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Turkey

Oilseeds and Products

Soybean and products update

2005

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Report Highlights:

Turkish MY2004 year-end soybean and meal imports exceeded early predictions and reached a record high, 1.13 MMT and 685,000 MT respectively. Availability of the GSM-102 program and desire to avoid higher import taxes (TU 5015) fueled the imports of both commodities. During MY 2004, imports of soybean and meal from the United States almost doubled for both commodities. But the recent Avian Influenza (AI) case adversely affected poultry meat consumption and is expected to reduce poultry production in MY 2005, hence causing a reduction in overall imports of soybean and products.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Ankara [TU1]
[TU]

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Executive Summary

According to the official statistics, Turkey's soybean and meal imports for the MY 2004 exceeded early predictions and reached 1.13 million tons and 685,000 MT, respectively. Fuelled by the incentive to avoid higher import taxes and availability of GSM-102 program, MY 2004 become a record year for soybean and meal imports to Turkey. But the recent outbreak of avian influenza (AI) in Turkey caused by migrating birds has shaken the local poultry industry. Following the outbreak, poultry sales reduced significantly and forced poultry producers to cut production and prices. Some representatives indicated that demand dropped by 80 percent immediately after the outbreak. The industry contacts indicated that poultry sales are gradually increasing following the end of the physical quarantine in the region where the AI was seen. Members of the industry believe that the poultry sales will not return to prior AI levels until at least February 2006. Overall, about a ten percent of reduction is expected in poultry production in CY 2006, which, in turn, will eventually cause reduction in demand for soybeans and meal.

Last spring, the GOT announced (TU 5015) that import taxes for a variety of feed ingredients including soybean and meal would be increased in the summer. Accordingly, effective August 1, 2005, soybean import tax increased to 4 percent from zero from all origins until the end of the year 2005. Also effective July 1, 2005, the soybean meal import tax increased to 4 percent from zero for EU origin and to 6 percent from 2 percent for the rest of the world until the end of the year. The GOT made other import tax adjustments (TU 5038) effective September 1, 2005, increasing the soybean meal import tax to 8 percent but ending the earlier soybean import tax increase until November 1, 2005. The goal of the government is to improve local crushing margins, make domestic crushing more attractive and utilize large domestic crushing capacity, 4.5 million tons.

Importers were in a rush to bring their cargos in prior to the import tax increases and, according to industry sources, in June and July a total of 500,000 MT of soybeans were imported in to the country, almost half of the annual consumption. Accumulated imports towards the end of the marketing year caused higher than normal year-end stocks for both commodities that will roll over to the next marketing year.

In recent years, steady increases in the poultry production, until the AI outbreak, and increased utilization in the livestock rations were the main reasons for the increase in domestic consumption of soybean and products.

Trade

Soybean imports during MY 2004 were 1,133,000 MT with US supplying (546,000 MT) forty one percent of the total. Soybean meal imports during the same period were 685,000 MT with the US supplying (326,000 MT) forty eight percent. US soybean and meal exports showed great increases during MY 2004, 93 and 79 percent, respectively. Lower US prices and availability of GSM programs during the marketing year made US beans and meal very attractive to Turkish oil and meal industries. But the recent AI outbreak and absence of GSM-102 until the present time and large stocks are expected to result in a decline in imports during the first half of MY 2005. These factors may affect US soy exports to Turkey. Soybean and meal imports of Turkey are expected to increase during the second half of the MY 2005; however, it will mostly benefit South American exports.

Turkish soybean oil imports during MY 2004 were 103,000 MT. The EU member countries, due to the 60,000 MT of tariff rate quota, and Argentina were the main suppliers.

Marketing

While the interest to produce bio-diesel because of high petroleum prices is growing, the discussion over the proposed bio-diesel specifications is also continuing. The Turkish government is willing to adopt the EU bio-diesel specification that requires utilization of canola oil for bio-diesel production. However, concerned parties are proposing that other oils should also be included i.e., soy oil, cotton oil and sunflower seed oil to the specifications. If the GOT changes its proposal and accepts utilization of other oils in bio-diesel production, Turkey's demand for imported soybean and soy oil could increase further if prices are attractive.

Turkey Oilseed, Soybean (1000 HA) (1000 MT)						
	2003	Revised	2004	Estimate	2005	Forecast
	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
Area Planted	0	0	0	0	0	0
Area Harvested	15	15	10	10	10	9
Beginning Stocks	127	127	81	61	95	200
Production	45	45	25	25	25	20
MY Imports	612	600	950	1135	1000	1000
MY Imp. from U.S.	257	283	400	545	0	400
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	784	772	1056	1221	1120	1220
MY Exports	1	1	1	0	2	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	220	230	330	400	400	500
Food Use Dom. Consump.	20	20	35	40	30	50
Feed,Seed,Waste Dm.Cn.	462	460	595	581	620	500
TOTAL Dom. Consumption	702	710	960	1021	1050	1050
Ending Stocks	81	61	95	200	68	170
TOTAL DISTRIBUTION	784	772	1056	1221	1120	1220
Calendar Year Imports	810	810	656	656	855	1000
Calendar Yr Imp. U.S.	383	383	303	303	400	450
Calendar Year Exports	0	0	1	0	1	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix

Country Turkey
Commodity Oilseed, Soybean

Time Period Units:
 Imports for:
 U.S. U.S.

Others		Others	
Argentina	203300	Argentina	277275
Paraguay	39270	Brazil	152861
Ukraine	29160	Paraguay	80398
Brazil	16877	Uruguay	32904
Canada	10010	Romania	24950
Romania	15425	Ukraine	18322
Uruguay	2348	Canada	46
China	1	Germany	4

Total for Others
 Others not Listed
 Grand Total

Turkey Meal, Soybean (1000 MT)(PERCENT)						
	2003	Revised	2004	Estimate	2005	Forecast
	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
Crush	220	230	330	400	400	500
Extr. Rate, 999.9999	0.8	0.804348	0.79697	0.8	0.7975	0.8
Beginning Stocks	85	93	40	50	55	175
Production	176	185	263	320	319	400
MY Imports	433	370	620	685	600	500
MY Imp. from U.S.	145	182	0	325	0	250
MY Imp. from the EC	1	1	0	0	0	0
TOTAL SUPPLY	694	648	923	1055	974	1075
MY Exports	18	20	18	15	20	25
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	15	18	20	30	25	40
Feed Waste Dom. Consum	621	560	830	835	883	885
TOTAL Dom. Consumption	636	578	850	865	908	925
Ending Stocks	40	50	55	175	46	125
TOTAL DISTRIBUTION	694	648	923	1055	974	1075
Calendar Year Imports	406	400	451	450	0	500
Calendar Yr Imp. U.S.	201	200	162	160	0	300
Calendar Year Exports	28	25	15	15	0	25
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix

Country Turkey

Commodity Meal, Soybean

Time Period Units:
 Imports for: **MY 2004**
 U.S. U.S.

Others		Others	
Argentina	124301	Argentina	283973
Brazil	60246	Brazil	73953
Netherlands	1076	Netherlands	926
United Kingdom	125	Germany	121
India	72	Israel	67
Israel	52		

Total for Others
 Others not Listed
 Grand Total

Export Trade Matrix

Country Turkey

Commodity Meal, Soybean

Time Period Units:
 Exports for: **MY 2004**
 U.S. U.S.

Others		Others	
N. Cyprus	14150	N. Cyprus	11550
Iraq	5265	Iraq	4070
Georgia	426	Syria	500
Turkmenistan	162	Turkmenistan	197

Total for Others
 Others not Listed
 Grand Total

Turkey Oil, Soybean (1000 MT)(PERCENT)						
	2003	Revised	2004	Estimate	2005	Forecast
	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
Crush	220	230	330	400	400	500
Extr. Rate, 999.9999	0.181818	0.173913	0.178788	0.18	0.18	0.18
Beginning Stocks	5	19	0	11	0	20
Production	40	40	59	72	72	90
MY Imports	78	65	95	105	105	110
MY Imp. from U.S.	0	0	0	0	0	10
MY Imp. from the EC	63	63	0	73	0	60
TOTAL SUPPLY	123	124	154	188	177	220
MY Exports	2	5	4	5	6	5
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	20	10	18	33	20	50
Food Use Dom. Consump.	75	48	107	60	126	75
Feed Waste Dom. Consum	26	50	25	70	25	65
TOTAL Dom. Consumption	121	108	150	163	171	190
Ending Stocks	0	11	0	20	0	25
TOTAL DISTRIBUTION	123	124	154	188	177	220
Calendar Year Imports	120	120	75	75	80	90
Calendar Yr Imp. U.S.	30	15	0	0	0	0
Calendar Year Exports	10	2	2	2	4	4
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix

Country Turkey

Commodity Oil, Soybean

Time Period	Sept/Aug	Units:	Metric tons
Imports for:	MY 2003		MY 2004
U.S.		U.S.	8
Others		Others	
Spain	27990	Spain	43656
Portugal	8781	Argentina	22295
France	8285	Portugal	15454
Italy	7244	Romania	8128
Romania	4504	Italy	7906
Argentina	3663	Greece	5994
Greece	2098	Brazil	300
Netherlands	70	Netherlands	10
		Germany	5
Total for Others	62635		103748
Others not Listed			
Grand Total	62635		103756

Export Trade Matrix

Country Turkey

Commodity Oil, Soybean

Time Period	Sept/Aug	Units:	Metric tons
Exports for:	MY 2003		MY 2004
U.S.		U.S.	70
Others		Others	
Eritrea	1641	Ethiopia	2540
N. Cyprus	893	N. Cyprus	863
Ethiopia	698	Chad	310
Canada	93	Iraq	271
Aegean Free Zone	85	Honduras	237
Norway	55	Pakistan	180
Belgium	6	Georgia	116
Turkmenistan	6	Syria	105
Bulgaria	2	Israel	87
New Zealand	1	Russia	65
Total for Others	3480		4763
Others not Listed			193
Grand Total	3480		4967