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Turkey

Grain and Feed

Corn Update

2004

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Report Highlights:

Turkish corn production is forecast to increase in MY 2004 to about 3 MMT. Total imports are forecast at 500,000 MT. MY 2003 production is revised down to 2.5 MMT while imports are increased to 900,000 MT. Production increases are projected to continue during the next few years, since the government is trying to encourage corn production over sugar beet production. Farmers are also switching from cotton and tobacco to corn. Turkey's corn imports are projected to decline in coming years as a result of these production increases.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Ankara [TU1]
[TU]

This is the same report, which was sent earlier without PSD and Trade Matrixes due to technical problems.

The corn harvest is continuing for first-crop corn in Turkey. The first-crop corn harvest is expected to be completed around mid-October, which is about the same time the harvest of the second-crop corn starts in Cukurova. Industry MY 2004 corn crop estimates vary from 2.6 MMT to 3.5 MMT. The primary reason for this large variation is last year's estimate. Almost all sources based the new crop estimate on the previous year's estimate. Some sources believe that last year's official estimate (2.8 MMT) was too high. As the season developed and trade numbers became clear, many industry sources reduced their estimates. Most industry representatives now believe that MY 2003 corn production was around 2.5 MMT. This is the result of a similar reduction in the planting area. Post-estimated corn acreage and production for MY 2003 revised downward to 625,000 hectares and 2.5 MMT. In MY 2004, the planting area is estimated to increase by 12 percent over this revised estimate. The weather was also very favorable during the growing season, increasing yields as well. As a result, MY 2004 corn crop is forecast at 3 MMT on 700,000 hectares.

Total imports are estimated to decline to 500,000 MT in MY 2004 due to the increase in supply. The GOT assigned a 900,000 MT quota for corn imports with 25 percent import duty for the period of May through August 2004. About 90 percent of this quota was used and total imports are now estimated around 900,000 MT, including other imports from corn and product exporters who can import without paying any duty. As a result, PSD import data is also revised upward from 700,000 MT to 900,000 MT in MY 2003. The corn import duty is still 25 percent, however, there is no import quota available. It is expected that the GOT will increase the duty soon again.

Corn acreage and production are both projected to increase significantly in upcoming years. This will take place as first crop especially in Cukurova and Southeastern Anatolia Regions. Increases will also take place to a lesser extent in all other regions, including the Aegean, Central Anatolia, and Marmara Regions. Acreage increases have been occurring as a result of shifts primarily from cotton in the Cukurova, Southeastern Anatolia, and Aegean Regions. In Aegean Region some shifts from tobacco to corn are also taking place. Shifts from sugar beets to corn are also taking place in almost all regions. There are several reasons for the shifts from cotton to corn. The most imported ones are: 1) cotton prices are low and cotton can be imported at lower prices with zero duty 2) finding labor for cotton is difficult and labor costs are high. In addition to these, the GOT announced a premium for corn for the first time this year, even though the amount of the premium is not announced yet. Also, farmers, who use certified seed to grow corn, will receive an additional ten percent of their premiums for using certified seeds. Acreage of corn for silage has also been increasing, especially in the Aegean Region.

As corn acreage and production increases modestly over the next few years, corn imports are expected to decline over the same period. Meanwhile, demand for corn will also increase, driven by economic growth and growth of the poultry sector.

The Turkish Grain Board (TMO) procured about 100,000 MT of first-crop corn with a procurement price of TL 332,000 per kilogram (\$222/ton). Farmers are receiving about TL 320,000 per kilogram after taxes and farmers receive one-half of their money at the time they sell their crop to TMO and the second half is paid a month later. The private sector is paying about TL 300,000 per kilogram cash. Currently, traders and starch-based sweetener producers are procuring corn from the market. Most of the integrated poultry industry representatives are not yet in the market to buy corn. Most feed millers bought corn and feed wheat from TMO with deferred payment in the spring. They cannot afford to buy the new crop corn at this point.

Statistical Tables

PSD Table for Corn

| Turkey Corn | | | | | | | |
|------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------|
| | 2002 | Revised | 2003 | Estimate | 2004 | Forecast | UOM |
| | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | |
| Market Year Begin | | 09/2002 | | 09/2003 | | 09/2004 | MM/YYYY |
| Area Harvested | 550 | 550 | 700 | 625 | 700 | 700 | 1000 HA |
| Beginning Stocks | 281 | 281 | 646 | 875 | 696 | 665 | 1000 MT |
| Production | 2100 | 2100 | 2800 | 2500 | 2800 | 3000 | 1000 MT |
| TOTAL Mkt. Yr. Imports | 1474 | 1804 | 1050 | 900 | 1100 | 500 | 1000 MT |
| Oct-Sep Imports | 1475 | 1810 | 1100 | 900 | 1100 | 500 | 1000 MT |
| Oct-Sep Import U.S. | 981 | 650 | 0 | 350 | 0 | 250 | 1000 MT |
| TOTAL SUPPLY | 3855 | 4185 | 4496 | 4275 | 4596 | 4165 | 1000 MT |
| TOTAL Mkt. Yr. Exports | 9 | 10 | 0 | 10 | 0 | 10 | 1000 MT |
| Oct-Sep Exports | 9 | 10 | 0 | 10 | 0 | 10 | 1000 MT |
| Feed Dom. Consumption | 2300 | 2400 | 2900 | 2700 | 3000 | 2900 | 1000 MT |
| TOTAL Dom. Consumption | 3200 | 3300 | 3800 | 3600 | 3900 | 3800 | 1000 MT |
| Ending Stocks | 646 | 875 | 696 | 665 | 696 | 355 | 1000 MT |
| TOTAL DISTRIBUTION | 3855 | 4185 | 4496 | 4275 | 4596 | 4165 | 1000 MT |

Import Matrix for Corn

Import Trade Matrix

Country Turkey
Commodity Corn

| | | | |
|-------------------|-------------|----------------|-------------|
| Time Period | Jan. - Dec. | Units: | Metric Tons |
| Imports for: | 2003 | January - July | 2004 |
| U.S. | 1113484 | U.S. | 328589 |
| Others | | Others | |
| Argentina | 356754 | Argentina | 158254 |
| Hungary | 163622 | Hungary | 43968 |
| Ukraine | 42856 | Ukraine | 33402 |
| Romania | 40227 | Romania | 22671 |
| Bulgaria | 37509 | France | 22415 |
| Brazil | 31353 | Bulgaria | 8269 |
| France | 21414 | Spain | 479 |
| Croatia | 7810 | Yugoslavia | 255 |
| Moldova | 2407 | Italy | 200 |
| South Africa | 216 | Croatia | 95 |
| Total for Others | 704168 | | 290008 |
| Others not Listed | 480 | | 204 |
| Grand Total | 1818132 | | 618801 |

Export Matrix for Corn

Export Trade Matrix

Country Turkey
Commodity Corn

| | | | |
|-------------------|-------------|----------------|-------------|
| Time Period | Jan. - Dec. | Units: | Metric Tons |
| Exports for: | 2003 | January - July | 2004 |
| U.S. | | U.S. | 3 |
| Others | | Others | |
| Italy | 3367 | Italy | 747 |
| Spain | 2953 | Israel | 389 |
| France | 780 | Germany | 280 |
| Israel | 500 | Netherlands | 196 |
| Germany | 424 | Croatia | 179 |
| Netherlands | 282 | Spain | 137 |
| United Kingdom | 152 | France | 108 |
| Hungary | 48 | Japan | 31 |
| Austria | 28 | Egypt | 30 |
| Northern Cyprus | 22 | Iraq | 19 |
| Total for Others | 8556 | | 2116 |
| Others not Listed | 2432 | | 303 |
| Grand Total | 10988 | | 2422 |