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Grain and Feed Annual

Grain and Feed Annual

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Report Highlights:

Rainfall in MY 2009 was significantly higher than the previous two years. The wheat production estimate for MY 2009 is 18 MMT and the forecast for MY 2010 is 18.5 MMT quality problems were widespread. Post estimates MY 2009 Turkish lentil production 280,000 MT and MY 2010 durum wheat production at 2.6 MMT. Biotechnology regula published in October 2009 disrupted imports of soybeans and corn-based products lik and DDGS, causing feed prices to increase. In March 2010 Parliament approved a N Biosafety Law which will regulate biotechnology; the impact on trade is yet unknown.

Executive Summary:

Rainfall in 2009 was higher than in 2008 across most of the country. Average rainfall in Turkey from October 2009 through January 2010 was 397 mm. During the same period of the previous year, rainfall was just 272 mm

Due to favorable weather conditions throughout most of Turkey, wheat production is forecast to reach 18.5 MT in MY 2010, assuming continued favorable weather from April to June. Post revised the wheat production estimate for MY 2009 from 17.8 MMT to 18 MMT. Estimated durum wheat output for MY 2009 remains at 2.9 MMT. Turkey is forecast to produce 2.6 MMT of durum wheat in MY 2010.

Most wheat producing regions faced quality problems in MY 2009. Due to the wet weather conditions so far in MY 2010, farmers may face quality problems again.

Barley production in MY 2010 is forecast at 5.9 MMT. Barley production in MY 2009 is estimated at 6 MMT. Barley area in Southeast Anatolia decreased in MY 2010.

Post has revised the MY 2009 corn production estimate to 4 MMT and forecasts 3.9 MMT in MY 2010. High yields, government subsidies and high Turkish Grain Board (TMO) procurement prices in MY 2009 resulted in satisfied farmers.

Due to the dry weather conditions during the harvest of MY 2009, paddy rice production estimate was revised downward to 700,000 MT in MY 2009. Although it is very early to forecast paddy rice production for MY 2010, the post forecast is 710,000 MT.

Because of low seed stocks, heavy rainfall during the planting season, and early hot weather, post estimates MY 2009 Turkish lentil production at 280,000 MT. If conditions remain normal, there will be a dramatic increase in MY 2010 lentil production. Post forecasts a 550,000 MT lentil crop for MY 2010.

The milling wheat price is higher than durum wheat, the reverse of the normal situation. Turkey is having a high output but low quality wheat harvest in MY 2009.

The barley price is projected to remain steady in MY 2009. The latest barley price in Konya CME was recorded as 360 TL/MT (US$ 235/MT) on March 2, 2010.

On December 31, 2009 the Turkish government published a new cabinet decision authorizing TMO to import up to 100,000 MT of rice at zero duty until December 31, 2010. TMO used 20,000 MT of this quota in February, 2010.

The Ministry of Agriculture issued a new Biotechnology Regulation in late October 2009 that shut down imports of transgenic food and feed ingredients, including soybeans, soy meal, corn, corn gluten feed (CGF), dried distillers grains (DDGS) and other products. Following

court challenges the import regime changed several times between October 26 and January 25. The market re-opened to certain products between January 25 and March 1, but currently no product with transgenic content, from soybeans to feed ingredients to foodstuffs, can enter Turkey.

On March 19, a separate National Biosafety Law was approved by the Parliament. This law has circulated in several draft versions.

For the National Biosafety Law to go into force, the Ministry of Agriculture must prepare and issue implementation regulations. At this time, it is unknown how restrictive these measures might prove to be. It also is unknown how the October 2009 Biotechnology Regulation will be enforced after the National Biosafety Law is activated.

The Biotechnology Regulation and the new Biosafety Law have caused a great amount of confusion in public opinion on genetically-engineered products, uncertainty on imports of feed items and also jeopardized developments in the feed industry and related sectors.

Feed input prices increased dramatically after the October 26, 2009 biotechnology regulation was published, as it initially blocked imports of soybean and soybean meal. Soybean prices jumped 40% in November to $700/MT. DDGS and CGF prices also increased dramatically.

Feed price increases were reflected in milk, meat and poultry prices. The retail beef price increased by 35%, the sheep meat price increased by 52%, and the poultry price increased by 20% between January 2009 and February 2010.

Post revised the wheat import estimate to 2.3 MMT for MY 2009 and the wheat export estimate to 3 MMT.

Corn derivative product imports are banned according to the implementation directive of the October 2009 regulation. Increased DDGS and CGF imports over the past few years have been a great concern for local producers of sunflower meal, corn and wheat bran and have attracted the attention of the Foreign Trade Undersecretariat.

The government increased the agricultural support budget from 4.95 billion TL in 2009 to 5.6 billion TL in 2010, and plans to increase it to 5.9 billion TL in 2011

Commodities:

Production:

Rainfall in 2009 was higher than in 2008 across most of the country. Average rainfall in Turkey from October 2009 through January 2010 was 397 mm. During the same period of the previous year, rainfall was just 272 mm.

The areas with the greatest increase in rainfall were the Mediterranean, East Anatolia and in the Southeast Anatolia region. October to January cumulative rainfall in the Mediterranean region this season was 664 mm, while the average level for that region is 465 mm. Average rainfall from October 2009 to January, 2010 was above normal levels in the East and Southeast Anatolian Regions. This increase in rainfall was especially needed in the East and Southeast of Turkey after two consecutive years of drought.

Table 1: Cumulative Rainfall in Turkey

Turkey: Recent Rainfall Levels			
Region	**Oct 2009- Jan 2010 (mm)**	**Oct 2008-Jan 2009 (mm)**	**Normal (mm)**
Marmara	409.1	279.9	321.1
Aegean	392.5	335.3	338.2
Mediterranean	663.6	335.3	464.5
Central Anatolia	203.6	174.5	153.6
Black Sea	393.3	341.9	368.8
East Anatolia	329.3	164.2	229
South East Anatolia	420.4	173.1	299
Turkey Total	396.5	271.8	309

Source: Turkish State Meteorological Service

Wheat

Winter wheat planting finished in October 2009. The area of wheat remained the same. In the Thrace and Aegean region some planted wheat areas are under flood conditions. Turkish authorities estimate that 3000 ha of the winter wheat crop was damaged. Although it is still early to reliably forecast MY 2010 wheat production, based on favorable weather conditions throughout most of Turkey thus far, wheat production is forecast at 18.5 MMT in MY 2010, assuming sufficient rain and favorable conditions continue from April to June.

Central Anatolia is the main grain supplier of Turkey. Wheat and barley are the traditional products of this high plateau region. So far in MY 2009, rainfall in the region is above normal levels and snow cover is favorable for wheat production in MY 2010. Total wheat area in Central Anatolia is 3,000,000 ha and the average yield is 2 MT/ha. Of the total 6 MMT of wheat produced in Central Anatolia in MY 2009, 1.1 MMT was durum wheat.

In the Southeast of Turkey, the provinces of Sanliurfa, Diyarbakir and Mardin are the primary producers of wheat. The wheat producing area of Southeast Anatolia is approximately 1,000,000 ha with an average yield of 3 MT/ha. Southeast Anatolia produced 3 MMT of wheat in MY 2009. Of this total, 1.3 MMT was durum wheat.

In Thrace, farmers planted 600,000 ha of wheat. The average yield in the region is 4.5 MT /ha. The region is expected to produce 2,700,000 MT of wheat in MY 2010. Due to high rain levels and flooding this winter, 50,000 MT of wheat might be damaged in the Thrace region. Wet conditions are expected to increase plant disease and lower the quality of the wheat.

The Cukurova region has 300,000 ha of wheat planted in MY 2010. The wheat area slightly increased in MY 2010 compared to MY 2009 because some Cukurova farmers switched from sunflower back to wheat. Due to the high price of fertilizer (1350 TL/MT), farmers chose to plant sunflower in the region in MY 2009 but lower fertilizer prices (455 TL/MT) this year led farmers to plant wheat in MY 2010. Average wheat yield in the region is 4.4 MT/ha. The Cukurova region is expected to produce 1.32 MMT of wheat in MY 2010.

The government increased wheat premium payments from 45 TL/MT in MY 2008 to 50 TL/MT in MY 2009. Payments will remain at 50 TL/MT in MY 2010.

The total wheat growing area for regions not mentioned above is 1,400,000 ha. Total wheat production from those regions is expected to reach 5.5 MT in MY 2010. Certified seed usage increased, particularly in the Aegean region. Nationwide, however, there is a chronic shortage of certified seed. Rainfall in the Aegean region was above normal Wheat is in a very good condition in MY 2010 so far. The revised post estimate for MY 2009 wheat production is 18 MMT, up from the earlier estimate of 17.8 MMT.

Most wheat producing regions had quality problems in MY 2009. Due to the wet weather conditions so far, quality problems might arise again in MY 2010.

Fertilizer prices rose significantly from 2009 to 2010

Table 2: Fertilizer price

Turkey: Fertilizer price		
Type of fertilizers	December 10, 2009 (TL/MT)	February 10, 2010 (TL/MT)
Compound fertilizers		
20-20-20 (NPK)	460	650
15-15-15 (NPK)	650	770
DAP	670	920
Nitrate fertilizers		
Urea	585	680
Ammonium Sulphate	275	400
Ammonium Nitrate %33	440	580
Ammonium Nitrate %26	420	470

Estimated total durum wheat output for MY 2009 remains at 2.9 MMT. Durum wheat is produced mainly in Central Anatolia and Southeast Anatolia. Central Anatolia has 280,000 ha of durum wheat area yielding 3.9 MT/ha in MY 2009. The quality of durum wheat in MY 2009 was very high compared to MY 2008 and MY 2007.

The durum wheat area remained the same in Central Anatolia but due to favorable weather conditions yields are expected to increase slightly. Southeast Anatolia has 275,000 ha of durum wheat area. MY 2009 yields are recorded as 4.7 MT/ha, which was a record for the region. Both the quantity and the quality of the durum wheat were better this year compared to the two previous years.

Turkey is forecast to produce 2.6 MMT of durum wheat in MY 2010. Although the durum wheat planting area decreased in the south east of Anatolia, yields are expected to increase due to favorable weather condition in MY 2010.

Both durum wheat and durum wheat product exports increased in MY 2010. Pasta, semolina, bulgur exports through the first 8 months of MY 2010 exceeded the level of same period of MY 2009 Due to the low price of durum wheat and high price of milling wheat in MY 2009, the durum wheat area decreased almost 10% in MY 2010.

Table 3: Government support program for wheat (YTL/MT)

Turkey: Government support for wheat producers					
Year	Certified seed (TL/ha)	Soil analysis (TL/ha)	Premium (Kg/TL)	Diesel (TL/ha)	Fertilizer (TL/ha)
2005	50	-	-	24	16
2006	50	10	30	-	-
2007	50	10	35	28.8	21.3
2008	45	10	40	28.8	21.3
2009	50	22.5	45	29.3	38.3
2010	50	25	50	32.5	42.5

TMO (Turkish Grain Board) announced grain intervention prices on June 5, 2009 and stopped its sales of wheat (milling, pasta and biscuit) and barley on June 1, 2009 because of the start of the domestic wheat and barley harvest.

Table 4: Historic TMO Wheat intervention price and premiums

Turkey: TMO wheat intervention prices and wheat premiums		
Year	**Intervention price**	**Premium**
2000	102	NA
2001	164	NA
2002	230	NA
2003	325	NA
2004	370.5	NA
2005	350	30
2006	375	35
2007	425	45
2008	500	45

Source: TMO

TMO was an active player at the wheat market in MY 2009. TMO announced wheat procurement prices, which are given in the table below.

Table 5: TMO wheat intervention price and wheat premium

TURKEY: TMO GRAIN INTERVENTION PRICE FOR 2009-10							
TYPES OF WHEAT		INTERVENTION PRICE (TL/MT)				SALE PRICE (TL/MT)	
		JUNE-JULY-AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	OCTOBER	NOVEMBER
DURUM WHEAT	DURUM WHEAT FOR PASTA	525	535	545	555	600	610
	LOW QUALITY DURUM WHEAT FOR PASTA	450	460	470	480	515	525
MILLING WHEAT	ANATOLIAN HARD WHITE WHEAT	500	510	520	530	575	585
	ANATOLIAN HARD RED WHEAT	500	510	520	530	575	585
	WHITE SEMI HARD	475	485	495	505	545	555
	RED SEMI HARD	475	485	495	505	545	555
	OTHER RED AND WHITE WHEAT	450	460	470	480	515	525
	FEED WHEAT	420	430	440	450	490	500
BARLEY		375	385	395	405	440	450
RYE, TRITICALE		375	385	395	405	440	450
OATS		375	385	395	405	440	450
MINIMUM PRICE (BARLEY, RYE, OATS, TRITICALE)		330	340	350	360	390	400

Source: TMO

TMO started to procure grain on June 5, 2009 and procured 3.77 MMT of wheat in MY 2009.

Table 6: TMO Grain procurement between June 5, 2009 and February 22, 2010.

Turkey: TMO Grain procurement from June 5, 2009 to February 22, 2010							
Type of Grain	Durum Wheat	Milling Wheat	Barley	Rye	Oat	Corn	TOTAL
Quantity (MT)	735,000	3,035,000	1,300,000	48,500	4,150	185,000	1,529,428

Source: TMO

Barley

Turkish barley production for MY 2009 is estimated at 6 MMT and for MY 2010 is forecast at 5.9 MMT. Because barley is less susceptible to adverse weather conditions, farmers in Central Anatolia and Southeast Anatolia who face variable weather conditions prefer planting barley. The barley production area in South East Anatolia decreased in MY 2010. Drought in Southeastern Anatolia and part of Central Anatolia greatly reduced barley yields in MY 2008.

The government announced a premium of 40 YTL /MT for barley, rye, and oat growers in MY 2010 and MY 2009. This premium has increased every year since 2006.

Corn

The Turkish second-crop corn harvest ended in January 2010. Favorable weather conditions during July and August produced some record yields. In Cukurova and the GAP region, the yield was recorded as 10-13 MT/ha, compared to 6-10 MT in MY 2008.

Post has revised the MY 2009 corn production estimate to 4 MMT and forecasts 3.9 MMT in MY 2010. High yield, government subsidies and high TMO prices made farmers happy in MY 2009.

There are already some areas in the Cukurova region planted to first crop corn and many winter wheat producers there are planning to plant corn as a second crop. The Aegean region, the Cukurova region and South East Anatolia are the primary corn producers in Turkey. First crop corn will be planted from the first week of March until mid-April. Farmers in some areas are having trouble deciding whether to plant cotton, corn or soybeans.

The cotton premium was increased from 324 TL to 420 TL/MT in MY 2009 and remained the same in MY 2010. The corn premium also is unchanged at 40 TL/MT in MY 2010.

The soybean premium rose from 247 TL/MT to 350 TL/MT in MY 2009 and remained the same in MY 2010. Due to these higher payments for cotton and soybeans, some corn producers are expected to plant cotton and soybeans instead of corn. This will lead to an overall decrease in the area planted to corn in MY 2010.

In Southeast Anatolia, some farmers couldn't harvest second crop corn because of rainy conditions in MY 2009. Farmers who left second crop corn in the field will plant first crop corn in MY 2010.

Rice

The Marmara and Thrace regions are the main paddy production areas in Turkey. Turkey has 100,000 ha of paddy rice plantation, half of which is located in the Thrace and Marmara regions. Ipsala in Thrace is the main paddy rice production area in that region and contains 20,000 ha of paddy rice. Due to dry weather conditions during the harvest of MY 2009 paddy rice, the MY 2009 production estimate is revised downward to 700,000 MT, from the previous estimate of 715,000 MT.

The Thrace and Marmara regions received sufficient rainfall so far in MY 2010. Most dams in the region are close to optimum levels. This is expected to lead to paddy rice production increases in MY 2010. Paddy rice plantation will start in May. Although it is very early to forecast paddy rice production for MY 2010, the post forecasts is 710,000 MT.

Table 7: Area of Rice Planting in Turkey

Turkey: Rice Area And Production by Region		
Region	Sown area	Production
Marmara	66,801	545,811
West Black Sea	24,283	174,920
South East Anatolia	4,839	20,906
Mediterranean	987	5,067
Others	3,090	6,296
Total	100,000	753,000

Source:TUIK

High premiums and prices for rice led to increased area planted in MY 2008 and MY 2009. The Turkish government's second revised estimate for rice production was 753,000 MT for MY 2008 and 750,000 MT for MY 2009. The paddy rice premium remained at 100 TL/MT in MY 2010. The premiums for grains are normally announced after the planting period. In MY 2010, however the government announced grain premiums in advance. The early announcement of premiums will lead to a greater government influence on farmer grain planting decisions for MY 2010.

Lentils

Pulse planting area normally changes depending on the availability of seeds, prices of the previous year's harvest, weather conditions, fertilizer prices, plant disease levels, and the presence of weeds like broomrape (Orobanche spp) in the field.

In a normal season, Turkish lentil production is close to 500,000 MT. However 80% of the crop in MY 2008 was lost due to a severe drought; total production was only 100,000 MT.

Sanliurfa, Diyarbakir and Mardin in Southeastern Turkey supply 75-80% of total Turkish red lentil production. The red lentil harvest started in June 2009 in the Southeast. Hot weather during April and May 2009 lowered yields, so early forecasts of 350,000 to 400,000 MT, have been revised down to between 250,000 and 300,000 MT.

The Ministry of Agriculture and Rural Affairs introduced a 90 TL/MT pulse premium in 2008. It is increased to 100 TL/MT in 2009 and remained the same in 2010. A high lentil price and pulse premiums are expected to increase lentil planting in MY 2010.

The GAP region, which is in South East Anatolia, traditionally grows pulses. GAP development projects, including new dams and irrigation canals, have led to increased lentil yields and plantation area.

Lentil plantation in Sanliurfa and Diyarbakir (Southeast Anatolia of Turkey) increased in MY 2010 compared to MY 2009. Due to the wet weather conditions in Southeast Anatolia, some of the second crop corn couldn't be harvested. Farmers who grow second crop corn usually grow either barley or lentil as a first crop. In MY 2010, farmers who had problems in second crop corn harvesting are planning to plant cotton as a first crop instead of barley and lentils.

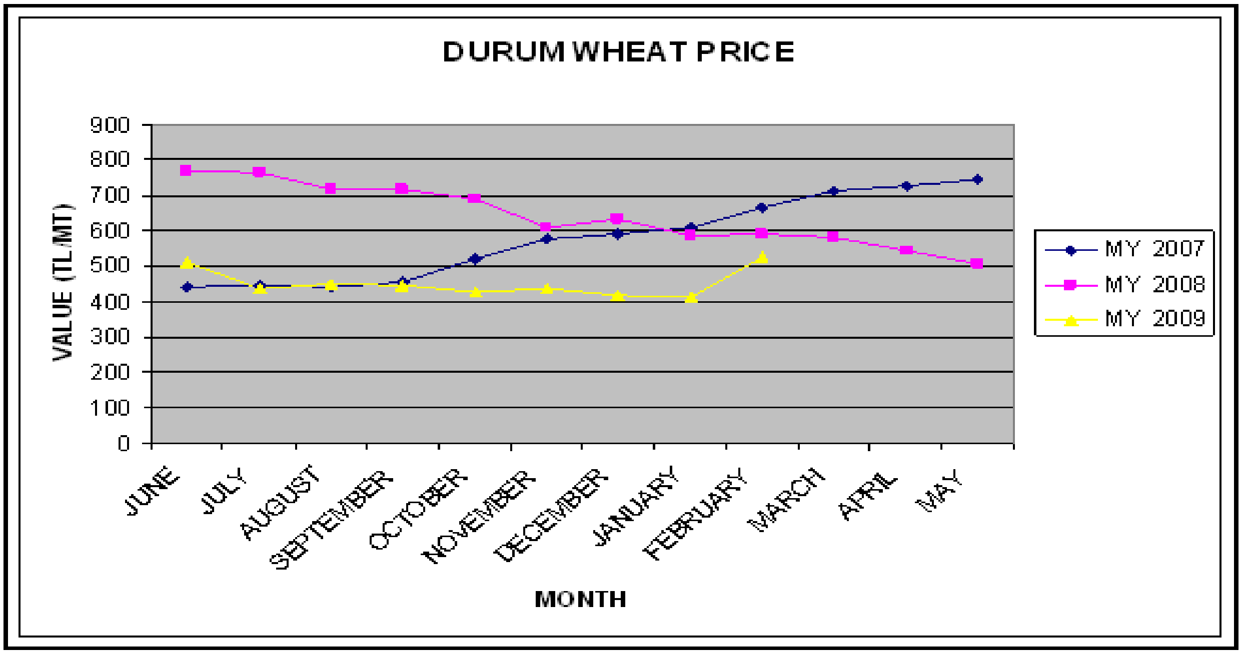
Because of low seed stocks, heavy rainfall during the planting season, and early hot weather, post estimates MY 2009 Turkish lentil production at 280,000 MT. If conditions remain normal, there will be a dramatic increase in MY 2010 lentil production. Post forecasts a 550,000 MT lentil crop in MY 2010. Late March and April rain will be the critical factor determining lentil production in MY 2010.

Consumption:

Wheat

Due to higher production levels compared to MY 2008, the durum wheat price decreased dramatically in MY 2009. The durum wheat price is currently below the milling wheat price.

Figure 1: Average durum wheat price at the Konya Commodity Exchange



The average durum wheat import price in CY 2009 decreased to US$ 439/MT. It was US$ 557/MT in CY 2008 and US$ 286/MT in CY 2007.

Table 8: TMO Durum wheat procurement price

Turkey: TMO durum wheat procurement price						
Type of Durum Wheat	Purchase price (TL/MT)				Sale price (TL/MT)	
	June-August	September	October	November	November	December
Anatolian durum wheat	525	535	545	555	600	610
Low quality durum wheat	450	460	470	480	515	525

Source: TMO

Turkish total domestic pasta consumption decreased 4% to 413,000 MT in CY 2009. Average Turkish pasta consumption is 5.7 kg/person.

There are 22 pasta factories in Turkey. Turkish total pasta production capacity is currently 1,300,000 MT/year, up from 2009 levels. However, output was only 52% of capacity in CY 2009.

Table 9: Pasta production and consumption of Turkey

Turkey: Pasta Production and Consumption		
Calendar Year	Production (MT)	Domestic Consumption (MT)
2001	388,000	352,050
2002	422,000	364,949
2003	438,000	369,550
2004	512,000	385,198
2005	566,303	403,136
2006	614,434	421,220
2007	600,434	427,252
2008	606,620	431,000
2009	628,000	413,000

The milling wheat price is higher than the price for durum wheat, which is the opposite of normal circumstances. Turkey had a high quantity but low quality wheat harvest in MY 2009, so high the quality milling wheat price increased in MY 2009. Durum wheat normally faces lower yields and higher prices compared to milling wheat, this was not the case in MY 2009. This wills leads increased milling wheat production and decreased durum wheat production in MY 2010.

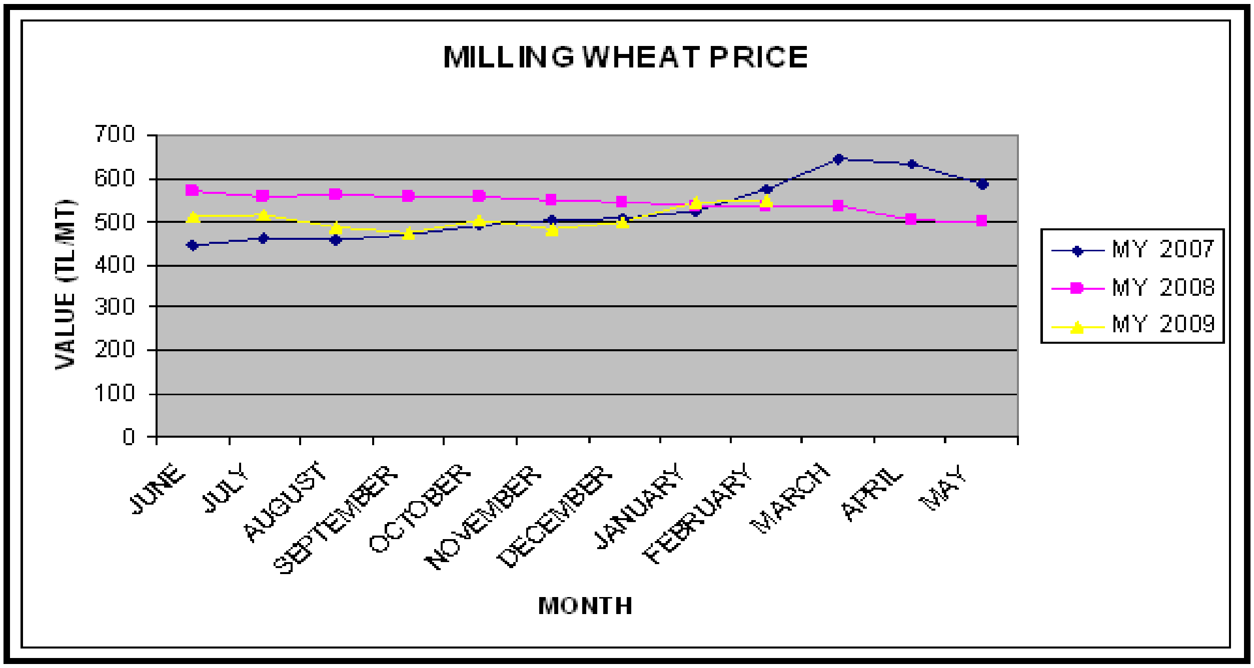
The Polatli CME is the main commodity market exchange for red milling wheat in Turkey. The average price of high quality red milling wheat in the Polatli CME in MY 2008 was 642 TL/MT (US$ 425/MT) and 653 TL/MT (US$ 432$/MT) in MY 2009. High quality red milling wheat on the Polatli CME is 650 TL/MT (US$ 430/MT) in February, 2010.

Table 10: TMO Wheat procurement price

Turkey: TMO wheat procurement price						
Type of Durum Wheat	Purchase price (TL/MT)				Sale price (TL/MT)	
	June-August	September	October	November	November	December
Anatolian Hard White Wheat	500	510	520	530	575	585
Anatolian Hard Red Wheat	500	510	520	530	575	585
White Semi Hard	475	485	495	505	545	555
Red Semi Hard	475	485	495	505	545	555
Other Red And White Wheat	450	460	470	480	515	525
Feed Wheat	500	510	520	530	575	585

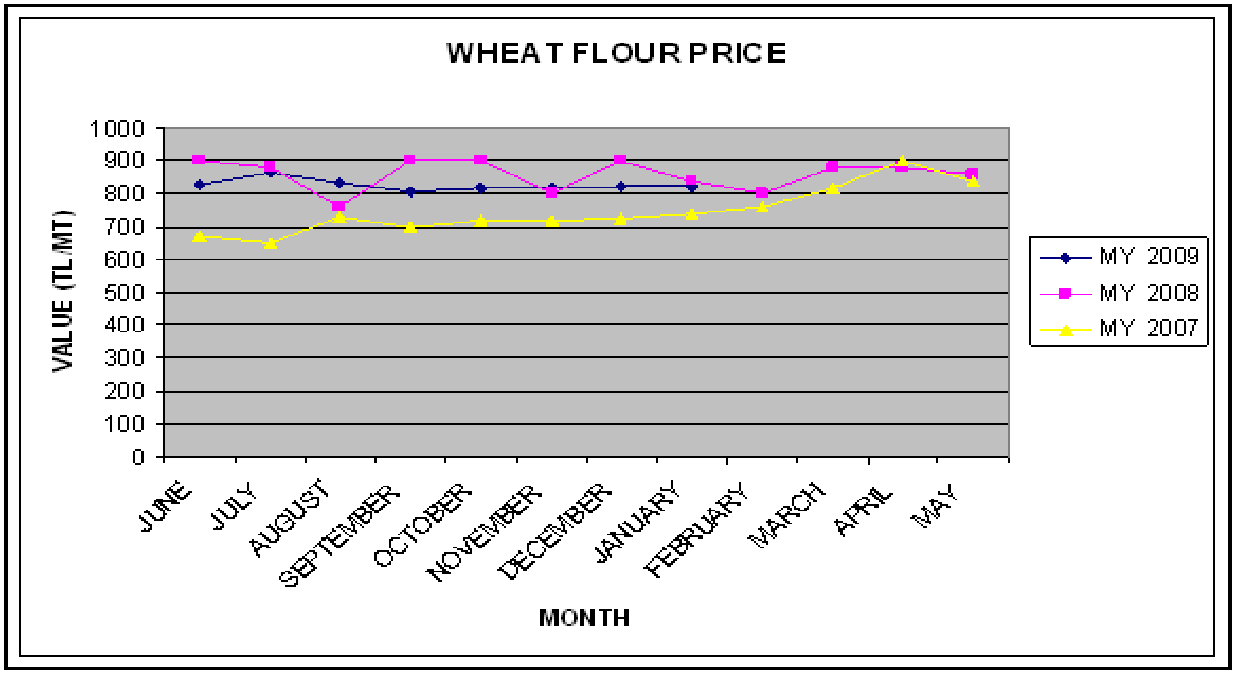
TMO offered 206,889 MT of their stocks of imported wheat to flour producers in February 2010 at a price of 525 -550 TL/MT (US$ 347- 364/MT) excluding VAT and handling charges. The origin of this wheat is Kazakhstan. TMO has also offered to sell 73,621 MT of its imported durum wheat stocks to pasta and semolina producers in February 2010 at a price of 550 TL/MT (US$ 364/ MT), excluding VAT and handling charges.

Figure 2: Average milling wheat price at the Konya Commodity Exchange



The wheat CIF import price in Marmara in February, 2010 was US$ 175/MT for 11.5% protein, US$ 185/MT for 12.5% protein and US$ 205/MT for 13.5% protein, US$ 199/MT for 14% protein and US$ 205/MT for 14.5% protein wheat. The domestic wheat flour price remained stable in MY 2009. The average wheat flour export price was US$ 322/MT in MY 2009. Increased exportation stabilized the domestic wheat flour market price.

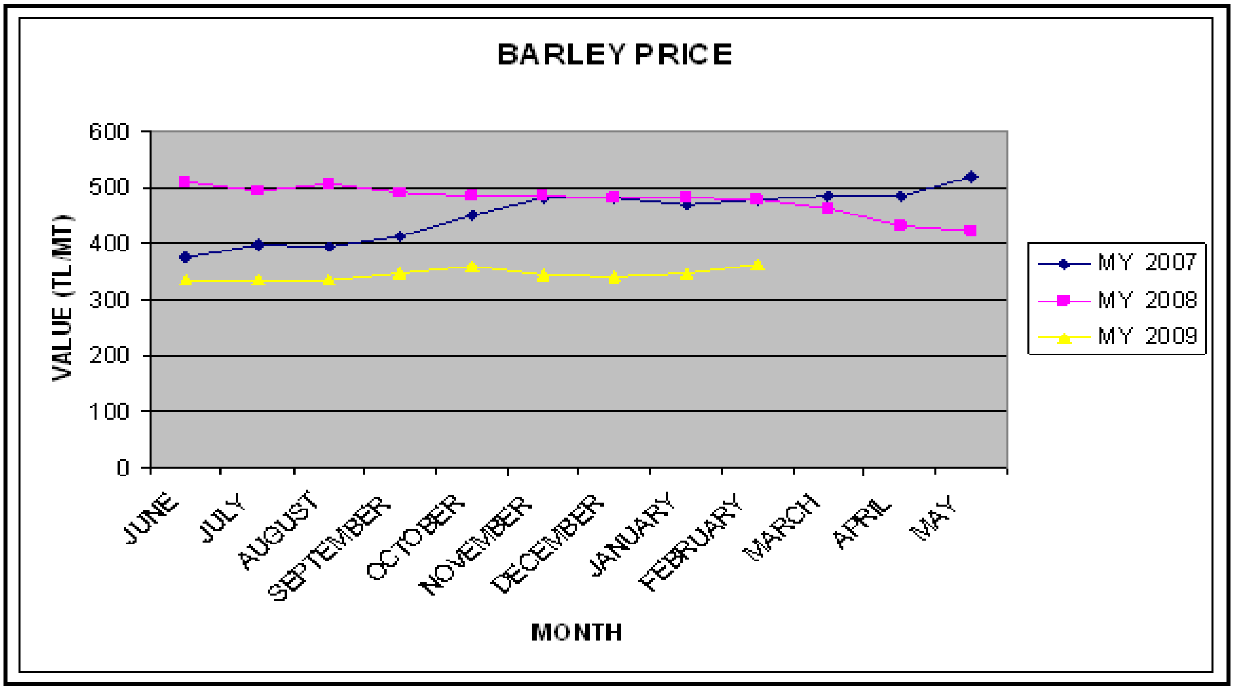
Figure 3: Average wheat flour price at the Polatli Commodity Exchange



Barley

Due to higher production levels, the barley price decreased in MY 2009 but it is projected to remain steady in MY 2009, partly due to intervention from TMO. The barley price at the Konya CME on March 2, 2010 was 360 TL/MT (US$ 235/MT). The price of imported barley in March 2010 was CIF Marmara US$ 162/MT

Figure 4: Average barley price at the Konya Commodity Exchange



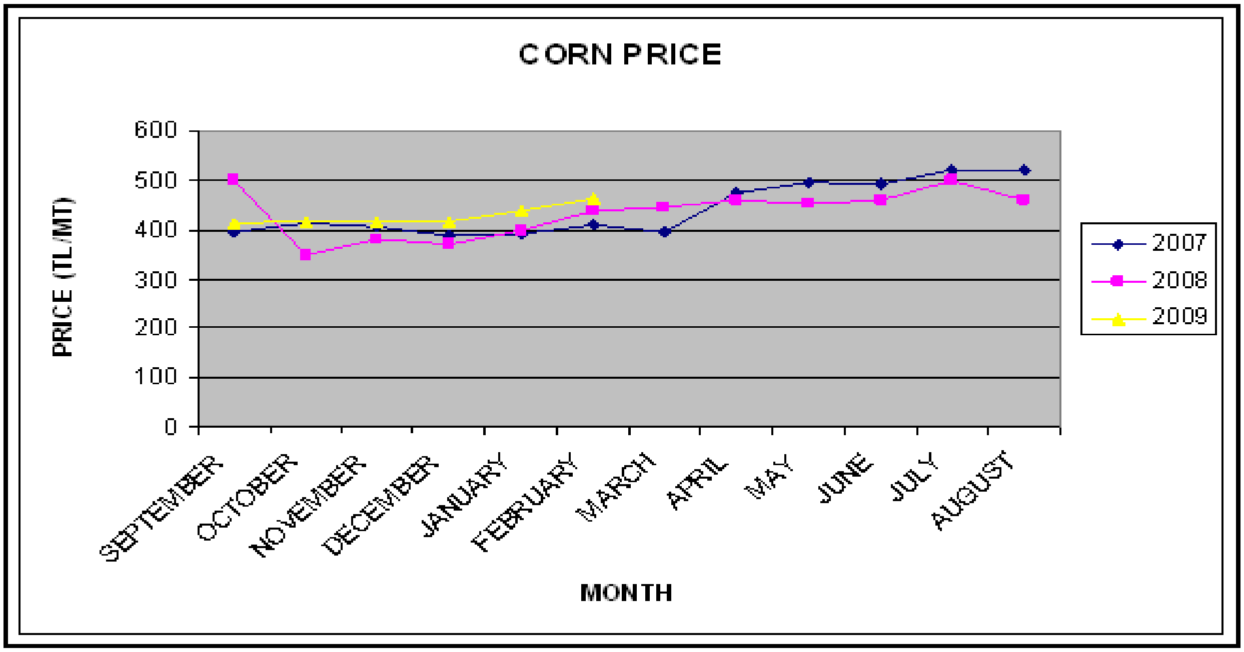
Barley traditionally has been the preferred feed grain in Turkey, especially for ruminants. Half of barley consumption as feed went into commercial feed production and the other half was fed directly to livestock or mixed on the farm. Malting barley consumption, which is estimated at 900,000 MT, has been steady in recent years.

<u>Corn</u>

TMO procured 183,445 MT of corn in MY 2009 at a price of 450 TL/MT. TMO did not procure corn in MY 2006 or MY 2007, but did in August 2008 at a price of 430 YTL/MT. The TMO corn sale price was 580 TL/MT (excluding VAT and handling charge) in MY 2009.

The corn price was 467 TL/MT in the Adana CME and 464 TL/MT in the Sanliurfa CME oin March 1, 2010. The corn import price in March 2010 was CIF Marmara US$ 215/MT.

Figure 5: Average corn price at Adana Commodity Exchange



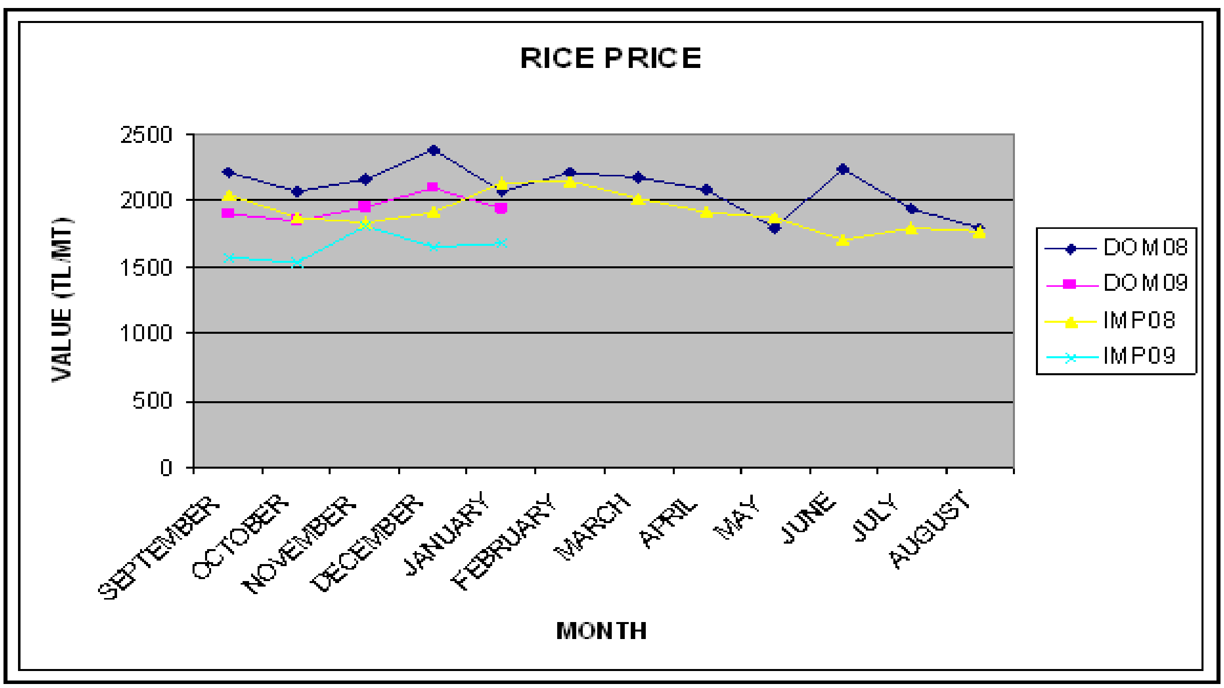
The corn premium for is MY 2009 and MY 2010 is 40 TL/MT, up from 36 TL/MT in MY 2008. The import duty for corn was 130% in MY 2009. The government increased it from 50% to 130% on November 12, 2008 because of high levels of local production.

Rice

Turkey has 25,000 paddy rice farms and 4 paddy rice co-operatives. Bandirma, Samsun, Edirne, Tekirdag and Ankara are the locations of the important commodity exchanges for rice. Turkey has 104 paddy rice millers with a yearly capacity of 2,280,000 MT.

On April 17, 2008 the Turkish government published a cabinet decision authorizing TMO to import up to 100,000 MT of duty free rice until July 31, 2009. Then again on December 31, 2009 the Turkish government published a new cabinet decision authorizing TMO to import an additional 100,000 MT of duty free rice until December 31, 2010. TMO used 20,000 MT of this additional quota in February 2010, on rice from Egypt at a price of US$ CIF 742.50/MT. Egypt shipped 11,500 MT of rice in February, 2010 and the rest will be shipped in March 2010. TMO does not plan to use the rest of the duty free quota.

Figure 6: Average rice price at Mersin Commodity Exchange

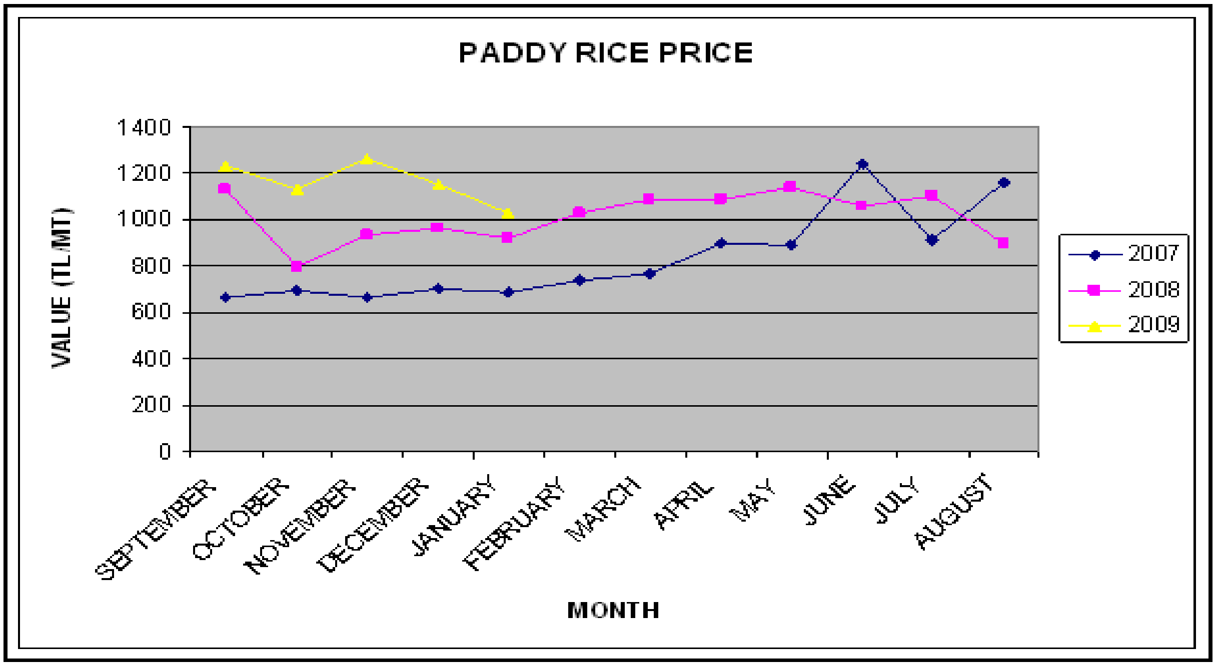


DOM: domestically produced rice

IMP: imported rice

The paddy rice price was 1100 TL/MT on March 1, 2010 in the Tekirdag CME. At the Mersin CME, the local rice price was 2253 TL/MT and the imported rice price was 1662 TL/MT on March 1, 2010. Turkey is expected to import rice in March and May of 2010. U.S. California rice had a price advantage at the market in March 2010 however due to the GMO regulation, importers hesitated to import Jupiter type rice from U.S. at that time. California Jupiter rice is non-biotech, but because there is a zero tolerance policy on biotech food, importers fear contamination. A new GSM-102 allocation announced on March 8, 2010 could make a difference in the rice market in March.

Figure 7: Average paddy rice price at Tekirdag Commodity Exchange

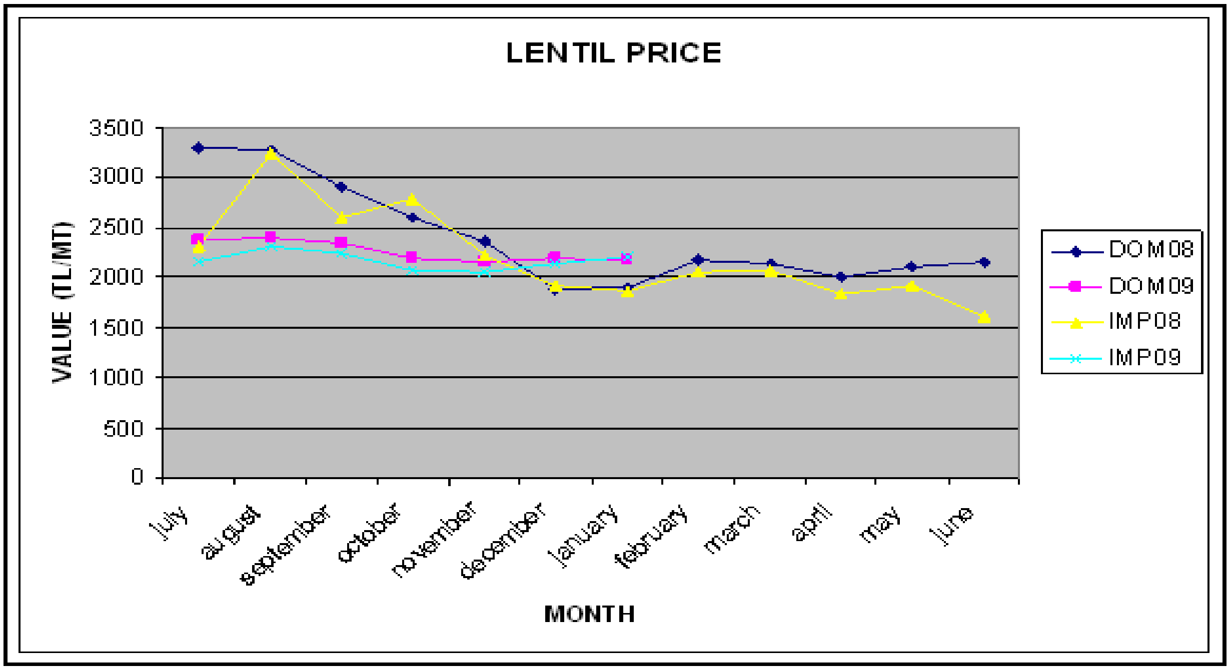


The paddy rice premium was 100 TL/MT in MY 2009 and MY 2010, up from 90 TL/MT in MY 2008.

Lentils

The whole red lentil price was 1765 TL/MT in the Sanliurfa CME on March 1, 2010, while the hulled red lentil price was 2152 TL/MT. The hulled red lentil price peaked around June-September of 2008 due to lower than expected domestic yields, however the price started to decrease when imports began arriving in September 2008. The lentil price is expected to decrease in MY 2010 in response to higher production levels. TMO does not play a role in the lentil market.

Figure 8: Average lentil price at Mersin Commodity Exchange



DOM:domestic
IMP:Imported

Feed

Feed costs in the livestock sector represent 70% of total production costs. In CY 2008 Turkey imported 4.96 MMT of feed ingredients. Soybeans represented 25% of total feed material imports in 2008, corn represented 23%, soybean meal represented 7%, and corn gluten feed (CGF) and dried distillers grains (DDGS) and represented 11%.

Turkey imported 1.23 MMT of soybean, 530,971 MT of CGF, 521,855 MT of DDGS and 359,000 MT of soybean meal in 2008.

Turkey's total mixed feed production increased to 9.8 MMT in 2009 from 9.5 MMT in 2008. Turkey imported 3.17 MMT of feed ingredients in 2008 and 4.9 MMT in 2008. Soybean imports decreased from 1.23 MMT in 2008 to 855,000 MT in 2009.

The Ministry of Agriculture issued a new Biotechnology Regulation in late October 2009 that shut down imports of transgenic food and feed ingredients, including soybeans, soy meal, corn, CGF, DDGS and other products. Following court challenges the import regime changed several times between October 26 and January 25. The market re-opened to certain products between January 25 and March 1, but currently no product with transgenic content, from soybeans to feed ingredients to foodstuffs, can enter Turkey.

On March 19, a National Biosafety Law was approved by the Parliament. This law has circulated in several draft versions.

For the National Biosafety Law to go into force, the Ministry of Agriculture must prepare and issue implementation regulations. At this time, it is unknown how restrictive these measures might prove to be. It also is unknown how the October 2009 Biotechnology Regulation will be enforced after the National Biosafety Law is activated.

The Biotechnology regulation and the Biosafety Law have caused a great amount of confusion in the public opinion on GM products, uncertainty on imports of feed items and also jeopardized developments in the feed industry and related sectors.

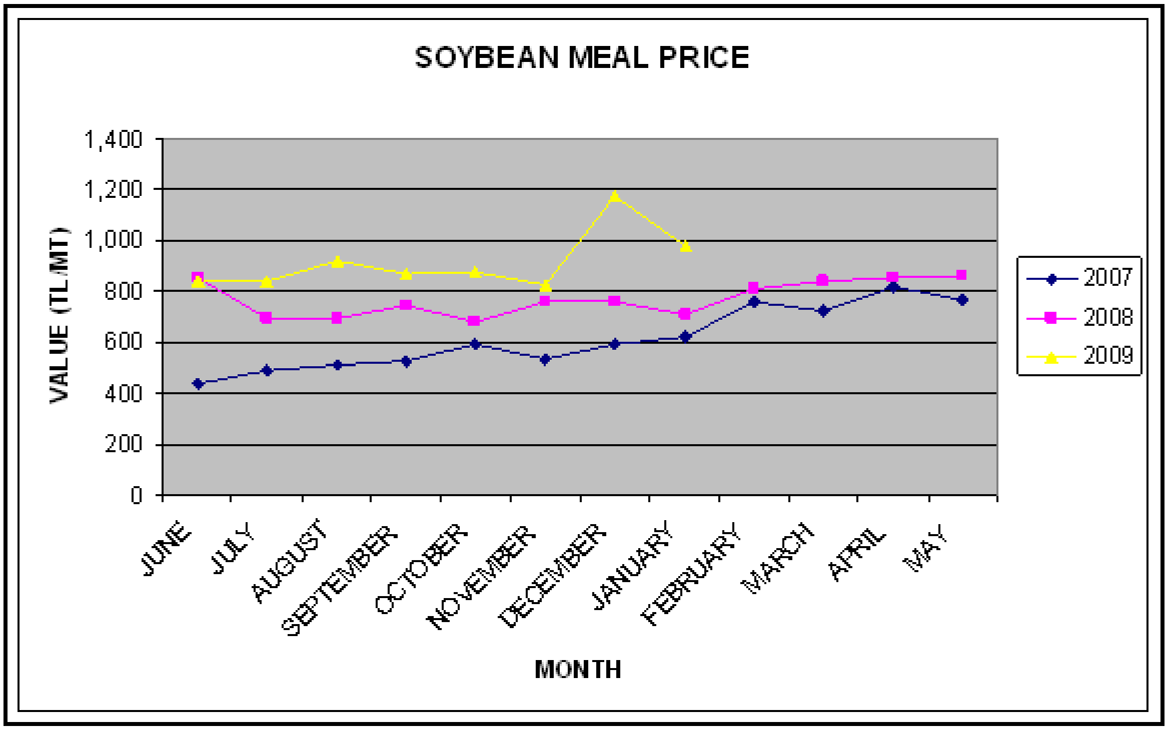
As the situation regarding biotech legislation is changing rapidly, please contact AgAnkara@fas.usda.gov for up-to-date information.

Turkey imported 3.17 MMT of feed ingredients in CY 2009. Of this, 27% was soybeans, 13% was corn, and 11% was soybean meal. Despite decreased DDGS and CGF imports in the last quarter of 2009 because of the biotechnology regulation, 11% of the year’s total imported feed ingredients were DDGS and 10% was CGF.

In 2009 Turkey imported 855,942 MT of soybeans, 325,524 MT of CGF, 354,090 MT of DDGS (521,855 MT in 2008) and 341,614 MT of soybeans (359,000 MT in 2008).

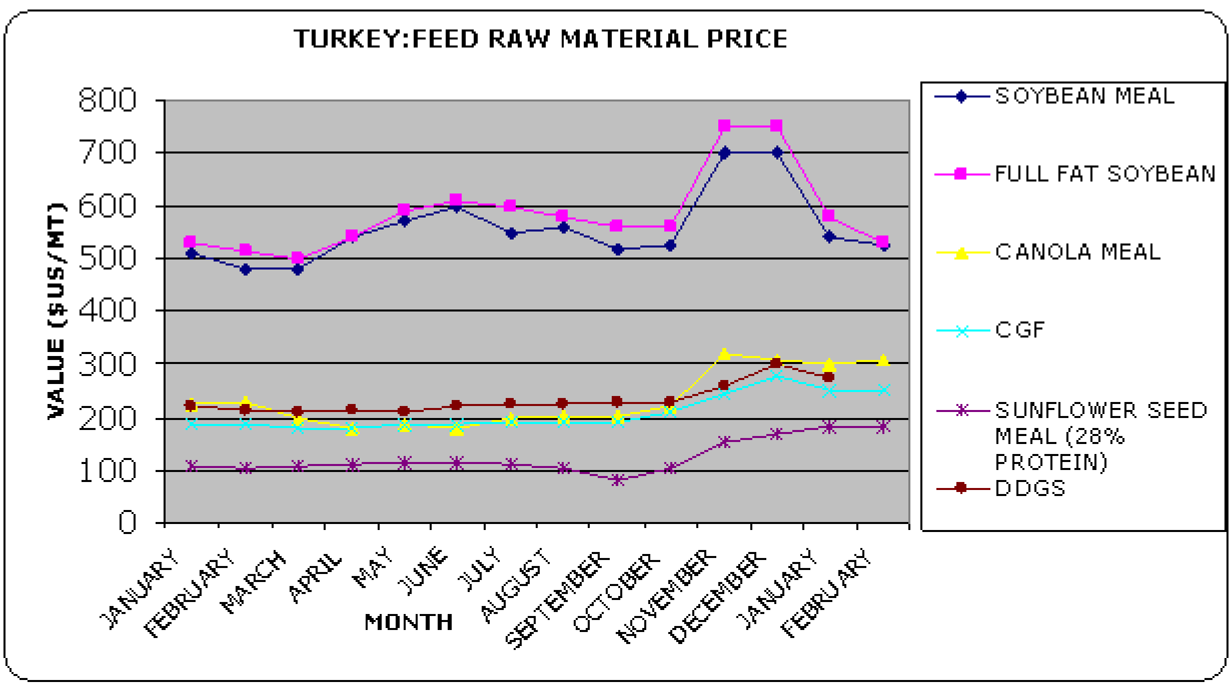
The price for U.S. soybeans (CIF Marmara) was US$ 415/MT in January and US$ 422/MT in March 2010. The price for Argentinean soybeans (CIF Marmara) was US$ 405/MT in January and US$ 398/MT in March. Soybean meal prices reached record levels in December, after the GMO regulation was published. The soybean meal import price was CIF Marmara US$ 510/MT in March 2010 and CIF Marmara US$ 520/MT in January 2010. When one of the implementation directives of the GMO regulation, which allowed soybean importation, was published in January 22, 2010, the soybean meal price started to decrease. This particular implementation directive expired on March 1, 2010 and will likely lead to increased soybean prices in the following months.

Figure 9: Soybean meal price at Bandirma Commodity Exchange



Feed ingredients prices increased sharply after the October 26, 2009 biotechnology regulation blocked imports of soybeans, soybean meal and corn-based feed ingredients.

Figure 10: Feed raw material prices in CY 2009



Source: YEMBIR

Table 11: Feed raw material price before and after the October 26 biotechnology regulation

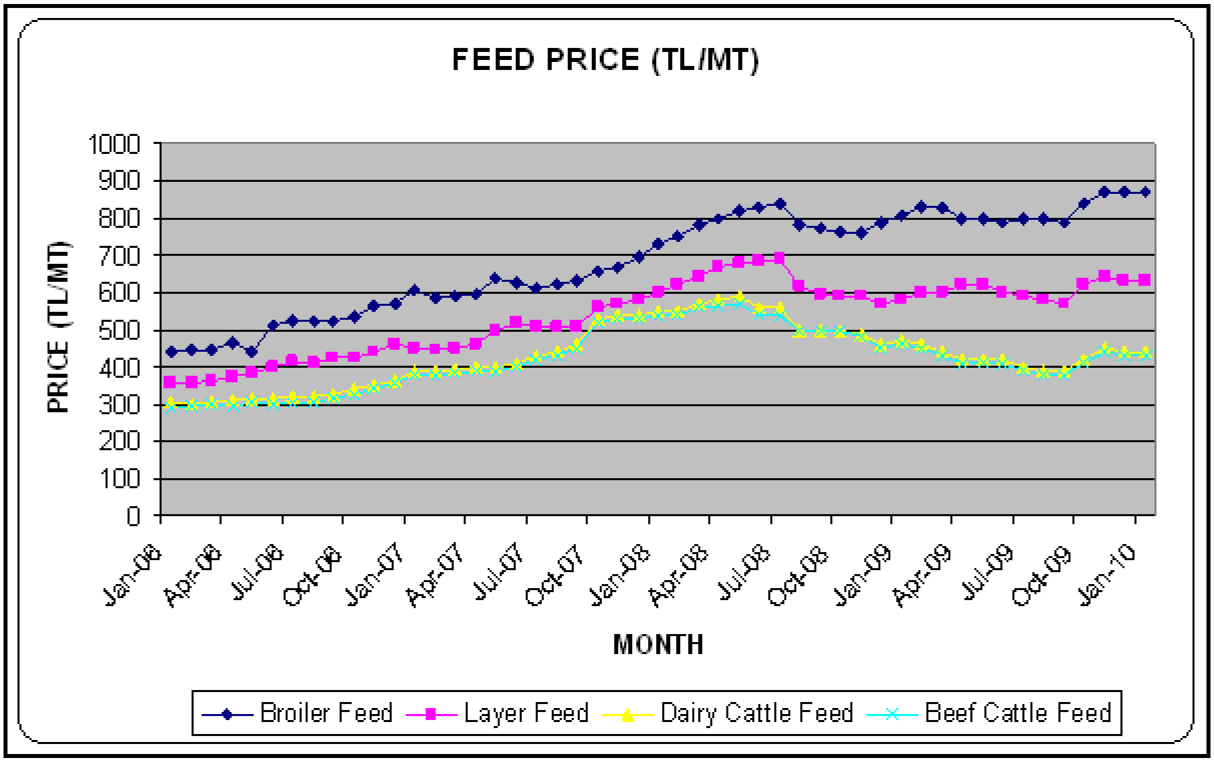
Turkey: Feed raw material prices before and after biotech regulation (US$/MT)				
PRODUCT	**PRICE BEFORE REGULATION**	**PRICE AFTER REGULATION (NOVEMBER)**	**PRICE in DECEMBER 2009**	**Price in February 2010**
Full fat Soybean	560	750	750	490
Soybean Meal	520	750	700	510
DDGS	180	250	280	290
CGF	150	220	250	260
Canola Meal	220	220	230	250
Sunflower Meal	150	350	360	

Table 12 : Feed prices in recent months

Turkey: feed price (TL/MT)								
TYPE OF FEED	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10
Broiler Feed	790	800	800	790	840	870	890	870
Layer Feed	600	590	580	570	620	640	660	630
Dairy Cattle Feed	420	400	390	390	420	450	460	440
Beef Cattle Feed	410	390	380	380	410	440	450	430

Source: YEMBIR

Figure 11: Feed prices in 2006-2009



The price for imported 36% protein sunflower meal CIF UW was 237$/MT in January 2010 and 234$/MT on March 1, 2010. The price for domestic 28% Sunflower meal was US$ 183/MT in March 2010. Sunflower meal prices decreased dramatically in MY 2008 and MY 2009. Some sources say sunflower crushers blamed increased imports of DDGS and CGF for this decrease and lobbied the government to stop DDGS and CGF importation.

Figure 12: Sunflower meal price in Bandirma CME (TL/MT)

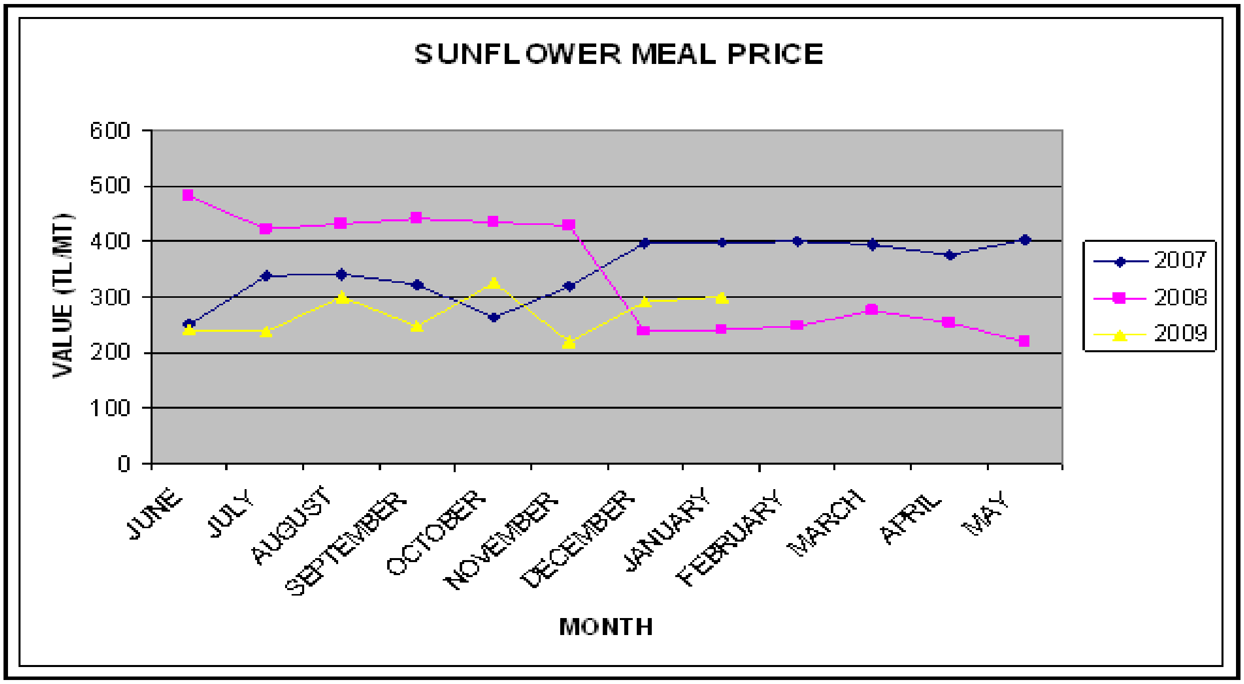
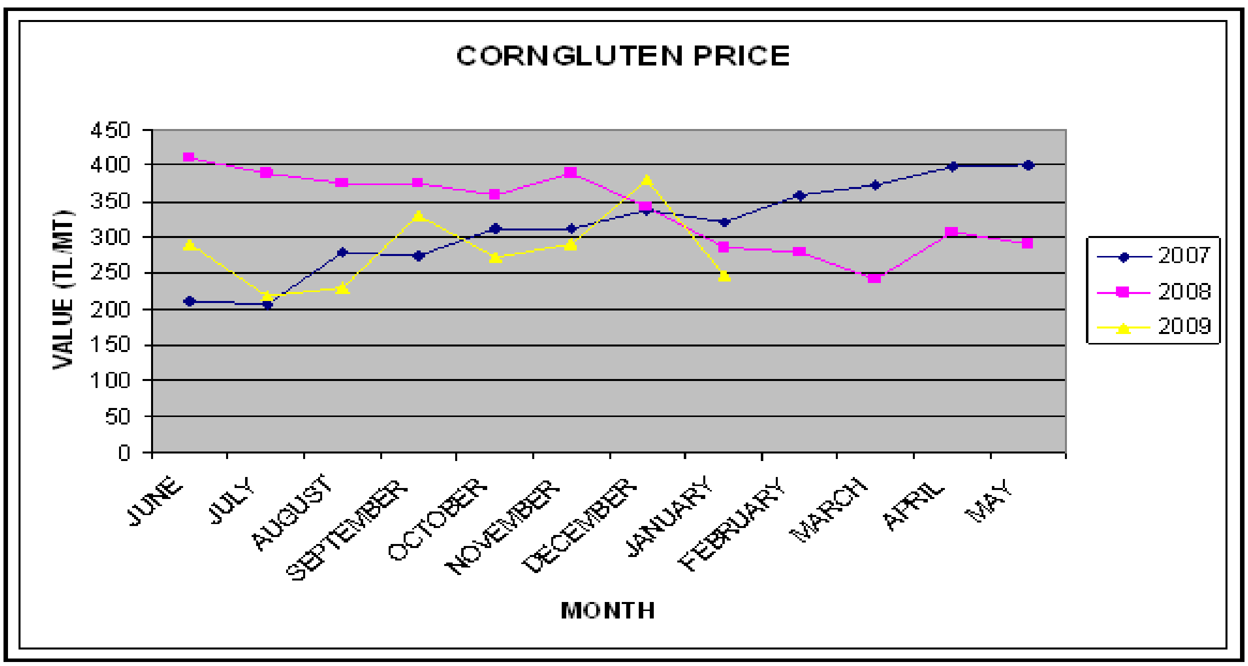


Figure 13: Corn gluten price in Bandirma CME (TL/MT)



Feed price increases were reflected in milk, meat and poultry prices. The retail cattle meat price increased 35%, retail sheep meat price increased 52% and retail poultry price increased 20% in January 2009-February 2010.

Figure 14: Cattle Milk price in Bandirma CME (TL/MT)

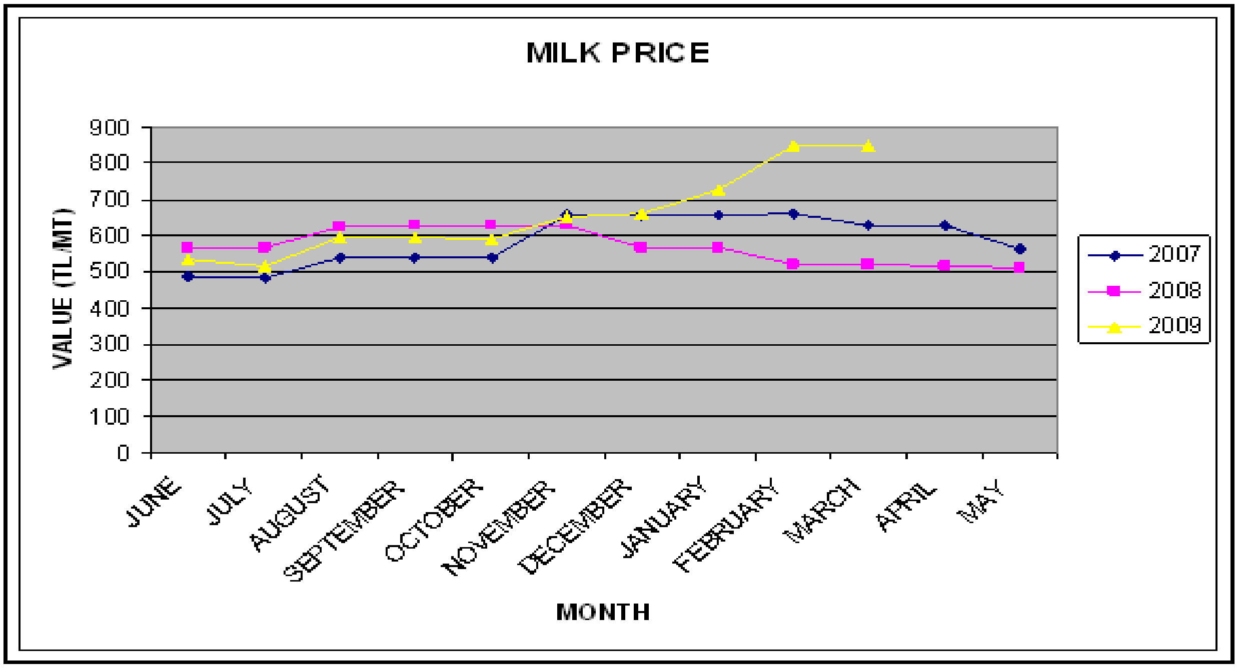


Figure 15: Cattle Carcass meat price in Bandirma CME (TL/MT)

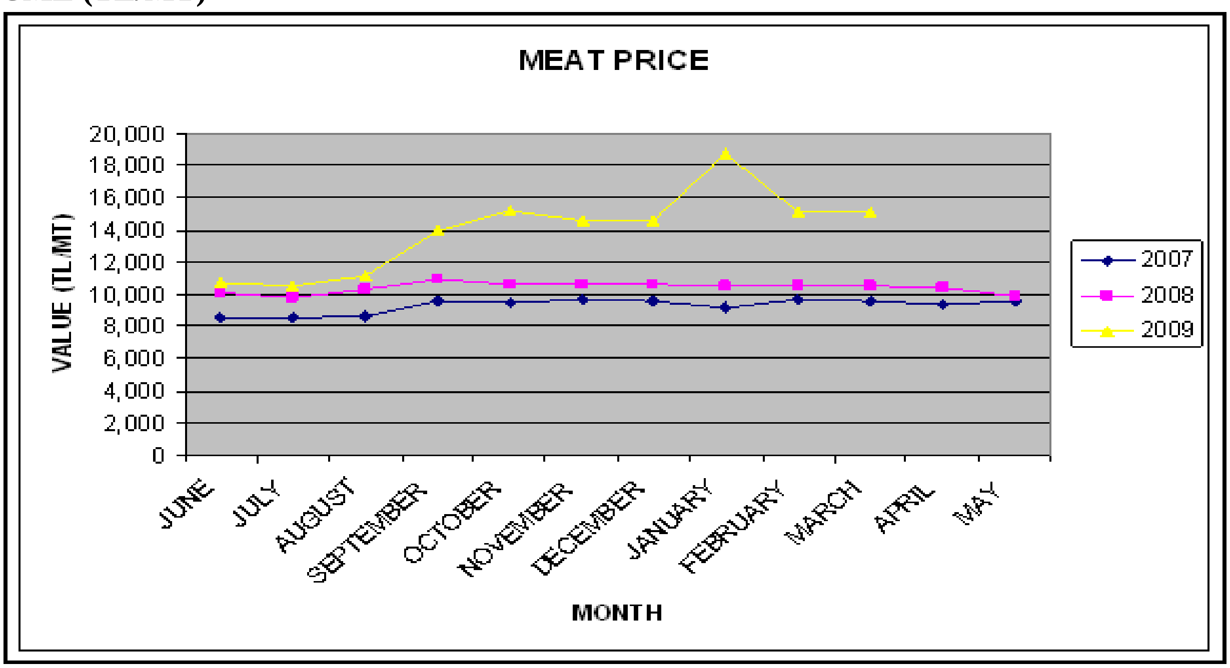
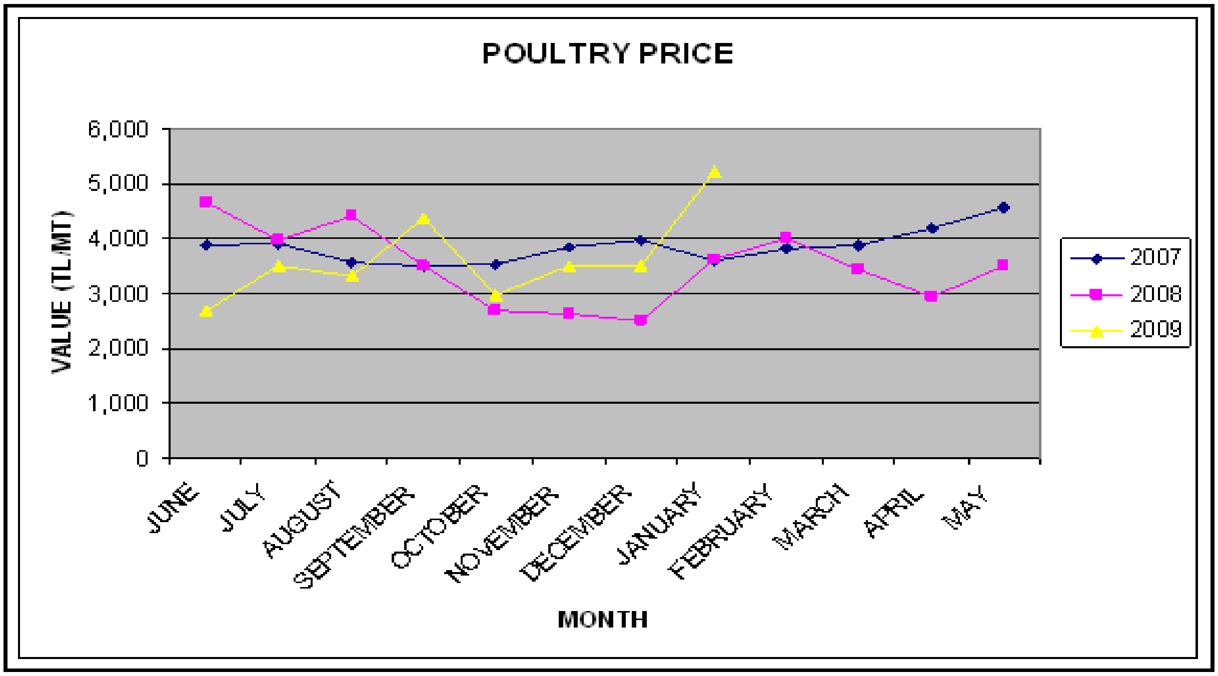


Figure 16: Poultry price in Bandirma CME (TL/MT)



Trade:

Wheat

Turkey imported 3.70 MMT of wheat in CY 2008 and 3.37 MMT in CY 2009. Post estimated wheat imports would be 2 MMT for MY 2009 in the last report, however the actual amount was higher due to low quality domestic wheat and a 42% increase in wheat flour exports compared to the same period of MY 2008. These factors led to increased imports of high quality wheat, especially from Russia, Kazakhstan and Ukraine. Turkey imported 1,456,146 MT of wheat from Russia, 275,211 MT of wheat from Kazakhstan and 105,649 MT from Ukraine from June 2009 to January 2010. Post revised its MY 2009 wheat imports and exports estimates to 2.3 MMT and 3 MMT in MY 2009, respectively.

Not only high yield but also TMO policy decreased total wheat imports in MY 2009. Turkish wheat is normally imported under an inward processing regime. As is customary, imports under this program were suspended on May 15, 2009 when the domestic harvest began, until September 15, 2009.

This year TMO opened its wheat stocks to the wheat flour producers at the world price level. Before this decision Turkish wheat flour producers were importing high quality wheat under the inward processing regime, however at the lower price offered by TMO, Turkish wheat flour producers preferred to buy from TMO.

In January 2010, Turkey imported 187,218 MT of Wheat. Of this total, 137,514 MT came from Russia, 46,439 MT from Kazakhstan and 256 MT from Ukraine

Turkey exported 78,778 MT of wheat to Syria, 70,932 MT to Italy and 31,625 MT to Egypt in CY 2009. Turkey exported a total of 301,386 MT in MY 2009, which is higher than the same period of MY 2008. The main reason for this increase was TMO intervention. TMO decided to export their stocks at the world price in MY 2009.

TMO has been authorized to export 1 MMT of wheat and 500,000 MT of barley in MY 2009. TMO exported 1,585,000 MT of grain in MY 2009. This included 680,000 MT of milling wheat, 150,000 MT of durum wheat, 300,000 MT of corn and 455,000 MT of barley. The government increased TMO's wheat export authorization to 1.5 MMT later in MY 2009 and its barley export authorization to 500,000 MT. TMO plans to begin exporting wheat and barley in the following months.

TMO sold high-quality wheat to wheat milling factories under the inward processing regime in MY 2009 at a price of US$ 204-264/MT for durum wheat, US$155-183/MT for milling wheat and US$ 148/MT for feed-type wheat.

Table 13: Wheat foreign trade data in MY 2008 and MY 2009

TURKEY: WHEAT FOREIGN TRADE				
MONTH	**IMPORT MY 2008 (MT)**	**IMPORT MY 2009 (MT)**	**EXPORT MY 2008 (MT)**	**EXPORT MY 2009 (MT)**
June	224,741	172,901	0	10
July	131,565	95,529	0	29,165
August	251,868	284,780	1,900	13,178
September	375,753	267,215	0	3,243
October	415,633	409,340	4,031	12,277
November	266,728	229,368	2,072	56,400
December	299,517	289,393	1	187,113
Sub total (June-Dec.)	***1,965,805***	***1,748,527***	***8,004***	***301,386***
January	236,786	187,218	20	92,242
February	346,488		16	
March	392,171		61	
April	357,526		21	
May	307,080		0	
MY TOTAL	*3,605,856*	*2,300,000*[1]	*8,122*	*500,000*[1]

1: forecast

Russia, Kazakhstan and Ukraine are the main high protein wheat suppliers. Turkey usually blends domestic wheat with high protein imported wheat to produce its wheat flour.

Table 14: Major wheat supplier of Turkey in June-January

Turkey: Quantity of wheat imported during

June -January			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Russia	619,382	1,466,991	1,456,146
Kazakhstan	340,775	189,866	275,211
Ukraine	30,591	84,652	105,649
Moldova	446	17,546	33,815
Others	67,048	236,786	64,924
Total	1,058,242	2,202,591	1,935,745

Kazakhstan was the major wheat supplier in MY 2007 but Russia took over in MY 2008 and MY 2009. Imports of U.S. wheat decreased in MY 2009 due to high freight charges.

Table 15: Major wheat supplier of Turkey

Turkey: Quantity of wheat imported			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)***
Russia	886,393	2,003,918	1,456,146
Kazakhstan	1,032,444	219,298	275,211
Ukraine	59,828	154,432	105,649
Hungary	142,248	143,951	18,458
Moldova	446	55,399	33,815
U.S	45,537	46,821	0
Others	360,875	985,522	46,466
Total	2,527,771	3,609,341	1,935,745

*June 2009-January 2010

Under the inward processing regime, authorized by the Undersecretary for Foreign Trade, grain processors may import wheat duty free when they register grain exports, such as wheat flour. Outside of this inward processing regime, the applied custom rate for wheat is 130%. In June 2009, the Undersecretary of Foreign Trade ordered that the duties on imported wheat be assessed based on minimum reference prices. The reference price for durum wheat is $300/MT, for milling wheat is $200/MT, and for wheat bran is $150/MT.

Table 16: Major Turkish wheat export markets

Turkey: Quantity of wheat exported

Country	MY 2007 (MT)	MY 2008 (MT)	MY 2009 (MT)*
Syria	0	0	121,517
Italy	9,326	0	70,932
Egypt	0	0	31,625
Lebanon	0	0	33,648
Iraq	235	0	1,941
Georgia	0	3,108	0
Switzerland	3	4,424	0
Others	8,717	591	133,965
Total	18,281	8,123	393,628

*June 2009-January 2010

Table 17: Total wheat foreign trade

Turkey: Wheat Foreign Trade Data				
YEAR	IMPORTS (MT)	IMPORTS ($)	EXPORTS (MT)	EXPORTS ($)
MY 2006	1,578,208	361,960,618	400,300	59,281,057
MY 2007	2,527,772	1,040,364,312	18,019	8,991,278
MY 2008	3,609,341	1,171,658,955	8,123	5,635,746
MY 2009*	1,935,745	473,224,670	393,628	107,393,490

*June 2009-January 2010

Turkey is expected to increase wheat product exports to the Middle East, Indonesia and the Philippines in the years to come. This will result in continued imports of high quality wheat to Turkey, unless the country can improve domestic production. One step that may be taken is a move to import higher quality seed.

Wheat flour

Turkey exported 1.13 MMT of wheat flour in the first seven months of MY 2009. Turkey exported 797,956 MMT of wheat flour in the same period of MY 2008. The 42% increase mainly represents increased exports to Iraq.

In December 2009, Turkey exported 76,695 MT of wheat flour to Iraq, 44,486 MT of wheat flour to Indonesia and 14,624 MT of wheat flour to the Philippines.

Turkey exported 541,885 MT of wheat flour to Iraq, 322,093 MT to Indonesia and 84,302 MT to Philippines from June 2009 to January 2010.

Iraq, Sudan and the Philippines will remain strong markets for Turkish wheat flour. Following an antidumping investigation, Indonesia put a 40% custom duty on Turkish wheat flour imports in May 2010. The customs duty was zero before the antidumping case. This will dramatically affect Turkish wheat flour sales, as

Indonesia represented 25% of total Turkish flour exports in MY 2009. Turkish flour exports are expected to decrease to 1.5 MMT in MY 2010.

Table 18: Quantity of Turkish wheat flour exports

Turkey: Quantity of wheat flour exports			
MONTH	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
June	75,630	102,002	176,736
July	131,013	107,338	167,952
August	118,713	130,138	140,478
September	92,422	138,073	154,753
October	61,629	151,091	194,313
November	66,435	86,329	126,878
December	95,015	82,984	175,064
Sub total (June-Dec.)	**640,857**	***797,955***	***1,136,174***
January	111,714	91,302	131,747
February	92,919	109,721	
March	75,298	141,706	
April	60,276	186,165	
May	73,775	141,185	
MY TOTAL	1,054,839	*1,468,034*	*1,800,000**

*forecast

Wheat flour exports to Iraq increased 116% in June 2009-January 2010 compare to the same period of MY 2008. Not only Iraq but also Indonesia was very important market for Turkey in MY 2009.

Table 19: Major Turkish wheat flour export markets (June-January)

Turkey: Quantity of wheat flour exported during June-January			
Destination	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Iraq	259,519	366,332	541,885
Indonesia	90,405	169,078	322,093
Philippines	0	34,338	84,302
Sudan	3,800	46,630	42,587
Libya	178,240	48,979	59,230
Others	220,607	223,900	217,826
Total	752,571	889,257	1,267,923

Turkish exports of wheat flour to Libya decreased in MY 2008 and 2009. A delegation of Turkish Wheat Flour Millers and the Minister of Foreign Trade visited Brazil recently to promote wheat flour exports there. Turkey is also targeting Israel and Palestine as other potential export markets for wheat flour.

The Turkish flour industry is consolidated and has modernized in the past five years. The number of operating mills decreased from 1,200 in 2002 to 715 in 2009.

Table 20: Major wheat flour market of Turkey

Turkey: Quantity of wheat flour exported			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)***
Iraq	338,432	631,773	541,885
Indonesia	177,657	305,926	322,093
Philippines	0	69,824	84,302
Sudan	31,672	66,523	42,587
Libya	243,309	59,250	59,230
Others	263,769	336,682	217,826
Total	1,054,839	1,469,978	1,267,923

* June 2009-January 2010

Wheat flour exports in MY 2009 are expected to reach 1.8 MMT. Although the quantity of Turkish wheat flour exports increased in MY 2009 the overall value decreased.

Table 21: Total wheat flour foreign trade

Turkey: Wheat flour foreign trade				
YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	**EXPORTS ($)**
MY 2006	71	22,895	1,268,360	326,377,803
MY 2007	41	24,620	1,054,839	492,551,804
MY 2008	52.6	99,600	1,469,978	600,629,346
MY 2009*	3,013	1,328,739	1,267,923	398,312,946

*June 2009-December 2010

Pasta

Due to the low level of local durum wheat production in 2008, pasta exports decreased in MY 2008 but increased to a record level in MY 2009.

Table 22: Quantity of pasta exportation

Turkey: Quantity of pasta exportation			
MONTH	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
June	12,342	15,748	16,783
July	15,174	16,705	23,305
August	16,746	16,782	21,998
September	15,001	12,210	19,087
October	13,864	13,034	21,123
November	20,536	10,283	19,642
December	16,723	9,957	25,512
Sub total (June-Dec.)	**110,386**	**94,718**	**147,449**
January	15,257	12,180	**25,175**
February	16,279	10,492	
March	16,602	15,048	
April	14,883	13,196	
May	17,877	15,283	
MY TOTAL	*191,285*	*160,918*	250,000[1]

1: forecast

After Iraq, Angola, Togo and Benin are the main markets for Turkish pasta exports. Exports to those countries increase in 2009, most significantly in Togo. The Japanese market is very important to Turkish pasta producers, not only because of the value of exports but also because they consider this the most prestigious export market.

Table 23: Major Turkish pasta export markets (June-January)

Turkey: Quantity of pasta exported during June-January			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Iraq	12,457	8,863	15,407
Togo	7,937	5,033	15,111
Angola	3,173	6,423	11,288
Benin	5,070	3,354	10,989
Japan	1,346	7,578	8,866
Others	95,660	75,647	110,963
Total	**125,643**	**106,898**	**172,624**

Table 24: Quantity of pasta exported in MY 2008, 2009 and 2010

Turkey: Quantity of pasta exported			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)***
Angola	5,246	7,088	11,288
Togo	12,838	8,941	15,111
Benin	11,766	4,370	10,989
Iraq	16,153	13,437	15,407
Japan	3,598	10,260	8,866
Others	141,684	116,822	110,963
Total	**191,285**	**160,918**	**172,624**

*June 2009-January 2010

Turkish pasta production is expected to increase to 190,000 MT in MY 2009, due to the high quality of local durum wheat production. Many Turkish producers invested in modernization of their factories in 2009 and increase their capacities. Turkey is forecast to export 280,000 MT of pasta in MY 2010.

Table 25: Total pasta foreign trade

Turkey: Pasta Foreign Trade Data				
YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	**EXPORTS ($)**
MY 2006	1,106	2,830,022	176,808	83,317,095
MY 2007	1,345	3,643,850	191,285	155,178,315
MY 2008	1,520	4,149,741	160,918	149,970,388
MY 2009*	1,288	3,609,798	172,625	114,639,451

*June 2009-January 2010

Semolina

Semolina exports followed the same pattern as pasta exports in MY 2009. Due to the low level of production in MY 2008, semolina exports dropped to 45,676 in MY 2008 but are expected to reach 80,000 MT in MY 2009.

Table 26: Quantity of semolina exportation

Turkey: Quantity of semolina exportation			
MONTH	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
June	3,874	5,788	4,931
July	3,583	7,835	7,368
August	4,139	3,843	6,022
September	5,142	2,980	8,902
October	6,399	3,169	5,885
November	11,511	3,051	6,362
December	7,691	1,939	8,037
Sub total (June-Dec.)	**42,339**	**28,605**	**47,507**
January	7,418	2,223	10,216
February	6,217	3,157	
March	4,521	2,227	
April	7,252	3,342	
May	7,408	6,120	
MY TOTAL	**75,154**	**45,676**	**80,000**[1]

1: forecast

While Oman became a new market for Turkish semolina exports, the Iraq and Saudi Arabia markets strengthened as well. In the last few months of MY 2009, purchases from Iraq, Saudi Arabia and Syria are expected to increase.

Table 27: Major Turkish semolina export markets (June-January)

Turkey: Quantity of semolina exported during June-January			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Oman	0	0	8,055
Iraq	2,790	3,663	8,192
Saudi Arabia	1,389	4,626	7,999
Egypt	4,224	3,893	5,188
Syria	4,975	3,285	5,193
Others	36,379	15,361	23,096
Total	49,757	30,828	57,774

Table 28: Major Turkish semolina export markets

Turkey: Quantity of semolina exports to select markets			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)***
Oman	0	0	8,055
Iraq	3,582	6,253	8,192
Saudi Arabia	3,139	7,833	7,999
Egypt	8,783	5,528	5,188
Syria	7,015	4,192	5,193
Others	52,636	21,870	23,096
Total	75,155	45,676	57,774

*June 2009-January 2010

The unit value of wheat flour, past and semolina exports all decreased in MY 2009.

Table 29: Turkish semolina foreign trade

Turkey: Semolina Foreign Trade Data				
YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	**EXPORTS ($)**
MY 2006	409	203,883	40,222	13,397,073
MY 2007	931	548,765	75,154	42,974,265
MY 2008	13	25,341	45,676	28,845,909
MY 2009*	16	40,001	57,774	22,666,656

*June 2009-January 2010

Barley

Due to high yields and high stocks at TMO, Turkey exported 301,223 MT of barley during the period between June and December 2009. The amount for the same period of MY 2008 was only 0.3 MT.

Table 30: Turkish barley trade

TURKEY: BARLEY FOREIGN TRADE				
MONTH	**IMPORT MY 2008 (MT)**	**IMPORT MY 2009 (MT)**	**EXPORT MY 2008 (MT)**	**EXPORT MY 2009 (MT)**
June	1,018	3,000	0	1,441
July	0	2,765	0	0
August	10,369	0	0	980
September	7,083	4,234	0	0.3
October	38,917	40	0.3	108,930
November	13,052	6,080	0	84,270
December	9,718	14,577	0	105,601
Sub total (June-Dec.)	**80,157**	**30,696**	*0.3*	*301,223*
January	33,868	8,002	0	51,700
February	0		80	
March	8,134		0	
April	11,421		0	
May	7,531		0	
MY TOTAL	141,111	127,000*	80.3	600,000*

*forecast

Turkey traditionally exports barley to Middle Eastern countries. Due to two years of drought, Turkey didn't export much barley in MY 2007 and MY 2008. After a bumper crop in MY 2009 led to high stocks, TMO opened five tenders for grain exports between October 2009 and January 2010 and exported 480,000 MT of barley. TMO held the latest grain export tenders on February 25, 2010. TMO exported 100,000 MT of barley through this export tender. The average price of barley at TMO's five tenders was 140 $US/MT. Total TMO barley exports reached to 580,000 MT and TMO still has 874,831 MT of barley stocks.

Table 31: Major Turkish barley export markets (June- January)

Turkey: Quantity of barley exported from June to January			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Saudi Arabia	0	0	205,200
Syria	0	0	51,250
Morocco	0	0	27,500
Libya	0	0	20,750
UK	0	498	0
Others	0	49	48,223
Total	0	547	**352,923**

Turkey imported 30,696 MT of barley in MY 2009. The main supplier of malting barley to Turkey is France, and also the Ukraine when supplies are available.

Table 32: Major barley suppliers to Turkey in June-January

Turkey: Quantity of barley imported during June-January			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
France	21,206	47,652	35,997
Croatia	0	19	0
UK	0	0	2701
Ukraine	0	25,726	0
Others	20,576	40,628	0
Total	**41,782**	**114,025**	**38,698**

Table 33: Total Turkish barley foreign trade

Turkey: Barley Foreign Trade Data				
YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	**EXPORTS ($)**
MY 2006	47,455	11,200,918	374,985	71,509,098
MY 2007	188,450	70,044,181	548	264,230
MY 2008	141,111	53,165,708	80	22,945
MY 2009*	38,698	9,983,950	352,923	49,757,171

*June 2009-January 2010

Corn

Not only corn imports but also corn exports of Turkey increased dramatically in the period of September-December 2010. Due to high production levels in MY 2009, corn exports increased to 267,415 MT in the first four months of MY 2009, and are expected to reach 400,000 MT by the end of MY 2009. Corn imports also increased in MY 2009, especially in December. According to the October Biotechnology Regulation, transgenic corn could only be imported until March 1, 2010. If the legal situation permits transgenic corn imports, corn imports are forecast to reach 300,000 MT, but if Turkey does not find a way to allow in biotech corn, imports will be only 200,000 MT.

Table 34: Corn foreign trade of Turkey

TURKEY: CORN FOREIGN TRADE				
MONTH	**IMPORT MY 2008 (MT)**	**IMPORT MY 2009 (MT)**	**EXPORT MY 2008 (MT)**	**EXPORT MY 2009 (MT)**
September	420	6,876	277	111,499
October	1,730	4,403	2,026	90,915
November	2,682	9,588	3,069	63,822
December	7,270	72,197	3,868	1,178
Sub total (Sep-Dec.)	**12,102**	**93,063**	*9,241*	*267,415*
January	23,026	27,469	2,299	930
February	16,684		622	
March	42,777		1,828	
April	82,016		640	
May	105,943		990	
June	32,430		732	
July	42,616		48,697	
August	46,278		2,209	
MY TOTAL	403,872	200,000*	67,258	400,000*

*Forecast

Ukraine, Romania, Russia and Hungary will be the main corn sources in the final months of MY 2009. The import price of corn was 205-215 USD in February 2010. Turkey imports corn duty free under an inward processing regime, or with a customs duty of 130% for corn outside of the inward processing regime.

Table 35: Major corn suppliers to Turkey (September-January)

Turkey: Quantity of corn imported during September-January			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Ukraine	0	21,106	42,188
Romania	67	9,547	28,365
Russia	0	21,347	17,705
U.S	161,356	2,588	*2,542*
Argentina	22,612	9,725	9,756
Others	449	6,079	19,977
Total	**184,484**	**70,392**	**120,533**

Syria imported a high amount of corn from Turkey in MY 2009. Italy and Germany traditionally import only a small amount of corn from Turkey.

Table 36: Major Turkish corn export markets (September-January)

Turkey: Quantity of corn exported during September-January			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Syria	0	90	231,800
Italy	2,868	5,089	4,384
Germany	30	846	1,084
Spain	483	1,924	826
France	465	2,266	618
Others	3,190	1,305	29,632
Total	**7,036**	**11,520**	**268,344**

Due to external politics it is very difficult to forecast corn imports in MY 2009 and MY 2010. The local corn price is very high. The TMO corn price is US$ 386/MT. The local market price was US$ 313/MT in the Adana CME on February 19, 2010 while the corn import price was CIF US$ 205-210/MT.

Table 37: Total corn foreign trade

Turkey: Corn Foreign Trade Data				
YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	**EXPORTS ($)**
MY 2006	1,102,345	260,038,691	11,698	16,986,245
MY 2007	1,160,472	384,201,503	12,061	16,786,187
MY 2008	403,872	130,714,589	67,258	34,918,162
MY 2009*	120,532	35,135,962	268,345	62,594,242

*September 2009-January 2010

Table 38: DDGS importation of Turkey

Turkey: Quantity of DDGS imported			
MONTH	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
September	35,387	54,154	46,066
October	71,479	42,147	33,580
November	26,785	59,248	42,896
December	42,324	28,647	91,525
Sub total (Sep-Dec.)	**175,975**	**184,196**	**214,067**
January	38,024	16,358	44,691
February	36,537	33,860	
March	79,511	46,487	
April	66,675	19,825	
May	19,630	24,461	
June	54,832	48,976	
July	26,374	21,117	
August	16,078	20,464	
MY TOTAL	**513,636**	**415,744**	

Corn derivative product imports were banned by the October 2009 Biotechnology Regulation. When the regulation briefly was withdrawn in December a surge of DDGS imports reached a record monthly total of 214,067 MT in anticipation of increased winter feed requirements and the risk of future restrictions. DDGS and CGF imports were banned again in January when the regulation was brought back into force.

Table 39: Major DDGS supplier of Turkey

Turkey: Quantity of DDGS imported			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
U.S.	489,891	402,245	252,786
Canada	21,899	7,099	2,097
Ukraine	1,033	5,920	3,189
Russia	*615*	*0*	*0*
Others	0	480	686
Total	**513,636**	**415,744**	**258,758**

The United States is the main supplier of DDGS and CGF to Turkey. There are very limited amounts of DDGS and CGF currently left in stocks. Soybean meal, sunflower meal, wheat bran and corn replaced DDGS and CGF in compound feed in January and February, 2010.

Table 40: Turkish imports of CGF

Turkey: Quantity of CGF imported			
MONTH	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
September	68,861	44,341	37,529
October	76,830	38,054	35,472
November	59,495	70,309	11,837
December	80,276	10,251	48,181
Sub total (Sep-Dec.)	**285,462**	**162,955**	**133,019**
January	53,451	16,817	30,878
February	29,298	37,519	
March	82,891	41,826	
April	85,037	7,808	
May	26,086	22,928	
June	66,041	48,305	
July	37,797	42,276	
August	13,814	27,664	
MY TOTAL	**679,877**	**408,098**	

Table 41: Major CGF supplier of Turkey

Turkey: Quantity of CGF imported			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
U.S.	656,050	355,326	147,241
Ukraine	21,529	36,724	14,767
Others	2,298	16,048	787
Total	**679,877**	**408,098**	**163,897**

Rice

A few large importers in Turkey dominate the rice market. Rice imports reached 65,023 MT in the first four months of MY 2010. Traders estimate that paddy rice imports reached 120,000 MT in February 2010. TMO has a duty free import quota which is valid until December 2010. TMO has 20,000 MT of Egyptian rice imports under contract at a price of US$ 723/MT as part of this quota, however traders do not expect further imports from TMO. The first container of Egyptian milled rice holding 11,500 MT has been loaded.

Table 42: Turkish rice foreign trade

TURKEY: RICE FOREIGN TRADE				
MONTH	**IMPORT MY 2008 (MT)**	**IMPORT MY 2009 (MT)**	**EXPORT MY 2008 (MT)**	**EXPORT MY 2009 (MT)**
September	31,486	7,224	392	182
October	7,742	10,753	715	541
November	4,427	10,611	1,795	125
December	4,507	36,434	2,590	134
Sub total (sep-dec)	**48,162**	**65,023**	*5,492*	*982*
January	3,040		4,886	
February	1,777		4,789	
Sub total (Sep-Feb.)		120,000*		
March	9,468		899	
April	13,427		3,568	
May	39,202		2,556	
June	30,567		637	
July	35,216		744	
August	24,457		302	
MY TOTAL	**205,315**	200,000[1]	**23,872**	1500*

*estimate

1:forecast

Turkey is forecast to import 200,000 MT of rice in MY 2009. After MY 2008 Egyptian rice gained a strong position in the Turkish market. U.S rice is exports are expected to increase on the following months.

Table 43: Major rice suppliers of Turkey in September-January

Turkey: Quantity of rice imported during September-January			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Russia	1,007	1,558	29,996
Pakistan	278	1,195	10,800
Italy	10,702	2,275	9,268
U.S	180	22,596	9,831
Egypt	68,385	944	15,507
Thailand	577	21,081	674
Others	3,106	1,553	32,501
Total	**84,235**	**51,202**	**108,577**

There are allegations of fraud in the Turkish rice market. Branded rice companies believed that importers and millers mix Carlos rice varieties with local varieties or broken rice and sell it under the name of Carlos. Traders say there is a demand for

Carlos and Jupiter varieties in Turkey. California rice has a price advantage at the moment and the GSM-102 program can add to this advantage. However, because of the biotech regulation, traders are hesitant to buy Jupiter varieties from the United States because they fear possible contamination with biotech products. Ramadan will start in August 2010. Monthly rice consumption doubles one month before and during Ramadan in Turkey. Turkish traders want to import paddy rice before July and mill it in time for Ramadan sales.

Table 44: Major rice suppliers of Turkey

Turkey: Quantity of rice imported			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Russia	4,331	5,919	29,996
Egypt	122,963	51,898	15,507
Pakistan	4,564	15,541	10,800
U.S	*63,345*	*53,268*	9,831
Uruguay	5,408	23,597	9,793
Italy	54,432	4,910	9,268
Thailand	2,664	21,948	674
Others	3,846	32,696	**22,708**
Total	**261,553**	**209,777**	**108,577**

Russia became a new leading rice supplier for Turkey in MY 2009. Despite quality problems, logistical advantages, the availability of small orders, and lower prices give Russian rice an advantage. Financial tools are critical for allowing traders to import large amounts of higher quality rice from other countries.

Table 45: Total rice foreign trade of Turkey

Turkey: Rice Foreign Trade Data				
YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	**EXPORTS ($)**
MY 2006	171,528	89,782,649	3,772	2,035,432
MY 2007	261,552	178,112,943	2,910	3,094,761
MY 2008	205,315	131,501,596	23,872	24,506,346
MY 2009*	108,577	60,396,735	1,121	1,446,829

*September 2009-January 2010

One large rice importer brought in 80,000 MT of paddy rice and another one imported 37,000 MT of rice from the United States recently. The imported varieties from the United States are Jupiter and Carlos. Importers are planning to import 40,000 MT of U.S. paddy rice in the next few months.

The price of the Jupiter type imported paddy rice is US$ 470/MT at the market. The paddy rice price at the CME is US$ 913, the imported rice price is US$ 1522 and locally produced rice price is US$ 1495/MT.

The import duty for MY 2010, publish in the Official Gazette on December 31, 2009, is 34% for paddy rice and 45% for rice.

Most locally produced rice being kept in the private sector stocks. Last year due to the rice shortage, producers and traders who had high stocks were able to earn large profits. They are holding their supplies as stocks, particularly newly harvested product, in an attempting to get higher prices in May.

Lentils

Turkey's lentil imports decreased to 68,368 MT in July-December 2009 from 167, 319 MT in the same period of 2008. Due to the heavy drought, Turkey imported record amounts of lentil in MY 2008. In MY 2009, late heat problems and insufficient seeds led to low production. Turkey is expected to import 150,000 MT of lentils and export 110,000 MT in MY 2009.

Table 46: Lentil foreign trade of Turkey

TURKEY: LENTIL FOREIGN TRADE				
MONTH	**IMPORT MY 2008 (MT)**	**IMPORT MY 2009 (MT)**	**EXPORT MY 2008 (MT)**	**EXPORT MY 2009 (MT)**
June	9,856	3,622	1,242	14,953
July	9,025	2,083	2,275	11,181
August	15,403	2,300	2,541	4,298
September	21,091	15,080	2,133	4,159
October	68,188	15,693	6,867	7,747
November	43,756	29,860	14,768	15,930
MY TOTAL	**167,319**	**68,368**	*29,826*	*58,268*
January	28,881	41,399	15,653	13,386
February	16,176		12,052	
March	13,325		6,587	
April	10,708		19,899	
May	35,189		24,265	
June	9,750		13,127	
MY TOTAL	**281,348**	150,000*	**121,409**	110,000*

*forecast

The main lentil supplier of Turkey is Canada. In MY 2008 in the midst of a drought across the entire Black Sea region, Canada supplied 92% of Turkey's total lentil imports. The United States does not have a large share of the Turkish lentil market. Turkey imports mainly red lentils.

An inward processing regime for lentil processers began in MY 2009 for the first time after two consecutive years of drought. This regime will end on May 1, 2010. Traders had problems importing and exporting lentils in MY 2009, however processors benefited from the inward processing regime.

Table 47: Major lentil supplier of Turkey in July-January

Turkey: Quantity of lentil imported during July-January			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Canada	18,438	183,522	101,779
Ethiopia	0	470	3,443
U.S	1,078	722	1,167
Russia	0	418	392
Others	9,410	11,068	3,256
Total	**28,926**	**196,200**	**110,037**

Turkey exports lentils to Middle Eastern countries if there are sufficient amounts of domestic production. Iraq is a new and emerging market for Turkish lentil exports, however Turkish exports to Sudan are decreasing.

Table 48: Major Turkish lentil export markets (July-January)

Turkey: Quantity of lentil exported during July-January			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Egypt	12,512	10,081	15,721
Iraq	509	4,068	14,774
Saudi Arabia	4,490	2,898	7,670
Sudan	11,576	3,773	6,088
Others	71,224	24,659	27,401
Total	**100,311**	**45,479**	**71,654**

The average export price of Turkish lentils was 1410 $US/MT in MY 2009. Imported lentils are processed and packed mainly in the city of Mersin and re-exported to the Middle East by boat from Mersin or by truck to Iraq

Table 49: Total lentil foreign trade of Turkey

Turkey: Lentil Foreign Trade Data				
YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	**EXPORTS ($)**
MY 2006	16,251	8,062,526	269,068	142,283,739
MY 2007	48,337	35,761,225	129,866	119,381,821
MY 2008	281,348	293,625,934	121,409	168,984,712
MY 2009*	100,489	89,525,975	71,089	99,335,563

*July 2009-January 2010

Stocks:

TMO held six grain tenders in MY 2009. TMO grain policy in MY 2009 was to export grain stocks at the world price. TMO tenders were only open to foreign companies. TMO is planning to hold grain export tenders in the following months until their stock levels are sufficient to allow them to procure the MY 2010 grain harvest. TMO has 2.5 MMT of wheat, 844,000 MT of barley, and 400,000 MT of corn stocks.

Table 50: TMO grain export tenders in MY 2009

TMO export tender results in MY 2009								
Products	Red Milling Wheat		White Milling Wheat		Durum Wheat		White feed barley	
Date of Tender	Quantity (MT)	Average price ($ US/ MT)	Quantity (MT)	Average price ($ US/ MT)	Quantity (MT)	Average price ($ US/ MT)	Quantity (MT)	Average price ($ US/ MT)
02.25.2010	150,000	154.90	-	-	150,000	169.53	100,000	148.67
01.21.2010	125,000	161.17	75,000	166.40	50,000	183.97	125,000	146.91
12.17.2009	50,000	167.3	100,000	179.9	50,000	174.5	-	-
11.12.2009	100,000	164	75,000	160	25,000	224	100,000	147
10.15.2009	25,000	135	25,000	163	25,000	255	100,000	140
09.10.2009	40,000	147	40,000	155	-	-	155,000	124
Total/Average	490,000	154.89	315,000	164.86	300,000	201.40	580,000	141.31

Official data on private stocks are not available. Therefore, PSD stock data were derived from information received from industry and trade sources. TMO grain stocks are given in Table 52 below.

Table 51: TMO Grain stocks

Turkey: TMO grain stocks										
PRODUCTS	**WHEAT**			**BARLEY**			**CORN**	**RYE**	**OAT**	**RICE**
DATE	Local	Imported	Total	Local	Imported	Total	Local	Local	Local	Local
01.25.2010	2,881,181	436,243	3,317,424	960,440	26,090	986,530	385,033	48,063	3,980	229
01.20.2010	2,924,980	441,065	3,366,045	946,936	26,727	973,663	388,776	48,386	3,980	229
11.12.2009	3,656,043	492,658	4,148,701	1,127,643	32,799	1,160,442	417,532	46,238	4,127	1,113
08.31.2009	3,644,918	504,297	4,149,215	1,236,457	33,117	1,236,457	NA	NA	NA	NA
07.31.2009	2,168,869	506,397	2,675,266	822,072	33,223	855,295	544,453	19,064	NA	NA
02.03.2010	2,773,018	444,491	3,217,509	931,640	21,800	953,440	388,770	48,367	3,854	229
02.16.2010	2,450,965	376,877	2,827,842	853,346	21,485	874,831	388,759	48,197	3,840	229
02.26.2010	2,296,542	320,638	2,617,180	844,703	21,433	866,136	388,759	48,197	3,832	229
03.01.2010	2,282,029	310,715	2,592,744	844,478	21,433	865,911	388,759	48,218	3,832	229

Policy:

On December 31, 2009 the Turkish government authorized TMO to import up to 100,000 MT of rice duty free before December 31, 2010. Under this duty free quota, TMO imported 20,000 MT of rice from Egypt. TMO paid US$ 742.50/MT for rice. The rice will be shipped in 50 kg of bags.

The Turkish government increased the agricultural support budget from 4.95 billion TL in 2009 to 5.6 billion TL in 2010 and is planning to increase it further to 5.9 billion TL in 2011.

On March 2, 2010 a new agricultural support system based on agricultural production zones published in the official gazette. 30 Agricultural production zones were determined by the Ministry of Agriculture according to different parameters such us climate, soil conditions etc. In MY 2010, the Ministry of Agriculture and Rural Affairs will use agricultural production zones for grain support payments. Crops will only be given government support payments if they are determined to be suitable for a particular zone.

Table 52: Agricultural production zones and supported products

Turkey: Agricultural production zones and supported products		
Agricultural production zones	Provinces	Products
South Marmara zone	Balikesir, Bilecik, Bursa, Canakkale, Istanbul, Kocaeli, Sakarya, Yalova	Barley, Wheat, Rye, Paddy rice, Corn, Canola, Dry beans, Cotton, Chick pea, Soybean, Sunflower, Oat, Olive oil
West Black sea zone	Bartin, Duzce, Istanbul,Kastamonu,Kocaeli, Sakarya, Sinop, Zonguldak	Barley, Wheat, Rye, Paddy rice, Corn, Canola, Dry beans, Sunflower, Oat, Olive oil
Northwest Anatolian zone	Ankara, Bartin, Bolu, Cankiri, Karabuk, Kastamonu, Zonguldak	Barley, Safflower, Wheat, Rye, Paddy rice, Corn, Dry beans,Chickpea,Sunflower,oat
East Blacksea zone	Artvin, Rize, Trabzon	Wheat, Rye, Corn, Canola
Karasu-Aras zone	Agri, Ardahan, Erzurum,Kars	Barley, Wheat, Rye, Corn, Dry bean, Lentil, Chickpea, Sunflowe, Oat
North Marmara zone	Canakkale, Edirne, Istanbul, Tekirdag	Barley, Safflower, Wheat, Rye, Paddy rice, Canola, Dry bean, Corn, Sunflower, Oat, Olive oil
Grand Agri zone	Agri, Igdir, Kars	Barley, Wheat, Rye, Corn, Canola, Sunflower
Sogut zone	Ankara, Bilecik, Bolu, Bursa, Eskisehir,Kutahya	Barley, Safflower, Wheat, Rye, Paddy rice, Corn, Canola, Dry bean, lentil, Chickpea, Soybean, Sunflower, Oat, Olive oil
Coruh zone	Ardahan, Artvin, Bayburt, Erzurum, Gumushane, Rize, Trabzon	Barley, Safflower, Wheat, Rye, Paddy rice, Corn, lentil, Chickpea, Dry bean, Oat
Upper part of Firat zone	Bayburt, Erzincan, Gumushane, Sivas, Tunceli	Barley, Wheat, Rye, Corn, Dry bean, Chickpea, Oat
Aegean coastal zone	Antalya, Aydin, Balikesir, Canakkale, Izmir, Mugla	Barley, Safflower, Wheat, Rye, Paddy rice, Corn, Dry bean, Cotton, lentil,

		Chickpea, Soybean, Sunflower, Oat, Olive oil
Van lake zone	Agri, Bingol, Bitlis, Erzurum, Mus, Tunceli, Van	Barley, Safflower, Wheat, Rye, Corn, Dry bean, Chickpea, Sunflower
Erciyes Zone	Kayseri, Sivas, Yozgat	Barley, Safflower, Wheat, Rye, Corn, Canola, Dry bean, Lentil, Chickpea, Sunflower, Oat
Kaz Mountains Zone	Balikesir, Bursa, Canakkale, Manisa	Barley, Safflower, Wheat, Rye, Paddy rice, Corn, Canola, Cotton, Lentil, Chickpea, Soybean, Sunflower, Oat, Olive oil
Inner part of Aegean zone	Afyonkarahisar, Balikesir, Denizli, Eskisehir, Konya, Kutahya, Manisa, Usak	Barley, Safflower, Wheat, Rye, Corn, Canola, Cotton, Dry bean, lentil, Chickpea, Soybean, Sunflower, Oat, Olive oil
Gediz zone	Aydin, Denizli, Izmir, Manisa	Barley, Wheat, Rye, Oat, Canola, Cotton, Lentil, Chickpea, Soybean, Oat, Olive oil
Meric Zone	Edirne, Kirklareli, Tekirdag	Barley, Safflower, Wheat, Rye, Paddy rice, Corn, Canola, Sunflower, Oat
Yesilirmak zone	Amasya, Cankiri, Corum, Giresun, Kastamonu, Ordu, Samsun, Sinop, Sivas, Tokat, Yozgat	Barley, Safflower, Wheat, Rye, Paddy rice, Corn, Canola, Dry bean, Lentil, Chickpea, Soybean, Sunflower, Oat
Mid Black Sea zone	Giresun, Ordu,Samsun, Sinop	Barley, Wheat, Rye, Paddy rice, Corn, Canola, Dry bean, Soybean, Sunflower, Oat
Karacadag zone	Adiyaman, Batman, Diyarbakir, Mardin, Siirt, Sanliurfa	Barley, Safflower, Wheat, paddy rice, Corn, Canola, Dry bean, Cotton, Lentil, Chickpea, Soybean, Sunflower, Olive oil
Zap zone	Bitlis, Hakkari, Siirt, Sirnak, Van	Barley, Safflower, Wheat, Paddy rice, Corn, Dry bean, Cotton, Lentil, Chickpea
GAP zone	Adiyaman, Mardin, Sanliurfa,	Barley, Safflower, Wheat, Paddy rice,

	Sirnak	Corn, Canola, Cotton, Lentil, Chickpea, Lentil, Soybean, Olive oil
West GAP zone	Adiyaman, Gaziantep, Kahramanmaras, Kilis,	Barley, Wheat, Corn, Dry beans, Cotton, Lentil, Chickpea, Soybean, Sunflower, Olive oil
East Mediterranean zone	Gaziantep, Hatay, Kahramanmaras, Osmaniye	Barley, Wheat, Rye, Corn, Canola, Cotton, Lentil, Chickpea, Soybean, Sunflower, Oat, Olive oil
Costal Mediterranean zone	Adana, Antalya, Burdur, Hatay, Mersin, Osmaniye	Barley, Wheat, Rye, Paddy rice, Corn, Canola, Dry bean, Cotton, Chickpea, Soybean, Sunflower, Oat, Olive oil
Aegean high plateau zone	Antalya, Aydin, Burdur, Denizli, Mugla	Barley, Safflower, Wheat, Rye, Corn, Dry bean, Cotton, Chickpea, Sunflower, Oat, Olive oil
Mid Kizilirmak zone	Aksaray, Ankara, Cankiri, Corum, Kayseri, Kirikkale, Kirsehir, Nevsehir, Nigde, Yozgat	Barley, Safflower, Wheat, Rye, Paddy rice, Corn, Canola, Dry bean, Lentil, Chickpea, Sunflower, Oat
Mid Anatolia zone	Afyon, Aksaray, Ankara, Eskisehir, Karaman, Konya, Nigde	Barley, Safflower, Wheat, Rye, Corn, Canola, Dry bean, Lentil, Chickpea, Soybean, Sunflower, Oat
Firat zone	Adana, Adiyaman, Batman, Bingol, Diyarbakir, Elazig, Erzincan, Kahramanmaras, Kayseri, Malatya, Sivas	Barley, Wheat, Rye, Corn, Canola, Dry bean, Cotton, Lentil, Chickpea, Sunflower, Olive oil
Lakes zone	Antalya, Burdur, Isparta, Karaman, Konya, Mersin	Barley, Safflower, Wheat, Rye, Corn, Dry bean, Lentil, Chickpea, Oat, Olive oil

Table 53: Grain support system

Turkey: Grain Support System			
Types of Support	2008	2009	2010
Direct Support Payment	7.0	0	0
Diesel Support	2.925	3.25	3.25
Chemical Fertilizer Support	3.825	4.25	4.25
Soil Analysis support	2.25	2.5	2.5

Grain premium support payments were first introduced in 2005. Pulse premium support payments were introduced in MY 2008 for the first time.

Table 54: Grain Premiums

Turkey: Grain Premiums (YTL/MT)							
Products	2004	2005	2006	2007	2008	2009	2010
Wheat		-	30	35	45	50	50
Barley, Oats, Rye		-	20	25	36	40	40
Paddy Rice		-	30	60	90	100	100
Chick Peas, Lentils, Dry beans		-	-	-	90	100	100
Corn		25	50	67	36	40	40

Turkey's new tariff schedule was published in the Official Gazette on December 31, 2009 and entered into force on January 01, 2010.

Tariffs are often adjusted by the Agriculture Ministry in response to supply and demand. Wheat, barley, rye, and oat tariff rates increased from 50% to 80% in December 2009 and increased to the maximum bound rate of 130% on May 15, 2009. They remain at that level. Due to the drought in the lentil production area, Turkey had reduced the lentil import duty to 5% in April 07, 2008 from 19.3%, however it returned to 19.3% on May 31, 2009 and remains at that level.

Table 55: Turkey’s tariffs on grains

Turkey: Grain tariff rate					
Product group	Products	EU	Bosnia Herzegovina	Others	Notes
Wheat	Spelt, common wheat and meslin (excl. seed)	130	0	130	200 USD CIF reference price
	Durum Wheat	130	0	130	300 USD CIF reference price
	Common wheat, Durum wheat and meslin seed	0	0	0	-
Barley	Barley Seed	0	0	0	
	White Barley (excluding seed)	130	0	130	
	Malting Barley (excluding seed)	130	0	130	
Corn	Maize Seed	0	0	0	
	Popcorn, Unpopped, (excluding seed)	130	0	130	
	Other Corn	130	0	130	270 USD CIF reference price
Rice	Rice in husk for sowing	10	0	12	
	Round, medium, long grain rice in husk	34	0	34	
	Round, medium, long husked rice	36	0	36	
	Semi milled, wholly milled, broken rice	45	0	45	
Lentil	Red and Green lentils seed	0			
	Red and Green lentils (excluding seed)	19.3	0	19.3	

Table 56: Turkey's tariffs on feed raw materials

Turkey :Feed raw material tariff rate				
Products	EU	Others	VAT	Notes
Sunflower meal	11.5	13.5	8	250 USD reference price
Soybean meal	0	13.5	8	
Cotton meal	11.5	13.5	8	
Canola meal	11.5	13.5	8	250 USD reference price
CGF	4.3	4.3	18	
DDGS	4.3	4.3	18	
Corn Bran	4	4	8	
Rice Bran	13.5	13.5	8	
Wheat Bran	13.5	13.5	8	150 USD reference price
Soybean	8	8	1	
Sunflower seed	27	27	1	525 USD reference price
Sorghum	130	130	1	

The Turkish government started to support new large dairy milk farms which will be built in South East and East Anatolia. On October 31, 2009, a Ministerial Cabinet decision to support livestock establishment in the South East Anatolia region was published in the Official Gazette. In January 2010, another Ministerial Cabinet decision was published in the Official Gazette to cover the East Anatolian region of Turkey. The table below shows the amount of support announced on the Ministerial Cabinet decisions.

Table 57: Livestock support for new investments in South and East Anatolian Region

Turkey: Livestock support to new investments in South and East Anatolian Region	
Type of Investment	Amount of donation (%)
Construction • New Investment	30
Livestock purchase • Pregnant heifer purchase	40
Equipment purchase • Milking machine and/or cold storage tank	40

The government allocated 20 million TL for East Anatolia Region and 40 million TL for South East Anatolia region to support new establishments which have more than 50 head of livestock in 2010-2012.

Production, Supply and Demand Data Statistics:

PSD Table for Wheat

Turkey Wheat										
	2008	Revised		2009	Estimate		2010	Revised		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
MY Begin		06/2008	06/2008		06/2009	06/2009		06/2010	06/2010	MM/YYYY
Area Harvested	8,600	8,600	8,600	8,670	8,670	8,670			8,000	1000 HA
Beginning Stocks	420	1,220	1,220	1,550	2,038	2,038			1,458	1000 MT
Production	16,800	16,800	16,800	17,800	17,800	18,000			18,500	1000 MT
MY Imports	3,468	3,606	3,606	2,500	2,000	2,300			2,500	1000 MT
TY Imports	3,577	3,606	3,606	2,500	2,000	2,300			2,500	1000 MT
TY Imp from US	20	10	10	0	0	0			0	1000 MT
Total Supply	20,688	21,626	21,626	21,850	21,838	22,338			22,458	1000 MT
MY Exports	2,238	2,288	2,288	2,600	2,300	3,380			3,000	1000 MT
TY Exports	2,342	2,288	2,288	2,600	2,300	3,380			3,000	1000 MT
Feed Consumption	700	800	800	800	800	1,000			1,100	1000 MT
FSI Consumption	16,200	16,500	16,500	16,600	16,500	16,500			16,500	1000 MT
Total Consumption	16,900	17,300	17,300	17,400	17,300	17,500			17,600	1000 MT
Ending Stocks	1,550	2,038	2,038	1,850	2,238	1,458			1,858	1000 MT
Total Distribution	20,688	21,626	21,626	21,850	21,838	22,338			22,458	1000 MT
Yield	2.	2.	1.9535	2.	2.	2.0761			2.3125	MT/HA

PSD Table for Barley

Turkey Barley										
	2008	**Revised**		**2009**	**Estimate**		**2010**	**Revised**		**UOM**
	USDA Official	**Post Estimate**	**Post Estimate New**	**USDA Official**	**Post Estimate**	**Post Estimate New**	**USDA Official**	**Post Estimate**	**Post Estimate New**	
MY Begin		06/2008	06/2008		06/2009	06/2009			06/2010	MM/YYYY
Area Harvested	3,400	3,400	3,400	3,400	3,400	3,400			3,350	1000 HA
Beginning Stocks	612	341	341	697	176	483			310	1000 MT
Production	5,600	5,600	5,700	6,000	6,000	6,000			5,900	1000 MT
MY Imports	187	135	142	150	50	127			150	1000 MT
TY Imports	159	135	140	150	52	120			150	1000 MT
TY Imp from US	0	0	0	0	0	0			0	1000 MT
Total Supply	6,399	6,076	6,183	6,847	6,226	6,610			6,360	1000 MT
MY Exports	2	0	0	600	20	600			400	1000 MT
TY Exports	3	0	0	600	20	600			400	1000 MT
Feed Consumption	4,800	5,000	4,800	4,700	5,000	4,800			4,800	1000 MT
FSI Consumption	900	900	900	900	900	900			900	1000 MT
Total Consumption	5,700	5,900	5,700	5,600	5,900	5,700			5,700	1000 MT
Ending Stocks	697	176	483	647	306	310			260	1000 MT
Total Distribution	6,399	6,076	6,183	6,847	6,226	6,610			6,360	1000 MT
Yield	2.	2.	1.6765	2.	2.	1.7647			1.7612	MT/HA

PSD Table for Corn

Turkey Corn										
	2008	Revised		2009	Estimate		2010	Revised		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
MY Begin		09/2007	09/2007		09/2008	12/2008		09/2009	09/2009	MM/YYYY
Area Harvested	520	520	520	500	500	500			500	1000 HA
Beginning Stocks	599	657	599	883	1,091	785			585	1000 MT
Production	4,150	4,150	4,150	3,800	3,800	4,000			3,900	1000 MT
MY Imports	500	300	403	100	100	200			350	1000 MT
TY Imports	500	310	403	100	100	200			300	1000 MT
TY Imp from US	29	23	29	0	30	30			35	1000 MT
Total Supply	5,249	5,107	5,152	4,783	4,991	4,985			4,835	1000 MT
MY Exports	66	16	67	250	10	400			300	1000 MT
TY Exports	176	16	176	150	10	350			270	1000 MT
Feed Consumption	3,400	3,100	3,400	3,100	3,100	3,100			3,200	1000 MT
FSI Consumption	900	900	900	900	900	900			900	1000 MT
Total Consumption	4,300	4,000	4,300	4,000	4,000	4,000			4,100	1000 MT
Ending Stocks	883	1,091	785	533	981	585			435	1000 MT
Total Distribution	5,249	5,107	5,152	4,783	4,991	4,985			4,835	1000 MT
Yield	8.	8.	7.9808	8.	8.	8.			7.8	MT/HA

PSD Table for Rice

Turkey Rice										
	2008	**Revised**		**2009**	**Estimate**		**2010**	**Revised**		**UOM**
	USDA Official	**Post Estimate**	**Post Estimate New**	**USDA Official**	**Post Estimate**	**Post Estimate New**	**USDA Official**	**Post Estimate**	**Post Estimate New**	
Market Year Begin		09/2008	09/2008		09/2009	09/2009		09/2010	09/2010	MM/YYYY
Area Harvested	100	100	100	100	100	100			100	1000 HA
Beginning Stocks	261	261	261	250	206	265			270	1000 MT
Milled Production	420	420	420	430	429	420			420	1000 MT
Rough Production	700	700	700	717	715	700			700	1000 MT
Milling Rate (.9999)	6,000	6,000	6,000	6,000	6,000	6,000			6,000	1000 MT
MY Imports	205	150	209	200	130	200			200	1000 MT
TY Imports	200	140	200	200	125	200			200	1000 MT
TY Imp. from U.S.	0	65	54	0	55	55			55	1000 MT
Total Supply	886	831	890	880	765	885			890	1000 MT
MY Exports	25	25	25	15	15	15			15	1000 MT
TY Exports	25	25	25	15	15	15			15	1000 MT
Total Consumption	611	600	600	640	600	600			600	1000 MT
Ending Stocks	250	206	265	225	150	270			275	1000 MT
Total Distribution	886	831	890	880	765	885			890	1000 MT
Yield (Rough)	7	7	7	7	7	7			7	MT/HA