

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Turkey

### Oilseeds and Products Update

### Soybean and Products Update

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**Report Highlights:**

MY 2012 Turkish soybean area and production is now estimated about 20,000 hectares and 75,000 MT. Low cotton prices helped to increase soybean planting. Turkey imported a total 628,000 MT of soybeans during the first eight months of the marketing year and US was the leading supplier with 235,000 MT. Turkey also imported 485,000 MT of soy meal and USD supplied 140,000 MT during the first seven months of the marketing year. Attractive US prices and timely announcement of GSM 102 has helped US exports to Turkey. Total registration for both products reached US\$ 272 million during FY 2012 of which US\$ 208 million were for soybeans and the rest US\$ 64 million were for soybean meal.

**Post:**

Ankara

## Soybean

### Soybean PSD

| Oilseed, Soybean<br>Turkey | 2010/2011                      |             | 2011/2012                      |             | 2012/2013                      |          |
|----------------------------|--------------------------------|-------------|--------------------------------|-------------|--------------------------------|----------|
|                            | Market Year Begin: Sep<br>2010 |             | Market Year Begin: Sep<br>2011 |             | Market Year Begin: Sep<br>2012 |          |
|                            | USDA<br>Official               | New<br>Post | USDA<br>Official               | New<br>Post | USDA Official                  | New Post |
| Area Planted               | 12                             | 18          | 12                             | 12          |                                | 20       |
| Area Harvested             | 17                             | 18          | 15                             | 12          |                                | 20       |
| Beginning Stocks           | 617                            | 409         | 364                            | 361         |                                | 341      |
| Production                 | 60                             | 72          | 50                             | 50          |                                | 75       |
| MY Imports                 | 1,171                          | 1,350       | 1,400                          | 1,200       |                                | 1,250    |
| MY Imp. from U.S.          | 400                            | 419         | 400                            | 550         |                                | 500      |
| MY Imp. from EU            | 0                              | 6           | 0                              | 10          |                                | 10       |
| Total Supply               | 1,848                          | 1,831       | 1,814                          | 1,611       |                                | 1,666    |
| MY Exports                 | 0                              | 0           | 0                              | 0           |                                | 0        |
| MY Exp. to EU              | 0                              | 0           | 0                              | 0           |                                | 0        |
| Crush                      | 550                            | 500         | 550                            | 370         |                                | 370      |
| Food Use Dom. Cons.        | 25                             | 0           | 25                             | 0           |                                | 0        |
| Feed Waste Dom. Cons.      | 909                            | 970         | 890                            | 900         |                                | 950      |
| Total Dom. Cons.           | 1,484                          | 1,470       | 1,465                          | 1,270       |                                | 1,320    |
| Ending Stocks              | 364                            | 361         | 349                            | 341         |                                | 346      |
| Total Distribution         | 1,848                          | 1,831       | 1,814                          | 1,611       |                                | 1,666    |
| CY Imports                 | 1,280                          | 1,756       | 1,400                          | 1,298       |                                | 1,320    |
| CY Imp. from U.S.          | 400                            | 792         | 500                            | 305         |                                | 400      |
| CY Exports                 | 0                              | 0           | 0                              | 0           |                                | 0        |
| CY Exp. to U.S.            | 0                              | 0           | 0                              | 0           |                                | 0        |

### Production

MY2012 domestic soy bean planting and production is now estimated to be about 20,000 hectares and 75,000 MT, a significant increase from the 12,000 hectares in MY 2011. Farmers in the region switched back to corn and soybean as a result of lower than expected returns in last year's cotton crop in the Cukurova region where ninety-five percent of the local soy crop is grown.

In an effort to support local production, the GOT has been keeping kept soybean under the production bonus system. Farmers will receive the same supplement in 2012 as in 2011 of TL500 per ton-about (US\$ 280). An additional bonus of 200 TL (US\$ 110) per hectare per hectare for farmers that use certified seed. The bonus announcements were late for the first soy planting affecting production. In order to increase acreage in the second planting of the season, the supplements were kept high but they may lower support for non-certified seed next year, depending on planting expectations.

### Consumption

Both domestic broiler and egg industries had a very good start to 2012 due to a strong domestic demand and increasing exports. The Middle Eastern neighbors of Turkey are the leading export markets for Turkish broiler meat and eggs.

## Trade

Total soy bean imports during the first eight months of MY 2011 were 628,000 MT. United States (235,000 MT) and Paraguay (227,000 MT) were the leading suppliers followed by Argentina (77,000 MT) and Ukraine (70,500 MT). Available data indicate that US exports of soybean reached 550,000 MT in June 2012 compared to 270,000 MT of last marketing year. Year-end total imports are expected to remain about 1.2 MMT due to demand shifting to soy meal.

The GSM-102 export credit guarantee program for FY 2012 helped US soy bean and meal exports to Turkey. Total registration for both products reached US\$ 272 million during FY 2012 of which US\$ 208 million were for soybeans and the rest US\$ 64 million were for soybean meal.

### Soybean meal PSD

| Meal, Soybean<br>Turkey | 2010/2011                      |             | 2011/2012                      |             | 2012/2013                      |          |
|-------------------------|--------------------------------|-------------|--------------------------------|-------------|--------------------------------|----------|
|                         | Market Year Begin: Oct<br>2010 |             | Market Year Begin: Oct<br>2011 |             | Market Year Begin: Oct<br>2012 |          |
|                         | USDA<br>Official               | New<br>Post | USDA<br>Official               | New<br>Post | USDA Official                  | New Post |
| Crush                   | 550                            | 500         | 550                            | 370         |                                | 370      |
| Extr. Rate, 999.9999    | 1.                             | 0.77        | 1.                             | 0.7703      |                                | 0.7703   |
| Beginning Stocks        | 117                            | 115         | 263                            | 206         |                                | 201      |
| Production              | 439                            | 385         | 439                            | 285         |                                | 285      |
| MY Imports              | 528                            | 534         | 450                            | 700         |                                | 820      |
| MY Imp. from U.S.       | 100                            | 125         | 120                            | 250         |                                | 270      |
| MY Imp. from EU         | 3                              | 233         | 0                              | 250         |                                | 270      |
| Total Supply            | 1,084                          | 1,034       | 1,152                          | 1,191       |                                | 1,306    |
| MY Exports              | 8                              | 8           | 8                              | 15          |                                | 20       |
| MY Exp. to EU           | 0                              | 0           | 0                              | 0           |                                | 0        |
| Industrial Dom. Cons.   | 0                              | 0           | 0                              | 0           |                                | 0        |
| Food Use Dom. Cons.     | 0                              | 0           | 0                              | 0           |                                | 0        |
| Feed Waste Dom. Cons.   | 813                            | 820         | 882                            | 980         |                                | 1,080    |
| Total Dom. Cons.        | 813                            | 820         | 882                            | 980         |                                | 1,080    |
| Ending Stocks           | 263                            | 206         | 262                            | 196         |                                | 206      |
| Total Distribution      | 1,084                          | 1,034       | 1,152                          | 1,191       |                                | 1,306    |
| CY Imports              | 350                            | 408         | 350                            | 542         |                                | 650      |
| CY Imp. from U.S.       | 125                            | 114         | 120                            | 120         |                                | 200      |
| CY Exports              | 8                              | 7           | 8                              | 7           |                                | 10       |
| CY Exp. to U.S.         | 0                              | 0           | 0                              | 0           |                                | 0        |
| SME                     | 813                            | 820         | 882                            | 980         |                                | 1,080    |

### Soybean meal

Domestic production of soy meal declined to 315,000 MT due to low crushing margins caused by limitations of soy oil usage due to biotech. Currently soy oil is approved for limited industrial uses such as paint). Consumption of soybean meal however increased due to increased imports as a result of low cost EU and South American supplies.

Turkey has imported a total of 485,000 MT of soybean meal during first seven months of MY 2011. Argentina and the US were the leading suppliers with 165,000 MT and 140,000 MT respectively. Turkey continued to import large amount of EU sourced soy meal as well due to the import tax advantage. Imported soy meal from EU sources is subject to a zero import tax versus 13.5% from other sources. Germany (88,000 MT) and Spain (66,000 MT) were the sources for EU soy meal for Turkey.

Available data indicate that Turkey has bought 233,000 MT of soy meal as of June 2012 from the US compared to 114,000 MT a year ago. Turkey exported about 3,000 MT of soy meal during the same period to N. Cyprus. According to sources, Turkey also exported soybean meal to nearby countries such as Iraq and Iran. The export amounts do not appeared on the official statistics but it is estimated about 10,000 MT.

### Soybean oil PSD

| Oil, Soybean<br>Turkey | 2010/2011                      |             | 2011/2012                      |             | 2012/2013                      |          |
|------------------------|--------------------------------|-------------|--------------------------------|-------------|--------------------------------|----------|
|                        | Market Year Begin: Oct<br>2010 |             | Market Year Begin: Oct<br>2011 |             | Market Year Begin: Oct<br>2012 |          |
|                        | USDA<br>Official               | New<br>Post | USDA<br>Official               | New<br>Post | USDA Official                  | New Post |
| Crush                  | 550                            | 500         | 550                            | 370         |                                | 370      |
| Extr. Rate, 999.9999   | 0.                             | 0.19        | 0.                             | 0.1973      |                                | 0.1973   |
| Beginning Stocks       | 4                              | 4           | 3                              | 15          |                                | 12       |
| Production             | 98                             | 95          | 98                             | 73          |                                | 73       |
| MY Imports             | 3                              | 3           | 3                              | 2           |                                | 2        |
| MY Imp. from U.S.      | 0                              | 1           | 0                              | 1           |                                | 1        |
| MY Imp. from EU        | 1                              | 0           | 1                              | 1           |                                | 1        |
| Total Supply           | 105                            | 102         | 104                            | 90          |                                | 87       |
| MY Exports             | 4                              | 5           | 4                              | 5           |                                | 5        |
| MY Exp. to EU          | 0                              | 0           | 0                              | 0           |                                | 0        |
| Industrial Dom. Cons.  | 23                             | 20          | 23                             | 8           |                                | 7        |
| Food Use Dom. Cons.    | 53                             | 15          | 53                             | 10          |                                | 12       |
| Feed Waste Dom. Cons.  | 22                             | 47          | 20                             | 55          |                                | 55       |
| Total Dom. Cons.       | 98                             | 82          | 96                             | 73          |                                | 74       |
| Ending Stocks          | 3                              | 15          | 4                              | 12          |                                | 8        |
| Total Distribution     | 105                            | 102         | 104                            | 90          |                                | 87       |
| CY Imports             | 3                              | 10          | 3                              | 2           |                                | 2        |
| CY Imp. from U.S.      | 0                              | 0           | 0                              | 1           |                                | 1        |
| CY Exports             | 4                              | 4           | 4                              | 4           |                                | 6        |
| CY Exp. to U.S.        | 0                              | 0           | 0                              | 0           |                                | 0        |

The bio safety law limits the utilization of soy oil produced from biotech soybeans to be used only in feed and prevents its use in the food and industry, mostly paint and ink production, categories.

Only locally grown and imported non-GM soy beans and oil are used in food. The great majority of imported and crushed soybeans are biotech varieties which adversely affects domestic crushing margins hence causes production and consumption of soy oil to decline. Even though the industry received permission after long negotiations to use soy oil in paint production so far high soy oil prices prevented utilization. Large amount of soy oil used to be utilized in domestic margarine production as well.

Imports of soy oil during the first seven months of the year were about 1,000MT all from US. Exports were about 3,000 MT the great majority was to N. Cyprus.