

Voluntary Report – Voluntary - Public Distribution

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Report Name: Turkiye Announces Changes to Wheat Trade Policy

Country: Turkiye

Post: Ankara

Report Category: Grain and Feed, Trade Policy Monitoring

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Report Highlights:

As of June 6, 2024, Turkiye has announced the suspension of wheat imports under the Inward Processing Regime from June 21-October 15, 2024. It also liberalized exports of milling wheat, durum wheat, and barley. In the same announcement, the Turkish Grain Board (TMO) announced new intervention prices for wheat and barley.

On June 6, 2024, TMO [announced](#) the 2024 grain intervention prices as outlined below:

“The Ministry of Agriculture and Forestry (MinAF) will provide payment support up to 1,750 TL/ton for wheat and 750 TL/ton for barley to our producers registered in the Farmer Registration System. With the payment support provided by the Ministry, our producers will receive 11,750 TL/ton for durum wheat, 11,000 TL/ton for milling wheat and 8,000 TL/ton for barley. In addition, fertilizer, diesel oil, and certified seed support will continue to be provided to our producers. Product price payments will be made directly to the bank accounts of producers within 45 days.

The export of flour made with domestically produced wheat, which has been prohibited since September 2018, has been liberalized. The exports of milling wheat, durum wheat, and barley have been liberalized on a controlled basis (if they are approved by TMO).

Wheat imports under the Inward Processing Regime have been suspended until October 15, 2024, and the suspension may be extended according to market conditions.”

Because of the country’s excess carryover stocks, Turkiye has authorized exports of milling wheat, durum, barley, and flour made from domestic wheat. According to market sources, the Russian Grain Union had asked for the implementation date to be moved to June 30 to allow for a sufficient transition period, however the policy was implemented as announced.

For second quality milling wheat, farmers are expected to sell their wheat to the private sector for around 8,000 TL/MT (\$250/MT), which is similar to the CIF price for imported wheat and suggests that both Turkish wheat and flour will likely be competitive on the international market.

In Turkey, where annual inflation is around 75 percent, TMO's 12 percent increase in purchase prices for wheat and only 4 percent for barley, in terms of Turkish Lira (TL), compared to last year is disappointing for producers.

Intervention Prices

The Turkish Grain Board (TMO) is offering an intervention price of 9,250 TL/MT (\$289/MT) for Anatolian Hard Red Milling Wheat (AKS), 10,500 TL/MT (\$328/MT) for durum wheat, and 7,300 TL/MT (\$228/MT) for barley (based on an exchange rate of \$1 = 32 TL as of June 7, 2024). The Ministry of Agriculture and Forestry will also make an additional premium payment of 1,750 TL/MT (\$55/MT) for wheat and 750 TL/MT (\$23/MT) for barley to farmers, as mentioned TMO announcement above. TMO will pay the total amount in about 30 days. According to TMO, most of the wheat harvest will be completed by the end of July.

In comparison, last year TMO offered an intervention price of 8,250 TL/MT (\$358/MT) for Anatolian Hard Red Milling Wheat (AKS), 9,000 TL/MT (\$391/MT) for durum wheat, and 7,000 TL/MT (\$304/MT) for barley (based on an exchange rate of \$1 = 23 TL as of June 7, 2023). The Ministry of

Agriculture and Forestry made an additional premium payment of 1,000 TL/MT (\$43/MT) for wheat and 500 TL/MT (\$22/MT) for barley to farmers.

The CIF price for imported wheat (12.5 protein) is about \$260/MT as of the end of June 2024, which was about \$250/MT in June 2023 and \$430/MT in June 2022.

Year	Intervention price		Date/Exchange Rate
	TL	USD	
2016	910 TL	\$303	As of July 2016, \$1 = 3 TL
2017	940 TL	\$268	As of July 2017, \$1 = 3.5 TL
2018	1050 TL	\$233	As of May 2018, \$1 = 4.5 TL
2019	1350 TL	\$228	As of May 2019, \$1 = 5.9 TL
2020	1650 TL	\$235	As of May 2020, \$1 = 7 TL
2021	2250 TL	\$268	As of May 2021, \$1 = 8.4 TL
2022	6450 TL	\$391	As of June 2022, \$1 = 16.5 TL
2023	8250 TL	\$358	As of June 2023, \$1 = 23 TL
2024	9250 TL	\$289	As of June 2024, \$1 = 32 TL

Source: The Turkish Grain Board (TMO)

Attachments:

No Attachments.