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Turkey

Oilseeds and Products Update

Soybean Update

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Report Highlights:

Turkish soybean area and production for MY 2017/18 are now estimated about 22,000 hectares and 85,000 MT, respectively. An increase in cotton planting in Cukurova region, the main soy planting region, had an adverse effect on soy planting. Lack of domestic production and an increase in consumption continue to make Turkey a major destination in the world for soybean and soybean meal trade. Accordingly, Turkey imported 1.06MMT soy during the first seven months of MY 2016/17.

Ukraine and the United States were the leading suppliers with 515,000 MT and 263,000 MT respectively. Turkey also imported a total of 457,000 MT of soybean meal during the first half of the marketing year of which the great majority, 433,000 MT, was supplied by Argentina.

Post:
Ankara

Soybean

Soybean PSD

Oilseed, Soybean (1000 MT)	2015/2016		2016/2017		2017/2018	
Market Begin Year	Sep 2015		Sep 2016		Sep 2017	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	30	27	30	30	30	22
Area Harvested	27	27	30	30	27	22
Beginning Stocks	359	359	274	275	224	305
Production	100	100	100	100	90	85
MY Imports	2283	2284	2050	2420	2250	2450
MY Imp. from U.S.	402	402	400	425	400	450
MY Imp. from EU	33	20	21	20	20	25
Total Supply	2742	2743	2424	2795	2564	2840
MY Exports	118	118	100	110	100	20
MY Exp. to EU	0	0	0	0	0	0
Crush	1050	1050	900	1060	950	1120
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1300	1300	1200	1320	1250	1360
Total Dom. Cons.	2350	2350	2100	2380	2200	2480
Ending Stocks	274	275	224	305	264	340
Total Distribution	2742	2743	2424	2795	2564	2840
CY Imports	2200	2175	2000	2400	2200	2500
CY Imp. from U.S.	400	441	400	430	400	460
CY Exports	100	187	100	40	100	20
CY Exp. to U.S.	0	166	0	35	0	0

Production

In Cukurova region where ninety-five percent of the local soybean crop is planted, soybean has to compete with wheat, corn, and cotton. In recent years, attractive returns on peanuts also created an alternative to soybean planting in the region. Farmers in Cukurova region planted more cotton than expected due to attractive returns, which adversely affected soybean planting. Accordingly, MY 2017/18 domestic soybean planting and production is now estimated at 22,000 hectares, about twenty percent less compared to early season estimates, and 85,000 MT. While the planting area is shrinking, yields are increasing due better seed quality.

The government encourages oilseeds planting by increasing production bonus payments annually but so far no announcement has been made for MY 2017/18 crop. In general, late announcements do not affect the first crop soybean planting and have limited effects for second crop soybean planting in the region.

Consumption

MY 2016/17 soy consumption is estimated around 2.38 MMT. Turkish poultry meat and egg producers and exporters are benefitting from higher prices in the domestic market and increase in exports. Turkish poultry products exporters are also aided from regional competitors' avian influenza cases, which have boosted demand for Turkish product. Soybean consumption is projected to increase in MY 2017/18 and expected to reach 2.48 MMT as result of recent trends.

Trade

Total soybean imports during the first seven months of MY 2016/17 were 1.06 MMT. Ukraine is the leading supplier with 515,000 MT followed by the United States with 263,000 MT. Ukraine became the leading supplier of soybeans to Turkey in recent years benefiting from geographical proximity and favorable pricing. Paraguay (180,000 MT) and Argentina (73,000 MT) were the other leading suppliers.

Soybean exports were about 104,000 MT during the same period, with the United States as the main destination. N. Cyprus (1,000 MT) and Iraq (750 MT) were the other soybean export destinations.

Soybean meal PSD

Meal, Soybean (1000MT)	2015/2016		2016/2017		2017/2018	
Market Begin Year	Oct 2015		Oct 2016		Oct 2017	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	1050	1050	900	1060	950	1120
Extr. Rate, 999.9999	0.7714	0.7714	0.7722	0.7689	0.7726	0.7679
Beginning Stocks	208	164	230	200	225	225
Production	810	810	695	815	734	860
MY Imports	603	592	730	700	750	725
MY Imp. from U.S.	72	72	75	125	75	140
MY Imp. from EU	51	51	50	30	50	40
Total Supply	1621	1566	1655	1715	1709	1810
MY Exports	41	40	50	40	50	50
MY Exp. to EU	0	0	0	0	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.	1350	1326	1380	1450	1400	1500
Total Dom. Cons.	1350	1326	1380	1450	1400	1500
Ending Stocks	230	200	225	225	259	260
Total Distribution	1621	1566	1655	1715	1709	1810
CY Imports	674	665	700	700	750	750
CY Imp. from U.S.	70	70	75	140	75	150
CY Exports	45	44	50	50	50	50
CY Exp. to U.S.	0	2	0	6	0	0

Soybean meal

Production

In contrast to the early season situation, recent lower world soybean prices made soybean imports more attractive and increased domestic crushing margins. As a result, MY 2016/17 soybean meal production is now estimated about 815,000 MT compared to the early season estimate of 700,000 MT. Provided that crushing margins continue as they are, domestic soybean meal production is expected to go up in

the coming season as well since crushers will continue to utilize their large capacity.

Consumption

Domestic consumption of soybean meal is increasing and expected to reach 1.45 MMT during MY 2016/17 due to the increase in poultry meat and egg production. Soybean meal consumption in MY 2017/18 is also projected to continue increase, reaching 1.5 MMT, due to the same reasons.

Trade

Turkey has imported a total of 457,000 MT of soybean meal during the first half of MY 2016/17 of which the great majority, 433,000 MT, was supplied by Argentina. Ukraine (14,000 MT) and the United States (7,000 MT) were the other sources.

Turkey exported about 19,000 MT of soybean meal during the same period. Iraq and the United States were the main destinations with 9,000 MT and 7,000 MT respectively.

Soybean Oil

Soybean Oil PSD

Oil, Soybean	2015/2016		2016/2017		2017/2018	
Market Begin Year	Oct 2015		Oct 2016		Oct 2017	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	1050	1050	900	1060	950	1120
Extr. Rate, 999.9999	0.1781	0.1781	0.1778	0.1698	0.1779	0.1696
Beginning Stocks	35	35	47	47	27	27
Production	187	187	160	180	169	190
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	222	222	207	227	196	217
MY Exports	15	15	50	60	50	60
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	80	80	70	80	70	75
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	80	80	60	60	50	60
Total Dom. Cons.	160	160	130	140	120	135
Ending Stocks	47	47	27	27	26	22

Total Distribution	222	222	207	227	196	217
CY Imports	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	20	34	50	50	50	55
CY Exp. to U.S.	0	0	0	0	0	0

MY 2016/17 soybean oil production will be about 180,000 MT and expected to increase to 190,000 MT in MY 2017/18. Main soybean oil usage in Turkey continues to be industrial and feed use since the biosafety law forbids soybean oil to be used in food if it is produced from biotech soybeans.

Due to large domestic crushing Turkey did not import soybean oil during the first half of the MY 2016/17. Exports during the same period however were about 40,000 MT. China was the leading buyer of Turkish soybean oil with 20,000 MT, followed by Algeria (15,500 MT) and Iraq (3,000 MT).