

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Turkey

Oilseeds and Products Update

Soybean and Products Update

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Report Highlights:

MY 2010 imports of soybean reached 1.35 MMT, higher than early season estimates due to higher utilization in poultry and dairy industries. Imports from US remained about 419,000 MT about 50 percent of the previous year mainly due to biotech restrictions and buyers postponing purchases to the second half of the marketing year because of large carryover that benefited South American sources. Soybean meal imports are up, reaching 534,000 MT. Soy oil imports however were lower than expected due to price advantage of competing oils and new bio-safety law limiting utilization. FY 2011 utilization of the GSM-102 credit guarantee program was limited for US soybean and meal purchases due to the import restrictions during the finalization of the new bio-safety law.

Post:
Ankara

Commodities:

Author Defined:
Production

MY 2011 Turkish soybean area and production is expected to remain about 15,000 hectares and 50,000 MT. The decline from last year is due to increase in cotton and corn planting in the region.

Soybean meal and oil production has been adversely affected by the recent bio-safety law that limited usage of biotech products for feed use only and prevented its use for industrial and food products. During the second half of the MY 2010 imported biotech soybeans for crushing slowed down and some crushers switched to other seeds since byproducts such as soy oil were not allowed to be used for industrial uses such as paint which affected crushing margins adversely.

Availability of low cost European soy meal also affected marketing of locally crushed soy meal. In September, the GOT approved utilization of biotech soy oil in paint hence crushing expected to recover somewhat in MY 2011.

Consumption

Turkey's poultry industry, both broiler and egg, continued to grow in 2011 pushing higher utilization of soy bean and meal. Increases in local poultry meat and egg production were the main reasons for local soy products consumption. Low local prices of soybean meal increased usage in dairy rations as well, pushing soy meal consumption to higher levels. The high cost of local corn, due to low local production and import restrictions on biotech corn, also persuaded millers to utilize higher percentage of full fat soybean along with feed wheat in rations.

The Turkish poultry industry continued to grow with high rates in recent years. Broiler production had grown about thirteen percent in 2010, and an estimated twelve percent increase is also foreseen for 2011. Accordingly total domestic poultry production is estimated to reach 1.7 MMT at the end of the year. High local red meat prices and exports are the main causes of production increase.

The layer industry is also expected to grow in 2011, about nine percent, due to increases in domestic consumption and exports. Both industries continue to export to neighboring Middle Eastern countries which provide additional cash flow during the seasonal fluctuation in the domestic market.

Consumption increases in the aquaculture also contributes total soybean domestic consumption.

Consumption of locally produced soy oil is facing problems due to limitations in usage other than feed. Only recently the crushing industry was able to convince the government to restart the usage of soy oil in industrial products such as paint. But food use of soy oil is still not permitted hence adversely affecting crushing income. Crushers who used to sell soy oil to margarine producers are stuck with high inventories of soy oil that they can't sell. Strict local rules do not even allow local crushers to refine crude soy oil and export due to possible contamination to other oils during the process. Illegal use of soy oil for bio-diesel purpose is also stopped due to increase in controls. It is reported that soy crushing has been reduced significantly in recent months with no sign of an increase in the near future.

Trade

Turkish imports of soybean declined to 1.35 MMT in MY 2010 (September/August) compared to 1,65 MMT a year ago. In MY 2009 importers rush to secure supplies for months ahead due to uncertainty caused by the new bio-safety law creating large yearend stocks. The US supplied 419,000 MT, about thirty-one percent of the total imports in MY 2010.

South American countries such as Brazil (363,000 MT), Paraguay (279,000 MT), Argentina (141,000 MT) and Uruguay (31,000 MT) and also Black Sea countries Ukraine (142,000 MT), Moldova (31,000 MT) and Romania (6,000 MT) were other suppliers. The US share has shrunk during the last two years due complications caused by the new bio-security law and high US soybean prices. Turkish importers usually buy US soybean during the first half of the marketing year and move to South America during the second half. In MY 2009, during the creation of the new bio safety law imports were stopped and opened during the process and when imports were allowed it was favorable era for South American sources. During MY 2010 however, high US prices were challenged by low cost Ukrainian and later in the season by Brazilian soybeans.

Soybean meal imports during MY 2010(Oct-Sept) reached 534,000 MT representing about fifty percent increase compared to a year ago due to availability of competitively priced soybean meal from the EU and South America sources. Argentina is the leading supplier with 199,000 MT, followed by the US (125,000 MT) and India (59,000 MT). Turkey imported a large amount of EU sourced soy meal as well due to import tax advantage. Accordingly, imported soy meal from EU sources are subject zero import tax versus thirteen percent from other sources. Holland (100,000 MT) Germany (88,000 MT) Spain (33,000 MT) and Romania (12,000 MT) were the leading EU countries supplying soy meal to Turkey.

Turkish soybean oil imports during the MY 2010 were about 3,000 MT of which 1,000 MT were US origin and 2,000 MT Israel. Turkish refined soy oil exports however exceeded imports reaching 4,500 MT during the same period. The northern part of Cyprus is the leading buyer of Turkish soy oil. Turkish crushers had to offer soy oil with competitive prices for exports due to marketing problems at home.

Uncertainties in regards to biotech soybean and products imports during the time of GSM-102 announcement caused soy bean and products purchases under the program to decline during FY 2011 but historically the program had been an important factor for sales of US agricultural products to Turkey in general and soybean and products in particular.

Soybean PSD Table

Soybean Turkey	2009/2010	2010/2011	2011/2012
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	Market Year Begin: Sept. 2009		Market Year Begin: Sept. 2010		Market Year Begin: Sept. 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	12	12	12	17	12	15
Area Harvested	12	12	17	17	15	15
Beginning Stocks	136	136	617	409	293	329
Production	40	40	60	60	50	50
MY Imports	1,860	1,648	1,100	1,350	1,400	1,450
MY Imp. from U.S.	870	806	400	419	400	400
MY Imp. from EU	0	14	0	6	0	10
Total Supply	2,036	1,824	1,777	1,819	1,743	1,829
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Crush	520	530	550	520	550	500
Food Use Dom. Cons.	25	10	25	0	25	0
Feed Waste Dom. Cons.	874	875	909	970	890	1,020
Total Dom. Cons.	1,419	1,415	1,484	1,490	1,465	1,520
Ending Stocks	617	409	293	329	278	309
Total Distribution	2,036	1,824	1,777	1,819	1,743	1,829
CY Imports	1,800	974	1,280	1,756	1,400	1,400
CY Imp. from U.S.	870	660	400	792	500	300
CY Exports	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0

Soybean Meal PSD Table

Soybean Meal Turkey	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009	Market Year Begin: Oct 2010	Market Year Begin: Oct 2010	Market Year Begin: Oct 2011	Market Year Begin: Oct 2011	Market Year Begin: Oct 2011
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	520	530	550	520	550	500
Extr. Rate, 999.9999	1.	0.8	1.	0.8	1.	0.8
Beginning Stocks	26	26	117	115	274	217
Production	415	424	439	416	439	400
MY Imports	413	362	550	534	450	480
MY Imp. from U.S.	130	92	100	125	120	100
MY Imp. from EU	3	48	3	243	0	140
Total Supply	854	812	1,106	1,065	1,163	1,097
MY Exports	7	7	7	8	10	10
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.	730	690	825	840	892	900
Total Dom. Cons.	730	690	825	840	892	900
Ending Stocks	117	115	274	217	261	187
Total Distribution	854	812	1,106	1,065	1,163	1,097
CY Imports	385	352	350	408	350	580
CY Imp. from U.S.	150	222	125	114	120	100
CY Exports	5	3	5	7	5	7
CY Exp. to U.S.	0	0	0	0	0	0
SME	730	690	825	840	892	900

Soybean Oil PSD Table

Soybean Oil Turkey	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	520	530	550	520	550	500
Extr. Rate, 999.9999	0.	0.1811	0.	0.1808	0.	0.18
Beginning Stocks	1	1	5	7	6	18
Production	93	96	98	94	98	90
MY Imports	9	9	5	3	5	2
MY Imp. from U.S.	1	1	0	1	0	0
MY Imp. from EU	1	1	1	0	1	1
Total Supply	103	106	108	104	109	110
MY Exports	3	3	7	5	10	10
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	21	21	23	25	20	35
Food Use Dom. Cons.	53	35	50	6	49	0
Feed Waste Dom. Cons.	21	40	22	50	20	55
Total Dom. Cons.	95	96	95	81	89	90
Ending Stocks	5	7	6	18	10	10
Total Distribution	103	106	108	104	109	110
CY Imports	10	10	10	10	10	2
CY Imp. from U.S.	0	3	0	0	0	1
CY Exports	3	3	4	4	0	4
CY Exp. to U.S.	0	0	0	0	0	0