

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 9/23/2016

GAIN Report Number: TR6043

Turkey

Oilseeds and Products Update

Sunflowerseed and Products Update Turkey

Approved By:

Elizabeth Leonardi, Agricultural Attaché

Prepared By:

Ibrahim Sirtioglu, Sr. Agricultural Marketing Specialist

Report Highlights:

MY 2016 sunflowerseed area and production are now estimated at 550,000 hectares and 1.2 million MT while planting area is up about ten percent, production was up about twenty percent due to higher yields. Sunflowerseed imports were down about thirty seven percent to 294,000 MT during the first eleven months of the marketing year, due to increase in imports of alternative lower cost oilseeds such as canola and aspir (safflower) and also increasing crushing capacities at sourcing countries. Sun meal imports were 750,000 MT, the same as last year, despite the significant increases in imports of alternative products such as DDGS and CGFP. Sun oil imports declined about fifteen percent to 654,000 MT during the same period due to difficulties in exports to neighboring countries because of the political turmoil in the export destinations.

Post:
Ankara

Commodities:
Oil, Sunflowerseed
Oilseed, Sunflowerseed
Meal, Sunflowerseed

Production

MY 2016 *sunflowerseed* area and production are estimated about 550,000 hectares and 1.2 MMT, up about twenty percent compared to last year. Planting recovered this year particularly in the Central Anatolian region. While the yields were about normal in the Thrace region, higher yields in the Cukurova and Central Anatolian regions have helped to increase the total production. The GOT has increased sunflowerseed production bonus to TL 400 per MT from TL 300 per MT which also had an effect on increasing planting. (as of September 22, 2016 US \$ 1 = 2.95 Turkish Lira TL)

MY 2016 *sun meal* production is expected to go up to 822,000 MT as a result of the larger domestic sun seed production.

Note: Post has been using extraction rates of 55 percent in place of 38 percent to better reflect domestic extraction rates for sunflowerseed meal. The majority of Turkish mills are not separating the hulls from the meal while producing sunflower seed 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 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 oil production will recover in MY 2016 due to the increase in local production and higher oil contents as a result of weather and higher quality seeds used. Average oil content is also reported to be higher compared to last year, about 43.5 percent. Turkey continues to have a net deficit in sunflowerseed production and sustainability of production will be depending on farmer satisfaction on income.

Consumption

Sun meal consumption in MY 2015 declined to 1.5 MMT due to the increasing utilization of alternatives items such as DDGS and CGFP. The same trend is expected to continue during MY 2016 and sun meal consumption will remain about 1.6 MMT with moderate increase from MY 2015.

In 2015, sun oil consumption has declined due to the availability of alternative cheaper vegetable oils. Lower sunflower seed production in MY 2015 and devaluation of Turkish Lira against the major currencies during the year, along with high import taxes, pushed local sunflowerseed oils prices to higher levels which benefited other oils such as aspir(safflower) and canola. Sunflowerseed oil is the most preferred oil in Turkey and GOT is taking measures to prevent mixing of cheaper oils in with sunflowerseed oil.

In MY 2016, sunflower oil consumption is expected to recover following recent import tax adjustments done by the GOT, and domestic consumption is expected to go back to 900,000 MT.

Policy

In the beginning of September 2016, the GOT, in an effort to protect local farmers from inflow of cheaper imports and also to prevent illegal mixing of oils and invoice irregularities, recently increased import taxes of various oilseed and oils and also announced observation prices – which is the minimum price which the tariff can be charged upon. Accordingly, the observation price for sunflowerseed is US\$ 750 per MT and sunflowerseed oil is US\$ 1,500 per MT. Refined sun oil import tax also increased from 50 percent to 67.5 percent. Canola seed observation price was set as US\$ 1,600 per MT. Aspir seed import tax has increased from 4 percent to 23.4 percent and aspir oil import tax increased from 12 percent to 36 percent.

Trade

Total imports of sunflower seed for crushing declined for the second year in a row to 294,000 MT from 463,000 MT during the first eleven months of MY2015. Imports of crushing sunflowerseed declined thirty seven percent and twenty percent respectively during the last two years due to increasing seed crushing facilities in the exporting countries. In the meantime, Turkish crushers imported increasing amounts of other oil seeds such as canola and aspir to meet the demand. Neighboring Black Sea countries such as Moldova (145,000 MT), Romania (56,000 MT), Bulgaria (54,000 MT), and Russia (20,300 MT) continued to be the main sources for sunflowerseed.

Turkey's sunflowerseed meal imports were 750,000 MT during first eleven months of MY 2015, about the same as last year. Turkey continued to source its sunflower seed meal deficiency mostly from Russia (344,000 MT), Ukraine (343,000 MT) and Bulgaria (51,000 MT).

Turkish imports of sunflowerseed oil declined about fifteen percent to 654,000 MT, due to decline in export demand during the first eleven months of MY 2015. Russia and Ukraine were the main suppliers with 460,000 MT and 136,000 MT respectively.

Turkey's refined sunflowerseed oil exports during the first eleven months of the MY 2015 were 537,000 MT, down about nine percent compared to the same period last year. Iraq continues to be the leading importer (310,000 MT) followed by Syria (110,000 MT) and Lebanon (18,000 MT). The turmoil in Syria and Iraq has impacted the accessibility of these markets.

Confection sunflowerseed

Post does not include confection sunflower seed in oilseeds PSD in order to remain within the local practice and be in line with the local trade and industry. Turkey annually produces between 100,000 MT to 120,000 MT of confection sunflower seed annually, in addition to the crushing sunflower seed. MY 2016 production is estimated about 70,000 MT. According to official figures, MY 2015 imports during the first eleven months were about 68,000 MT. Moldova is the main supplier with 33,000 MT followed by Romania 22,000 MT. US exports of confection sunflower seed during the same period were 1,600 MT. Turkey also exported about 20,000 MT of confection sunseed during the same period - North Africa, Germany and Spain were the leading destinations.

Sunflowerseed PSD (1000 Hectares / 1000 MT)

Oilseed, Sunflowerseed	2014/2015		2015/2016		2016/2017	
Market Begin Year	Sep 2014		Sep 2015		Sep 2016	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	530	530	490	505	500	550
Area Harvested	530	530	505	505	500	550
Beginning Stocks	139	90	75	56	49	56
Production	1200	1200	1000	1000	1000	1200
MY Imports	470	456	400	350	400	300
MY Imp. from U.S.	2	0	2	0	2	0
MY Imp. from EU	218	250	250	120	200	0
Total Supply	1809	1746	1475	1406	1449	1556
MY Exports	28	3	40	0	20	0
MY Exp. to EU	10	0	10	0	0	0
Crush	1700	1682	1380	1344	1370	1494
Food Use Dom. Cons.	4	3	4	3	4	3
Feed Waste Dom. Cons.	2	2	2	3	2	3
Total Dom. Cons.	1706	1687	1386	1350	1376	1500
Ending Stocks	75	56	49	56	53	55
Total Distribution	1809	1746	1475	1406	1449	1556
CY Imports	340	340	400	400	400	300
CY Imp. from U.S.	2	0	2	2	2	0
CY Exports	31	3	20	0	20	0
CY Exp. to U.S.	0	0	0	0	0	0

Sunflowerseed meal PSD (1000 MT)

Meal, Sunflowerseed	2014/2015		2015/2016		2016/2017	
Market Begin Year	Sep 2014		Sep 2015		Sep 2016	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	1700	1682	1380	1344	1370	1494
Extr. Rate, 999.9999	0.5	0.5505	0.5	0.5506	0.5	0.5502
Beginning Stocks	138	151	154	153	140	141
Production	850	926	690	740	685	822
MY Imports	773	773	800	800	980	800
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1761	1850	1644	1693	1805	1763
MY Exports	7	7	4	4	0	5
MY Exp. to EU	0	0	0	3	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.	1600	1690	1500	1548	1665	1618
Total Dom. Cons.	1600	1690	1500	1548	1665	1618
Ending Stocks	154	153	140	141	140	140
Total Distribution	1761	1850	1644	1693	1805	1763
CY Imports	750	800	850	800	900	800
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	5	7	0	5	0	5
CY Exp. to U.S.	0	0	0	0	0	0

Sunflowerseed Oil PSD (1000 MT)

Oil, Sunflowerseed	2014/2015		2015/2016		2016/2017	
Market Begin Year	Sep 2014		Sep 2015		Sep 2016	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	1700	1682	1380	1344	1370	1494
Extr. Rate, 999.9999	0.43	0.4251	0.4297	0.436	0.4299	0.4351
Beginning Stocks	398	187	331	144	124	100
Production	731	715	593	586	589	650
MY Imports	814	794	730	720	990	750
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	37	0	0	0	0
Total Supply	1943	1696	1654	1450	1703	1500
MY Exports	632	632	550	550	550	500
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	20	20	20	0	20	20
Food Use Dom. Cons.	950	890	950	800	975	900
Feed Waste Dom. Cons.	10	10	10	0	10	10
Total Dom. Cons.	980	920	980	800	1005	930
Ending Stocks	331	144	124	100	148	70
Total Distribution	1943	1696	1654	1450	1703	1500
CY Imports	798	798	750	700	990	750
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	619	619	550	550	550	500
CY Exp. to U.S.	0	0	0	0	0	0