

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Poultry and Products Semi Annual- TURKEY

**Country:** Turkey

**Post:** Ankara

**Report Category:** Poultry and Products, Agricultural Situation

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**Report Highlights:**

Turkey's production of chicken meat in 2022 is projected higher, in large part because of anticipated strong export demand from neighboring countries and China. Additionally, the uncertainty of Ukrainian chicken exports to select Middle Eastern markets may also fuel increased demand for Turkish chicken meat in these markets. However, if local market conditions warrant, the Ministry of Agriculture & Forest (MinAF) may restrict chicken meat exports to ensure that there are sufficient, affordable supplies available to Turkish consumers. Meantime, rising input costs will continue tempering greater production gains and will put upward pressure on retail chicken meat prices. In response to these higher retail prices, consumption levels are expected to remain flat year-over-year.

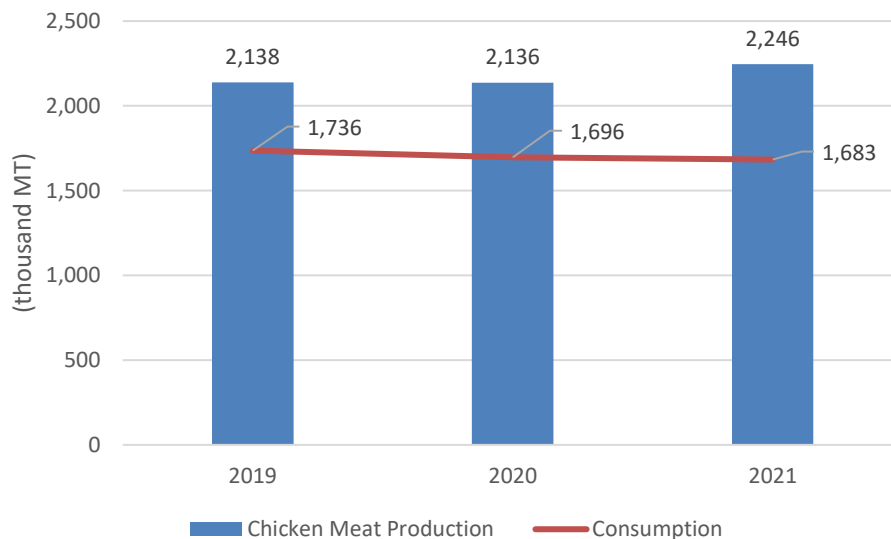
**Production:**

In 2022, Post is raising its chicken meat production estimate by 7 percent to 2.4 million metric tons (MMT), which is primarily due to stronger foreign demand for Turkish chicken products. The local industry is reported to have the needed breeding stock and capacity to increase production. While rising input costs will temper production gains, producers expect to offset some of these costs with higher export margins. At the same time, some producers are seeking government support to help cover some of these higher input costs.

In 2021, Turkey produced 2.24 MMT of chicken meat, up 4 percent year-over-year due to stable export demand. In 2020, Turkey produced 2.14 MMT of chicken meat. See chart 1.

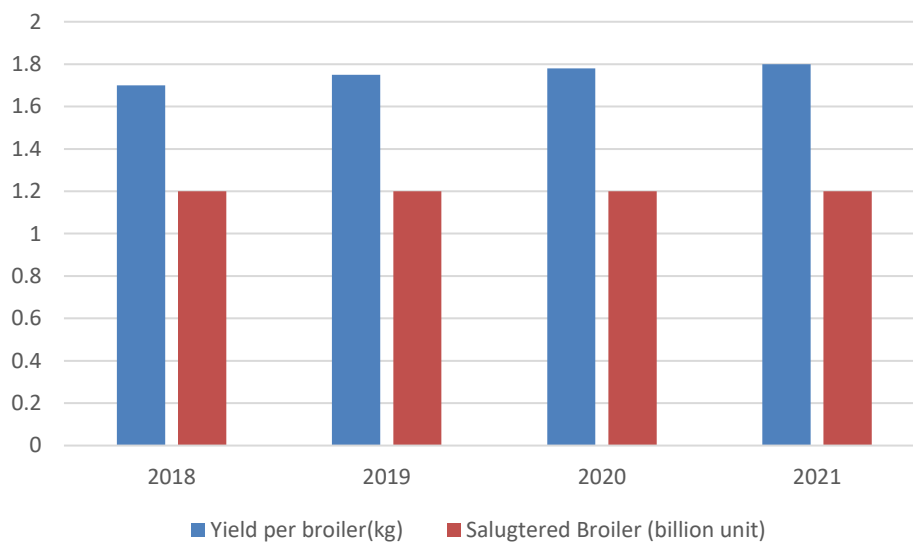
While the number of slaughtered chickens has hovered near 1.2 billion for the last several years, yields have increased as seen in chart 2. The increase in yields, which have contributed to increases in overall production, are the direct result of genetic improvement of breeding stocks. Most of the improved genetics, like day-old chicks, are imported.

Chart 1. Chicken Meat Production Comparison with Consumption from 2019 to 2021



Source: Turkish Statistic Institute (TurkSTAT), 2022

Chart 2. Slaughtered Broiler- Yield Per Broiler(kg) Comparison from 2018 to 2021



Source: Turkish Statistic Institute (TurkSTAT) and Turkish Poultry Sector, 2022

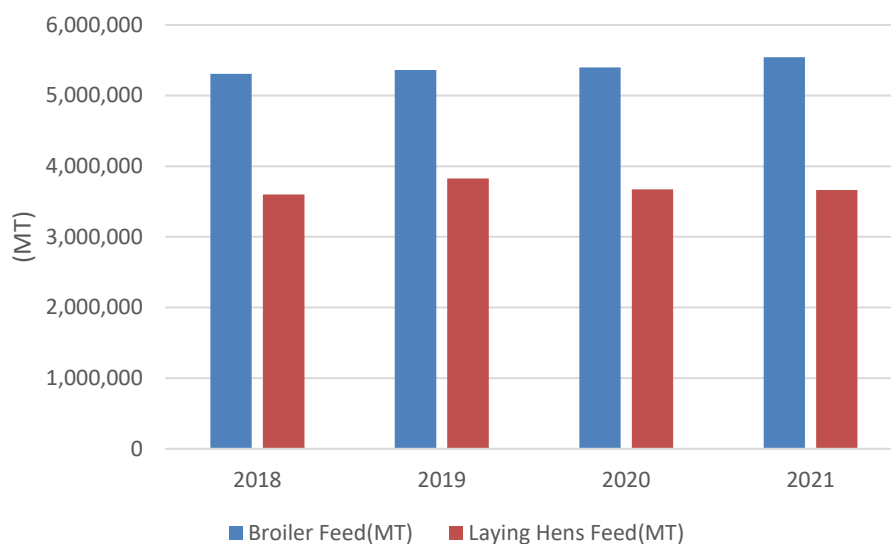
The growth of Turkey's poultry sector continues to be constrained by higher input costs, especially high feed prices, which have doubled in the past year. (See page 9 from our [Annual Oilseed report](#) for details on feed prices.) Feed accounts for 70 percent of total production costs. With a sizeable portion of the country's poultry feed made from imported ingredients, producers will likely face higher feed prices because of trade disruptions resulting from the war in Ukraine. The price of imported coal, which is used to warm breeder cages, has gone up in recent weeks because of the war.

In addition, with the depreciation of the Turkish Lira, imported inputs, including feed ingredients, day-old chicks, and hatching eggs have become even more expensive. Producers who are exporting some of their chicken to foreign markets can absorb these higher costs better than those who are only supplying the domestic market. These input higher costs will likely mean additional upward price pressure on the price of chicken meat.

In 2021, Turkey produced 5.5 MMT of broiler feed and 3.7 MMT of feed for layers. See chart 3. The main ingredients used in local broiler feed rations are corn and soybeans. While Turkey grows both crops, a sizeable portion is imported to meet the demands of the country's poultry sector. The government's timely approval of genetically engineered corn and soybeans that are imported for feed is critical to the survival of the Turkish poultry sector. For the latest list of approved biotech traits in corn and soybeans for feed, please see our [report](#).

Most of the country's broiler operations are integrated, with both breeding and broiler farms, hatchery facilities, feed storage, and slaughter and processing facilities. According to the Ministry of Agriculture & Forestry (MinAF), there were 11,167 poultry facilities including hatcheries, breeding and broiler operations, and egg producers in 2021.

Chart 3. Broiler and Laying Hens Feed Production, 2018-2021



Source: The Ministry of Agriculture and Forestry (MinAF), 2022

### Consumption:

In 2022, chicken meat consumption is forecast at 1.69 MMT, nearly unchanged from the previous year because of the rising cost of chicken meat and higher export volumes.

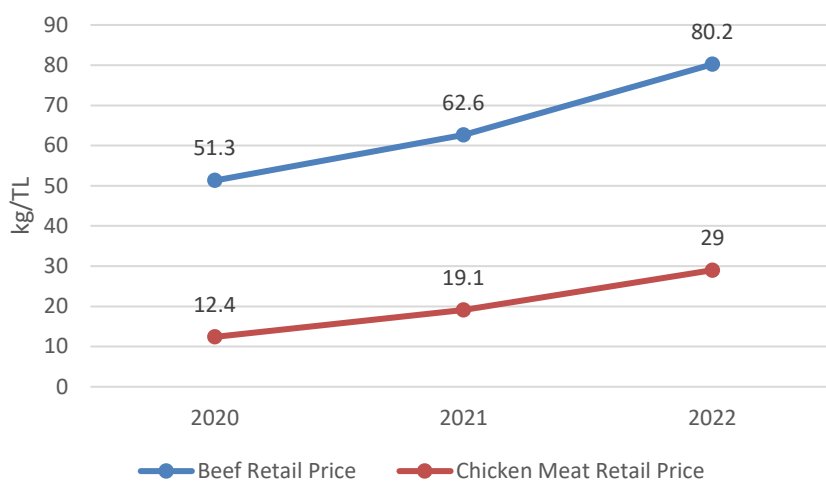
In 2021, chicken meat consumption was revised slightly downward to 1.68 MMT. Consumption in 2020 and 2021 was depressed because of covid-19 countermeasures such as curfews and movement restrictions during spring and summer barbecue seasons when chicken meat consumption is the highest. Limits on dining out at restaurants also affected consumption.

Chicken is also the most popular meat in Turkey and is the primary and cheapest source of protein. Consumers mostly prefer eating drumsticks and breast meat, according to a recent consumer survey. In 2021, the average retail price of chicken was 2.75 times cheaper than beef. The average retail price for chicken hit 29 Turkish Lira per kilogram (\$2.10/kg) in 2021. See chart 4.

While still inexpensive compared to other meat proteins, the retail price of chicken continues to climb higher due to steady export and domestic demand, as well as rising inflation across the entire economy. Based on TurkSTAT data, average broiler meat prices increased 50-60 percent in 2021 and 2022. In late 2021 and early 2022, retail prices jumped more than 70 percent at the, according to an independent research group in Turkey. Retail prices will likely continue their upward climb in 2022 due to higher production costs and general economic inflation.

Turkey's poultry industry produces enough meat to satisfy domestic demand with excess going for export. Poultry meat consumption is exclusively coming from domestic production since imported products only transit Turkey to third country destinations.

Chart 4. Average Broiler Meat Price versus Beef Price at Retail (TRY/kg)



Source: TurkSTAT, 2022. (Note: As of March 10, 2021, \$1 = 13.8 TL)

## Trade:

### *Imports and Transshipments*

Turkey does not import chicken meat for domestic consumption but serves as a major transshipment point to the Middle East because of the country's central location. Most transshipments go to neighboring countries, such as Iraq and Afghanistan.

Turkey restricts transshipments from countries where commercial cases of Highly Pathogenic Avian Influenza (HPAI) have occurred. On February 25, 2022, Turkey implemented transit bans on non-heat-treated poultry and poultry products originating from several U.S. states where HPAI was detected in commercial flocks. Most of the U.S. chicken transiting through Turkey goes to Iraq. Imports of untreated poultry products destined for U.S. commissaries in Turkey are restricted from entering if the product has transited through a third country where a commercial HPAI outbreak has occurred.

Chicken imports are discouraged because of high customs duties. The tariff on imported chicken is 65 percent and 121 percent for chicken products under HTS 160232. These higher duties end up protecting the domestic industry from outside competition

### *Exports*

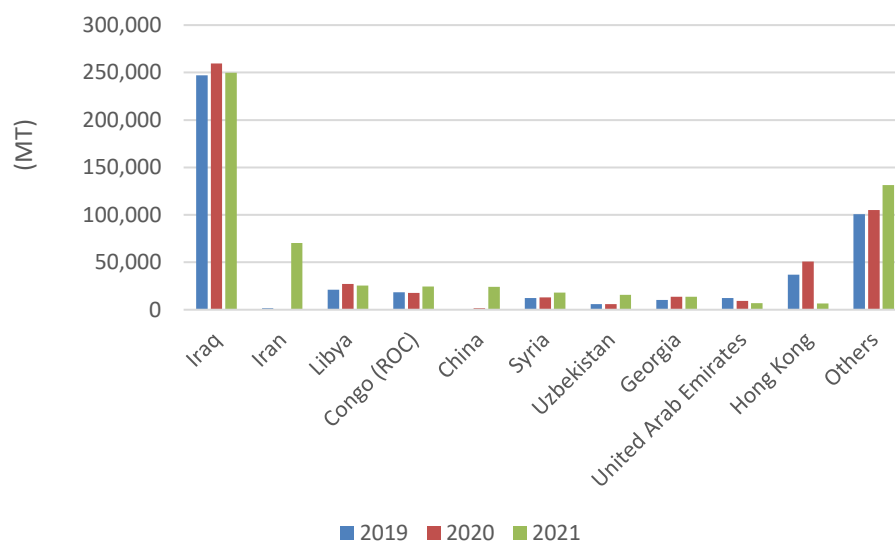
In 2022, chicken meat exports are estimated to reach 703,000 MT, which is 24 percent more than 2021. This anticipated growth is based on strong export demand, especially from Iraq, Iran, China, and other regional markets. The prospect of limited supplies of Ukrainian chicken in some of these markets may lead to more export opportunities for Turkish products. Turkey primarily exports frozen chicken cuts.

In 2021, chicken meat exports (excluding paws) increased 28 percent year-over-year, with export volumes reaching 563,274 MT, valued at \$857 million. Iraq and Iran were the top two destinations. Shipments to mainland China started which coincided with a reduction in export sales to Hong Kong, which was formerly the second largest export destination for Turkish chicken meat. See chart 5.

According to local industry contacts, export demand for Turkish chicken meat is predicted to increase this year in certain European and Middle Eastern markets because Ukrainian product in those markets will likely be in short supply. Turkey is expected to export about one-quarter of its production in 2022. At the same time, there is some concern among the local industry over the possibility of increased competition from EU suppliers in Iraq and other regional markets since EU shipments to Ukraine might be disrupted.

To control rising inflation and avoid possible food shortages, the Ministry of Agriculture & Forestry (MinAF) was recently given the authority to restrict, when needed, certain agricultural exports, among which was chicken meat and eggs. As of writing this report, MinAF has only stopped exports of cooking oil exports, red lentils, and dry beans. Other exported products could be halted at any time. For details, please click [here](#).

Chart 5. Turkey Chicken Meat Top Export Markets, 2019-2021



Source: Trade Data Monitor, LLC

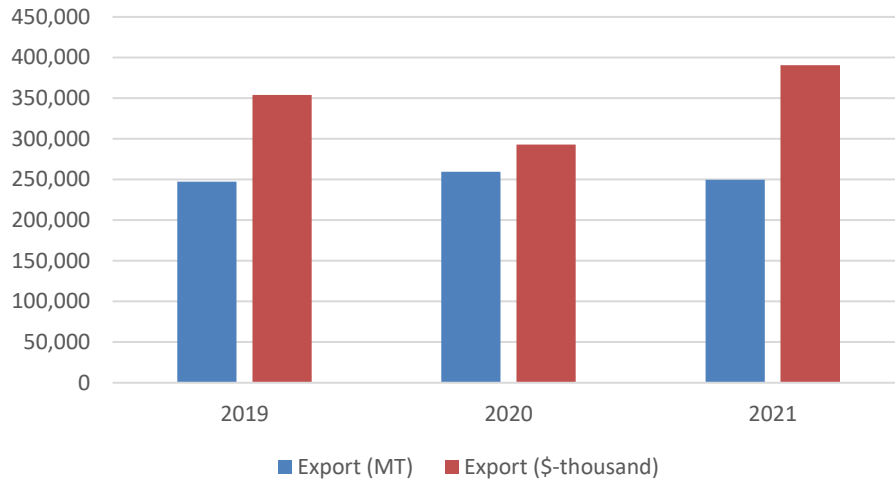
*Iraq:* Although still the largest export destination, export volumes have been hampered for the last two years because of logistical challenges and high protectionist tariffs. Considering these challenges and growing demand from other markets, the share of exports went from 50 percent in 2020 to 42 percent in 2021.

*Iran:* Iran was the second largest export destination after exports started in 2021. Export volumes are expected to grow as supplies of Iranian poultry meat are expected to remain insufficient to meet demand. Turkey mainly exports frozen breast meat to Iran.

*China:* Exports to China started in 2021 after China granted market access at the end of 2020. Going forward, the Turkish industry expects export volumes, especially paws, wings, and leg quarters. Turkey has requested China to approve more Turkish establishments for export. With the increase of exports to mainland China, exports to Hong Kong have decreased.

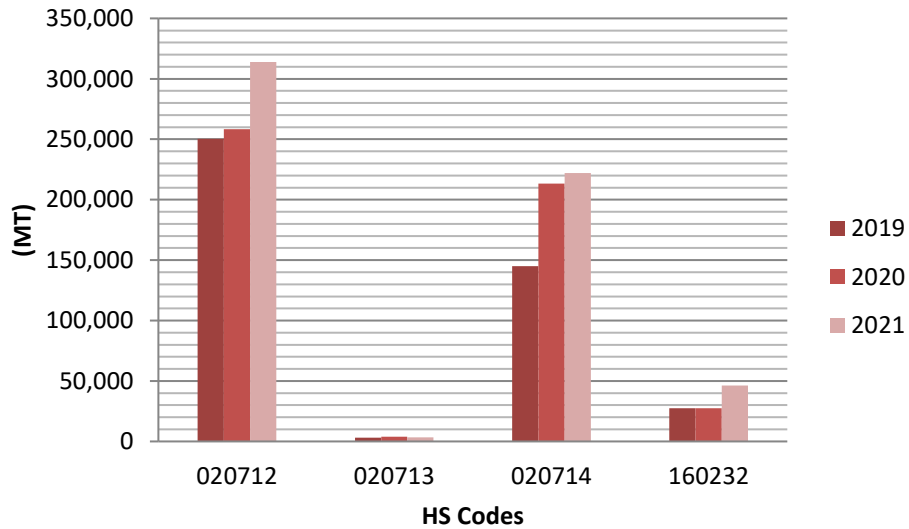
*Other Markets:* Turkish poultry exporters are keen on finding other export markets. There’s reportedly interest in potential export opportunities in the United Kingdom, but access has not yet been negotiated. Turkey is looking to expand the list of companies eligible to export to the Philippines and is also in the process of negotiating market access with Egypt.

Chart 6. Turkey’s Chicken Meat Exports to Iraq, Comparison (MT) & (thousand \$)



Source: Trade Data Monitor, LLC

Chart 7. Turkey Total Poultry Export by Items, Comparison 2018-2020, MT



Source: Trade Data Monitor, LLC. (*HS Code 020712*: Chicken Meat, not cut in pieces, frozen; *HS Code 020713*: Cuts and offal, fresh or chilled; *HS Code 020714*: cuts and offal, frozen; *HS Code 160232*: Prepared Or Preserved Chicken Meat, Meat Offal Or Blood)

## Production, Supply and Distribution Data:

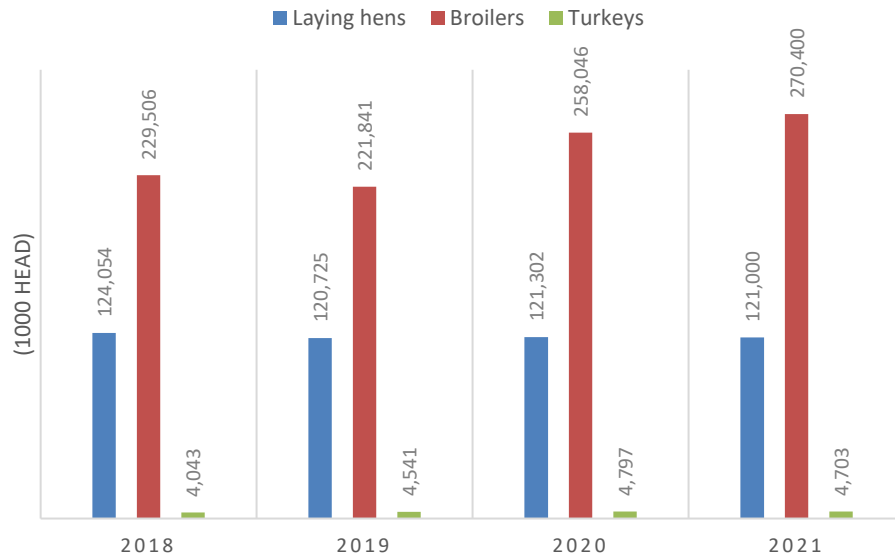
Meat, Chicken	2020		2021		2022	
	Jan 2020		Jan 2021		Jan 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Market Year Begins						
Turkey						
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	2136	2136	2170	2246	2230	2400
Total Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2136	2136	2170	2246	2230	2400
Total Exports (1000 MT)	440	440	470	563	515	703
Human Consumption (1000 MT)	1696	1696	1700	1683	1715	1697
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT)	1696	1696	1700	1683	1715	1697
Total Use (1000 MT)	2136	2136	2170	2246	2230	2400
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	2136	2136	2170	2246	2230	2400
(1000 MT)						



## Table Eggs:

Unlike broiler operations, laying hen facilities are mostly unintegrated and located close to bigger city centers. As seen chart 8, the population of laying hens has stayed flat in the last few years around 121 million because of high production costs and restrictions on egg exports to Iraq. Interestingly, while layer numbers have stayed steady, table egg production has contracted slightly as growers are holding on to their birds longer to avoid higher feed costs associated with younger layers.

Chart 8. Poultry Numbers by Species, 2018-2021

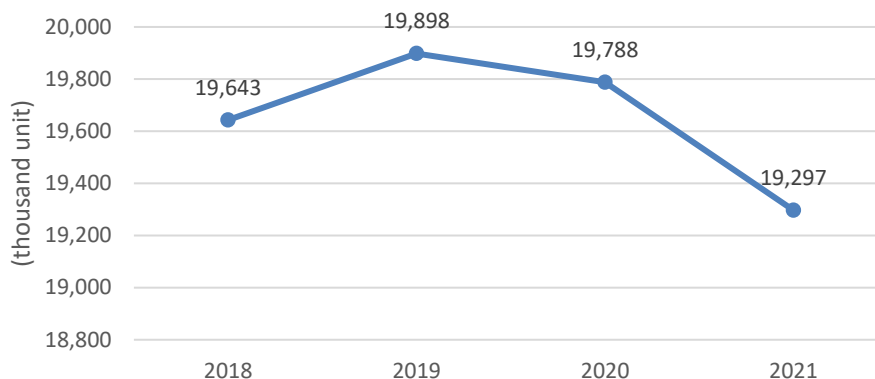


Source: TurkSTAT, 2022

In 2021, Turkey produced 19.3 billion eggs, which is 2.4 percent less than the previous year due high input prices, especially feed, and the closing of the Iraq export market in April 2019.

In 2019, after Iraq and Saudi Arabia closed to table eggs from Turkey, domestic egg prices dropped, and egg producers were under pressure to sell an oversupply of eggs in the domestic market below the production price.

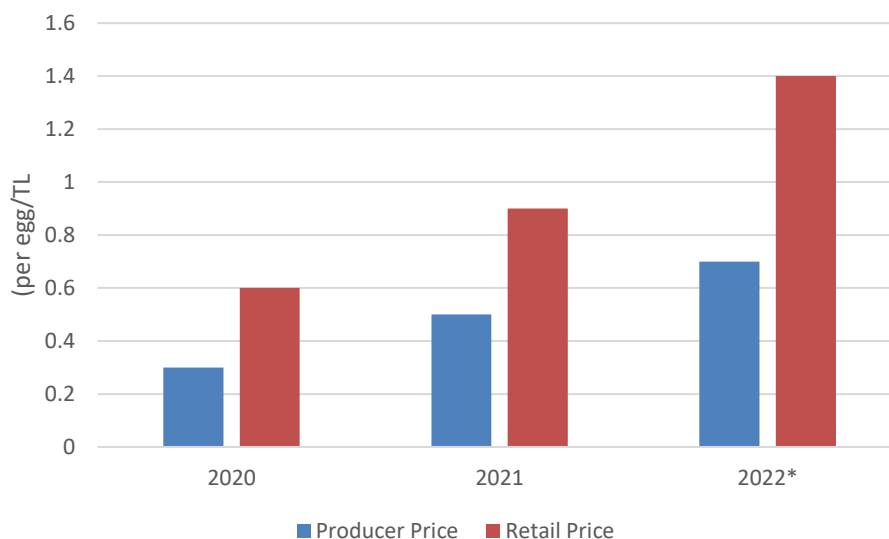
Chart 9. Egg Production in Turkey, 2018-2021



Source: MinAF, 2022

In 2021, compared to the prices of all other agricultural products, the price of table eggs increased the most prices climbing 300 percent within the last three months. The rising cost of packaging materials and feed were the main drivers behind these higher prices. The price of packaging materials increased 80 percent and feed prices doubled within the last year.

Chart 10. Producer Price versus Retail Egg Prices in Turkey, 2020-2022



Source: TurkSTAT, 2022. (Note: As of March 10, 2021, \$1 = 13.8 TL)

\*2022 data includes only January.

### Hatching Egg & Day-Old Chick Imports

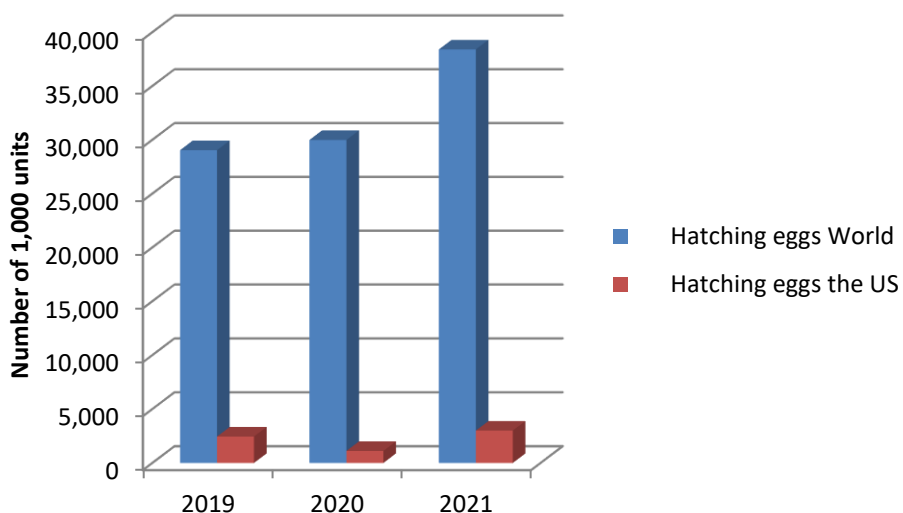
Turkey depends on imported hatching eggs and day-old chicks to improve its breeding stocks and its production yields of chicken meat and eggs. Imports of sufficient breeding stocks were critical to achieving chicken meat production gains in 2021 and beyond.

Imports of hatching eggs are mostly from the United Kingdom, the United States, and Hungary. In 2021, Turkey imported 3 million U.S. hatching eggs, valued at \$3.5 million, which is 141 percent higher by value than the previous year. The increase in imports from the United States was largely driven by HPAI restrictions on imports of European hatching eggs. In response to these restrictions, importers switched to sourcing a larger share of hatching eggs from the United States. However, importers generally prefer sourcing from Europe since freight prices are cheaper. Turkey uses EU health standards for importing hatching eggs.

Day-old chick imports are primarily sourced from Germany, the United Kingdom, and the United States. European day-old chick suppliers have an advantage due to proximity and low freight costs. Turkey uses EU health standards for importing day-old chicks.

Turkey prohibits imports of hatching eggs and day-old chicks from U.S. states where HPAI has been found in commercial poultry flocks. Instead of banning products from the entire state, Turkish importers want the MinAF to regionalize its restrictions to the smallest area possible, in line with international standards, to enable trade to continue.

Chart 11. Hatching Eggs Imports from the World versus the U.S., 2019-2021



Source: Trade Data Monitor, LLC

**Attachments:**

No Attachments.