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Turkey

Grain and Feed

Grain Update

2006

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Report Highlights:
MY 2006 Turkish grain production looks lower now than it was estimated earlier. This is due to the lower yields because of hot and dry weather in May. MY 2006 wheat production is estimated at 18 MMT, barley production is estimated at 7.2 MMT, and corn production is estimated at 3.2 MMT now. Turkey is now estimated to import larger quantities of wheat (about 1.1 MMT) and corn (about 600 TMT) in MY 2006. It is too early to make any estimate on rice production. Turkish rice producers are very unhappy about the GOT decision to provide control certificates on paddy rice. The GOT is still not providing control certificates for milled rice.

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

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Wheat

Turkish wheat production estimate for MY 2006 is reduced by about ten percent due to lower yields caused by the hot and dry weather during the last three weeks in May. Production in the Aegean Region and in Thrace was especially hurt from the weather. Yields in the Cukurova, Southeastern Anatolia and southern parts of the Central Anatolia regions are also expected to be significantly lower than they were estimated earlier. Thus, total production estimate is now about one MMT lower (at 18 MMT) than it was estimated earlier and the same level as it was estimated in MY 2005. A better outlook can be obtained in mid August.

The quality of wheat in regions where harvest has already started is also a little lower than it was estimated earlier. Rain just before and during the harvest caused damages in some areas, including the Aegean Region and in Thrace. Sunni bug damage, which is not a major problem for most parts of the country, is relatively significant in Kahramanmaras Province.

Under these conditions, FAS Ankara estimates that Turkey will need to import around 1.1 MMT of high quality wheat (HWW and/or HRW or higher quality) due to the estimated decrease in production and because Turkey is estimated to consume more feed wheat in MY 2006. Turkish wheat and flour exports are also estimated somewhat lower.

PSD Table for Wheat

Turkey Wheat							
	2004	**Revised**	**2005**	**Estimate**	**2006**	**Forecast**	**UOM**
	USDA Official [Old]	**Post Estimate [New]**	**USDA Official [Old]**	**Post Estimate [New]**	**USDA Official [Old]**	**Post Estimate [New]**	
Market Year Begin		06/2004		06/2005		06/2006	MM/YYYY
Area Harvested	8600	8600	8600	8600	8600	8600	1000 HA
Beginning Stocks	1315	2045	1195	2040	495	740	1000 MT
Production	18500	18500	18000	18000	19000	18000	1000 MT
TOTAL Mkt. Yr. Imports	378	515	200	100	200	1100	1000 MT
Jul-Jun Imports	372	440	200	100	200	1100	1000 MT
Jul-Jun Import U.S.	18	82	0	0	0	200	1000 MT
TOTAL SUPPLY	20193	21060	19395	20140	19695	19840	1000 MT
TOTAL Mkt. Yr. Exports	1998	2020	2500	3000	2500	2000	1000 MT
Jul-Jun Exports	2217	2240	2500	3000	2500	2000	1000 MT
Feed Dom. Consumption	1000	1200	500	500	500	1000	1000 MT
TOTAL Dom. Consumption	17000	17000	16400	16400	16500	17000	1000 MT
Ending Stocks	1195	2040	495	740	695	840	1000 MT
TOTAL DISTRIBUTION	20193	21060	19395	20140	19695	19840	1000 MT

The Turkish Grain Board (TMO) also announced its MY 2006 sales prices last week. TMO sales prices are about 10 to 15 percent higher than its procurement prices. Most sources state that sales prices are acceptable since they cover the cost of handling and manipulation and also take the expected rate of inflation into consideration. However, farmers continue to complain about procurement prices, which they consider to be low.

TMO wheat purchases have been rather slow so far as a result of the uncertainty in production and the recent devaluation of the New Turkish Lira (YTL) since farmers prefer to keep their crops as a measure to protect against the devaluation of the YTL.

Barley

MY 2006 barley production estimates have also been lowered due to the same weather conditions that affected wheat. Turkey is now estimated to produce about 7.2 MMT of barley without any significant imports (except some for malting) or exports. No change is expected on barley consumption in MY 2006. The quality of barley harvested in the southern and southeastern regions is also rather poor.

PSD Table for Barley

Turkey Barley							
	2004	**Revised**	**2005**	**Estimate**	**2006**	**Forecast**	**UOM**
	USDA Official [Old]	**Post Estimate [New]**	**USDA Official [Old]**	**Post Estimate [New]**	**USDA Official [Old]**	**Post Estimate [New]**	
Market Year Begin		06/2004		06/2005		06/2006	MM/YYYY
Area Harvested	3500	3500	3600	3600	3500	3500	1000 HA
Beginning Stocks	679	565	890	860	740	700	1000 MT
Production	7400	7400	7600	7600	7600	7200	1000 MT
TOTAL Mkt. Yr. Imports	111	110	25	40	25	25	1000 MT
Oct-Sep Imports	69	70	25	40	25	25	1000 MT
Oct-Sep Import U.S.	0	0	0	0	0	0	1000 MT
TOTAL SUPPLY	8190	8075	8515	8500	8365	7925	1000 MT
TOTAL Mkt. Yr. Exports	0	15	475	500	200	0	1000 MT
Oct-Sep Exports	26	25	450	500	200	0	1000 MT
Feed Dom. Consumption	6400	6300	6400	6400	6500	6400	1000 MT
TOTAL Dom. Consumption	7300	7200	7300	7300	7400	7300	1000 MT
Ending Stocks	890	860	740	700	765	625	1000 MT
TOTAL DISTRIBUTION	8190	8075	8515	8500	8365	7925	1000 MT

Corn

Corn producers were very unhappy last year because of low market prices, primarily due to the large increase in production. As a result, some of the corn producers are expected to switch to other alternative crops, such as cotton and canola, in MY 2006. FAS Ankara reduced both area and production for corn for MY 2006 compared to MY 2005 according to growers and seed industry contacts. Hot and dry weather is estimated to somewhat reduce the yield on the first crop corn as well. Corn prices are expected to be higher in MY 2006.

Turkey is now estimated to consume less corn in MY 2006 due to estimated lower supply and availability of larger feed wheat.

In MY 2006, Turkey is estimated to import larger quantities of corn, but not expected to export any compared to MY 2005, due to estimated lower production.

PSD Table for Corn

Turkey Corn							
	2004	**Revised**	**2005**	**Estimate**	**2006**	**Forecast**	**UOM**
	USDA Official [Old]	**Post Estimate [New]**	**USDA Official [Old]**	**Post Estimate [New]**	**USDA Official [Old]**	**Post Estimate [New]**	
Market Year Begin		09/2004		09/2005		09/2006	MM/YYYY
Area Harvested	650	650	800	800	700	700	1000 HA
Beginning Stocks	759	685	531	510	606	400	1000 MT
Production	3000	3000	3700	3700	3500	3200	1000 MT
TOTAL Mkt. Yr. Imports	181	235	50	40	0	600	1000 MT
Oct-Sep Imports	187	220	50	40	0	600	1000 MT
Oct-Sep Import U.S.	10	16	0	0	0	40	1000 MT
TOTAL SUPPLY	3940	3920	4281	4250	4106	4200	1000 MT
TOTAL Mkt. Yr. Exports	9	10	275	250	0	0	1000 MT
Oct-Sep Exports	14	15	275	250	0	0	1000 MT
Feed Dom. Consumption	2500	2500	2500	2700	2600	2600	1000 MT
TOTAL Dom. Consumption	3400	3400	3400	3600	3600	3600	1000 MT
Ending Stocks	531	510	606	400	506	600	1000 MT
TOTAL DISTRIBUTION	3940	3920	4281	4250	4106	4200	1000 MT

Rice

It is not possible to make any estimate on rice production at this point. However, dry weather about a month ago may adversely affect the production in those areas that are already short in irrigation. It should be possible to make some production estimates in late August.

Contrary to the paddy rice importers who import paddy rice mostly from the United States, rice producers are very unhappy about the GOT decision to provide control certificates for imports of paddy rice. The Ministry of Agriculture is still not providing control certificates for milled rice. Turkey imported milled rice mostly from Egypt in recent years. However, after considering their existing stocks and earlier engagements for exports, the government of Egypt recently decided to stop exporting milled rice until the new harvest season.