

Required Report: Required - Public Distribution

Date: October 01,2020

Report Number: TU2020-0033

Report Name: Oilseeds and Products Update

Country: Turkey

Post: Ankara

Report Category: Oilseeds and Products

Prepared By: Kubilay Karabina

Approved By: Christine Mumma

Report Highlights:

Turkey's Marketing Year (MY) 2020/21 sunflowerseed area and production is estimated at 720,000 hectares and 1.56 million MT (MMT). Turkey's strong demand drove continued imports of sunflowerseed and products. Accordingly, during the first eleven months (Sept-July) of MY 2019/20, oilseed sunflowerseed imports were 1.1 MMT, and sunflowerseed meal imports were about 980,000 MT. Turkey's sunflowerseed oil imports and exports went up significantly in MY 2019/20 due to increasing activity in refining and re-exporting which will probably continue in MY 2020/21.

Turkey Oilseeds Update: Sunflowerseed and Products

The MY 2020/21 total sunflowerseed area estimate for Turkey is 720,000 hectares and production is estimated at 1.56 million MT (MMT). 1.38 MMT of total production is oilseeds and the remainder is confectionary sunflowerseed and sowing seeds.

The sunflowerseed harvest neared its completion in almost all regions as of September. Drought weather conditions in the summer affected sunflowerseeds and caused 10-15 percent losses in yields especially in Thrace and Central Anatolia. The breakdown of the total 1.56 MMT of production by region was: 710,000 MT in Thrace Region, 310,000 MT in Central Anatolia, 180,000 MT Black Sea, Cukurova 130,000 MT, others 230,000 MT.

Sunflowerseed planting competes with other crops such as wheat and canola in the Thrace region and corn at the Central Anatolian and Cukurova regions. The planted area of sunflowerseed can vary and is dependent on farmers' planting decisions and the expected prices of alternative crops.

MY 2020/21 sunflowerseed meal production is expected to decrease by about seven percent to 1.334 MMT in parallel to domestic production. The overall slowdown in the economy is expected to slow growth in the feed sector, impacting the demand for sunflowerseed meal.

Sunflowerseed oil production in MY 2020/21 is expected to decrease to 1.065 MMT due to high beginning stocks. In MY 2019/20 sunflowerseed oil production estimates at 1.141 MMT with a stronger demand especially in the second part of the marketing year.

Generally, the average oil content of local sunflowerseed has been increasing in recent years because of advances in seed quality. The oil content of local seeds was about 43.5 percent in MY 2019/20 which is similar to post's expectation for MY 2020/21.

There is strong demand for sunflowerseed oil in Turkey, due to large domestic consumption of sunflowerseed oil and exports, and Turkey continues to have a net deficit in sunflowerseed production to meet that demand.

Consumption

Domestic sunflowerseed meal consumption in MY 2019/20 increased about nine percent, reaching 2.35 MMT due to an increase in local feed production. This was a result of growth in the poultry sector, both broiler and egg-laying hens, and livestock usage. However, consumption growth is projected to slow to about four percent because of ongoing economic difficulties, reaching a total of 2.45 MMT in MY 2020/21.

Sunflowerseed oil is the most consumed oil in Turkey and the most popular cooking oil among households. 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. The government of Turkey (GOT) regulates the market with periodic adjustments in tariffs and reference prices that help drive steady increases in consumption and prevent illegal mixing of other cheaper priced oils with sunflowerseed oil. As a result, in MY 2019/20, sunflowerseed oil

domestic consumption increased about two percent to 1.12 MT. A similar increase is expected for MY 2019/20 and consumption is expected to reach 1.19 MT.

Trade

To meet Turkish demand for sunflowerseed oil, Turkey imports a significant amount of crushing sunflowerseed and crude sunflowerseed oil. Local sunflowerseed production only meets about two-thirds of the domestic sunflowerseed oil consumption needs, and Turkey has a very large crushing capacity, about 9 MMT for all oilseeds. Therefore, the import regime favors seed imports over crude oil imports for local use. Sunflowerseed meal imports are to meet the local livestock and poultry industries' feed needs. Especially in MY 2019/20, crude sunflowerseed oil imports dramatically increased for use in refining and re-exporting due to profitable margins.

Total sunflowerseed imports during the first eleven months (September to July) of MY 2020/21 were 1,09 MMT, of which 1 MMT were oilseeds (an increase of about seven percent), and the remaining 90,000 MT were confection seeds.

Turkey continued to meet its sunflowerseed needs mostly from Russia (583,000 MT) and Moldova (101,000 MT). China was the leading supplier of confectionary sunflowerseed, supplying about 90,000 MT.

Total sunflowerseed exports during the first eleven months (September to July) of MY 2020/21 were 50,000 MT which is two percent higher than last year. Turkish seed companies export between 50,000 and 60,000 sowing seeds annually.

Turkey's sunflowerseed meal imports were 980,000 MT during the first eleven months of MY 2020/21, an increase of about twelve percent compared to the same period of the last marketing year. Russia (494,000 MT), Ukraine (283,000 MT), and Bulgaria (140,000 MT) were the main sunflowerseed meal suppliers.

Turkey's sunflowerseed oil imports and exports went up significantly in MY 2019/20 due to the increasing refining activity of Turkish companies. Turkey imported 737,000 MT of sunflowerseed oil during the first eleven months of MY 2019/20, an increase of about 32 percent than the same period of the last marketing year. Russia is the largest supplier with 562,000 MT, following by Ukraine (77,000 MT), and Bosnia and Herzegovina (42,000 MT).

Turkey's total refined sunflowerseed oil exports during the first eleven months of MY 2019/20 were 557,000 MT, up about 30 percent compared to MY 2018/19. Djibouti (154,000 MT), Yemen (57,000 MT), Syria (47,000 MT), and Libya (41,000 MT) are the main destination of refined oil.

Turkey's MY 2020/21 refined sunflowerseed oil exports are forecast at 550,000 MT assuming a slowdown in demand from importer countries.

Policy

The Turkish government amended the tariff on sunflowerseed starting from August 5, 2020. The import tax applied to sunflower seeds is reduced from 27 percent over the \$450/MT reference price as amended. The reference price application was abandoned, for now, although Turkey historically revises its sunflowerseed product tariffs multiple times a year. The tariff is currently 3 percent of the actual CIF price with an additional 100 Euros/MT for a domestic housing fund levied on imports. Overall, the total cost increased about 8 percent for importers. The tariff on meal remains at 5 percent and crude sunflowerseed oil at 36 percent, with a reference price of \$1,000. The annual oilseeds report has additional information on policy and agricultural support to the oilseeds sector.

Production, Supply and Distribution

Oilseed, Sunflowerseed Market Year Begins	2018/2019		2019/2020		2020/2021	
	Sep 2018		Sep 2019		Sep 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Turkey						
Area Planted (1000 HA)	750	750	730	730	730	720
Area Harvested (1000 HA)	715	715	730	730	700	720
Beginning Stocks (1000 MT)	51	51	300	300	333	333
Production (1000 MT)	1800	1800	1750	1750	1660	1560
MY Imports (1000 MT)	1027	1027	1150	1150	975	1000
Total Supply (1000 MT)	2878	2878	3200	3200	2968	2893
MY Exports (1000 MT)	51	51	55	55	60	60
Crush (1000 MT)	2350	2350	2625	2625	2450	2450
Food Use Dom. Cons. (1000 MT)	175	175	185	185	180	180
Feed Waste Dom. Cons. (1000 MT)	2	2	2	2	2	2
Total Dom. Cons. (1000 MT)	2527	2527	2812	2812	2632	2632
Ending Stocks (1000 MT)	300	300	333	333	276	201
Total Distribution (1000 MT)	2878	2878	3200	3200	2968	2893
Yield (MT/HA)	2.5175	2.5175	2.3973	2.3973	2.3714	2.1667

(1000 HA) ,(1000 MT) ,(MT/HA)

Meal, Sunflowerseed Market Year Begins	2018/2019		2019/2020		2020/2021	
	Sep 2018		Sep 2019		Sep 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Turkey						
Crush (1000 MT)	2350	2350	2625	2625	2450	2450
Extr. Rate, 999.9999 (PERCENT)	0.5447	0.5447	0.5444	0.5444	0.5445	0.5445
Beginning Stocks (1000 MT)	208	208	225	225	359	304
Production (1000 MT)	1280	1280	1429	1429	1334	1334
MY Imports (1000 MT)	910	910	1020	1020	1150	1150
Total Supply (1000 MT)	2398	2398	2674	2674	2843	2788
MY Exports (1000 MT)	23	23	15	20	24	20
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	2150	2150	2300	2350	2485	2450
Total Dom. Cons. (1000 MT)	2150	2150	2300	2350	2485	2450
Ending Stocks (1000 MT)	225	225	359	304	334	318
Total Distribution (1000 MT)	2398	2398	2674	2674	2843	2788

(1000 MT) ,(PERCENT)

Oil, Sunflowerseed	2018/2019	2019/2020	2020/2021
--------------------	-----------	-----------	-----------

Market Year Begins Turkey	Sep 2018		Sep 2019		Sep 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2350	2350	2625	2625	2450	2450
Extr. Rate, 999.9999 (PERCENT)	0.4349	0.4349	0.4347	0.4347	0.4347	0.4347
Beginning Stocks (1000 MT)	23	23	47	47	218	218
Production (1000 MT)	1022	1022	1141	1141	1065	1065
MY Imports (1000 MT)	533	533	775	775	550	650
Total Supply (1000 MT)	1578	1578	1963	1963	1833	1933
MY Exports (1000 MT)	436	436	625	625	400	550
Industrial Dom. Cons. (1000 MT)	20	20	20	20	20	20
Food Use Dom. Cons. (1000 MT)	1065	1065	1090	1090	1160	1160
Feed Waste Dom. Cons. (1000 MT)	10	10	10	10	10	10
Total Dom. Cons. (1000 MT)	1095	1095	1120	1120	1190	1190
Ending Stocks (1000 MT)	47	47	218	218	243	193
Total Distribution (1000 MT)	1578	1578	1963	1963	1833	1933
(1000 MT) ,(PERCENT)						

Attachments:

No Attachments