

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Turkish Government Intervenes to Stabilize Cooking Oil Market

**Country:** Turkey

**Post:** Ankara

**Report Category:** Agriculture in the News, Oilseeds and Products, Grain and Feed, Agriculture in the News, Grain and Feed, Oilseeds and Products

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**Report Highlights:**

Fearing rising prices and the perceived threat of sunflower oil shortages, customers have scrambled in recent days to stock up on cooking oils. The Turkish government has reassured the public that a shortage doesn't exist. At the same time, in order to stabilize local market conditions, the government recently halted cooking oil exports and also zeroed out tariffs on imported oils. Meanwhile, the purchase price of imported wheat continues its upward climb, and some local feed companies are reportedly considering limiting sales volumes if feed ingredient supplies become tight.

## **Government Reassures Public That There's No Sunflower Oil Shortage**

Fearing rising prices and the perceived threat of sunflower oil shortages, customers have scrambled in recent days to stock up on cooking oils. The price of a 5-liter bottle of cooking oil climbed to TRY200 (\$14), up by about 50 percent in the last week. This increase coincides with rising international prices of sunflower oil.

On March 6, the Minister of Agriculture & Forestry (MinAF), who was appointed earlier this month, issued a [public statement](#) reassuring the public that Turkey has adequate supplies of sunflower oil as well as other basic foods. To ensure stable domestic supplies of cooking oil, the Ministry has zeroed out tariffs on imported oils. The Minister of Finance separately reaffirmed that Turkey has enough cooking oil on hand to last until July. In contrast, some private sector representatives think stocks will run out sooner.

On March 4, the government announced that it was cutting import tariffs on vegetable oil to zero until the end of June this year. Turkey depends heavily on its Black Sea neighbors for sunflower oil and sunflowerseed to make oil. The tariff cuts, which were promulgated in the [Official Gazette](#), cover imported sunflower, soybean, palm, maize, and several other vegetable oils. See table 1 below.

In addition, on March 4, the government added sunflower oil and several other staple foods to the [list](#) of export products that the Ministry of Agriculture & Forestry may restrict to stabilize local market conditions. To date and to the best of Post's knowledge, Turkey has halted cooking oil exports, such as sunflower, corn, soybean oils, as well as bulk olive oil shipments. The situation may change by the day, with other products being restricted. Post will publish a separate report with the latest list.

According to local media reports from March 8, Russia authorized 30 commercial vessels loaded with Russian sunflower oil and wheat to be shipped to Turkey. These shipments had reportedly been stuck at loading ports in the Azov Sea due to the war. If these cargoes are delivered, they may help to temporarily ease some of the upward price pressure on both sunflower oil and wheat in the local market.

## **Imported Wheat Prices Jump Higher**

The developments in the region have disrupted wheat imports, with some Black Sea suppliers canceling contracts on the grounds of *force majeure*. These disruptions have caused the purchase price of imported milling wheat to climb by about 20-28 percent since January. According to market sources, on March 2, the Turkish Grain Board (TMO) purchased 285,000 MT of milling wheat for \$409-449/MT, which is \$65-98/MT higher than its last purchase in

January. TMO purchased wheat is used to make subsidized bread that is sold in lower-income neighborhoods across Turkey.

### **Feed Manufacturers May Limit Sales**

Last week, a couple of the leading compound feed manufacturers in Turkey announced that they may need to limit sales volumes in the short term because of the disruption in imported ingredients coming from Black Sea countries. Some of the major imported ingredients include corn, barley, wheat bran, and oilcake from Russia and Ukraine.

<b>Table 1: The Eliminated Tariff for Oils List by HS Codes</b>	
12.051090	Low erucic rape or colza seeds "yielding a fixed oil which has an erucic acid content of < 2% and yielding a solid component of glucosinolates of < 30 micromoles/g", whether or not broken (excl. for sowing)
12.059000	High erucic rape or colza seeds "yielding a fixed oil which has an erucic acid content of >= 2% and yielding a solid component of glucosinolates of >= 30 micromoles/g", whether or not broken
15.071090	Crude soya-bean oil, whether or not degummed (excl. for technical or industrial uses)
15.079010	Soya-bean oil and its fractions, whether or not refined, for technical or industrial uses (excl. chemically modified, crude, and for production of foodstuffs)
15.079090	Soya-bean oil and its fractions, whether or not refined (excl. for technical or industrial uses, chemically modified, and crude)
15.111090	Crude palm oil (excl. for technical or industrial uses)
15.119011	Solid palm oil fractions, whether or not refined, but not chemically modified, in packings of <= 1 kg
15.119019	Solid palm oil fractions, whether or not refined, but not chemically modified, in packings of > 1 kg or put up otherwise
15.119091	Palm oil and its liquid fractions, whether or not refined, but not chemically modified, for industrial uses (excl. for production of foodstuffs and crude)
15.119099	Palm oil and its liquid fractions, whether or not refined, but not chemically modified (excl. for industrial uses and crude)
15.121199	Crude safflower oil (excl. for technical or industrial uses)
15.121910	Sunflower-seed or safflower oil and their fractions, whether or not refined, but not chemically modified, for technical or industrial uses (excl. crude and for manufacture of foodstuffs)
15.121990	Sunflower-seed or safflower oil and their fractions, whether or not refined, but not chemically modified (excl. for technical or industrial uses and crude)

15.141190	Low erucic acid rape or colza oil "fixed oil which has an erucic acid content of < 2%", crude (excl. for technical or industrial uses)
15.141910	Low erucic acid rape or colza oil "fixed oil which has an erucic acid content of < 2%" and its fractions, whether or not refined, but not chemically modified, for technical or industrial uses (excl. for manufacture of foodstuffs for human consumption and crude)
15.141990	Low erucic acid rape or colza oil "fixed oil which has an erucic acid content of < 2%" and its fractions, whether or not refined, but not chemically modified (excl. for technical or industrial uses and crude)
15.149190	High erucic acid rape or colza oil "fixed oil which has an erucic acid content of >= 2%", and mustard oil, crude (excl. for technical or industrial uses)
15.149910	High erucic acid rape or colza oil "fixed oil which has an erucic acid content of >= 2%", and mustard oil, and fractions thereof, whether or not refined, but not chemically modified, for technical or industrial uses (excl. for manufacture of foodstuffs for human consumption and crude)
15.149990	High erucic acid rape or colza oil "fixed oil which has an erucic acid content of >= 2%", and mustard oil, and fractions thereof, whether or not refined, but not chemically modified (excl. for technical or industrial uses and crude)
15.152110	Crude maize oil, for technical or industrial uses (excl. for manufacture of foodstuffs)
15.152190	Crude maize oil (excl. for technical or industrial uses)
15.152910	Maize oil and fractions thereof, whether or not refined, but not chemically modified, for industrial uses (excl. crude and for manufacture of foodstuffs)
15.152990	Maize oil and fractions thereof, whether or not refined, but not chemically modified (excl. for industrial uses and crude)

Source: Official Gazette <https://www.resmigazete.gov.tr/eskiler/2022/03/20220304-10.pdf>

**Attachments:**

No Attachments.