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Required Report - public distribution

Date: 9/19/2018

GAIN Report Number: TR8030

Turkey

Oilseeds and Products Update

Sunflowerseed and Products

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Report Highlights:

Turkey's Marketing Year (MY) 2018/19 sunflowerseed area and production is estimated at 750,000 hectares and 1.6 million MT, of which 1.45 million MT is oilseed. Turkey's strong demand drove continued imports of sunflowerseed and products. Accordingly, during the first eleven months (Sept-July) of MY 2017/18, oilseed sunflowerseed imports were 696,000 MT, up about nineteen percent, and sunflowerseed meal imports were about the same as last year at 919,000 MT. Sunflowerseed oil imports and exports were both down substantially due to increased production in the leading export market, Iraq.

Turkey Oilseeds Update: Sunflowerseed and Products

Production

The MY 2018/19 total sunflowerseed area estimate for Turkey is 750,000 hectares and production is estimated at 1.63 million MT (MMT). Similar to last year, 1.45 MMT of total production is oilseed and the remainder is confectionary sunflowerseed and sowing seeds. While oilseed sunflowerseed planting declined somewhat in the Thrace region in Turkey's northwest, use of sunflower in crop rotation patterns in other regions has compensated for the reduction.

Significant rainfall during the months of May and June in the Thrace and South Marmara regions contributed to the field yields. About half of the local oilseed sunflowerseed production takes place in those two regions. Cukurova region also received timely rains as well. In MY 2018/19, Turkey produced about 120,000 MT of confection sunflowerseed on 75,000 hectares. Turkey also produced 50,000 MT of planting sunflowerseed on about 25,000 hectares.

MY 2018/19 sunflowerseed meal production is expected to increase by about six percent reaching 1.22 MMT. This is less than the twenty percent increase seen in MY 2017/18. The overall slowdown in the economy is expected to slow growth in the livestock and poultry industries, impacting the demand for sunflowerseed meal.

Sunflowerseed oil production in MY 2018/19 expected to increase to about 940,000 MT after a reduction in sunflowerseed tariffs from 27 to 13 percent to support local crushing. This action was taken in order to lower the cost of Turkey's most popular cooking oil to help reduce food inflation rates.

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 reached 43.5 percent in MY 2017/18. During MY 2018/19, however, crushers indicated that the oil content of local seeds was somewhat lower than last year.

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. 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 expected prices of alternative crops.

Consumption

Domestic sunflowerseed meal consumption in MY 2017/18 increased about fourteen percent, reaching 2.1 MMT due to an increase in local feed production. This was a result of growth in poultry, both broiler and eggs, and livestock usage. Additionally, a regulation change as part of Turkey's EU harmonization went into place in January 2017, which prohibited the use of poultry rendering products in poultry feed and resulted in an increased use of sunflowerseed meal. In MY 2018/19 however, consumption growth is projected to slow to about seven percent, reaching a total of 2.25 MMT due to the slowdown in growth of both industries because of ongoing economic difficulties.

Sunflowerseed oil is the most consumed oil in Turkey and the most popular cooking oil. 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 cheap price oils in to sunflowerseed oil. As a result, MY 2017/18, sunflowerseed oil domestic consumption increased about three percent to 930,000 MT. A similar increase is expected for MY 2018/19 and consumption is expected to reach 960,000 MT.

Policy

In an effort to control food price inflation in Turkey, following the depreciation of the Turkish currency in recent months, the Turkish government lowered the import tax on sunflowerseed starting from September 8, 2018. It is now 13 percent, down from 27 percent, with a \$450 per metric ton reference price. The tariff on meal remains at 6.5 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.

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 seeds imports over crude oil imports for local use. The crude sunflowerseed oil imports, however, are for refining and re-exporting purposes. Sunflowerseed meal imports are to meet the local livestock and poultry industries' feed needs.

Total sunflowerseed imports during the first eleven months (September to July) of MY 2017/18 were 722,000 MT, of which 696,000 MT were oilseeds (an increase of about nineteen percent), and the remaining 76,000 MT were confection seeds. Moldova (268,000 MT), Russia (218,000 MT), and Bulgaria (106,000 MT) were the leading oilseed sunflowerseed suppliers. China was the leading supplier of confectionary sunflowerseed, supplying 71,000 MT, up about nine-fold compared to the same period of last marketing year. The United States supplied about 1,300 MT.

Turkey's sunflowerseed meal imports were 919,000 MT during the first eleven months of MY 2017/18, similar to the same period of last marketing year. Turkey continued to meet its sunflowerseed meal needs mostly from Russia (441,000 MT), Ukraine (276,000 MT), and Bulgaria (106,000 MT).

The new vegetable oil refining factory with 2,000 MT daily capacity which started operating in Iraq during MY 2017/18 increased local production there of refined sunflowerseed oil. Iraq had been Turkey's most significant export market for refined sunflowerseed oil. Because of this growth in local capacity in Iraq, Turkey's sunflowerseed oil exports were down about 43 percent during the first eleven months of MY 2017/18 to 341,000 MT, with exports to Iraq only 82,000 MT compared to 350,000 MT during the same period the previous year. Iraq reportedly sourced its crude sunflowerseed oil imports mostly from Ukraine, reaching 230,000 MT during MY 2017/18.

The reduction in Turkey's export markets for refined sunflowerseed oil resulted in a 38 percent

reduction in Turkey’s crude sunflowerseed oil imports to 449,000 MT. Syria replaced Iraq as Turkey’s top export market for refined sunflowerseed oil with 86,000 MT, followed by Djibouti with 25,000 MT. Russia and Bosnia were Turkey’s main suppliers of crude sunflowerseed oil with 345,000 MT and 41,000 MT respectively during the same period.

Production Supply and Distribution

Sunflowerseed PSD (1000 Hectares / 1000 MT)

Oilseed, Sunflowerseed	2016/2017		2017/2018		2018/2019	
Market Begin Year	Sep 2016		Sep 2017		Sep 2018	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	600	600	700	700	725	750
Area Harvested	600	600	700	700	725	750
Beginning Stocks	47	47	49	49	67	97
Production	1320	1320	1550	1550	1740	1630
MY Imports	591	591	650	750	500	800
Total Supply	1958	1958	2249	2349	2307	2527
MY Exports	47	47	60	60	60	70
Crush	1750	1750	2000	2070	2050	2200
Food Use Dom. Cons.	110	110	120	120	130	150
Feed Waste Dom. Cons.	2	2	2	2	2	0
Total Dom. Cons.	1862	1862	2122	2192	2182	2350
Ending Stocks	49	49	67	97	65	107
Total Distribution	1958	1958	2249	2349	2307	2527

Sunflowerseed Meal PSD (1000 MT)

Meal, Sunflowerseed	2016/2017		2017/2018		2018/2019	
Market Begin Year	Sep 2016		Sep 2017		Sep 2018	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	1750	1750	2000	2070	2050	2200
Extr. Rate, 999.9999	0.5503	0.5503	0.55	0.5556	0.5502	0.5545
Beginning Stocks	83	83	150	150	130	175
Production	963	963	1100	1150	1128	1220
MY Imports	958	958	935	980	930	1050
Total Supply	2004	2004	2185	2280	2188	2445
MY Exports	4	4	5	5	5	5
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1850	1850	2050	2100	2050	2250
Total Dom. Cons.	1850	1850	2050	2100	2050	2250
Ending Stocks	150	150	130	175	133	190
Total Distribution	2004	2004	2185	2280	2188	2445

Sunflowerseed Oil PSD (1000 MT)

Oil, Sunflowerseed	2016/2017		2017/2018		2018/2019	
Market Begin Year	Sep 2016		Sep 2017		Sep 2018	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	1750	1750	2000	2070	2050	2200
Extr. Rate, 999.9999	0.4349	0.4349	0.445	0.4348	0.4449	0.4273
Beginning Stocks	92	92	31	73	26	113
Production	761	761	890	900	912	940
MY Imports	793	793	515	490	500	400
Total Supply	1646	1646	1436	1463	1438	1453
MY Exports	635	635	390	380	370	350
Industrial Dom. Cons.	20	20	20	25	20	30

Food Use Dom. Cons.	950	908	990	930	1000	960
Feed Waste Dom. Cons.	10	10	10	15	10	15
Total Dom. Cons.	980	938	1020	970	1030	1005
Ending Stocks	31	73	26	113	38	98
Total Distribution	1646	1646	1436	1463	1438	1453