

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Results of TMO Wheat and Barley Tender

Report Categories:

Grain and Feed

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Report Highlights:

On February 28, 2012 the Turkish Grain Board (TMO) held tenders for the sale of 100,000 MT of wheat and 100,000 MT of barley. TMO and the private sector still hold abundant wheat stocks.

General Information:

On February 17, 2012 the Turkish Grain Board (TMO) announced tenders for the sale of 100,000 MT of wheat and 100,000 MT of barley, which were held on February 28, 2012.

As a result of this tender, TMO sold 35,000 MT of white milling wheat, 65,000 MT of red milling wheat and 100,000 MT of barley.

On March 2, 2012 prices were 405 USD/MT for first class red milling wheat and 325 USD/MT for feed barley at the Polatli Commodity Exchange on March 02, 2012. Table 1: TMO wheat stocks:

Types of Wheat	Quantity (MT)
Durum Wheat	156,676
Anatolian Red Wheat	454,057
White Wheat	188,674
HRW	201,070
Kazakh-Imported	11,840
EU wheat-Imported	12,808
U.S wheat-Imported	149,784
Ukraine wheat-Imported	19,279
Feed quality wheat	1,957
Total	1,196,145

MY 2011 TMO grain procurement started on March 30, 2011 and ended on March 01, 2012. TMO purchased a total of 815,000 MT of wheat, 168,980 MT of barley in MY 2011. For the first time ever, TMO procured wheat according to quality by analyzing protein content.

Farmers can use TMO elevators for free to store their grain, provided that they sell to the market in the future. However if they wind up selling to TMO they need to pay a small fee. In the past, there was no system to differentiate between high quality grain and low quality grain at TMO elevators other than physical parameters such as percent of foreign materials. Because of that, TMO elevators were not used extensively by farmers for storage. Due to the new protein based procurement system, Farmers put 984,000 MT of wheat into TMO elevators. This was an increase from previous years, and shows that TMO's new policy is having the intended effect. TMO has around 4-5 MMT of grain storage capacity throughout Turkey.

TMO was pleased with the prices received during the recent export tender. Details are given below.

NAME OF COMPANY	QUANTITY (MT)	VALUE (USD/MT)	LOADING PORT	LOADING TIME
WHITE FEED BARLEY				
ALFRED TOEPFER	10,000	270.56	MERSIN	MARCH 15-APR 03,2012
	10,000	264.56	MERSIN	MARCH 15-APR 03,2012
	10,000	269.51	ISKENDERUN	MARCH 15-APR 03,2012
	10,000	266.16	ISKENDERUN	MARCH 15-APR 03,2012
	10,000	263.16	ISKENDERUN	MARCH 15-APR 03,2012
MARIA CEREALE	10,000	260.01	IZMIR	MARCH 15-APR 03,2012
MARIA CEREALE	10,000	259.61	IZMIR	MARCH 15-APR 03,2012
MESOPOTAMIA	20,000	255.79	IZMIR	MARCH 15-APR 03,2012
AGRONEXT	10,000	255.10	DERINCE	MARCH 15-APR 03,2012

WHITE MILLING WHEAT				
BUNGE	20,000	231.00	ISKENDERUN	APR 16-MAY 04,2012
BUNGE	15,000	231.00	DERINCE	APR 16-MAY 04,2012
RED MILLING WHEAT				
MARIA CEREALE	10,000	260.51	IZMIR	APR 16-MAY 04,2012
MARIA CEREALE	10,000	260.01	IZMIR	APR 16-MAY 04,2012
LOUIS DREYFUS	5,000	241.00	IZMIR	APR 16-MAY 04,2012
AGROCORP	25,000	258.27	MERSIN	APR 16-MAY 04,2012
CARGILL	15,000	245.00	BANDIRMA	APR 16-MAY 04,2012

Traders are concerned about a potential wheat import ban between May and September, 2012. Due to the high level of TMO stocks and the abundant private stocks, they believe TMO is seeking a way to ban imports. According to traders it is impossible because wheat imports to Turkey are only done under an inward process regime. Traders report that there is no way to stop imports unless the Government changes the current regime.

Wheat flour exporters at the moment are troubled by the value of inward process regime certificates. Under the regime, when flour exporters export wheat they receive a certificate giving them the right to import a certain amount of wheat duty free. This certificate is tradable. Most of the time exporters sell the certificate to large importing companies for around 80-100 USD/MT. This helped wheat flour exporters stay competitive in the international market. However, recently the value of the certificate dropped to 40-37 USD/MT because of the high level of private stocks at the market.

There is also an import regime system for corn, but corn has been banned for import since the Biosafety Law was implemented in 2012. Many corn product exporters are currently holding inward process regime certificates to import zero duty corn, but are not able to use these certificates. The poultry sector has still not changed its recent feeding ratio, which has been based on wheat and enzymes instead of corn since the Biosafety Law stopped corn imports.

The Biosafety Board has cleared 13 corn biotech genes for importation for feed use and there are 9 biotech corn genes waiting for approval. Imports cannot resume until at all 22 events currently in the corn supply are approved. Unfortunately the risk assessment committees wrote negative opinions for 6 of these 9 corn genes and positive opinion for only 3 biotech corn genes. Stakeholders in Turkey who need the corn imports are hoping that the Biosafety Board will decide to approve all 9 genes after evaluating additional information submitted through the public comment period. There is strong demand to DDGS and corn but the Biosafety Regulations distort the supply and demand situation in Turkey.