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**Date:** 11/12/2014

**GAIN Report Number:** TR4040

## Turkey

**Post:** Ankara

### Turkish Grain Board Offers 2 Million Tons of Wheat

**Report Categories:**

Grain and Feed

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**Report Highlights:**

On Friday, October 31, 2014 the Turkish Grain Board (TMO) announced that they would make 2 million metric tons of wheat stocks available for domestic purchase. The results of these requests indicate that only 10 percent of the 2 MMT was requested by Turkish wheat millers, bulgur and biscuit producers.

**General Information:**

On Friday, October 31, 2014 the Turkish Grain Board (TMO) announced that they would make 2 million metric tons of wheat stocks available for domestic purchase. TMO accepted requests for these stocks until November 7, 2014. The results of these requests indicate that only 10 percent of the 2 MMT was requested by Turkish wheat millers, bulgur and biscuit producers.

The October 31 market price for high quality wheat was 963 Turkish Lira (TL)/metric ton (MT) (US\$426) when TMO announced the availability at 880 TL/MT (US\$390) of high quality wheat. Following the announcement, the market price fluctuated below 900 TL/MT in the first week of November, returning to 950 TL/MT (US\$420) on November 11, 2014.

Demand for domestic-held stocks at this price is less attractive to Turkish wheat flour millers who currently hold a large number of inward processing regime certificates for tariff-free wheat imports. The current import price of high quality wheat is roughly 590 TL/MT (US\$261) without import tariff.

Further, domestic Turkish wheat is of higher quality in MY 2014 due to dry weather conditions. Turkey's private sector is waiting for prices to rise to capitalize on this larger stock of higher quality wheat. Turkey's wheat traders were relieved at the price TMO announced on October 31, as a lower price would have reduced the value of their stocks.

Turkish millers generally seek premium quality wheat imports, and the leading supplier is Russia. As Russian stocks of premium wheat are limited in marketing year 2014, Turkish millers are looking for alternative suppliers.

TMO's announcement offered stocks of milling wheat at a range from 745-880 TL/MT (US\$330-390), depending on its quality. Sales of milling wheat are available to producers of wheat flour, bulgur and biscuits.

TMO uses responses to this announcement as a mechanism to measure domestic demand. A prominent flour miller has stated that the price range is roughly consistent with current market prices. Contacts do not expect the sales from TMO stocks to distort the market.

This announcement marks the beginning of the sales season – we can expect to see this type of announcement roughly each month through May.