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Report Highlights:

Turkish wheat and barley production are expected to be lower than normal in MY 2005 due to dry weather last fall in the Central Anatolia Region. Therefore, precipitation in April and May will be very important this year. Corn production should increase significantly while chickpea and lentil production only slightly in 2005. Tariff and non-tariff barriers are being used by the government to successfully limit imports of most commodities while increasing domestic prices.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Turkish grain production in MY 2005 is projected to be less than normal due to low precipitation in the fall, especially in the Central Anatolia. Precipitation in January and February were normal for most areas. Because the mild winter produced little snow, crop development will be more sensitive to drought conditions. Spring rains, especially in April and May, will be more import this year.

In MY 2004, TMO procured larger quantities of wheat and corn compared to MY 2003 due to higher production. On the other hand, TMO procured smaller quantities of barley and paddy rice. A quota system limited TMO paddy rice procurement (see Trade Policy Section). TMO procured a total of about 1.9 MMT of wheat, 1 TMT of barley, 0.5 MMT of corn, and 15 TMT of paddy rice in MY 2004. TMO paid a total of YTL 820 million for the grain procurement (USD 638 million). MY 2005 TMO procurement prices are expected to be announced at the end of May or early June. MY 2005 prices are expected to be slightly above of the MY 2004 prices because of smaller harvests and, as a result, higher prices in the market. TMO is also expected to procure fewer quantities of grains as there are signs that the GOT intends for TMO to have a diminishing role in grain business. (See Trade Policy Section)

Turkey is likely to continue to use high import duties, seasonal bans, and quota systems to control grain imports in order to protect local farmers. Since last September, the GOT stopped issuing of import licenses for all grains and pulses. Wheat is currently being sold from TMO stocks to exporters of flour and products. Normally exporters would be able to import wheat against their export receipts. Rice imports were allowed only to those traders that bought paddy rice from domestic producers. Licenses to import pulses were distributed shortly before the New Year to protect local producers. Even though it was assigned to import barley, TMO did not import because prices came down shortly after this decision. No announcement has been made yet for corn imports since locally produced corn is still available in the market.

U.S. grain exporters to Turkey continue to face stiff competition in the market. EU countries enjoy tariff advantages, which range from low to zero duty tariff rate quotas stipulated by the EU Customs Union Agreement. Neighboring countries also have the ability to sell grain in small consignments and offer faster and lower cost shipping.

In 2005, import duties for durum and milling wheat were raised to 60 percent for the EU and EFTA countries and 85 percent for other countries. Corn duties were raised to 100 percent for all countries. Duties for barley are 85 percent, for chickpeas and lentils, 19.3 percent. Import duties for rice were reduced by two percent from the 2005 Import Regime with the quota system for all paddy, brown, and milled rice and applied as 32 percent, 34 percent, and 43 percent, respectively.

(As of March 1, 2005, USD 1.00 is around TL 1,285,000 or YTL 1.285)

Production

Turkish grain production is expected to be lower than normal in MY 2005 (June 2005 – May 2006). The projected decrease in production is due to very low precipitation in most parts of the Central Anatolia, especially in Konya, Ankara, Kayseri, Nevsehir, and Nigde Provinces, during the fall. Precipitation in January and most of February was normal. The climate was relatively mild and it did not snow much this winter, which will make grains more sensitive to drought during the spring months.

In MY 2004, TMO procured larger quantities of wheat and corn but less barley and paddy rice. TMO paid a total of YTL 820 million for these purchases.

The Prime Minister made a press conference about a month ago and announced the new agricultural policies. The titles and summary are provided as follow:

1. Diesel support: Farmers will pay TL 1,373,000 per liter in stead of TL 1,797,000 per liter according to the registration certificate and up to 80 liters per hectare. Total registered area is 18,000 hectares. Total support is expected to reach TL 69 trillion (or YTL 69 million).
2. VAT reduction on chemical fertilizer: The VAT ratio will be reduced from 18 percent to 8 percent on chemical fertilizer. Total support is expected to reach TL 180 billion (or YTL 180,000).
3. Farmers electricity debts: Farmers will be able to pay their electricity debts in installment plans. The original debts will be elevated according to the WPI (wholesalers price index). Farmers are expected to pay 25 percent of the new debt at the beginning and they can pay the remainder in 36 months as monthly installments.
4. Electricity support: The price of electricity farmers' use for irrigation will be reduced by 25 percent. Total support is expected to reach TL 87.5 trillion (or YTL 87.5 million).
5. Cotton premium: Cotton growers will receive a premium of TL 190 per kilogram of cotton. Those growers who use and document that they used certified seeds; they will receive a premium of TL 228,000 per kilogram of cotton.
6. Citrus and poultry meat support: It is expected that exports of citrus crop, especially orange and tangerine, and poultry meet will be increased.
7. Use of certified seed support: Support on use of certified seeds already started. Wheat and barley will be included to this program this year. Total support is expected to reach TL 55 trillion (or YTL 55 million).

Wheat

MY 2005 wheat production is currently projected at about 17 MMT, which is about 6 percent lower than the revised level in MY 2004. Precipitation in April and May is normally very important for cereal production in Turkey and, as a result, production estimates may change later in the year. If Turkey, especially the Central Anatolia Region, does not receive sufficient precipitation in April and May, wheat production estimates may be revised further downward. Wheat planting area in MY 2005 is projected to be about the same as in MY 2004.

TMO procured larger quantities of wheat in MY 2004 compared to recent years because of a large harvest, high procurement prices, and cash payments, which it offered. As a result, farmers preferred to sell more to TMO. By law TMO is required to purchase all wheat offered

by farmers. According to the TMO procurement system, farmers are paid the first half of the value of the purchases at the time of the procurement and the remainder is paid 30 days later. In MY 2004, TMO procured a total of 1,890,000 MT of wheat and paid YTL 658 million.

In 2004, Turkey used more efficient pest control programs, particularly for the Sunni bug and "aelia rostrata", which are important factors for wheat yields and quality. Farmers have come to recognize the benefits of spraying in recent years. It is expected that more farmers will spray against these pests because of higher prices they received for better quality grains.

MY 2004 wheat crop estimate was revised upward by 1.7 percent to 18 MMT according to industry sources and traders. About nine percent of this total (1.6 MMT) was durum.

Barley

Barley production is also projected to be slightly lower, at 6.8 MMT, in MY 2005 compared to MY 2004 because of the same climatic reasons. Precipitation through May will certainly affect yields. Barley planted area in MY 2005 is also projected to remain about the same as was estimated in MY 2004.

TMO procured much smaller quantities of barley in MY 2004, because market prices were higher than the prices TMO offered. TMO procured only 1,026 MT of barley in MY 2004.

Corn

Corn area and production are expected to increase by around 15 percent in MY 2005. This will be the result of shifts from other crops, primarily cotton, sugar beets, and tobacco. For the first time in MY 2004, the GOT announced a premium of TL 25,000 per kilogram, which also encouraged farmers to grow corn.

TMO procured larger quantities of corn in MY 2004 compared to recent years because of large supply, high procurement prices, and cash payments it offered. As a result of these factors, farmers preferred to sell larger quantities to TMO. According to the TMO procurement system, farmers are paid the first half of the value of the purchases at the time of the procurement and the remainder is paid 30 days later. In addition to these factors, TMO applied a seven month deferred payment system in order to sell all its corn stocks in MY 2003. Many millers expected TMO to do the same in MY 2004, and, as a result, did not buy much corn. Their ability to pay cash, since they were still paying the remaining debt to TMO because of the purchases made by deferred payment also limited their purchases. In MY 2004, TMO procured 473,000 MT of corn and paid YTL 150 million.

Rice

Rice area and production in MY 2005 are projected to be about the same as they were in MY 2004.

Rice production in Turkey increased significantly in MY 2004. MY 2004, rice area is estimated at 80,000 hectares while milled production is estimated at 325,000 MT. Rice production increased more than the area in MY 2004 due to higher yields, especially in the Thrace Region, which had record high yields in MY 2004. Increase in production was mostly in Osmancik variety, which competes directly with Calrose

On August 27, 2004, the GOT announced a new rice quota import regime, which is explained in the Trade Policy Section in detail. As a result, TMO did not have to buy large quantities of paddy rice. TMO bought only 15,000 MT and paid a total of YTL 10 million in MY 2004. TMO paid TL 864,000 per kilogram for Baldo, TL 756,000 per kilogram for other long grain, TL 696,000 per kilogram for Veneria, TL 685,000 per kilogram for other medium grain, and TL 621,000 per kilogram for short grain, all prices were as paddy.

Pulses

Pulse area and production both are projected to increase slightly in MY 2005 due to higher prices driven by higher export demand. MY 2004 production are estimated at 620,000 MT for chickpeas and 450,000 MT for lentils.

GUNEYDOGUBIRLIK, which used to procure large amounts of red lentils to protect farmers, procured a very small quantity in MY 2004. GUNEYDOGUBIRLIK only procured 9,946 kilograms and paid an average price of TL 586,000 per kilogram last July due to low prices. However, GUNEYDOGUBIRLIK stopped procurement after prices increased. No other organization is procuring any pulses.

Consumption**Wheat**

Wheat consumption, especially for feed, is projected to decrease slightly in MY 2005 because of reduced supplies.

Total MY 2004 wheat consumption was revised upward, primarily as a result of larger use for feed due to large supply and low prices. Industry contacts indicated that low quality and low priced wheat replaced corn significantly, even in poultry feed. TMO also sold low quality wheat to the feed millers with low prices and deferred payment system.

Some industry sources estimate the wheat consumption in Turkey as following breakdown:

1. 11,000,000 MT as bread,
2. 1,800,000 MT as seed,
3. 1,000,000 MT as bulgur (cracked wheat),
4. 1,000,000 MT as patisserie and luxury consumption, including cake, baklava, semolina, and etc.,
5. 650,000 MT as pasta,
6. 500,000 MT as biscuits and waffles, and
7. 1,000,000 MT as feed (This value is the lower limit and may go up higher depend upon the availability of other feed grains and their prices).

These figures also include quantities used for export purposes, especially for pasta, biscuits, waffles, bulgur, semolina, etc. Turkey exported about 70,000 MT pasta in 2003 and 125,000 MT in 2004. Similarly Turkey exported about 90,000 MT biscuits and waffles in 2003 and 110,000 MT in 2004.

TMO wheat selling prices are listed in Table 1.

Table 1: TMO Wheat Selling Prices (February 2005)

Type of Grains	TL Per Kilogram	YTL Per Kilogram
Durum Wheat		
Anatolian Durum No: 1	498,000	0.4980
Other Durum No: 1	480,000	0.4800
Low Quality Durum	422,000	0.4220
Milling Wheat		
Anatolian Hard Red or White No: 1	458,000	0.4580
Anatolian Semi Hard Red or White No: 1	436,000	0.4360
Other Milling (Red or White) No: 1	413,000	0.4130
Feed Wheat	370,500	0.3705
Imported Wheat		
European Union	416,000 1/	0.3750 2/
Kazakistan	416,000 1/	0.3700 2/
European Union (Germany)	432,000 1/	0.3900 2/

1/ Price with the deferred payment system

2/ Price if it is paid cash

Source: TMO Website – www.tmo.gov.tr

Currently USD 1.00 is around YTL 1.285 (or TL 1,285,000)

The prices at the major grain commodity exchanges are given below for comparison. These prices may be considered as current market prices. A total of 1,245 MT of durum wheat was sold at an average price of YTL 0.33 per kilogram, a total of 350 MT of hard red milling wheat was sold at an average price of YTL 0.35 per kilogram, a total of 94 MT of semi-hard white milling wheat was sold at an average price of YTL 0.32 per kilogram, and a total of 450 MT of feed wheat was sold at an average price of YTL 0.30 per kilogram at the Konya Commodity Exchange on February 25, 2005. The quantities of sales and average prices at the Polatli Commodity Exchange on the same day were: 210 MT of hard red milling wheat at YTL 0.352 per kilogram, 23 MT of other milling wheat at YTL 0.34 per kilogram, and 125 MT of feed wheat at YTL 0.325 per kilogram.

Barley

Barley consumption in MY 2005 is projected to remain unchanged from previous years.

About half of the feed barley is used for making commercial feed and the other half is fed directly or crashed by farmers for making their own mix, according to industry sources.

Malting barley consumption, which is estimated at 900,000 MT, has been steady in recent years.

TMO barley selling prices are listed in Table 2.

Table 2: TMO Barley Selling Prices

Type of Grains	TL Per Kilogram	YTL Per Kilogram
Barley		
Malting	335,000	0.3350
White	330,000	0.3300
Black and Blue	310,000	0.3100
Imported	310,000	0.3100

Compared to the TMO prices, 121 MT of feed barley was sold at an average price of YTL 0.295 per kilogram at the Konya Commodity Exchange and 21 MT at YTL 0.31 at the Polatli Commodity Exchange on February 25, 2005.

Corn

Corn consumption is projected to increase in MY 2005, because of anticipated recovery of the poultry sector.

The corn market is rather quiet at the moment and corn consumption is expected to decrease slightly in MY 2004 primarily as a result of more feed wheat and lower demand from the poultry sector. The poultry sector is recovering from bad publicity according to which some NGO's claimed that the poultry sector was using hormones for their production. Even though Ministry officials and sector representatives declared that this is not the case, the poultry sector as consumption and prices have decreased significantly. However, industry sources anticipate the sector will recover from this crisis in MY 2005 and corn consumption will rebound. The total quantity of corn used in feed is estimated at 2.7 MMT and in starch and sweetener production is at 900,000 MT, about three-quarters of the total consumption. The quantity of corn used by the starch and sweetener industry can easily go higher because of its price advantage over sugar produced from sugar beets. However, total sweetener production is limited to ten percent of the total sugar supply of Turkey.

The TMO selling price for corn is YTL 0.4030 per kilogram compared to the average price of YTL 0.32 per kilogram at the Adana Commodity exchange and YTL 0.34 per kilogram at the Eskisehir Commodity Exchange on February 25, 2005

Rice

Rice consumption estimates for Turkey vary considerably but range between 7 and 8 kilograms. Our data puts per capita Turkish rice consumption at about seven kilogram. Most of the rice is consumed in the big cities and western provinces. Rural areas and central and eastern provinces prefer to consume bulgur (cracked wheat). Pasta also competes with rice, especially considering the availability of inexpensive pasta. Rice consumption is also very price-sensitive. Bulgur is being sold at one half price of the Egyptian rice in the market and considered to be healthier than rice by many people. Many people make their own bulgur in rural areas.

TMO is currently selling Baldo rice at YTL 1.95 per kilogram and other long grain rice at YTL 1.53 per kilogram. These prices are slightly lower in 50-kilogram bags (YTL 1.92 per kilogram of Baldo and YTL 1.47 per kilogram of other long grain). In retail outlets in Ankara, Baldo rice is currently sold around YTL 2.50 per kilogram, Calrose is sold around YTL 2.20 per kilogram, and Egyptian medium grain rice is sold around YTL 1.90 per kilogram.

Pulses

Per capita consumption of chickpeas is estimated at slightly less than seven kilograms and lentils at about 6 kilograms all for human consumption.

Green lentils and chickpeas are currently sold around YTL 2.50 per kilogram and red lentils are sold around YTL 2.00 per kilogram in the retail markets in Ankara.

Trade and Trade Policy

The GOT is not issuing any control certificates (import licenses) for wheat, barley, corn and rice imports at this point.

Wheat

Turkey is projected to import more wheat in MY 2005 compared to MY 2004 because of the projected decrease in production (1.2 MMT in MY 2005 compared to 0.7 MMT in MY 2004). However, wheat imports are historically related to exports of flour and other flour products, i.e., pasta, biscuits, waffles, etc.

Turkey imported less wheat in MY 2004 because of large domestic supplies. As a result, TMO procured large quantities and accumulated large stocks. The GOT has not been issuing any control certificate for wheat imports during the last several years. Wheat imports are possible only with quotas primarily with the EU countries. In the past control certificates were provided to the industry for re-exporting wheat products such as flour, pasta, biscuits, etc. The GOT has also stopped issuing control certificates for wheat flour and product exporters since last September in order to allow TMO to reduce its stocks. However, previously issued certificates, which became very rare, were honored.

Instead, TMO is selling wheat to the industry "at the world market prices" for exporting of wheat products. These prices are not actually the world market prices, but are still lower than the domestic market prices and regular TMO sales prices. In other words, TMO is selling wheat to flour and pasta exporters at prices below their procurement prices. TMO sold about 1 MMT of wheat to the wheat product exporters "at the world market prices" since last September. TMO selling prices for March 2005 are listed in the following table.

Table 3: TMO Wheat Selling Prices to Wheat Flour and Products Exporters in March 2005

Type of Wheat	MY 2004 Crop (USD/MT)	MY 2003 Crop (USD/MT)
Durum Wheat		
No: 1 Anatolian Durum	191	186
No: 1 Other Durum	189	184
Milling Wheat		
A1 Anatolian Hard White & A1 Anatolian Hard Red	155	143
A2 Anatolian Hard White & A2 Anatolian Hard Red	147	135
A1 Semi Hard Red & B1 Semi Hard White	147	135
A2 Semi Hard Red & B2 Semi Hard White	139	127

Source: TMO Website – www.tmo.gov.tr

Turkey exports a large quantity of wheat flour. Export Trade Matrix for Wheat Flour, which is provided as Table 4 below, shows the quantities exported by destination in 2003 and 2004.

Export Trade Matrix for Wheat Flour

Turkey Wheat Flour			
Time Period	Jan. - Dec.	Units:	Metric Tons
Exports for:	2003		2004
U.S.	25	U.S.	10
Others		Others	
Libya	105562	Iraq	194268
Israel	61370	Georgia	90588
Eritrea	50766	Libya	88333
Iraq	44929	Israel	65794
Indonesia	28028	Eritrea	56648
Albania	21467	Bulgaria	50602
Azerbaijan	21266	Azerbaijan	30588
Venezuela	21000	Indonesia	28259
Georgia	17249	Albania	26677
Jordan	10392	Gambia	19740
Total for Others	382029		651497
Others not Listed	205723		127156
Grand Total	587777		778663

The quality of the TMO wheat is not satisfactory for millers, who millers have been asking the GOT that high quality wheat (i.e., protein content of 14 percent or higher) imports should be allowed. The industry was not successful and it is not expected that significant quantities of wheat will be imported until the new marketing year. Turkey has an import quota for 200,000 MT of milling wheat and 100,000 MT of durum wheat with zero duty from EU countries. The GOT officials and the industry contacts are not sure at this point that the GOT will allow these imports, since they have to be imported before May 31 of 2005.

The GOT assigns TMO to export grains from its stocks and, if this is the case, the difference in between purchase prices and export prices is paid by the Treasury. The GOT usually announces a small amount of export support only for pasta; however, it has not been announced in 2005. There are no support programs for any other cereals, cereal products, or pulses.

Import duties for durum and milling wheat were increased to 60 percent for the EU and EFTA countries and to 85 percent for the other countries in 2005. These were 30 percent for durum and 40 percent for milling wheat for all countries in 2004. However, duties for barley (85 percent), rice (34 percent for paddy, 36 percent for brown, and 45 percent for milled rice), chickpeas (19.3 percent), and lentils (19.3 percent) remained the same as they were in 2004.

Turkish wheat and flour exports to Iraq have gone up significantly in recent years and took the first place in wheat and flour exports.

Barley

Turkey is projected to import more barley (400,000 MT) in MY 2005 compared to (150,000 MT) in MY 2004 because of the projected decrease in production. Turkey imported about 250,000 MT in MY 2003.

The GOT issued a decree for TMO to import 250,000 MT of barley duty-free when barley prices increased last fall. However, barley prices went down shortly after this announcement due to the availability of low priced feed wheat. As a result, TMO has not imported any barley and is not expected to import any until the end of the current marketing year. The GOT will not issue import permits to the private sector to import barley. The duty on barley imports is 85 percent.

Corn

The quantity of corn to be imported in MY's 2004 and 2005 is projected at 500,000 MT. Historically, the corn duty has been increased to prohibitive levels during the domestic harvest, and then reduced early in the New Year or spring once the domestic crop has been sold out. In 2004 the GOT announced a quota system that was somewhat disruptive to the trade, since import quantities were allocated through an application process that left many importers dissatisfied.

Corn import duties were raised from 80 percent to 100 percent for all countries in 2005. At this point, future GOT policy on corn imports is unclear for 2005. Since TMO has relatively large stocks, some speculate that TMO may implement a policy similar to one it announced for rice last spring. Under this system, importers first have to purchase TMO stocks in order to obtain permission to import a similar quantity.

Regardless what the policy will be, almost all sources agree that Turkey will import less corn compared with previous years. This is primarily due to the increase in domestic production. Turkish millers also prefer local corn and are willing to pay USD 10 higher per MT because of its quality. Sweetener producers, for example, are required by many of their customers to source non-biotech corn for their production of fructose. For many millers Argentine corn is the second choice, followed by U.S. corn.

The development of draft biosafety legislation also threatens to disrupt commercial trade in corn. Legislation has been drafted, and GOT sources have indicated that it will go to Parliament by the end of the month. Realistic observers expect the law to spend considerably more time under review since it would have such a significant impact on food and agricultural industries in Turkey. For example, registration and application procedures are quite arduous, and liability provisions are very strict. While the spirit of the law is not to ban biotech products, many sources indicate that if the law were passed in its current form, trade in all products derived through agriculture biotechnology would come to a halt.

Rice

Turkey is projected to import less rice (170,000 MT) in MY 2005 compared to (215,000 MT) the quantity in MY 2004.

Rice imports are governed by a quota regime published by the Foreign Trade Under Secretariat on August 27, 2004. According to the new system, rice imports were only possible if importers purchased paddy rice from domestic producers. A quota received from the Foreign Trade Under Secretariat after TMO first approves the firms' documents that they bought paddy from producers. The GOT provided quotas to traders according to the quantities they bought from producers. Traders have already registered that they bought a total of 440,000 MT of paddy rice. As a result, a total of 185,000 MT of milled rice (or paddy as milled equivalent) quota was provided to traders. The quantity already imported was

estimated around 100,000 MT. Most of this total was taken from bonded warehouses. The import duty rates are two points less than announced in the 2005 Import Regime (they are 32 percent, 34 percent, and 43 percent for paddy, brown, and milled rice, respectively). In addition to this quantity, Turkey has an agreement to import 30,000 MT of rice from the EU countries with zero duty. Thus, total imports in MY 2005 are estimated at 215,000 MT. This quota system has restricted the total level of rice exports to Turkey, and effectively required the domestic traders to finance domestic procurement – an expensive job that was previously done by TMO.

It is expected that the GOT will attempt to continue to use the quota system for rice imports for upcoming years as well. TMO hopes to control and regulate the local market by this way while domestic producers will be protected. The GOT may also use this import regime system for providing import licenses to other grains starting from the new marketing year.

Pulses

Turkey exported larger quantities of chickpeas and lentils in 2003 and ended the year with lower carryover stocks. As a result, Turkey exported lower quantities of chickpeas and lentils in MY 2004. Turkey is also projected to export similar quantities of chickpeas and lentils in 2005. Turkey exports red lentils and imports mostly green lentils.

The policy of the GOT on imports of pulses is to restrict issuance of any control certificate during the harvest season, but to allow imports around the beginning of the calendar year after the domestic market situation becomes clearer.

Stocks

Official stock data are not available. PSD stock data were derived according to the information received from industry and trade sources. It is estimated that TMO has 2.1 MMT of wheat in stocks as of mid-February. Of this total, 0.6 MMT are estimated to be durum and 1.5 MMT are estimated to be milling wheat. TMO barley stocks are very low in recent years and are currently estimated at around 2,000 MT. In addition to these, TMO has 473,000 MT of corn and 17,000 MT of paddy rice in its stocks at the moment. Stocks of most grains are projected to decrease slightly at the end of MY 2005, including wheat, corn, and rice.

Policy

Production Policy

In order to reduce the budget deficit, Turkey has been going through some major economic reforms, most of which were initiated by the IMF. Agricultural support policies were probably the most significant component of these reforms because it is estimated that around 35 or 40 percent of the population is involved in agriculture.

The GOT eliminated most price supports, procurement and export subsidies. A direct payment system was implemented instead. One of the aims of applying direct payment system was to improve the farmers registration system, which will be very important during the negotiations with the EU.

Marketing

TMO purchased larger quantities of wheat in 2004, compared to previous years, due to larger production. Turkey announced four sales tenders for wheat since last October, but sold only a total of 100,000 MT of wheat (of this total, 50,000 MT is milling and 50,000 MT is durum) because of low market prices. TMO is selling most of its wheat stocks in the domestic market to the industry for re-exports of flour and products, because it is not able to export larger quantities. TMO sold around one MMT of wheat from September 2004 until mid February 2005. Sales are continuing and it is expected that TMO will sell nearly 1.5 MMT of wheat to flour and products re-exporters until the end of the current marketing year.

Turkey is one of the region's leading wheat flour exporters and becoming one of the leading pasta exporters. These policies allow Turkey to remain a significant long-term wheat importer as a result of increasing demand for high quality wheat, combined with existing crop quality. In addition, Turkey is expected to remain a long-term rice importer, policy issues aside. However, Turkey is also expected to import less corn due to projected increases in production, even though the consumption is also projected to grow.

The United States is well positioned to meet the growing demand for constant quality and value. U.S. Wheat Associates, U.S. Grain Council, and U.S. Rice Federation have done a good job creating an awareness of the quality and value of U.S. grains. There is a stiff competition, however, from other suppliers with respect to both quality and price. Supply reliability is a major asset of U.S. products. The GSM 102 credit guarantee program also remains an important marketing tool for U.S. grains.

Statistical Tables

PSD Table for Wheat

Turkey Wheat							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		06/2003		06/2004		06/2005	MM/YYYY
Area Harvested	8600	8600	8600	8600	0	8600	1000 HA
Beginning Stocks	1258	1395	1315	1795	1615	1795	1000 MT
Production	16800	16800	17700	18000	0	17000	1000 MT
TOTAL Mkt. Yr. Imports	1096	1485	800	700	0	1200	1000 MT
Jul-Jun Imports	1056	1453	800	700	0	1200	1000 MT
Jul-Jun Import U.S.	55	111	0	100	0	100	1000 MT
TOTAL SUPPLY	19154	19680	19815	20495	1615	19995	1000 MT
TOTAL Mkt. Yr. Exports	839	735	1000	1200	0	1200	1000 MT
Jul-Jun Exports	854	736	1000	1200	0	1200	1000 MT
Feed Dom. Consumption	1000	1250	1000	1500	0	1250	1000 MT
TOTAL Dom. Consumption	17000	17150	17200	17500	0	17400	1000 MT
Ending Stocks	1315	1795	1615	1795	0	1395	1000 MT
TOTAL DISTRIBUTION	19154	19680	19815	20495	0	19995	1000 MT

Export Trade Matrix for Wheat

Turkey
Wheat

Time Period	Jan. - Dec.	Units:	Metric Tons
Exports for:	2003		2004
U.S.	1	U.S.	9
Others		Others	
Tajikistan	300	Iraq	392
Germany	177	Germany	211
Georgia	156	Northern Cyprus	61
Jordan	69	Macedonia	39
Israel	40	Belgium	26
Netherlands	33	United Kingdom	26
Belgium	28	Netherlands	22
Macedonia	27	Azerbaijan	15
Hungry	22	Australia	8
Austria	15	Austria	8
Total for Others	867		808
Others not Listed	70		47
Grand Total	938		864

Import Trade Matrix for Wheat

Turkey
Wheat

Time Period	Jan. - Dec.	Units:	Metric Tons
Imports for:	2003		2004
U.S.	55226	U.S.	163753
Others		Others	
Russia	593548	Australia	262751
Kazakhstan	533125	Canada	160204
Germany	428161	Russia	152725
Canada	108131	Brazil	70516
Lithuania	38359	Kazakhstan	67699
Ukraine	24174	Austria	38476
Romania	21367	Germany	35438
Hungary	14464	Argentina	21209
Bulgaria	8750	Romania	18632
Iraq	5762	Hungary	14442
Total for Others	1775841		842092
Others not Listed	7672		53124
Grand Total	1838739		1058969

PSD Table for Barley

Turkey Barley							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		06/2003		06/2004		06/2005	MM/YYYY
Area Harvested	3450	3450	3500	3500	0	3500	1000 HA
Beginning Stocks	673	530	679	463	679	463	1000 MT
Production	6900	6900	7100	7100	0	6800	1000 MT
TOTAL Mkt. Yr. Imports	223	250	150	150	0	400	1000 MT
Oct-Sep Imports	200	264	150	150	0	400	1000 MT
Oct-Sep Import U.S.	0	0	0	0	0	0	1000 MT
TOTAL SUPPLY	7796	7680	7929	7713	679	7663	1000 MT
TOTAL Mkt. Yr. Exports	17	17	50	50	0	0	1000 MT
Oct-Sep Exports	0	10	50	50	0	0	1000 MT
Feed Dom. Consumption	6200	6300	6300	6300	0	6300	1000 MT
TOTAL Dom. Consumption	7100	7200	7200	7200	0	7200	1000 MT
Ending Stocks	679	463	679	463	0	463	1000 MT
TOTAL DISTRIBUTION	7796	7680	7929	7713	0	7663	1000 MT

Export Trade Matrix for Barley

**Turkey
Barley**

Time Period	Jan. - Dec.	Units:	Metric Tons
Exports for:	2003		2004
U.S.		U.S.	
Others		Others	
Saudi Arabia	244936	Georgia	10
Jordan	57750	Belgium	5
Spain	50777		
Israel	20900		
Syria	14745		
Lebanon	5250		
Northern Cyprus	1625		
Belgium	5		
Total for Others	395988		15
Others not Listed			
Grand Total	395988		15

Import Trade Matrix for Barley

**Turkey
Barley**

Time Period	Jan. - Dec.	Units:	Metric Tons
Imports for:	2003		2004
U.S.		U.S.	
Others		Others	
France	55588	Ukraine	120422
Denmark	31488	Kazakhstan	55996
United Kingdom	2352	Russia	42813
		Netherlands	8715
		Iraq	6458
		France	5393
		Syria	490
		Bulgaria	53
Total for Others	89428		240340
Others not Listed			
Grand Total	89428		240340

PSD Table for Corn

Turkey Corn							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		09/2003		09/2004		09/2005	MM/YYYY
Area Harvested	625	625	700	700	0	800	1000 HA
Beginning Stocks	646	875	696	686	696	576	1000 MT
Production	2800	2500	3000	3000	0	3500	1000 MT
TOTAL Mkt. Yr. Imports	1050	1023	900	500	0	500	1000 MT
Oct-Sep Imports	1050	1038	900	500	0	500	1000 MT
Oct-Sep Import U.S.	654	678	0	300	0	300	1000 MT
TOTAL SUPPLY	4496	4398	4596	4186	696	4576	1000 MT
TOTAL Mkt. Yr. Exports	0	12	0	10	0	10	1000 MT
Oct-Sep Exports	0	12	0	10	0	10	1000 MT
Feed Dom. Consumption	2900	2800	3000	2700	0	3100	1000 MT
TOTAL Dom. Consumption	3800	3700	3900	3600	0	4000	1000 MT
Ending Stocks	696	686	696	576	0	566	1000 MT
TOTAL DISTRIBUTION	4496	4398	4596	4186	0	4576	1000 MT

Export Trade Matrix for Corn

Turkey
Corn

Time Period	Jan. - Dec.	Units:	Metric Tons
Exports for:	2003		2004
U.S.		U.S.	3
Others		Others	
Italy	3367	Italy	5339
Spain	2953	Germany	1086
France	780	Spain	677
Israel	500	France	486
Germany	424	Israel	389
Netherlands	282	Netherlands	297
United Kingdom	152	Croatia	179
Hungary	48	Albania	36
Austria	28	Iraq	31
Northern Cyprus	22	Japan	31
Total for Others	8556		8551
Others not Listed	2432		1971
Grand Total	10988		10525

Import Trade Matrix for Corn

Turkey
Corn

Time Period	Jan. - Dec.	Units:	Metric Tons
Imports for:	2003		2004
U.S.	1113484	U.S.	678471
Others		Others	
Argentina	356753	Argentina	197461
Hungary	163622	Hungary	45362
Ukraine	42856	Ukraine	42459
Romania	40228	Romania	24675
Bulgaria	37509	France	24106
Brazil	31353	Bulgaria	8998
France	21414	Spain	4517
Croatia	7810	Germany	1373
Moldova	2407	Yugoslavia	692
South Africa	216	Italy	586
Total for Others	704168		350229
Others not Listed	480		1004
Grand Total	1818132		1029704

PSD Table for Rice

Turkey Rice, Milled							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		09/2003		09/2004		09/2005	MM/YYYY
Area Harvested	75	70	90	80	0	80	1000 HA
Beginning Stocks	130	175	75	70	145	110	1000 MT
Milled Production	270	270	350	325	0	325	1000 MT
Rough Production	415	415	538	500	0	500	1000 MT
MILLING RATE (.9999)	6505	6500	6500	6500	0	6500	1000 MT
TOTAL Imports	250	126	300	215	0	170	1000 MT
Jan-Dec Imports	200	385	250	145	0	170	1000 MT
Jan-Dec Import U.S.	0	150	0	17	0	40	1000 MT
TOTAL SUPPLY	650	571	725	610	145	605	1000 MT
TOTAL Exports	0	1	0	0	0	0	1000 MT
Jan-Dec Exports	0	4	0	1	0	0	1000 MT
TOTAL Dom. Consumption	575	500	580	500	0	510	1000 MT
Ending Stocks	75	70	145	110	0	95	1000 MT
TOTAL DISTRIBUTION	650	571	725	610	0	605	1000 MT

Export Trade Matrix for Rice

Turkey
Rice, Milled

Time Period	Jan. - Dec.	Units:	Metric Tons
Exports for:	2003		2004
U.S.	39	U.S.	59
Others		Others	
Belgium	3082	Belgium	172
United Kingdom	397	Northern Cyprus	191
Northern Cyprus	198	United Kingdom	64
Russia	100	Kazakhstan	50
Italy	66	Turkmenistan	37
Turkmenistan	59	Germany	30
Bulgaria	36	Iraq	27
Greece	26	Russia	26
Kazakhstan	24	France	24
Iraq	21	Afghanistan	17
Total for Others	4009		638
Others not Listed	200		146
Grand Total	4248		843

Import Trade Matrix for Rice

Turkey
Rice, Milled

Time Period	Jan. - Dec.	Units:	Metric Tons
Imports for:	2003		2004
U.S.	149937	U.S.	17149
Others		Others	
Egypt	102310	Egypt	76609
China	70109	Italy	24576
Italy	22616	China	17396
Australia	21511	Vietnam	6234
Vietnam	10000	Thailand	1252
Uruguay	3250	Russia	892
Thailand	2267	Spain	406
Ukraine	1272	France	109
Spain	789	Pakistan	42
Pakistan	640	India	22
Total for Others	234764		127538
Others not Listed	591		436
Grand Total	385292		145123

PSD Table for Chickpeas

Turkey Garbanzos							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Area Harvested	0	630	0	640	0	650	1000 HA
Beginning Stocks	0	85	0	20	0	30	1000 MT
Production	0	600	0	620	0	630	1000 MT
TOTAL Mkt. Yr. Imports	0	0	0	1	0	0	1000 MT
Jul-Jun Imports	0	1	0	1	0	0	1000 MT
Jul-Jun Import U.S.	0	0	0	0	0	0	1000 MT
TOTAL SUPPLY	0	685	0	641	0	660	1000 MT
TOTAL Mkt. Yr. Exports	0	190	0	133	0	140	1000 MT
Jul-Jun Exports	0	182	0	130	0	140	1000 MT
Feed Dom. Consumption	0	0	0	0	0	0	1000 MT
TOTAL Dom. Consumption	0	475	0	478	0	480	1000 MT
Ending Stocks	0	20	0	30	0	40	1000 MT
TOTAL DISTRIBUTION	0	685	0	641	0	660	1000 MT

Export Trade Matrix for Chickpeas

**Turkey
Garbanzos**

Time Period	Jan. - Dec.	Units:	Metric Tons
Exports for:	2003		2004
U.S.	518	U.S.	1156
Others		Others	
Iraq	56898	India	18814
India	27138	Saudi Arabia	13115
Saudi Arabia	10681	Italy	12111
Italy	10577	Iraq	10096
Jordan	10160	Sri Lanka	9670
Tunisia	8245	Tunisia	9043
Algeria	7193	Algeria	6932
Pakistan	5117	Jordan	6237
Sri Lanka	5021	Spain	4660
Lebanon	4768	Israel	4389
Total for Others	145798		95067
Others not Listed	43284		36749
Grand Total	189600		132972

Import Trade Matrix for Chickpeas

**Turkey
Garbanzos**

Time Period	Jan. - Dec.	Units:	Metric Tons
Imports for:	2003		2004
U.S.		U.S.	
Others		Others	
United Kingdom	14	Algeria	322
		Portugal	88
		Italy	82
		Netherlands	40
		Azerbaijan	3
Total for Others	14		535
Others not Listed	27		11
Grand Total	41		546

PSD Table for Lentils

Turkey Lentils							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Area Harvested	0	440	0	450	0	460	1000 HA
Beginning Stocks	0	135	0	60	0	40	1000 MT
Production	0	540	0	560	0	580	1000 MT
TOTAL Mkt. Yr. Imports	0	17	0	6	0	10	1000 MT
Jul-Jun Imports	0	14	0	6	0	10	1000 MT
Jul-Jun Import U.S.	0	0	0	0	0	0	1000 MT
TOTAL SUPPLY	0	692	0	626	0	630	1000 MT
TOTAL Mkt. Yr. Exports	0	217	0	171	0	160	1000 MT
Jul-Jun Exports	0	137	0	150	0	160	1000 MT
Feed Dom. Consumption	0	0	0	0	0	0	1000 MT
TOTAL Dom. Consumption	0	415	0	415	0	420	1000 MT
Ending Stocks	0	60	0	40	0	50	1000 MT
TOTAL DISTRIBUTION	0	692	0	626	0	630	1000 MT

Export Trade Matrix for Lentils

Turkey
Lentils

Time Period	Jan. - Dec.	Units:	Metric Tons
Exports for:	2003		2004
U.S.	966	U.S.	993
Others		Others	
Iraq	44993	Egypt	53927
Sri Lanka	37529	Iraq	24330
Bangladesh	30840	Sri Lanka	17528
Egypt	22897	Bangladesh	14444
United Kingdom	10085	Sudan	13283
Saudi Arabia	8624	United Kingdom	8892
Sudan	8053	Saudi Arabia	6846
Eritrea	5347	Israel	5603
Germany	3521	Eritrea	4501
Israel	3364	Germany	4464
Total for Others	175253		153818
Others not Listed	40699		16287
Grand Total	216918		171098

Import Trade Matrix for Lentils

Turkey
Lentils

Time Period	Jan. - Dec.	Units:	Metric Tons
Imports for:	2003		2004
U.S.	281	U.S.	
Others		Others	
Canada	15497	Canada	3591
China	887	Syria	1719
Saudi Arabia	102	Iraq	100
Russia	100	Israel	44
Spain	42	Switzerland	40
		Azerbaijan	21
		Germany	21
		Netherlands	20
Total for Others	16628		5556
Others not Listed			
Grand Total	16909		5556