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Fattening Cattle Tender Results and New Tenders for Slaughter Cattle

Report Categories:

Agricultural Situation
Promotion Opportunities
Livestock and Products

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Report Highlights:

This report provides results of the Turkish Meat and Fish Institute (EBK) import tender for 4,000 MT of live fattening cattle held on June 14, 2010 in Ankara. This was the fourth tender to be held by EBK under the new import quotas, announced June 3, 2010. A fifth tender, for 4,000 MT of live slaughter cattle, was held on July 1 and a sixth, for 50,000 MT of slaughter cattle, will be held on July 15, 2010.

Executive Summary: In response to high red meat prices, the Turkish Council of Ministers announced import quotas for live slaughter cattle and beef on April 30, 2010. These quotas are being administered by the Meat and Fish Institute (EBK) via public tenders. The EBK has held five tenders so far. Four of them were for live slaughtering cattle one of them was for live fattening cattle. EBK declared on May 6, 2010 that there were insufficient bids from the first and second tenders, which were for live slaughter cattle and took place on May 4 and May 6. EBK held a third tender for 8,000 MT of live slaughtering cattle and approved the tender results. EBK held a fourth tender in June 14 for 4,000 MT of live fattening cattle and a fifth on July 1 for 4,000 MT of live slaughter cattle. A sixth, for 50,000 MT of slaughter cattle, will be held on July 15.

Results of June 14 Tender for Live Fattening Cattle Imports

The Turkish Meat and Fish Institute (EBK) held an import tender for 4,000MT of live fattening cattle on June 14, 2010 in Ankara. This is the fourth tender held by EBK under the new import quotas, announced on April 30, 2010. The first and second tenders (held May 4 and 6) were cancelled due to insufficient bids, but the bids given in the third tenders for live slaughtering cattle were approved by EBK

The fourth tender, for 4,000 MT of live fattening cattle, qualify for reduced tariffs under the quota for 7,500 MT of fresh, chilled and frozen red meat.

Table 1: Live slaughter beef cattle and import tariff quota

Turkey: Live slaughtering beef cattle and import tariff quota				
HS Codes	Product	Quantity (MT)	Tariff	Expiration of Tariff Quota
02.01	Cattle meat (Fresh or chilled)	7,500	25	December 31,2010
0202	Cattle meat (Frozen)			
0102.90	Live Cattle, Other	16,000	10	December 31,2010

A total of 35 companies requested official tender documents, five companies placed bids and only two bids were accepted. These were Khaled Hijazi & Ghosheh Ltd. Co and Altintern Handels GmbH. Other bids were disqualified due to insufficient paperwork.

Table 2: Companies which attended fourth EBK tender

Turkey: Companies attended fourth EBK tender	
Name of Company	Origin of company
Mb Food A/S	Denmark
Altintern Handels GmbH	Austria
Khaled Hijazi & Ghosheh Ltd. Co	Jordan
Dituria S SRO	Slovakia

Hacılar Helal Meat	Germany
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In the first round of bidding Khaled Hijazi & Ghosheh Ltd. Co offered 4,000 MT of live fattening cattle for 18 million USD and Altintern Handels Gmbh offered 1,000 MT of live fattening cattle for 5.04 million USD.

Table 3: First round bidding in the fourth tender of EBK

Turkey: First round bidding in the fourth tender of EBK						
Deliver to	Quantity (MT)	Hijazi & Ghosheh Ltd. Co	Hacılar Helal Et	Dituria-S s.r.o	MB FOOD A/S	Altintern m.b.H
Izmit	500	2,212,500	2,600,000	1,975,000		
Izmit	500	2,212,500	2,600,000	1,975,000		
Izmit	500	2,212,500	2,600,000	1,975,000		
Izmir	500	2,212,500	2,600,000	1,975,000	2,000,000	
Samsun	500	2,325,000	2,625,000			2,520,000
Samsun	500	2,325,000	2,625,000			2,520,000
Mersin	500	2,250,000	2,625,000			
Mersin	500	2,250,000	2,625,000			
Total	4,000	18,000,000 US\$	20,900,000 US\$	7,900,000 €	2,000,000 €	5,040,000 US \$

In the second round Khaled Hijazi & Ghosheh Ltd. Co reduced its offer to 16.75 Million USD and Altintern Handels Gmbh reduced its offer to 4.52 million USD for 1,000 MT of live fattening cattle. Technically the tender is finished but the results of tenders still need to be approved by the EBK board of directors.

Table 4: Second round bidding in the fourth tender of EBK

Turkey: Second round bidding in the fourth tender of EBK			
Deliver to	Quantity (MT)	Hijazi & Ghosheh Ltd. Co	Altintern m.b.H
Izmit	500	2,100,000	
Izmit	500	2,100,000	
Izmit	500	2,100,000	
Izmir	500	2,100,000	
Samsun	500	2,075,000	2,260,000
Samsun	500	2,075,000	2,260,000
Mersin	500	2,100,000	
Mersin	500	2,100,000	
Total	4,000	16,750,000 US\$	4,520,000 US\$

EBK is planning to sell live fattening cattle to the private sector and has recently published technical and administrative requirements for how it intends to operate these sales. According to the specification one company may purchase up to 250 head of cattle from EBK.

Fifth and Sixth Tenders

A fifth tender, for 4,000 MT of live fattening cattle, was held on July 1, 2010. This tender was open to animals from the United States (except the states of Texas, Alabama, and Washington), Brazil (except the Paraná region), Uruguay, Argentina (except the Corrientes and Misiones regions), Latvia, Lithuania, Estonia, Hungary, Norway, Iceland, New Zealand and Australia.

A sixth tender will take place on July 15, for 50,000 MT of slaughter cattle. More information can be found on the EKB website at: <http://www.ebk.gov.tr/sdetay.asp?id=1027&did=190> or by calling +90-312-284-3670. The purchase of tender documents is mandatory for all bidders.