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Turkey

Oilseeds and Products Update

Turkey Oilseeds and Products Update

Approved By:

Elizabeth Leonardi, Agricultural Attaché

Prepared By:

Ibrahim Sirtioglu, Sr. Ag Marketing Specialist

Report Highlights:

Turkey's soybean planted area estimate for MY 2017/18 is 22,000 hectares and production is projected at 85,000 MT, down due to the increase in cotton planting in the Cukurova Region.

Turkey continues to be one of the leading import markets in the world for soybeans and soybean meal, due to increased domestic consumption and lack of domestic production. Accordingly, Turkey imported 2.27 MMT of soybeans and 787,000 MT of soybean meal in MY 2016/17.

Soybean

Soybean PSD (in thousand hectares and thousand metric tons)

Oilseed, Soybean	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	0	30	30	30	22
Area Harvested	27	0	30	30	22	22
Beginning Stocks	359	359	274	275	313	314
Production	100	100	100	100	85	85
MY Imports	2283	2284	2271	2271	2250	2400
MY Imp. from U.S.	402	402	335	335	400	400
MY Imp. from EU	21	20	10	10	20	20
Total Supply	2742	2743	2645	2646	2648	2799
MY Exports	118	118	132	132	100	100
MY Exp. to EU	0	0	0	0	0	0
Crush	1050	1050	1000	1000	950	1100
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1300	1300	1200	1200	1280	1300
Total Dom. Cons.	2350	2350	2200	2200	2230	2400
Ending Stocks	274	275	313	314	318	299
Total Distribution	2742	2743	2645	2646	2648	2799
CY Imports	2175	2175	2300	2400	2200	2500
CY Imp. from U.S.	441	441	350	300	400	350
CY Exports	184	187	100	100	100	80
CY Exp. to U.S.	0	166	0	85	0	65

Production

In the Cukurova region, where ninety-five percent of the local soybean crop is grown, soybeans have to compete with wheat, corn, and cotton. Due to attractive returns on cotton, farmers in the Cukurova region planted more cotton this year than anticipated. Accordingly, MY 2017/18 Turkish domestic soybean planted area is projected to be 22,000 hectares and production estimate is 85,000 MT.

The Turkish government encourages planting of different crops by increasing production bonus payments annually. This year the government did not increase the soybean production bonus, and also the announcement about the support was later in the planting season. Therefore, even though there was

still government support to farmers for soy production, it appears to have not impacted farmers' planting decisions to choose soy over other crop options, such as cotton, which did receive an increase in support.

Consumption

MY 2016/17 soybean consumption estimate is around 2.2 MMT. During MY 2016/17 Turkish egg producers and exporters benefited from increase in exports which also stimulated local price increases as well. Turkish poultry meat producers benefited from high local red meat prices that helped drive an increase in poultry consumption in Turkey.

Turkish poultry products exporters are also aided from not having any avian influenza cases, while competitor poultry products exporting countries in the region have had avian influenza cases. As a result, Turkish poultry and egg exporters have managed to find new markets for their products in the Middle East. Soybean consumption is projected to increase in MY 2017/18 and reach 2.4 MMT as result of recent trends in poultry exports. Please see our latest [Poultry and Poultry Products Report](#) for details on the sector.

Trade

Total soybean imports during MY 2016/17 were 2.27 MMT, which is about the same as last marketing year, because of an import demand shift to soymeal due to attractive world prices. Paraguay was the leading soybean supplier with 822,000 MT followed by Ukraine with 700,000 MT and the United States with 335,000 MT. Ukraine became one of the leading suppliers of soybeans to Turkey in recent years benefiting from geographical proximity and favorable pricing. The other soybean suppliers were Brazil (246,000 MT), Argentina (115,000 MT) and Uruguay (24,000 MT).

Soybean exports were about 132,000 MT during the same period. The United States was the main destination with 124,000 MT, of which most is transshipments from Black Sea Countries. Syria (3,500 MT), N. Cyprus (2,000 MT), and Iraq (900 MT) were the other soybean export destinations.

Soybean Meal

Soybean meal PSD (in thousand hectares and thousand metric tons)

Meal, 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	1000	1000	950	1100
Extr. Rate, 999.9999	0.7714	0.7714	0.77	0.77	0.7705	0.7727
Beginning Stocks	208	164	190	200	260	263
Production	810	810	770	770	732	850
MY Imports	603	592	790	787	700	700
MY Imp. from U.S.	72	72	75	75	75	75
MY Imp. from EU	51	51	50	4	50	5
Total Supply	1621	1566	1750	1757	1692	1813
MY Exports	41	40	40	44	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.	1390	1326	1450	1450	1400	1500
Total Dom. Cons.	1390	1326	1450	1450	1400	1500
Ending Stocks	190	200	260	263	242	263
Total Distribution	1621	1566	1750	1757	1692	1813
CY Imports	674	665	750	750	700	750
CY Imp. from U.S.	70	70	75	75	75	80
CY Exports	45	44	50	50	50	50
CY Exp. to U.S.	0	2	0	10	0	5

Soybean meal

Production

MY 2016/17 soybean meal production is estimated about 770,000 MT, which is about five percent less than last marketing year, despite the increase in domestic consumption. Attractive world soybean meal prices replaced importing whole soybean and crushing within Turkey.

Contrary to last season's situation, the recent attractive soybean prices increased domestic crushing margins in MY 2017/18. As a result, provided that crushing margins continue as they are, domestic soybean meal production is expected to go up in this marketing year since crushers will utilize the large capacity that they have. Accordingly soybean meal production is expected to go up to 850,000 in MY 2017/18.

Consumption

Domestic consumption of soybean meal was 1.45 MMT, up about nine percent in 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 to increase reaching 1.5 MMT, due to the same reason.

Trade

Turkey imported a total of 787,000 MT of soybean meal during MY 2016/17, up about twenty-five percent compared to last marketing year. The vast majority, 681,000 MT, was supplied by Argentina due to very attractive prices. The United States (75,000 MT) and Ukraine (22,000 MT) and were the other sources.

Turkey exported about 44,000 MT of soybean meal during the same period. Iraq and the United States were the main destination with 24,000 MT and 12,000 MT respectively.

Soybean Oil

Soybean oil PSD (in thousand hectares and thousand metric tons)

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	1000	1000	950	1100
Extr. Rate, 999.9999	0.1781	0.1781	0.17	0.17	0.1705	0.1691
Beginning Stocks	35	35	47	47	15	14
Production	187	187	170	170	162	186
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	217	217	177	200
MY Exports	15	15	67	68	50	70
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	80	80	80	80	70	70
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	80	80	55	55	50	50
Total Dom. Cons.	160	160	135	135	120	120
Ending Stocks	47	47	15	14	7	10
Total Distribution	222	222	217	217	177	200
CY Imports	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	20	34	50	60	50	65
CY Exp. to U.S.	0	0	0	0	0	0

MY 2016/17 soybean oil production will be about 170,000 MT and is expected to increase to 186,000 MT in MY 2017/18. The main usage of soybean oil in Turkey continues to be industrial and animal feed use. Because no soybean varieties have been approved in Turkey for food use, due to Turkey's biosafety law, the soybean oil from genetically engineered varieties of soybeans (which have been approved for import into Turkey for animal feed use) cannot be used in food. For additional information

on Turkey's biosafety law and implementing regulations, please see the [Agricultural Biotechnology Report](#).

Due to large domestic crushing, Turkey did not import soybean oil during the MY 2016/17. Exports during the same period however were about 68,000 MT. China was the leading buyer of Turkish soybean oil with 33,000 MT, followed by Algeria (28,500 MT), and Iraq (4,600 MT).