq, Azerbaijan and Russia stopped purchases for 90 days. After the import ban ended on poultry products, exports gradually started to go back to usual levels. Increased Russian importers following the sanctions also help the Turkish poultry industry. Accordingly, Russia imported 20,000 MT of poultry meat and 13 million table eggs during MY 2104 from Turkey and up until October 2015 has imported 22,000 MT of poultry. A day after the events on November 24th between Russia and Turkey on the Turkey-Syrian border, Russian government announced that on December 1, 2015 they will stop importing poultry meat from Turkey. Exports to Russia account for fewer than 5% of turkey's total poultry exports. Post will monitor this announced ban's impact on the Turkish poultry sector.

Additionally, following the avian influenza outbreak in Turkey, the domestic market was somewhat affected by the negative press, but consumers mostly acted as though they trusted the measures taken by the authorities and took advantage of the lower domestic prices during the export sanctions that supported domestic consumption. Additionally, about 2.5 million Syrian refugees living in Turkey also contribute to local consumption.

Trade

Issues caused by the biosafety law during MY 2014 prevented the industry from receiving supplies in timely fashion. Many shipments were rejected and sent to different destinations, causing significant loses for the industry.

Total soybean imports during the MY 2014 were 2,197,000 MT, up about thirty-eight percent compared to last year. The U.S. was the leading supplier with 805,000 MT, closely followed by Ukraine with 800,000 MT. Imports from Ukraine increased more than three-fold due geographical proximity and benefiting from the obstacles created during imports for biotech soy. Brazil (200,500 MT) and Paraguay (314,000 MT) were the other suppliers.

Turkey also imported 85,000 MT of soybean in September 2015, Ukraine and Paraguay were the leading suppliers with 52,000 MT and 22,000 MT respectively.

Soy exports were about 10,300 MT during MY 2014. Holland (3,800 MT), Slovenia (2,600 MT) and N. Cyprus (1,500 MT) were the main destinations. Turkey also exported about 515 MT of organic soybeans to the United States.

Soybean meal PSD

Meal, Soybean	2013/2014		2014/2015		2015/2016	
Market Begin Year	Oct 2013		Oct 2014		Oct 2015	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	600	600	950	1150	1200	1250
Extr. Rate, 999.9999	0.7917	0.76	0.7895	0.76	0.7917	0
Beginning Stocks	292	292	219	191	119	219
Production	475	460	750	875	950	950
MY Imports	744	728	465	450	600	500
MY Imp. from U.S.	242	242	140	47	140	150
MY Imp. from EU	240	18	240	15	240	10
Total Supply	1511	1480	1434	1516	1669	1669
MY Exports	52	49	115	37	70	49
MY Exp. to EU	0	0	0	2	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1240	1240	1200	1320	1400	1400
Total Dom. Cons.	1240	0	1200	1320	1400	1400
Ending Stocks	219	191	119	219	199	220
Total Distribution	1511	1480	1434	1516	1669	1669
CY Imports	634	616	500	400	600	650
CY Imp. from U.S.	139	169	140	60	140	150
CY Exports	63	64	100	50	70	60
CY Exp. to U.S.	0	0	0	0	0	0

Soybean meal

Production

Favorable domestic crushing margins continued to fuel soybean meal production increase. MY 2014 production increased about ninety percent and reached 875,000 MT. Provided that crushing margins continue as they are, domestic soybean meal production is expected to remain high since crushers will continue to utilize the large capacity that they have.

Consumption

While domestic production is increasing, consumption is also increasing despite the competition of other meals. Poultry meat and eggs producers faced difficulties exporting due to bans imposed by importing countries following the avian influenza outbreak in Turkey. So Turkish producers discounted their prices in the domestic market, which as expected, led to increased local consumption of poultry and eggs. Soybean meal consumption in MY 2015 is projected to be about 1.4 MMT due to projected increase in domestic consumption and exports of poultry meat and eggs.

Trade

Turkey has imported a total of 450,000 MT of soybean meal during MY 2014 down about thirty-

seven percent compared to the last marketing year. The reason for the decline was the increases in domestic production as a result of favorable domestic crushing margins fueled by increase industrial use of soy oil.

Argentina (196,000 MT), Brazil (90,000 MT) and Ukraine (60,000 MT) were the leading suppliers. The U.S. also supplied 47,000 MT of soymeal during the same period. Turkey exported about 52,000 MT of soymeal during MY 2014. Iraq (33,000 MT), N. Cyprus (12,000 MT), and Syria (2,500 MT) were the main destinations.

Soybean oil PSD

Oil, Soybean	2013/2014		2014/2015		2015/2016	
Market Begin Year	Oct 2013		Oct 2014		Oct 2015	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	600	600	950	1150	1200	1200
Extr. Rate, 999.9999	0.1783	0.178	0.1789	0	0.1792	0.178
Beginning Stocks	10	5	10	10	15	35
Production	107	107	170	205	215	215
MY Imports	8	8	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	5	0	0	0	0
Total Supply	125	120	180	215	230	250
MY Exports	3	3	20	7	40	15
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	37	32	80	95	100	110
Food Use Dom. Cons.	20	0	0	0	0	0
Feed Waste Dom. Cons.	55	75	65	78	70	80
Total Dom. Cons.	112	107	145	180	170	185
Ending Stocks	10	10	15	35	20	45
Total Distribution	125	120	180	215	230	250
CY Imports	5	5	8	0	2	0
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	3	3	20	10	40	15
CY Exp. to U.S.	0	0	0	0	0	0

Soybean oil

Main soy oil usage area in Turkey continues to be poultry feed and industrial use since no GE soybeans have been approved for food use in Turkey, soy oil can't be used in food if it is produced from biotech soybeans.

Due to the large domestic crushing for industrial use, Turkey didn't import soy oil in MY 2014. Exports, however, were about 6,500 MT, of which 3,300 MT were to Iraq, 2,300 MT to North Cyprus, and 500 MT to Israel.

