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## **Turkey**

### **Oilseeds and Products Annual**

#### **Turkey Oilseeds and Products Annual Report**

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**Report Highlights:**

Turkey's MY 2016/17 oilseed production is estimated to be about 2.45 MMT. Total production is projected to go up about eleven percent to reach 2.71 MMT in MY 2017/18. Good returns on cotton and sunflowerseed production, as well as a significant increase in production support payments are affecting planting decision of farmers, but despite the efforts of the Turkish government to increase production, Turkey continues to be import dependent for oilseeds and products. Accordingly, in MY 2015/16 Turkey imported 324,000 MT of sunflowerseed for crushing, 801,000 MT of sunflowerseed meal and 686,000 MT of sunflowerseed oil to meet domestic and export demands. Turkey also continues to import large quantities of soybeans and soy meal, with combined imports reaching a record of 2.87 MMT in MY2015/16, and expected to increase in MY 2016/17 to 3.05 MMT.

## Turkey Oilseeds Annual Report 2017

### **Commodities:**

Oilseed, Cottonseed

Oilseed, Soybean

Oilseed, Sunflowerseed

Oil, Olive

Oil, Soybean

Oil, Sunflowerseed

Oil, Cottonseed

### **EXECUTIVE SUMMARY**

Turkey's total production of oilseeds covered in this report (soy, sunflower, and cottonseed) in MY 2017/18 is projected to increase about eleven percent to about 2.71 MMT. Sunflowerseed and cottonseed production are expected to increase eight and fourteen percent respectively, soybean production is expected to be about ten percent lower.

The good returns for farmers on cotton and sunflowerseed during MY 2016/17, coupled with less than desired returns on corn, as well as an increase in the production bonus, will support planting of both crops in MY 2017/18. Precipitation during winter months will provide adequate soil moisture for the coming sunflowerseed crop. Domestic soybean production remains only a fraction of domestic consumption. While domestic production is expected to be about 90,000 MT in MY 2017/18, the total domestic consumption of soybean and meal will reach 2.9 MMT.

Over the years, the Turkish government's continuing production premiums for oilseeds and support of quasi-governmental producers' coops to persuade farmers to plant more oilseeds has had limited success. Accordingly, the government of Turkey (GOT) has increased the production bonus for all of the oilseed crops in 2016, which will provide some incentive for planting in the coming season. Farmers are asking the GOT to review and adjust the bonus amounts for next summer's crops in light of the recent currency devaluation and local inflation. The Turkish Lira is a free fluctuating currency and has recently been declining in value. It has been about TL 3.70 for \$1 U.S. dollar during recent months, representing a twenty percent decline during the last six months. Additionally local inflation runs about ten percent.

Olive oil production for MY 2017/18, an on year, is expected to be about 200,000 MT, provided there are suitable weather conditions. Production for MY2016/17, an off year, is estimated about 177,000 MT.

### ***Production***

Total sunflowerseed planting and production for both oilseed and confection in MY 2016/17 was 600,000 hectares and 1.32 MMT. Good returns in MY 2016/17, crop rotation patterns, and adverse weather conditions in Thrace region (that required canola planted areas to be left for sunflowerseed) will increase planted area to 650,000 hectares, and production is estimated to reach 1.4 MMT in MY 2017/18. Though there was country-wide precipitation during the late winter which caused higher sub

soil moisture, the yields for winter and summer crops in Turkey are still dependent on the rains during the spring and summer.

Soy planting is projected to decline about ten percent in the Cukurova region. Increases in cotton and peanut planting in the region will take the place of soybean plantings. Planting and production for soybean is expected to be about 27,000 hectares and 90,000 MT for MY 2017/18.

Cottonseed production is expected to increase in MY 2017/18 due to relatively lower returns on corn in Cukurova and other regions. Total planting area is projected to be about 450,000 hectares and production 1.2 MMT, which is compared to 400,000 hectares and 1.05 MMT last year.

### ***Meal and feed***

Total meal production of Turkey that is subject to this report is projected to go up about nine percent in MY 2017/18 and reach 2.29 MMT. Sunflowerseed meal and cottonseed meal production will go up eight and twelve percent respectively, to 910,000 MT and 655,000 MT. Soy meal production however will go up only four percent to 730,000 MT.

According to industry sources, in calendar year (CY) 2016, total compound feed production was about 20.4 million MT, up 1.5 percent compared to a year ago. While poultry feed production was down about nine percent to 8.3 MMT compared to CY 2015, livestock feed was up ten percent to 11.5 MMT, and other feed (fish feed and other) was up four percent to 0.6 MMT.

### ***Poultry & Livestock industry***

According to government and industry sources, following many years of continued high growth, Turkish broiler meat production declined about 1.6 percent in 2016 to 1.9 MMT. While domestic consumption continued to increase due to population increases, including a large number of Syrian refugees (about 3 million), a decline in exports was the main reason for the last year's low performance. The main obstacles for exports were political problems in the region and war conditions in Turkey's main export markets. In 2017, however, Turkish broiler meat exports stand a better chance at the export markets since other exporters to the region had Avian Influenza cases and so far Turkey has not had any.

Egg production in modern farms doubled between 2006 and 2013, as a result of increases in both domestic consumption and exports. In 2016, egg production increased about eight percent, reaching 18.6 billion according to industry statistics, recovering from the setback of 2015 AI epidemic. The egg industry is projected to grow about five percent in 2017 as well.

Overall, Turkey exports approximately twenty-five percent of its egg and broiler production, mostly to neighboring countries. The domestic consumption of eggs was estimated about 200 pieces per person in 2016. The industry is continuing promotion programs to reach the European average consumption of 270 pieces.

Despite the sporadic turbulence, the Turkish poultry meat and egg industries rank among the world's top producers and are the country's largest consumer of protein meal. The demand for protein meal as a feed ingredient from these industries is projected to continue to grow in coming years.

Although the poultry industry has been growing steadily despite setbacks, the Turkish livestock sector has been up and down over the last several years along with local milk and meat price fluctuations. Since 2010, the Turkish government introduced many incentive programs to increase domestic livestock production and lower local red meat prices, but red meat prices still remained high, making broiler meat an affordable alternative for animal based protein intake. Due to attractive prices and relatively easier access than in the past, alternative high protein feed imports increased in CY2016.

### ***Vegetable Oil Production and Trade***

MY 2017/18 total vegetable oil production is forecast to be up about nine percent to 1.09 MMT. Growth is predicted in all oils, but mostly on cottonseed oil and sunflowerseed oil. Turkey continues to import large quantities of sunflowerseed oil for domestic consumption and refining/ re-export to neighboring countries. Turkey used to import mostly sunflowerseed from the Black Sea region countries and crush it domestically, both for domestic use and exports. Increasing crushing facilities in the Black Sea region during recent years are now forcing Turkey to import more crude oil rather than seeds. Also, there are new crushing plants reported in export markets, particularly in Iraq, that may limit the amount of sunflowerseed oil exports to that destination in the near future.

Turkey has a large crushing and refining capacity and the industry is continuing to invest in new and modern factories with large capacities to meet the increasing domestic and export demand and to remain competitive. Accordingly, in 2016 total crushing capacity has reached 9 MMT and refining capacity 4 MMT.

### ***Biotechnology Updates***

There have been no new approvals of genetically engineered (GE) trait applications since the last oilseeds annual report. Following the coup attempt on July 15, 2016, the Turkish government declared a State of Emergency, removed thousands of civil servants from their government positions, and seized businesses which had a suspected connection with the organization the Turkish government believes to be behind the coup attempt. The State of Emergency and subsequent dismissals interrupted some government operations and processes, including slowing down the review of biotech trait approvals. The Biosafety Board is again fully staffed and reviews of the pending 24 applications which were submitted in 2015 are resuming. Presently trade is moving but with the risk of rejection due to unapproved events.

There is no cultivation of GE crops permitted in Turkey. For detailed information, find the latest the reports on biotechnology policies in Turkey and the [latest biotechnology annual report here](#) or by searching here at [FAS GAIN Report Site](#).

## OILSEEDS

### Sunflower seed PSD

Oilseed, Sunflowerseed	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	490	550	500	600	0	650
Area Harvested	505	550	550	600	0	650
Beginning Stocks	75	56	53	78	0	90
Production	1000	1100	1200	1320	0	1425
MY Imports	396	396	350	400	0	425
MY Imp. from U.S.	2	2	2	3	0	3
MY Imp. from EU	250	138	200	140	0	145
Total Supply	1471	1552	1603	1798	0	1940
MY Exports	42	42	20	50	0	60
MY Exp. to EU	10	11	0	15	0	20
Crush	1370	1310	1500	1530	0	1650
Food Use Dom. Cons.	4	120	4	125	0	130
Feed Waste Dom. Cons.	2	2	2	3	0	5
Total Dom. Cons.	1376	1432	1506	1658	0	1785
Ending Stocks	53	78	77	90	0	95
Total Distribution	1471	1552	1603	1798	0	1940
CY Imports	400	382	400	430	0	450
CY Imp. from U.S.	2	3	2	3	0	3
CY Exports	20	48	20	50	0	55
CY Exp. to U.S.	0	0	0	0	0	0

### Production, Sunflowerseed

MY 2017/18 total sunflowerseed planting, for oil and confection, is projected to grow about ten percent to 650,000 hectares and total production to reach 1.42 MMT of which 1.3 MMT is oilseeds and 0.12 MMT is confection seeds. Planting will increase in the Thrace region due to rotation with wheat and conversion of fields from canola due to early season weather conditions which adversely affected growth. Some Central Anatolian region farmers who were not happy with the returns on corn last year are also expected to plant sunflowerseed next summer. A minor planting increase is also projected in the Cukurova region.

Along with oilseed type of sunflowerseed, Turkey also produces a significant amount of confection sunflowerseed. Confection sunflowerseed area and production was 45,000 hectares and 100,000 MT in MY 2016/17 and is expected to go up to 50,000 hectares and 120,000 MT in MY 2017/18.

Turkey has a net deficit in sunflowerseed production, and sustainability of production will depend on farmer satisfaction on income. The GOT has increased sunflowerseed production bonus to TL 400 per MT from TL 300 per MT, which also had effect on increased plantings (Note: February 20, 2017 exchange rate: US\$ 1 = TL 3.70).

While sunflowerseed competes for land with canola, malting barley, and wheat in the Thrace region, production of sunflowerseed in other regions, such as Central Anatolia, competes with corn, sugar beet, and vegetables, and in Cukurova region with wheat. In general, the Cukurova region has an advantage to grow sunflowerseed as the crop matures about a month earlier than in Thrace region, so farmers are able to take advantage of the early season higher prices. Yields are higher in the Central Anatolian region where fields are irrigated. Increase in production in other regions in recent years caused Thrace region's share of total domestic production to decline from 80 percent to about less than 50 percent.

#### Soybean PSD

Oilseed, Soybean (1000 Hectares/1000 MT)	2015/2016		2016/2017		2017/2018	
	Sep 2015		Sep 2016		Sep 2017	
Market Begin Year	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Turkey</b>						
<b>Area Planted</b>	30	27	30	30	0	27
<b>Area Harvested</b>	27	27	33	30	0	27
<b>Beginning Stocks</b>	359	359	274	275	0	300
<b>Production</b>	100	100	120	100	0	90
<b>MY Imports</b>	2283	2284	2150	2300	0	2400
<b>MY Imp. from U.S.</b>	402	402	400	425	0	450
<b>MY Imp. from EU</b>	33	20	21	20	0	25
<b>Total Supply</b>	2742	2743	2544	2675	0	2790
<b>MY Exports</b>	118	118	50	100	0	75
<b>MY Exp. to EU</b>	0	0	0	0	0	0
<b>Crush</b>	1100	1050	1000	900	0	950
<b>Food Use Dom. Cons.</b>	0	0	0	0	0	0
<b>Feed Waste</b>	1250	1300	1250	1375	0	1450

<b>Dom. Cons.</b>						
<b>Total Dom. Cons.</b>	2350	2350	2250	2275	0	2400
<b>Ending Stocks</b>	274	275	244	300	0	315
<b>Total Distribution</b>	2742	2743	2544	2675	0	2790
<b>CY Imports</b>	2200	2175	2300	2400	0	2900
<b>CY Imp. from U.S.</b>	400	441	400	430	0	460
<b>CY Exports</b>	100	187	50	100	0	75
<b>CY Exp. to U.S.</b>	0	166	0	80	0	50

### **Production, Soybean**

MY 2017/18 soybean planting and production is projected to be about 27,000 hectares and 90,000 MT. The small decrease compared to last year is due to the projected increase in cotton and peanut production in the Cukurova region. The Cukurova region is the main soy growing area in Turkey, supplying about ninety-five percent of the total production. Small, trial plantings are also seen in the GAP region, in Eastern Turkey. Local planting is fluctuating in accordance with soybeans profitably compared to other crops, such as corn, cotton and peanuts, in the Cukurova region. MY 2016/17 Turkish soybean area and production were 30,000 hectares and 100,000 MT.

The GOT has been encouraging an increase of oilseeds production by offering higher production bonus payments. While other oilseeds received production bonus increases almost regularly, soybean production bonus was increased last year after six years of no change. Accordingly, the production bonus for soybeans has been increased to TL 600 per ton. When announced in the spring, the bonus was about US\$ 200 per ton, but Turkish Lira has since devalued during the recent months and with the current exchange rate, the bonus is down to the equivalent of US\$ 160, which is considered too low to affect planting decisions of farmers. Farmers groups are said to be asking the government to increase production bonuses. Yields are high in the region as growers are technically proficient and the crop is irrigated.

### **Consumption, Soy**

Domestic consumption of soy will be dependent on the usage in the feed industries and mostly in poultry. MY 2016/17 consumption is projected to remain about 2.27 MMT but will increase to 2.4MMT in MY 2017/18. Both layer and broiler industries are expected to grow moderately in the coming years in the view of growing domestic and export markets.

### Cottonseed PSD

<b>Oilseed, Cottonseed (1000 Hectares/1000MT)</b>	<b>2015/2016</b>		<b>2016/2017</b>		<b>2017/2018</b>	
<b>Market Begin Year</b>	<b>Oct 2015</b>		<b>Oct 2016</b>		<b>Oct 2017</b>	
<b>Turkey</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Area Planted (Cotton)</b>	370	370	420	400	0	450
<b>Area Harvested (Cotton)</b>	370	370	420	400	0	450
<b>Seed to Lint Ratio</b>	0	0	0	0	0	0
<b>Beginning Stocks</b>	25	10	14	10	0	10
<b>Production</b>	870	870	1020	1050	0	1200
<b>MY Imports</b>	0	0	0	0	0	0
<b>MY Imp. from U.S.</b>	0	0	0	0	0	0
<b>MY Imp. from EU</b>	0	0	0	0	0	0
<b>Total Supply</b>	895	880	1034	1060	0	1210
<b>MY Exports</b>	1	0	1	0	0	0
<b>MY Exp. to EU</b>	0	0	0	0	0	0
<b>Crush</b>	870	860	1010	1040	0	1190
<b>Food Use Dom. Cons.</b>	0	0	0	0	0	0
<b>Feed Waste Dom. Cons.</b>	10	10	10	10	0	10
<b>Total Dom. Cons.</b>	880	870	1020	1050	0	1200
<b>Ending Stocks</b>	14	10	13	10	0	10



<b>Total Distribution</b>	895	880	1034	1060	0	1210
<b>CY Imports</b>	0	0	0	0	0	0
<b>CY Imp. from U.S.</b>	0	0	0	0	0	0
<b>CY Exports</b>	1	0	1	0	0	0
<b>CY Exp. to U.S.</b>	0	0	0	0	0	0

### **Production, Cottonseed**

Turkish cottonseed area and production is projected to increase about ten percent in MY 2017/18. Total area and production for MY 2017/18 projected to be about 450,000 hectares and 1.2 MMT.

### **Agricultural Sales Cooperative Unions**

Trakya Birlik and Karadeniz Birlik, two of the leading Agricultural Sales Cooperative Unions (ASCU's), continue to play a very important role supporting sunflower seed production in Turkey. Other ASCU's includes TARIS (cotton and olive oil), Cukobirlik (cotton and soybean) and Antbirlik (cotton and cottonseed). All of the ASCU's have thousands of members to whom they provide seeds, fertilizer and low-cost financing prior to planting. The ASCU's then offer attractive prices after the harvest.

Trakya Birlik reported to have purchased about 300,000 MT of 2016 compared to 257,000 MT of 2015 crop and 298,000 MT of 2014. Karadeniz Birlik also increased its purchases to 30,500 MT from 25,000 MT of last year. Generally farmers deliver only enough amounts to meet their obligations as they prefer to sell more to traders and crushers due to higher offers. The combined purchases of the two coops represent about twenty-eight percent of the total crops of MY 2016/17, which is slightly higher than last year.

### **Production support**

The Turkish government continues to support oilseed production with production premium programs. According to 2016 production bonus announcements, the GOT has increased all oilseeds production bonus levels. Below is the list of bonuses for recent years. These production bonus payments on the prior year crops have typically been made in August, just before the following year's harvest. Industry sources insist that for the future of domestic oilseed production, it is crucial that sales cooperatives and the government announce adequate domestic price and bonus payments in advance, and pay promptly. The government recently announced that in the future, bonus payments will be done in two installments: April/May and September/October.

<b>Turkey: Oilseed Production Premiums TL/MT</b>				
<b>Crop</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>% increase</b>
Sunflower seed	300	300	400	33 %
Soybean	500	500	600	20 %
Canola	400	400	500	25 %
Seed cotton	550	650	750	15 %

Note: (TL/MT)(US\$ 1= TL 3.7- Feb 2017)

### **Consumption**

The majority of oilseeds and products are utilized for oil, meal and full fat. Growth in domestic soybean and meal consumption will be moderate in MY 2017/18 due to moderate growth in poultry and livestock. Lower crush margins in MY 2016/17 for soy will adversely affect domestic crush due to relatively lower industrial use of soy oil. Utilization of full fat soy will also increase, but modestly. Aquaculture also contributed to the growth in soybean meal consumption, although to a lesser degree.

Cottonseed consumption fluctuates along with local production, since there is no import and export activity. Consumption will be higher in MY 2016/17 and in MY 2017/18 along with the projected increase in seed production.

Total crushing capacity reached about 9 million MT per year. The new high-capacity modern crushers lower the cost of crushing through economies of scale, forcing smaller crushers with older technology out of business. Low capacity utilization, about 50 percent, also remains a problem for the industry. Turkey also has about 4 million MT per year refining capacity and capacity utilization is estimated about 70 percent. Turkey traditionally exports oils and fats to neighboring countries, such as sunflowerseed oil and margarine.

### **Trade**

Sunflowerseed imports for crushing in MY 2015/16 were 324,000 MT, down twenty-nine percent compared to 456,000 MT of last marketing year. Increasing crushing facilities in the Black Sea region are forcing Turkey to import more oil rather than seeds. Balkan countries, such as Moldova (145,000 MT), Romania (56,000 MT), and Bulgaria (55,000 MT) were the main suppliers of sunflowerseed to Turkey. During the first four months of MY 2016/17, total crushing sunflowerseed imports were about 49,000 MT. Moldova (22,000 MT) and Russia (17,000 MT) were the main sources.

According to official figures, MY 2015/6 imports of confection sunflowerseed were about 70,000 MT. Moldova is the main supplier with 33,000 MT, followed by Romania with 22,000 MT. U.S. exports of confection sunflowerseed to Turkey during the same period were 2,600 MT. Turkey also exported about 28,000 MT of confection sunflowerseed during the year. North Africa, Germany and Russia were the leading destinations. Additionally, Turkey exported 14,000 MT of sunflowerseed for planting in MY 2015/16.

Total soybean imports during MY 2015/16 were 2.28 MMT, up about four percent compared to last marketing years. Ukraine became the leading supplier with 838,000 MT followed by Paraguay with 560,000 MT. Imports from the United States were 402,000 MT, which is about half of last year's amount. Ukraine continued to benefit from geographical proximity and favorable pricing. Brazil (239,000 MT), and Uruguay (94,000 MT) were the other leading suppliers.

Turkey imported 623,000 MT of soybeans in the first four months of MY 2016/17. Ukraine and the U.S. were the leading suppliers with 220,000 MT and 133,000 MT respectively.

Turkey's soy exports were a record 118,000 MT during the marketing year; a significant portion of this amount is likely re-exports from the Black Sea region. The United States was the leading destination

with 97,000 MT. Northern Cyprus (3,200 MT) and Canada (2,600 MT) were the other destinations. Turkey exported about 71,000 MT of soybeans in the first four months as of MY 2016/17. The U.S. was the leading market with 69,500 MT.

Turkey, to meet the local and export demand, also imported 322,000 MT of canola, 115,000 MT of safflowerseed, and 86,000 MT of linseed during MY 2015/16 (September/August). While Romania (167,000 MT) and Bulgaria (79,000 MT) were main sources for canola, Russia was the sole supplier of safflowerseed and linseed.

In the medium and long term, rising household incomes will increase the demand for livestock, poultry and aquaculture products, ensuring continued demand for protein meals for feed. Simultaneously, consumers will demand higher-quality vegetable oils. The GOT continues to support oilseed production and also has ambitious irrigation projects throughout Turkey that will help them meet a larger portion of the demand for some of the oilseeds, such as sunflowerseed and cottonseed. But demand for soybeans and meal is unlikely to be met by local production. Therefore Turkey's demand for imported oilseeds, meal, and oils will remain for years to come.

### **Policy**

According to the 2017 customs regime, sunflowerseed imports are subject to a tariff of 27 percent. The GOT increases observation price on imports temporarily when the new crop comes in August of each year and lowers it a few months later, usually in January. Accordingly, sunflowerseed observation price has been lowered to US\$ 500 per ton from US\$ 750, starting in January 2017. Soybeans are subject to zero percent and cottonseed is subject to a 10 percent tariff. Safflower imports are subject to 23.4 percent, flaxseed and canolaseed are subject to a 10 percent tariff. In September 2016, in order to prevent inflow of low priced oilseeds and support domestic sunflowerseed production, GOT had announced US\$ 1,600 per MT observation price for canolaseed and US\$ 750 per MT for safflowerseed imports, which caused imports to stop. Starting from January 2017, canolaseed observation price was lowered to US\$ 1,000 per MT, and safflowerseed to US\$ 600 per MT.

## **OIL MEALS**

### **Production**

Total meal production (subject to this report) in MY 2016/17 is expected to be about 2.10 MMT. In MY 2017/18 total meal production is forecasted to be up about nine percent to 2.29 MMT, due to increases in all meals. Turkey continues to utilize a significant amount of full-fat soy beans in poultry rations. Accordingly, in MY 2016/17 and MY 2017/18, 1.37 MMT and 1.45 MMT of soybean will be used to produce full-fat soy meals.

According to industry sources, as of 2016, there are about 515 active feed mills in Turkey with an estimated total capacity of 17.3 MMT in an eight hour shift. There are also on-farm feed mills where total production is estimated about 3 MMT per year. The feed sector has been growing at a remarkable speed; new modern mills with large production capacities are pushing smaller ones out of business. Total Turkish compound feed production has increased an average of eight percent per year between 2005 and 2015. However, 2016 growth was about 1.5 percent due to the decline in poultry feed production. Presently the Turkish feed industry is among the world's top twelve producers and in the top five in Europe. The sector is projected to grow in the coming years and reach 30 MMT by 2023.

Post has been using extraction rates of 55 percent for sunflowerseed meal in place of 38 percent to better reflect domestic extraction rates. The majority of Turkish mills are not separating the hulls from the meal while producing sunflowerseed meal. This practice increases the amount of meal produced but lowers the protein content and the quality of the meal. Due to the low protein content, locally produced sunflower meal is not used in poultry rations, but is used in livestock rations. As a result, farmers are required to use either larger amounts of sunflower meal or alternative meals, such as DDGS and CGFP, to obtain the protein amounts needed in their rations.

## Sunflowerseed Meal PSD

Meal, Sunflowerseed (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
<b>Crush</b>	1370	1310	1500	1530	0	1650
<b>Extr. Rate, 999.9999</b>	0.5	0.549 6	0.5	0.550 3	0	0.551 5
<b>Beginning Stocks</b>	154	154	136	171	0	188
<b>Production</b>	685	720	750	842	0	910
<b>MY Imports</b>	801	801	880	880	0	920
<b>MY Imp. from U.S.</b>	0	0	0	0	0	0
<b>MY Imp. from EU</b>	0	0	0	0	0	0
<b>Total Supply</b>	1640	1675	1766	1893	0	2018
<b>MY Exports</b>	4	4	5	5	0	5
<b>MY Exp. to EU</b>	0	3	0	0	0	0
<b>Industrial Dom. Cons.</b>	0	0	0	0	0	0
<b>Food Use Dom. Cons.</b>	0	0	0	0	0	0
<b>Feed Waste Dom. Cons.</b>	1500	1500	1630	1700	0	1820
<b>Total Dom. Cons.</b>	1500	1500	1630	1700	0	1820
<b>Ending Stocks</b>	136	171	131	188	0	193
<b>Total Distribution</b>	1640	1675	1766	1893	0	2018
<b>CY Imports</b>	800	782	900	900	0	950
<b>CY Imp. from U.S.</b>	0	0	0	0	0	0
<b>CY Exports</b>	4	7	5	7	0	8
<b>CY Exp. to U.S.</b>	0	0	0	0	0	0

## Production

In general, total oilseed meal consumption moves in line with developments in the domestic poultry, livestock and aquaculture sectors. Overall, Turkish poultry meat production tripled in the past ten years and another fifty percent increase is foreseen in the coming ten years, despite the recent problems.

In 2016, poultry meat production was down about 1.5 percent but is expected to increase in 2017 due to an increase in domestic consumption and exports. The layer industry is also projected to expand, about five percent during the year for the same reasons. The livestock sector (beef and dairy) and also aquaculture is expected to continue to grow as well in 2017.

## Trade

Turkey's sunflowerseed meal imports continue to be strong, reaching 801,000 MT in MY 2015/16 due to abundant supplies in the Black Sea region. Turkey continued to source its sunflowerseed meal from Russia (370,000 MT), and Ukraine (363,000 MT) due to increased availability there, which is a result of increased crushing capacities in these countries.

Strong import trends continued in the first four months of MY 2016/17, reaching 250,000 MT. Russia (122,000 MT) and Ukraine (34,000 MT) were the main sources.

## Soybean meal PSD

Meal, Soybean (1000 MT)	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
<b>Crush</b>	1100	1050	1000	900	0	950
<b>Extr. Rate, 999.9999</b>	0.77	0.771 4	0.77	0.777 8	0	0.768 4
<b>Beginning Stocks</b>	208	164	247	200	0	220
<b>Production</b>	847	810	770	700	0	730
<b>MY Imports</b>	603	592	600	750	0	800
<b>MY Imp. from U.S.</b>	72	72	75	75	0	100
<b>MY Imp. from EU</b>	51	51	50	50	0	50
<b>Total Supply</b>	1658	1566	1617	1650	0	1750
<b>MY Exports</b>	41	40	50	50	0	60
<b>MY Exp. to EU</b>	0	0	0	0	0	0
<b>Industrial Dom. Cons.</b>	0	0	0	0	0	0
<b>Food Use Dom.</b>	0	0	0	0	0	0

<b>Cons.</b>						
<b>Feed Waste Dom. Cons.</b>	1370	1326	1300	1380	0	1450
<b>Total Dom. Cons.</b>	1370	1326	1300	1380	0	1450
<b>Ending Stocks</b>	247	200	267	220	0	240
<b>Total Distribution</b>	1658	1566	1617	1650	0	1750
<b>CY Imports</b>	600	665	600	800	0	850
<b>CY Imp. from U.S.</b>	100	70	100	80	0	100
<b>CY Exports</b>	50	44	50	50	0	60
<b>CY Exp. to U.S.</b>	0	2	0	0	0	0

### Production

Domestic production of soy meal in MY 2016/17 is projected to decline to 700,000 MT due to unfavorable crushing margins, as a result of a decrease in industrial use of soybean oil. Recent attractive prices of South American soybean meal are also preventing an increase in local crushing.

### Trade

Turkey imported a total of 592,000 MT of soybean meal during MY 2015/16. Argentina was the main supplier with 370,000 MT. The United States (71,500 MT), Ukraine (51,000 MT) and Brazil (49,000 MT) were the other leading suppliers.

Turkey exported about 40,000 MT of soy meal during the same period. Iraq (22,700 MT) and Northern Cyprus (10,000 MT) were the main destinations.

Attractive prices in Argentina continued to fuel imports of soy meal during the first quarter of MY 2016/17. Total imports reached 197,000 MT, compared to 92,000 MT last year. Argentina supplied 188,000 MT. MY 2016/17 first three months exports were 12,000 MT. Iraq (9,000 MT) was the main destination.

### Cottonseed Meal PSD

Meal, Cottonseed (1000MT)	2015/2016		2016/2017		2017/2018	
	Oct 2015		Oct 2016		Oct 2017	
Market Begin Year	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Turkey						
<b>Crush</b>	870	860	1010	1040	0	1190
<b>Extr. Rate, 999.9999</b>	0.4483	0.55	0.4485	0.55	0	0.55
<b>Beginning Stocks</b>	0	0	0	0	0	0
<b>Production</b>	390	473	453	572	0	655
<b>MY Imports</b>	0	0	0	0	0	0

<b>MY Imp. from U.S.</b>	0	0	0	0	0	0
<b>MY Imp. from EU</b>	0	0	0	0	0	0
<b>Total Supply</b>	390	473	453	572	0	655
<b>MY Exports</b>	11	11	5	15	0	20
<b>MY Exp. to EU</b>	0	0	0	0	0	0
<b>Industrial Dom. Cons.</b>	0	0	0	0	0	0
<b>Food Use Dom. Cons.</b>	0	0	0	0	0	0
<b>Feed Waste Dom. Cons.</b>	379	462	448	557	0	635
<b>Total Dom. Cons.</b>	379	462	448	557	0	635
<b>Ending Stocks</b>	0	0	0	0	0	0
<b>Total Distribution</b>	390	473	453	572	0	655
<b>CY Imports</b>	0	0	0	0	0	0
<b>CY Imp. from U.S.</b>	0	0	0	0	0	0
<b>CY Exports</b>	10	19	5	25	0	30
<b>CY Exp. to U.S.</b>	0	0	0	0	0	0

### Policy

Sunflowerseed meal and cottonseed meal import duties are 11.5 percent for EU countries and 13.5 percent for all other sources. The soybean meal import tax is zero percent for the EU countries and 5 percent for all other sources.

## OILS

### Production

MY 2017/18 total domestic production of vegetable oils subject to this report (sunflower seed, cottonseed and soybean) is estimated at about 1.09 MMT, up about nine percent compared last year, due to increases in all oils.

### Sunflowerseed oil PSD

Oil, Sunflowerseed (1000MT)	2015/2016		2016/2017		2017/2018	
	Sep 2015		Sep 2016		Sep 2017	
Market Begin Year	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Turkey						
<b>Crush</b>	1370	1310	1500	1530	0	1650
<b>Extr. Rate,</b>	0.4299	0.4351	0.43	0.4314	0	0.4303



<b>999.9999</b>						
<b>Beginning Stocks</b>	331	144	53	47	0	97
<b>Production</b>	589	570	645	660	0	710
<b>MY Imports</b>	686	686	890	850	0	800
<b>MY Imp. from U.S.</b>	0	0	0	0	0	0
<b>MY Imp. from EU</b>	0	0	0	0	0	0
<b>Total Supply</b>	1606	1400	1588	1557	0	1607
<b>MY Exports</b>	583	583	550	550	0	560
<b>MY Exp. to EU</b>	0	0	0	0	0	0
<b>Industrial Dom. Cons.</b>	20	0	20	20	0	20
<b>Food Use Dom. Cons.</b>	940	770	950	880	0	920
<b>Feed Waste Dom. Cons.</b>	10	0	10	10	0	10
<b>Total Dom. Cons.</b>	970	770	980	910	0	950
<b>Ending Stocks</b>	53	47	58	97	0	97
<b>Total Distribution</b>	1606	1400	1588	1557	0	1607
<b>CY Imports</b>	750	738	900	800	0	750
<b>CY Imp. from U.S.</b>	0	0	0	0	0	0
<b>CY Exports</b>	550	601	550	650	0	600
<b>CY Exp. to U.S.</b>	0	0	0	0	0	0

The local industry is continuing to invest in new plants and accordingly, Turkey's crushing capacity has reached 9 MMT. Refining capacity for liquid oils also went up to 4 MMT. Turkey also has about an additional 1 MMT capacity for production of margarine, and is estimated to produce about 800,000 MT in 2016.

### **Consumption**

Sunflowerseed oil is the most consumed oil in Turkey and food use consumption is continuing to increase. It is forecast to reach 920,000 MT in MY 2017/18. Higher sunflowerseed oil consumption is due to the increase in population and the lack of alternative low priced oils because Turkey has not approved any genetically engineered corn or soybeans for food use.

Turkey's Biosafety Law limits the utilization of soy oil produced from genetically engineered (GE) soybeans. Accordingly biotech soy oil is only allowed to be used in feed and industry categories, mostly paint and ink production, but has not yet been approved for use in food. Therefore, soy oil that is produced from locally produced and imported non-GE soybeans are used in food. Since the great majority of imported and crushed soybeans are genetically engineered varieties for animal feed, this adversely affects domestic crushing margins, and causes consumption of soy oil to be limited to soybeans that are locally produced. A large amount of soy oil used to be utilized in domestic margarine production.

## Soybean oil PSD

<b>Oil, Soybean (1000 MT)</b>	<b>2015/2016</b>		<b>2016/2017</b>		<b>2017/2018</b>	
<b>Market Begin Year</b>	<b>Oct 2015</b>		<b>Oct 2016</b>		<b>Oct 2017</b>	
<b>Turkey</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Crush</b>	1100	1050	1000	900	0	950
<b>Extr. Rate, 999.9999</b>	0.1782	0.178 1	0.178	0.177 8	0	0.178 9
<b>Beginning Stocks</b>	35	35	36	47	0	27
<b>Production</b>	196	187	178	160	0	170
<b>MY Imports</b>	0	0	0	0	0	0
<b>MY Imp. from U.S.</b>	0	0	0	0	0	0
<b>MY Imp. from EU</b>	0	0	0	0	0	0
<b>Total Supply</b>	231	222	214	207	0	197
<b>MY Exports</b>	15	15	20	35	0	40
<b>MY Exp. to EU</b>	0	0	0	0	0	0
<b>Industrial Dom. Cons.</b>	100	80	110	75	0	70
<b>Food Use Dom. Cons.</b>	0	0	0	0	0	0
<b>Feed Waste Dom. Cons.</b>	80	80	70	70	0	70
<b>Total Dom. Cons.</b>	180	160	180	145	0	140
<b>Ending Stocks</b>	36	47	14	27	0	17
<b>Total Distribution</b>	231	222	214	207	0	197
<b>CY Imports</b>	0	0	0	0	0	0
<b>CY Imp. from U.S.</b>	0	0	0	0	0	0
<b>CY Exports</b>	20	34	20	40	0	45
<b>CY Exp. to U.S.</b>	0	0	0	0	0	0

**Cottonseed oil PSD**

<b>Oil, Cottonseed (1000MT)</b>	<b>2015/2016</b>		<b>2016/2017</b>		<b>2017/2018</b>	
<b>Market Begin Year</b>	<b>Oct 2015</b>		<b>Oct 2016</b>		<b>Oct 2017</b>	
<b>Turkey</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Crush</b>	870	860	1010	1040	0	1190
<b>Extr. Rate, 999.9999</b>	0.1805	0.1802	0.1802	0.18	0	0.1807
<b>Beginning Stocks</b>	4	4	4	4	0	8
<b>Production</b>	157	155	182	187	0	215
<b>MY Imports</b>	0	0	0	0	0	0
<b>MY Imp. from U.S.</b>	0	0	0	0	0	0
<b>MY Imp. from EU</b>	0	0	0	0	0	0
<b>Total Supply</b>	161	159	186	191	0	223
<b>MY Exports</b>	2	2	1	1	0	2
<b>MY Exp. to EU</b>	0	0	0	0	0	0
<b>Industrial Dom. Cons.</b>	10	8	10	7	0	12
<b>Food Use Dom. Cons.</b>	145	145	170	175	0	205
<b>Feed Waste Dom. Cons.</b>	0	0	0	0	0	0
<b>Total Dom. Cons.</b>	155	153	180	182	0	217
<b>Ending Stocks</b>	4	4	5	8	0	4
<b>Total Distribution</b>	161	159	186	191	0	223
<b>CY Imports</b>	0	0	0	0	0	0
<b>CY Imp. from U.S.</b>	0	0	0	0	0	0
<b>CY Exports</b>	1	1	1	1	0	1
<b>CY Exp. to U.S.</b>	0	0	0	0	0	0

**Production**

Cottonseed oil production and consumption will be up in MY 2016/17 to 187,000 MT and 182,000 MT respectively. In MY 2017/18 production and consumption will continue to increase to 215,000 MT and 217,000 MT, in line with the increase in cottonseed output.

## Olive Oil, PSD

<b>Oil, Olive (1000 Trees/1000 MT)</b>	<b>2015/2016</b>		<b>2016/2017</b>		<b>2017/2018</b>	
<b>Market Begin Year</b>	<b>Nov 2015</b>		<b>Nov 2016</b>		<b>Nov 2017</b>	
<b>Turkey</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Area Planted</b>	0	0	0	0	0	0
<b>Area Harvested</b>	0	0	0	0	0	0
<b>Trees</b>	145000	14500 0	148000	14800 0	0	15000 0
<b>Beginning Stocks</b>	48	28	52	41	0	38
<b>Production</b>	143	170	177	177	0	200
<b>MY Imports</b>	1	1	1	0	0	0
<b>MY Imp. from U.S.</b>	0	0	0	0	0	0
<b>MY Imp. from EU</b>	0	0	0	0	0	0
<b>Total Supply</b>	192	199	230	218	0	238
<b>MY Exports</b>	15	13	55	30	0	40
<b>MY Exp. to EU</b>	2	2	2	10	0	15
<b>Industrial Dom. Cons.</b>	0	0	0	0	0	0
<b>Food Use Dom. Cons.</b>	125	145	125	150	0	160
<b>Feed Waste Dom. Cons.</b>	0	0	0	0	0	0
<b>Total Dom. Cons.</b>	125	145	125	150	0	160
<b>Ending Stocks</b>	52	41	50	38	0	38
<b>Total Distribution</b>	192	199	230	218	0	238
<b>CY Imports</b>	0	1	0	0	0	0

<b>CY Imp. from U.S.</b>	0	0	0	0	0	0
<b>CY Exports</b>	15	20	20	30	0	40
<b>CY Exp. to U.S.</b>	5	4	5	5	0	7

## Production

GOT has been supporting olive tree plantation and olive oil production, and accordingly, the number of trees has reached 170 million in 2016, of which 148,000 million are estimated to be fruit bearing trees. This planting trend is expected to continue in the coming years, though at a slower pace. Olive trees are mostly planted along the Aegean and Mediterranean areas and also in the South East Anatolian region. The old tobacco producing regions in the Aegean region have become the center for olive and olive oil production during the last ten years. Along with the increasing planting, the Ministry of Agriculture is also showing interest to graft about 80 million wild olive trees, of which 40 million are said to be productive, to increase olive and olive oil production. According to the government's action plan, about 1.5 million will be grafted between 2015 and 2019.

On the other hand, while planting is increasing in the new areas, old olive fields are under pressure from metal mining industries and housing developments. MY 2015/16 was an on year for olive production and early season estimates were 143,000 MT, due to bad weather conditions, but were later adjusted to 170,000 MT. Even though production still varies during on and off years, the larger number of trees, better picking practices, and weather changes have caused a narrowing in the production gap between on and off years. MY 2016/17 production, an off year, is estimated to be about 177,000 MT. Weather conditions permitting, in MY 2017/18, an on year, production is projected to be about 200,000 MT. An increase in the number of fruit bearing trees and better farming practices are all expected to contribute to larger production. Following five years of lobbying by the producers, the production premium for olive oil has increased fourteen percent to TL 0.80 per kilogram (US\$ 200 per MT) but producers argue that they cannot compete with EU-sourced olive oil in international markets due to the higher EU support of Euro 1.3 per kilogram.

## Consumption

Along with the increasing production, domestic consumption has also increased over the years among the health conscious city dwellers. The low production predictions that came early in the season caused local prices to shoot up about 100 percent in MY 2015/16 and affected domestic consumption adversely. Though after the recount, domestic prices somewhat declined and consumption increased. Accordingly, MY 2015/16 domestic consumption was 145,000 MT. Higher local production and stable local prices are expected to increase domestic consumption to 150,000 MT in MY 2016/17.

## Trade, oils

Turkish olive oil exports were about 12,700 MT in MY 2015/16. The U.S. was the leading market with 3,000 MT followed by Saudi Arabia (1,700 MT). Turkey also imported about 1,300 MT of olive oil during the year. Tunisia was the leading supplier with 733 MT. Due to high devaluation of Turkish Lira during the first three months of MY 2016/17 and lower production in the rest of the Mediterranean basin, producers expect exports to increase to 30,000 MT in MY 2016/17.

In MY 2015/16 sunflowerseed oil imports were 686,000 MT, down from 794,000 of MY 2014/15, due to declines in demand in export markets. Russia (474,000 MT) and Ukraine (147,000 MT) were the main suppliers. Turkey's import of crude sunflowerseed oil continued to be strong in the first four months of MY 2016/17, about 285,000 MT. Russia and Ukraine were the main suppliers with 198,000 MT and 63,000 MT respectively.

Turkey's total refined sunflowerseed oil exports during MY 2015/16 were 583,000 MT, down from 632,000 MT during the last marketing year. Iraq continues to be the main destination with 344,000 MT, distantly followed by neighboring Middle Eastern countries such as Syria (118,000 MT) and Lebanon (19,000 MT). Exports of refined sunflowerseed oil continued during the first four months of MY 2016/17, reaching 222,000 MT. Iraq (136,000 MT) and Syria (44,000 MT) were main markets.

Due to large domestic crushing for industrial use, Turkey did not import soy oil in MY 2015/16. Exports were about 15,000 MT for the year and Iraq was the main buyer with 12,000 MT. The export trend continued in MY 2016/17, where Turkey exported 22,000 MT in the first quarter. China (10,000 MT) and Algeria (8,000 MT) were the main destinations.

Turkey did not import or export cottonseed oil in MY 2015/16.

### **Bio-diesel**

Turkey also produced about 45,000 MT of bio-diesel in 2016. According to the present legislation, bio-diesel can only be mixed up to two percent, and it needs to be produced by locally produced seeds. Local producers mostly use local canola, safflower and soy oils to produce bio-diesel, but due to the high cost of production, an increasing amount of used oil is being used for this purpose as well.

### **Tariffs**

To comply with its Customs Union agreement with the EU, Turkey established tariff rate quotas (TRQ's) for vegetable oils as listed below. However, Turkey does not always utilize these quotas, in order to maintain the value of Trakya Birlik's stocks.

<b>Turkey: Vegetable Oil Import TRQ's</b>			
<b>Origin</b>	<b>Commodity</b>	<b>Quantity</b>	<b>Duty</b>
EU	Crude Sunflower Oil	18,000 MT	0
EU	Crude Soybean Oil	60,000 MT	0
EU	Refined Soybean Oil	2,000 MT	0
EU	Crude Canola Oil	10,000 MT	0

According to the 2017 customs regime, sunflowerseed oil imports outside of the new TRQ are subject to a tariff of 36 percent with a minimum price of US\$ 1,000 per ton. Refined sunflowerseed oil for human consumption is subject to 67.5 percent import taxes. Sunflowerseed oil for industrial use is subject to 22.5 percent import tax.

### **Turkey: Tariffs on Cottonseed and Soybean Oil**

Quality/Purpose	Tariff (%)
Crude	31.2
Refined for food use	31.2
Refined for industrial use	5
Refined for biodiesel	19.5- 0