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Turkey

Grain and Feed

Annual

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Report Highlights:
Both planted area and production of Turkish wheat is projected to increase in MY 2009; production is forecast at 17.5 MMT. The planted area of first crop corn is expected to decrease and of second crop corn to increase, total production is forecast to decrease to 3.8 MMT. Barley production in MY 2009 is forecast to increase to 6 MMT because of above-normal precipitation in fall 2008. Paddy rice production reached a record high in MY 2008 and is projected to remain high, at 715,000 MT, in MY 2009. Turkish lentil production should recover from last year's drought-reduced level, however, due to the low level of seed stock, production is forecast at only 280,000 MT.

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

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NOTE ON EXCHANGE RATES: In January1, 2009 the name of the Turkish currency changed from the New Turkish Lira (YTL) to the Turkish Lira (TRL). After steadily strengthening against the USD throughout 2007, the YTL stayed near USD 1.0 = YTL 1.2 through August 2008. From September to late October, the value fell to USD 1.0 = YTL 1.67, and as of March is trading around USD 1.0 = TRL 1.70

Executive Summary

Turkey is projected to have relatively normal yields for grain and feed in MY 2009. MY 2009 production of wheat, barley, rice and lentils all are projected to be higher than in MY 2008. On the other hand, corn production is projected to decline because of a decrease in the first crop planted area. However since the most significant factor for Turkish grain yield is the level of rainfall in April and May, as long as the Central Anatolian region receives normal rainfall in the spring, Turkey's grain production should approach normal levels.

The Turkish Grain Board (TMO) procured limited quantities of domestic grain in MY 2008, due to lower production and high market prices. TMO neither announced a intervention price nor procured wheat and barley in MY 2008. TMO procured 823,378 MT of corn at a price of 430 TL/MT and 131,127 MT of rice at a price of 870 YTL/MT (osmancik variety). In addition to the TMO procurement price, a premium payment of 90 TL/MT from the government is available to rice farmers.

Wheat planted area and production are both projected to increase in MY 2009 because of the high market price of wheat and the low market price of corn. Wheat production is projected to increase to 17.5 MMT and corn production to 3.8 MMT. Due to the low market price, first crop corn planting is expected to decrease. On the other hand, second crop corn planting area and production are forecast to increase in MY 2009.

MY 2009 barley production is forecast to increase as well, to 6 MMT, due to the high level of precipitation in Central and South East Anatolia. Rice production reached a record high in MY 2008 and because of the high market price and high amount of premium paddy rice production is forecast to reach 715,000 MMT in My 2009. Red lentil production was very bad in MY 2008 because of the severe drought in South East Anatolia. Due to the shortage of red lentil seed as a result, MY 2009 production is projected to reach only 280,000 MT.

Turkish wheat imports in MY 2008 were 1.9 MMT as of December 2008. Due to strong demand from the milling industry for high quality milling wheat, wheat importation is expected to reach 2.3 MMT in MY 2009. Kazakhstan was the major high quality milling wheat supplier for Turkey in MY 2007, but Russia, due to record production and relatively cheaper prices, became the major high quality wheat supplier for Turkey in MY 2008.

Corn imports to Turkey sharply decreased in MY 2008 because of record MY 2008 production. Turkey imported 1.13 MMT of corn in MY 2008 but only 24,338 MT in the first quarter of MY 2008.

Rice imports to Turkey also decreased sharply in MY 2008 due to record production. Rice imports were 261,787 MT in MY 2007, but only 48,161 MT in MY 2008 through December 2008. TMO used around 31,000 MT of its zero-duty rice import quota in CY 2008 and paid $32.5 million for this amount. TMO is expected to use an additional 20,000 MT of its quota in March 2009.

A new grain support program was published in the Official Gazette dated January 25, 2009. The government decreased the total agricultural support amount from 5.5 billion TRL to 4.95 billion TRL during recent IMF negotiations. This decision affected the entire agricultural support budget including grain premiums. Grain premiums decreased 10% after this revision, although exact grain premiums have not yet been announced for MY 2009 production. [LINK TO RECENT VOLUNTARY]

Production

Unlike the previous year, most of Turkey had sufficient rainfall overall in the fall of 2008 and early 2009. Particularly in Central Anatolia, rainfall levels between October 2008 and January 2009 were above the long-term average. The Mediterranean region received almost the same amount of rainfall in 2008 as it did in 2007. According to the Turkish meteorological service, however, Southeast Turkey did not get enough rain during the period between November 2008 and January 2009. However, for the six month period between August 2008 to January 2009, Southeast Turkey had normal precipitation. Central Anatolia was classified as humid according to both the three month period between November and January and the six month period between August and January.

Turkey had good snow cover in January and February and the temperature has been fairly warm. Grain production is forecast to be higher than last year provided rainfall in April and May is normal.

Due to severe drought in the Southeast in MY 2008, wheat production in this region dropped dramatically. In MY 2009, climate and rainfall conditions in the region are back around long-term average values.

The table below shows that cumulative rainfall levels in the Aegean, Mediterranean and Central Anatolia regions are close the long-term average.

Table 1: Cumulative Rainfall in Turkey

Turkey: Recent Rainfall Levels			
Region	**October 01, 2008- January 31, 2009 (mm)**	**Last Year (Same Period) (mm)**	***Normal (mm)***
Marmara	279.9	325.0	*321.1*
Aegean	335.3	354.8	*338.2*
Mediterranean	398.9	413.5	*464.5*
Central Anatolia	174.5	175.1	*153.6*
Black Sea	341.9	444.7	*368.8*
East Anatolia	164.2	220.9	*229.0*
South East Anatolia	*173.1*	*180.,4*	*299.0*

Source: Turkish State Meteorological Service

Because of the high price of chemical fertilizers in the fall of 2008, many farmers could not afford to buy fertilizer at that time. As a result, fertilizer usage in the fall of 2008 dropped 30% compared to same period in 2007. Table 2 below shows the price of common fertilizer in recent months. In October 2008, fertilizer prices almost doubled but in November started to decrease. In January 2009, fertilizer prices were back to the March 2008 price or lower.

Table 2: Fertilizer Prices in Turkey (YTL/MT)

TYPE OF FERTILIZER	MARCH 2008	OCTOBER 2008	NOVEMBER 2008	DECEMBER 2008	*JANUARY 2009*
Ammonium sulfate (21N)	570	850	590	440	*450*
Ammonium Nitrate 26%N)	540	800	570	480	*510*
Ammonium Nitrate 33%N)	650	950	630	475	*525*
Urea	760	1,450	810	660	*745*
Diammonium phosphate (DAP).	1,350	1,900	1,710	1,470	*1,420*
Compound Fertilizers 20-20-0	880	1,400	1,350	970	*1,000*
Compound Fertilizers 15-15-15	*900*	*1,450*	*1,350*	*1010*	*990*

Source: Union of Turkish Chambers of Agriculture

Wheat

Wheat planted area in MY 2009 increased in Cukurova and the Aegean region. Within Cukurova, one of the main wheat and corn producing provinces is Adana. The total wheat planted area in Adana in MY 2008 was 250,000 ha and it has increased to 300,000 ha in MY 2009. In MY 2009, 20% more wheat was planted in the Seyhan and Ceyhan valleys in Adana than in MY 2008. On the other hand, wheat planting in the Imamoglu and Kozan valleys dropped by 20%. In MY 2008 the first crop corn planted area in Adana was 87,000 ha and yields were 1300 kg. In MY 2009 due to an increase in the wheat plantation area, corn plantation in Adana is forecasted to decrease to 80,000 ha.

There was some flooding in the Aegean region and as a result wheat plantation in Aydin and Manisa provinces (2500 ha) were affected. Moreover, the Cukurova region had flooding in the end of February, resulting in damage to 2000 ha wheat. MY 2009 wheat planting area in Central Anatolia, the biggest wheat growing area of Turkey, is estimated to be nearly the same as MY 2008. However because of adequate rainfall in the fall, yield expectations are higher.

Durum wheat is mainly produced in Southeast and Central Anatolia. Due to the high price of durum wheat, durum wheat plantation increased %20 in the South East and 15% in Central Anatolia.

MY 2009 wheat production is currently projected at 17.5 million MT which is 700,000 MT higher than estimated for MY 2008

The Turkish government did not intervene in the price of wheat in 2008, as farmers were happy with the market price, which was around 600 YTL/MT at harvest time. The Turkish Grain Board (TMO) has not announced an intervention price for MY 2008, but has announced a wheat deposit price, which was below the market price.

Table 3: TMO Wheat Procurement Prices in MY 2007 and MY 2008

Turkey: Wheat Procurement Prices		
Type of Wheat	**MY 2007 YTL / MT**	**MY 2008 YTL / MT**
Anatolian Hard White	425	500
Anatolian Hard Red	425	500
Semi Hard Red	400	475
Semi Hard White	390	475
Other Milling (Red or White)	375	450
Feed Wheat	330	420

Source: TMO

The government announced a premium of YTL 50/MT for wheat growers in MY 2008. This premium was YTL 45 per MT in MY 2007 and YTL 35 per MT in MY 2006

Barley

For MY 2009, barley production is forecast at 6 MMT which is slightly higher than MY 2008 levels. Weather conditions for barley have been more or less the same as for wheat and precipitation through May will determine final yields.

Drought in Southeastern Anatolia and part of Central Anatolia greatly reduced barley yields in MY 2008. Consequently, the barley production estimate for MY 2008 has been reduced to 5.6 MMT, from 6 MMT. The Turkish government's official figure for barley production in MY 2008 is 5.923 MMT.

The government announced a premium of 40 YTL /MT for barley, rye, and oat growers in MY 2008. This premium was 35 YTL/MT in MY 2007 and 30 YTL/MT in MY 2006.

Corn

MY2009 corn planting in Turkey has not started yet. Due to the low market price of corn in MY 2008 and widespread rootworm damage to second crop corn (especially in Adana province), many farmers planted wheat instead of first crop corn. Therefore, first crop corn planted area will decrease in MY 2009 but second crop corn planted area is expected to increase. Overall corn production is forecast to decrease to 3.8 MMT from 4.15 MMT.

In MY 2008, first crop corn harvests reached record highs in the Cukurova and Marmara regions, however second crop corn harvests in the Cukurova region (the main corn producing region) were low. Nonetheless, the overall second crop corn harvest in the GAP region was above average (9 MT/ha).

The average yield of the second crop corn was between 5 and 6 MT/ha in Cukurova and between 9 and 10 MT/ha in the GAP region in MY 2008, which was below average for Cukurova and above average for the GAP region. Although second crop corn yields were low, first crop corn yields in the main producing regions (Mediterranean and Marmara) were more than 10 MT/ha. The government's second revised forecast for corn production was 4,274,000 MT.

TMO started to procure corn from producers in August 2008 at a price of 430 YTL/MT. TMO has procured 832,378 MT of corn so far. Procurement is expected to reach 1 million MT. TMO recently announced the selling price of corn as 500 YTL/MT. The market price of corn was 432 YTL/MT at the Adana Exchange in February 20, 2009.

The government announced a premium of 40 YTL for corn in MY 2008. This premium was 20 YTL/MT in MY 2007 and 67 YTL/MT in MY 2006.

Rice

Paddy rice planting in MY 2009 in the Marmara and Thrace regions remain at same level as MY 2008. Due to the high amount of precipitation, a small yield increase is expected. Rice production is forecasted at 715,000 MT for MY 2009, an increase from the M 2008 level of 700,000 MT.

High premiums and prices for rice helped to increase the area planted in MY 2008. The Turkish government's second revised forecast for rice production was 761,800 MT for MY 2008.

TMO started to procure rice on September 2008. The procurement price was 960 YTL/MT for Baldo rice and 870 YTL/MT for Osmancik rice. TMO procured 131,127 MT of rice as of February 22, 2008. In addition, TMO holds 10,000 MT of rice stocks.

The government announced a premium of 100 YTL/MT for rice in MY 2008. This premium was 90 YTL/MT in MY 2007 and 60 YTL/MT in MY 2006.

Pulses

In a normal season, Turkish lentil production is around 483,000 MT. However 80% of the crop in MY 2008 was lost due to a severe drought, total production was only 100,000 MT. Although 440,000 ha were planted, an estimated 385,000 ha of this was badly affected by drought. In response, on July 4, 2008 the government authorized TMO to import up to 100,000 MT of lentils duty free until May 31, 2009. Under this duty free quota, TMO imported 40,100 MT of whole lentils and 8,300 MT of hulled lentils from Canada.

A 100 YTL/ton government premium for lentil production was initiated this year. Farmers already had difficulty finding lentil seeds for planting, and because of the severe drought, farmers could not set aside enough of their lentil production as seed. Therefore, MY 2009 production is also forecast to be lower than average. TIGEM (the Directorate General of Agricultural Establishments) had been selling certified lentil seed to farmers at a price of 2.3 YTL/kg, but farmers consider this price to be too high.

Due to the low amount of seed stocks, MY 2009 Turkish lentil production is forecast at 280,000 MT.

Consumption

Wheat

Pasta production in Turkey is increasing steadily and reached 606,620 MT in CY 2008. Domestic pasta consumption is also increasing and reached 431,000 MT in CY 2008.

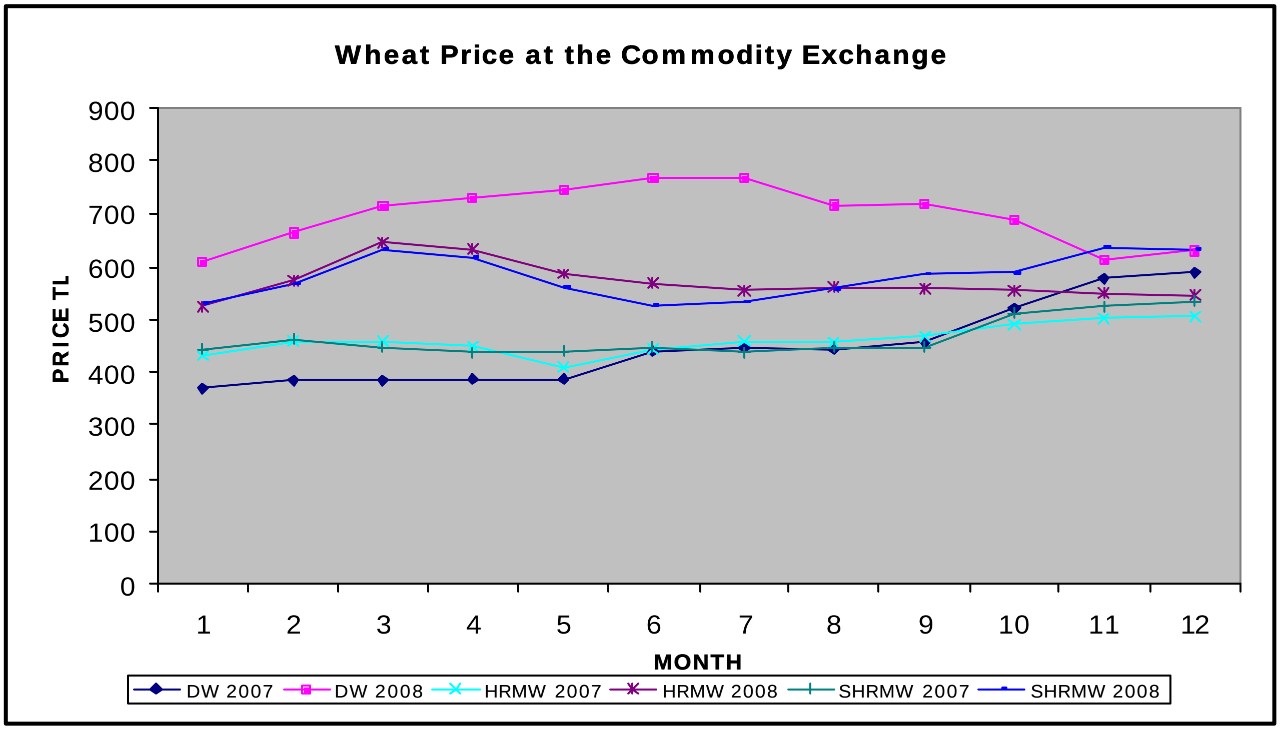
Table 4: Turkish Pasta Production (CY 2000-2008)

Turkey: Pasta Production and Consumption		
Calendar Year	**Production (tons)**	**Domestic Consumption**
2000	373,000	345,650
2001	388,000	352,050
2002	422,000	364,949
2003	438,000	369,550
2004	512,000	385,198
2005	566,303	403,136
2006	614,434	421,220
2007	600,434	427,252
2008	606,620	431,000

Source: Pasta Producers Association

Wheat prices were high at the start of the harvest season (June) but began to decline after the harvest was complete. Durum wheat prices were also very high at the beginning of the harvest season (800 YTL/MT) but eventually declined to 630 YTL/MT. Figure 1 below shows the wheat price trend at the commodity exchange market.

Figure 1: Average Wheat price at the Konya and Polatli Commodity Exchange



DW: Durum Wheat
HRMW: Hard Red Milling Wheat
SHRMW: Semi-Hard Red Milling Wheat
Source: Konya and Polatli Commodity Exchange

Wheat prices decreased after June 2008, then slightly increased in December 2008 and decreased again in January 2009. Table 5 below shows the average price of wheat at the Konya Commodity Exchange in January 2009.

Table 5: Wheat Prices at the Konya Commodity Exchange in January 2009

TYPES OF WHEAT	***PRICE (TRL/MT)***
Anatolian Durum Wheat	*624*
Anatolian Hard Red Milling Wheat	*569*
Semi Hard Red Milling Wheat	*503*

Source: Konya commodity exchange

Table 6 below shows the latest price of wheat at the Polatli Commodity Exchange.

Table 6: Wheat Prices at the Polatli Commodity Exchange on February 20, 2009

TYPES OF WHEAT	**Average Price (TRL/MT)**	***Quantity Sold (MT)***
Anatolian Hard Red Milling Wheat (1st grade)	686	*12*
Anatolian Hard Red Milling Wheat (2nd grade)	576	*160*
Other Milling Wheat	503	*140*
Feed wheat	*499*	*169*

Source: Polatli commodity exchange

On January TMO initiated the sale of 49,909 tons of biscuit wheat to biscuit manufacturers at a price of 500 TL/MT excluding handling, transportation and VAT. Moreover TMO initiated a sale of 229,219 MT of imported wheat (including 100,129 MT of Kazakhstani wheat) from TMO stocks to wheat milling factories at the prices shown in Table 7 below, between January 5 and January 19, 2009.

Table 7: TMO Wheat Selling Price in January 2009

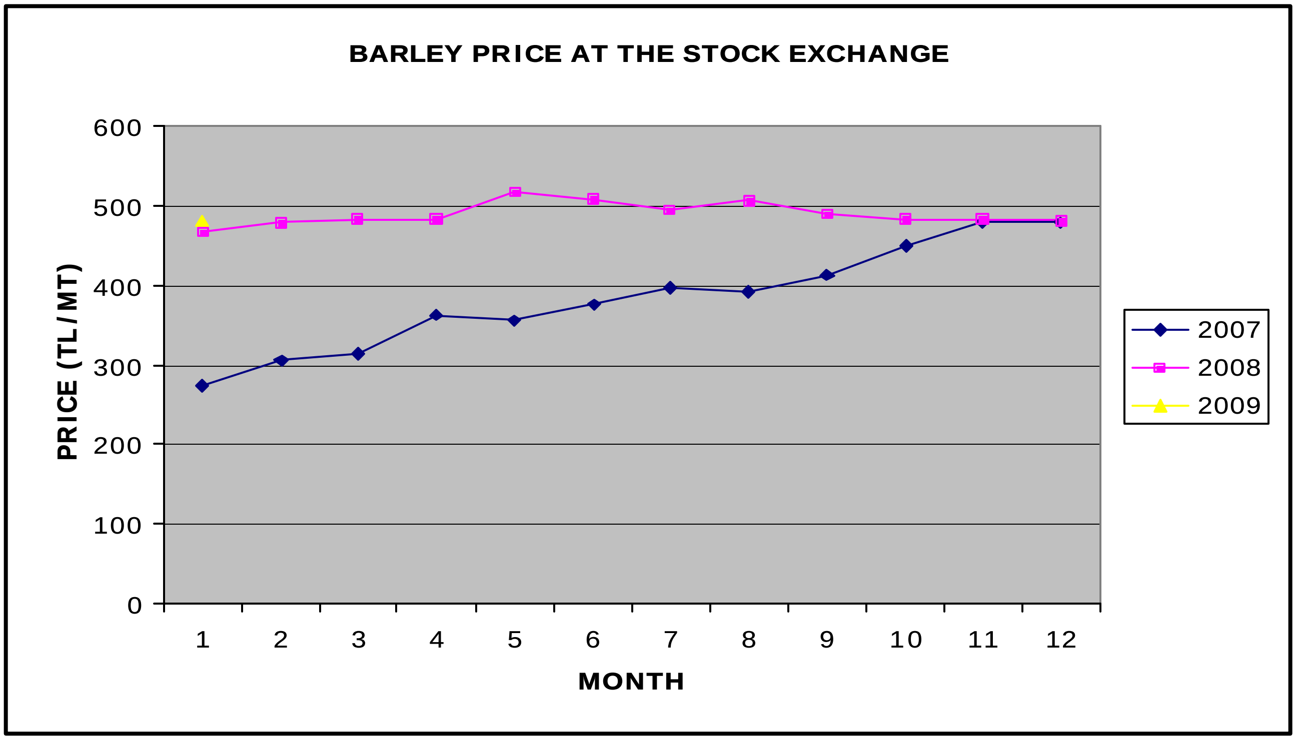
Types of Wheat	**Price (TRL/MT)**
Kazak Wheat	590
Other imported wheat	550
Imported wheat for biscuits	500

Source: TMO

Barley

Barley prices have been following a trend similar to wheat prices at the Konya Commodity Exchange. Prices were high during the harvest and started to decline afterwards. Price fluctuations were a result of drought damage to crops in Central and Southeast Anatolia.

Figure 2: Average Barley Price at the Konya Commodity Exchange



Source: Konya Commodity Exchange

In January CY 2009, barley prices declined slightly to 481 YTL/MT.

Table 8: Barley Prices at the Konya Commodity Exchange in January 2009

TYPES OF BARLEY	*PRICE (TRL/MT)*
White Barley	*481*
Barley (Feed)	*432*

Source: Konya Commodity Exchange

Barley prices continued to decrease in February. The main reason for this reduction was low demand from the feed industry. Due to drought in MY 2007 and MY 2008, barley is not currently a main ingredient for livestock feed in Turkey.

Table 9: Barley Prices at the Polatli Commodity Exchange on February 23, 2009

TYPES OF BARLEY	Average Price (TRL/MT)	Quantity Sold (MT)
White Barley	442	*21*
Malting Barley	480	*2*
Barley (Feed)	*425*	*17*

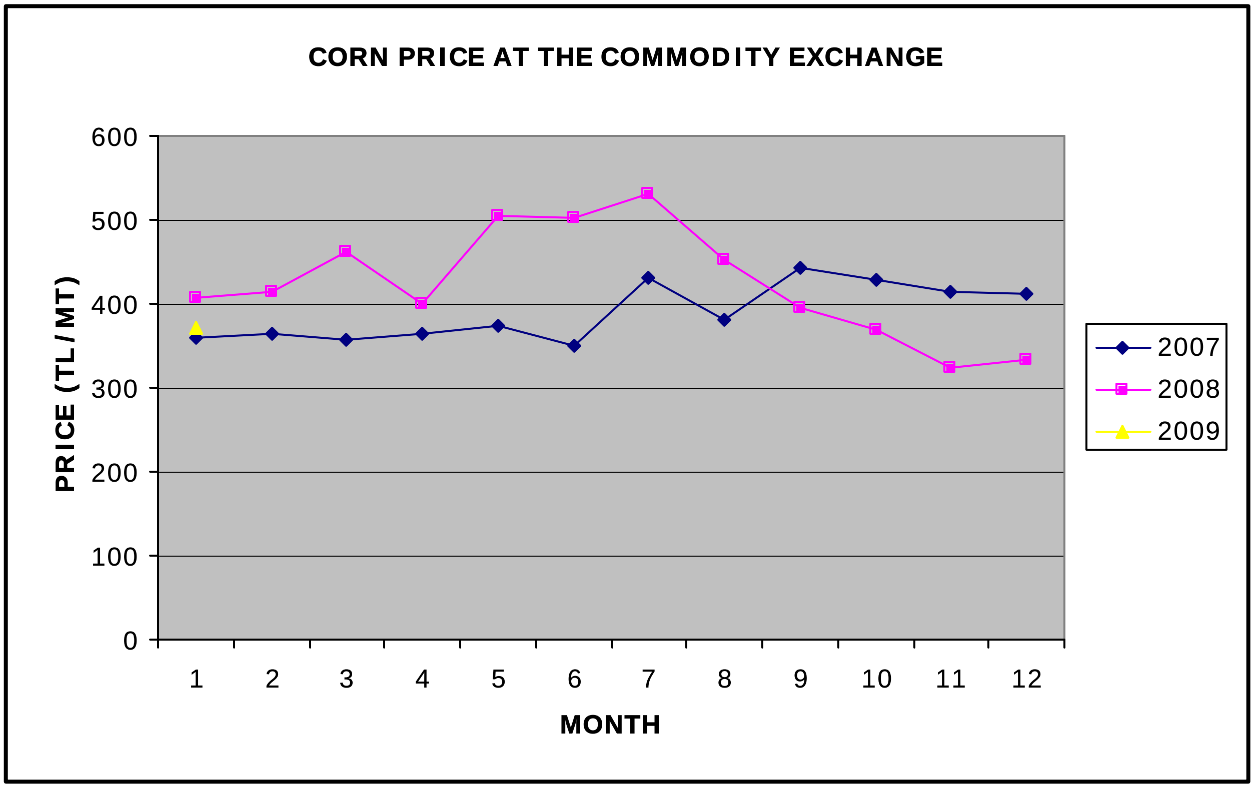
Source: Konya Commodity Exchange

Barley traditionally has been the preferred feed grain in Turkey, especially for ruminants. Half of barley consumption as feed went into commercial feed and the other half was fed directly to livestock or mixed on farm. Malting barley consumption, which is estimated at 900,000 MT, has been steady in recent years.

Corn

The corn price peaked in June 2008 and then decreased rapidly after the start of the harvest season.

Figure 3: Average Corn price at the Adana and Edirne Commodity Exchange



The average corn price at the Edirne Commodity Exchange in January was 386 TL/MT and 433 TL/MT at the Adana Commodity Exchange in February 24, 2009

TMO did not procure corn in MY 2006 or MY 2007, but did procure corn in August 25, 2008 from producers at a price of 430 YTL/MT

Table 10: Quantity of Corn Procured by TMO in MY 2008

TURKEY: Grain Board Corn Procurement			
PROVINCE	QUANTITY (MT)	PROVINCE	QUANTITY (MT)
Adana	400,230	**Izmir**	82,095
Iskenderun	69,827	**Bandirma**	3,822
Gaziantep	63,093	**Konya**	753
Sanliurfa	119,033	**Eskisehir**	9
Diyarbakir	93,517	**TOTAL**	**832,378**

Source: TMO

TMO initiated sales of 202,037 MT of imported corn in January 26, 2009 at the prices shown below.

Table 11: Price of Corn Sold by TMO in January 2009

Turkish Grain board Corn Sales, January 2009	
Price (TRL/MT)	**Type of Payment**
470	Cash payments
480	30 day installment period
490	60 day installment period
500	90 day installment period

The prices listed above include handling and transportation but exclude the VAT
Source: TMO

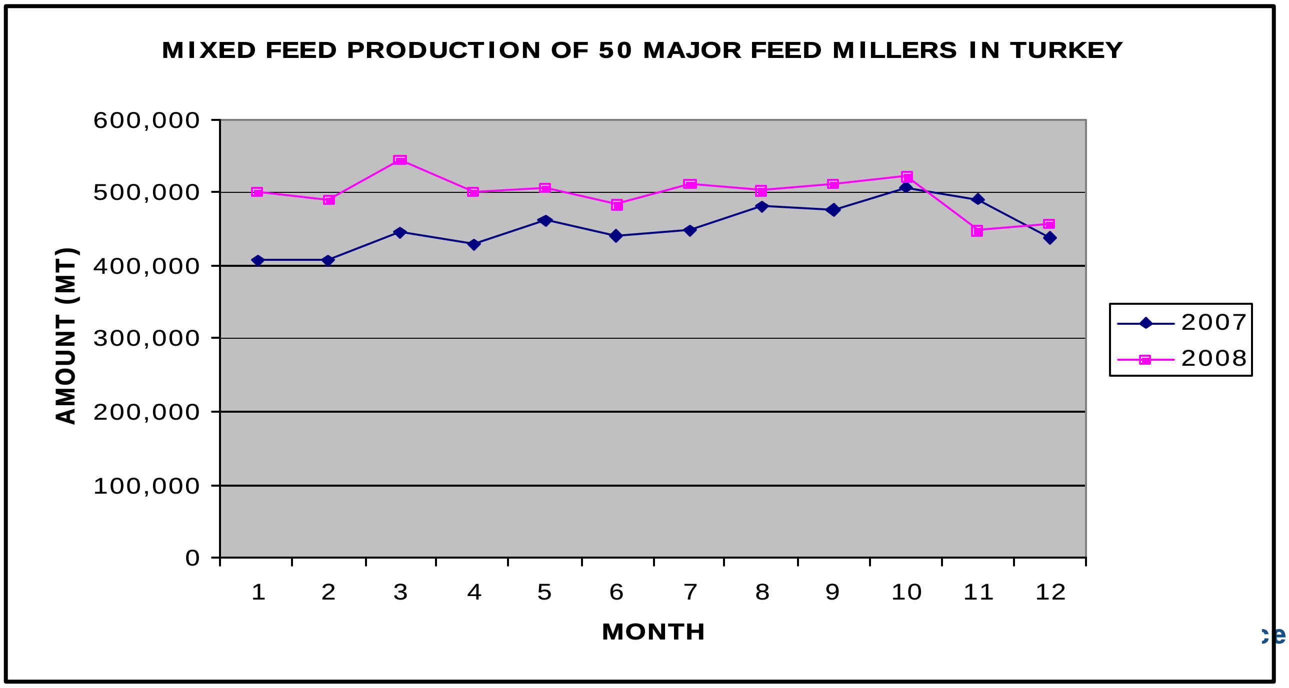
Corn is the major ingredient used by the poultry and livestock feed sectors. Table 12 below shows Turkey's mixed feed production from 2004 to 2008.

Table 12: Turkish Mixed Feed Production

YEAR	POULTRY FEED		LIVESTOCK FEED		OTHER FEED		TOTAL MIXED FEED	
	Amount (MT)	Share (%)	Amount (MT)	Share (%)	Amount (MT)	Share (%)	Amount (MT)	Growth (%)
2004	3,163,394	45.8	3,664,651	53.1	77,525	1.1	6,905,570	18
2005	3,054,349	44.7	3,718,610	54.4	61,314	0.9	6,834,273	-1
2006	2,872,860	38.5	4,516,646	60.5	77,575	1.0	7,467,081	9
2007	3,529,359	38.6	5,447,210	59.5	175,863	1.9	9,152,432	23
2008	N/A		N/A		N/A		N/A	

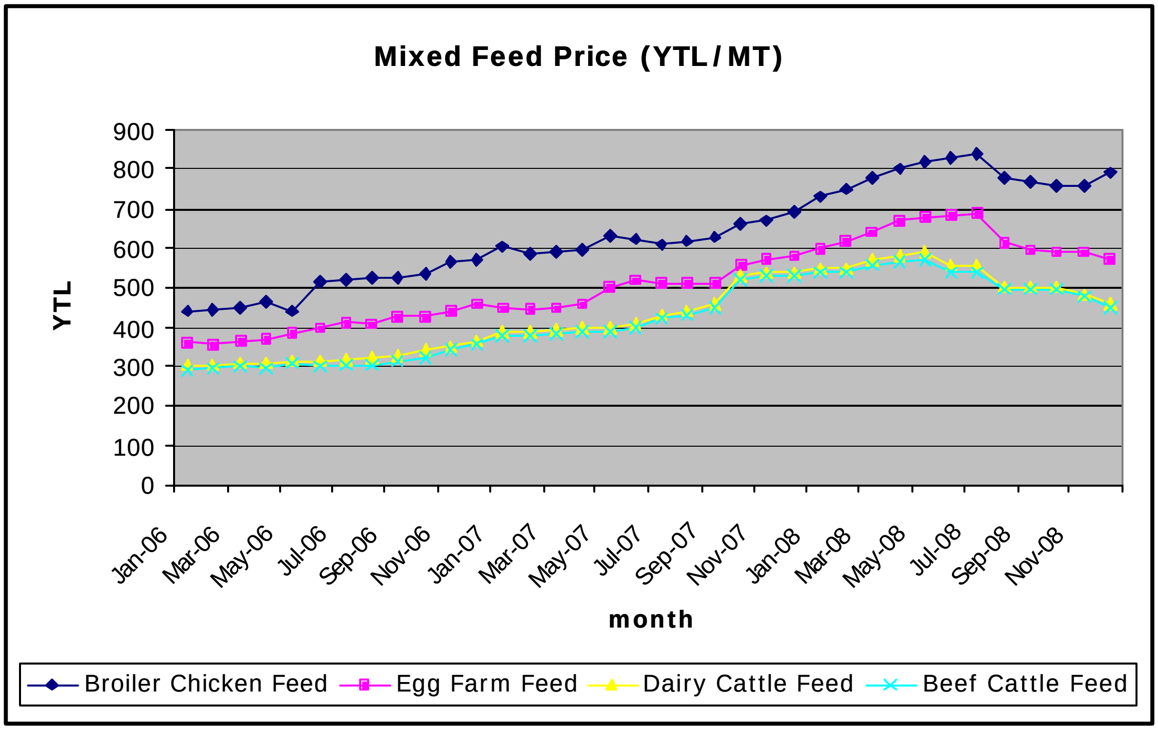
Source: Feed Miller Association of Turkey

Data for Turkey's total mixed feed production in CY 2008 is not available yet. The graph below shows the total mixed feed production of 50 major feed millers in CY 2008, though. These 50 major feed milling companies produced 5,431,904 MT in CY 2007 and 5,979,599 MT in CY 2008.



Due to the effect of the drought in Central and Southeastern Anatolia, wheat and barley production decreased in MY 2008. Because of the low level of production, mixed feed prices started to increase in September 2007. Due to expectations of a high corn yield, mixed feed price started to decrease after July 2008. Then in December 2008 mixed feed prices slightly increased because of a slight drop in production.

Figure 5: Mixed Feed Price



Source: Feed Miller Association

Production of mixed feed by the 50 major feed milling companies was 4% lower in January 2009 compared to January 2008.

Corn is a major feed ingredient for the poultry sector. Turkish poultry exports increased dramatically in CY 2008, reaching 79,851 MT. Turkish chicken meat exports almost doubled in CY 2008. Iraq, Azerbaijan, and Tajikistan are the main export destinations for Turkish chicken meat, and Vietnam and Hong Kong are the main export destinations for chicken legs. Table 13 below shows details about Turkey's poultry exports.

Table 13: Turkish Poultry Exports

Turkey: Poultry Exports								
YEAR	Chicken Meat		Chicken Legs		Turkey Meat		TOTAL	
	MT	($)	(MT)	($)	(MT)	($)	(MT)	($)
2006	37.627	26.806.018	N/A	N/A	318	200.722	39.809	28.187.240
2007	24,775	22,484,639	26,175	21,382,279	808	544,066	51,758	44,411,731
2008	47,894	58,886,661	30,659	26,752,470	1,296	1,630,310	79,851	87,269,441

Source: BESDBIR

Export from the Turkish broiler sector as well as its egg sector increased in MY 2008. The value of egg exports increased 260% in CY 2007 and despite the recent economic crisis, egg exports continued to increase in CY 2008, reaching $120 million. Turkey's main egg export markets are Iraq, Georgia, Azerbaijan, Israel and Syria.

Table 14: Turkish Egg Exports

Turkey: Annual Egg Exports		
Year	**Quantity (MT)**	***Value ($FOB)***
2002	2,091	*3,887,553*
2003	8,005	*10,902,436*
2004	10,757	*13,915,863*
2005	10,861	*18,630,748*
2006	12,174	*18,927,905*
2007	49,097	*68,115,508*
2008	*82,704*	*119,946,222*

Source: Egg Producers Association

During the last six months of CY 2008, egg exports continued to increase, although there was a slight decline in November and December 2008. Industry sources expect egg exports to remain stable in 2009.

Table 15: Turkey's Monthly Egg Exports in 2008

Turkey: Egg Exports by Month			
Year	**Quantity (MT)**	**Value (FOB$)**	***Unit Price ($/kg)***
June	4,549	4,796,541	*1.05*
July	8,186	8,841,639	*1.08*
August	6,256	11,440,667	*1.83*
September	8,172	12,705,808	*1.55*
October	12,561	20,386,731	*1.62*
November	11,856	16,975,215	*1.43*
December	*11,548*	*17,822,037*	*1.54*

Source: Egg Producers Association

The dairy sector is another major consumer of corn in Turkey. Due to a relative drop in milk prices, dairy farms are having trouble operating. Milk prices usually increase during the period between October and December but in November 2008, raw milk prices started to decrease. There was a 10% decrease in raw milk prices in the period between October and December 2008 compared to the period between July and September 2008. These low milk prices resulted in a milk/ feed price ratio that dropped to 0.85. As a result, dairy farms could not afford to keep feeding their cattle and started selling them to slaughterhouses. In January 2009, the number of livestock sent for slaughter was more than double the number in January 2008.

Table 16: Raw Milk Prices in Turkey

Year	***Turkey: Raw Milk Prices (YTL/MT)***			
	January-March	**April-June**	**July-September**	***October-December***
2000	135	151	156	*201*

2001	175	179	200	*242*
2002	265	324	324	*386*
2003	401	401	401	*425*
2004	470	450	457	*518*
2005	500	430	432	*444*
2006	443	432	440	*465*
2007	487	487	540	*660*
2008	*630*	*565*	*625*	*565*

Source: TZOB

Raw milk prices continued to decline in January 2009. However, market prices of processed milk remained the same.

Table 17: Milk and Feed Prices in January 2009

Turkey: Milk and Feed Prices		
Product	**Minimum (TRL/MT)**	***Maximum (TRL/MT)***
Raw milk	400	*675*
Pasteurized milk	1,890	*2,200*
UHT milk	1,550	*1,990*
Alfalfa	300	*500*
Corn Silage	80	*200*
Wheat straw	200	*500*
Milk feed for cattle	*500*	*625*

Source: Cattle Breeders Association of Turkey

Rice

Turkey has 25,000 paddy rice farms and 4 paddy rice co-operatives. Bandirma, Samsun, Edirne, Tekirdag and Ankara are the locations of the important commodity exchanges for rice. Turkey has 104 paddy rice millers with a yearly capacity of 2,280,000 MT.

On April 17, 2008 the Turkish government published a cabinet decision authorizing TMO to import up to 100,000 MT of duty free rice until July 31, 2009. TMO used 31,000 MT of this rice quota in CY 2008 and paid $32.5 million. TMO is expected to import an additional 20,000 MT of rice under the duty free quota in March 2009.

TMO started to procure rice in September 23, 2008 at the prices shown in Table 19 below. TMO has procured 131,127 MT of rice as of 24 February 2009. Table 18 below shows the quantities of procured paddy rice by different branch offices of TMO.

Table 18: Quantity of Paddy Rice Procured by TMO

Turkish Grain Board (TMO) Rice Procurement	
Province	**Quantity (MT)**
Edirne	85,243
Tekirdag	2,250
Bandirma	2,914

Polatli	10,000
Samsun	30,720
TOTAL	**131,127**

Source: TMO

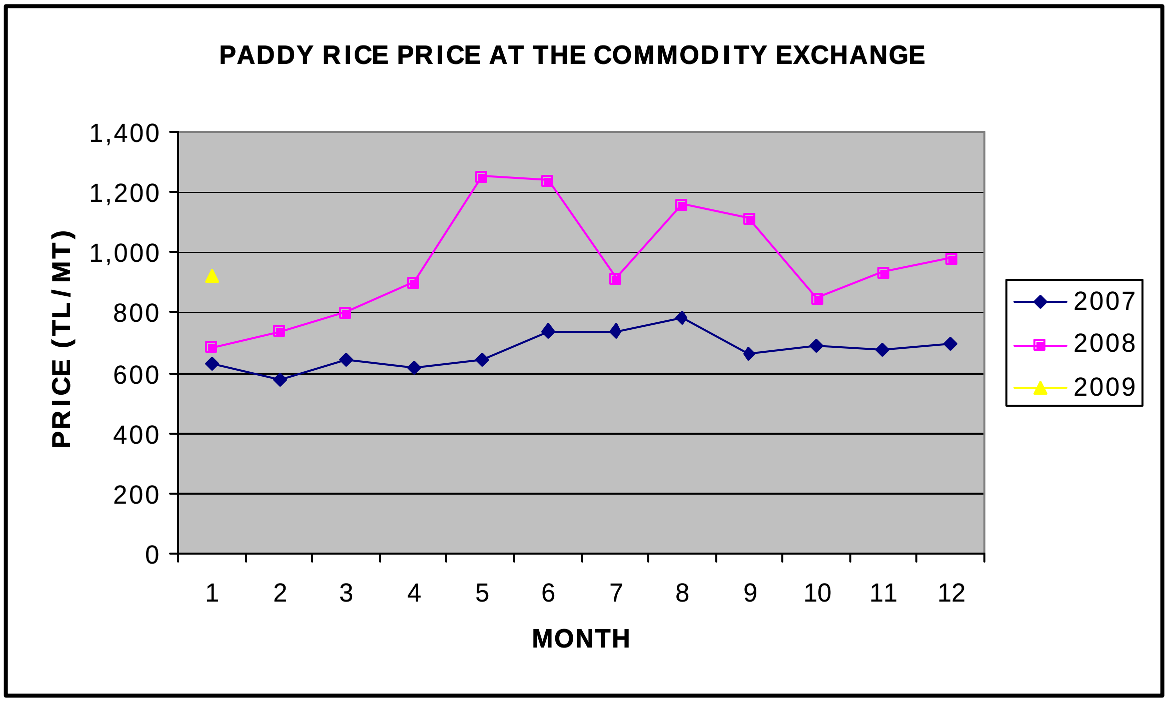
Table 19: Paddy Rice Procurement Price paid by TMO

Turkey: Paddy Rice Procurement Price	
Type of Paddy Rice	**Price (TL/MT)**
Baldo	960
Osmancik and other long grain size	870
Medium grain size	790
Short grain size	720

Source: TMO

In addition to the TMO procurement price, the government offers 90 TL/MT of premium payments to rice farmers.

Figure 6: Paddy Rice Price at the Edirne Commodity Exchange



Due to price fluctuations in the rice market, TMO sells rice to the public at the prices shown below. Despite efforts by TMO to regulate the market, prices increased recently from 1.6 TRL/kg to 2.15 TRL/kg (Osmancik variety).

Table 20: Rice Selling Price of TMO

Turkish Grain Board Retail Rice Sale Price			
TYPE OF RICE	PACKED 5 KG (TRL)	PACKED 2 KG (TRL)	*PACKED 1 KG (TRL)*
Osmancik	9.00	3.60	*1.80*
Imported medium grain (U.S.)	9.00	3.60	*1.80*
Imported, long grain (Thailand)	*7.50*	*3.00*	*1.50*

Source: TMO

Pulses

Turkish lentil consumption is approximately 250,000 MT per year. Because of severe drought, production of lentils was only 100,000 MT in 2008. Although TMO has contracted to import 45,000 MT of Canadian whole lentils, only 40,100 MT have arrived.

Last year the red lentil price was 850 YTL per MT at the Mersin commodity stock exchange. This year the price was around 3,000 YTL/MT

Figure 7: Red Whole Lentil Price at the Mersin Commodity Exchange

Source: Mersin Commodity Exchange

Red lentil prices started to increase in February 2009.

Table 21: Red Lentil Prices at the Mersin Commodity Exchange in 2009

Turkey: Red Lentil Price, Mersin Exchange		
Variety	**PRICE (TRL/MT) January**	***PRICE (TRL/MT) February***
Whole Lentil	1,550	*1,788*
Hulled Lentil	*1,901*	*2,147*

Source: Mersin commodity exchange

Trade

Turkish grain exports decreased from 238,699 MT (USD 61,698,000) in CY 2007 to 29,196 MT (USD 37,235,000) in CY 2008.

Table 22: Turkish Grain and Grain Products Exports, Calendar Year

Turkish Grain and Grain Products Exports				
Products	**CY 2007**		**CY 2008**	
	Value ($)	**Quantity (MT)**	**Value ($)**	**Quantity (MT)**
Milled products (wheat flour etc)	488,035,000	1,304,532	723,337,000	1,389,766
Grain	61,698,000	238,699	37,235,000	29,196
Bakery and Pasta products	538,106,000	485,466	722,596,000	477,591
Pulses (Lentils, Chickpeas, etc.)	190,165	258,632	189,933	172,538

Source: Istanbul Exporters Union

Despite a decline in the quantity of bakery product exports in CY 2008, the value increased. Milled products also followed the same pattern, also because of higher prices. Grain exports were 88% lower in quantity and 40% lower in value, because of the decline in production in CY 2007. The major item that was exported was barley. Because of low yields the Turkish government decreased the customs tax on barley to zero in November 28, 2007.

As Table 23 below shows, grain exports in January 2009 doubled compared to the same time in 2008, driven mainly by an increase in rice exports to Syria. Syria historically imports Egyptian rice but because of Egypt's rice export ban, Syria imported USD 3,600,000 of rice from Turkey in January 2009. Turkish pulse exports in January 2009 almost doubled compare to January 2008, driven by an increase in chickpea exports to Iraq and Egypt, and red lentil exports to Egypt.

Table 23: Turkish Grain and Grain Products Exports in January 2009

Turkish Grain and Grain Products Exports				
Products	**January 2008**		**January 2009**	
	Value ($)	**Quantity (MT)**	**Value ($)**	**Quantity (MT)**
Milled products (wheat flour, etc)	66,475	115,862	36,734	102,978
Grain	4,102	1,702	11,067	7,435
Bakery and	55,347	37,348	53,197	37,078

Pasta products				
Pulses (Lentils, Chickpeas, etc.)	15,395	15,825	27,372	24,721

Source: Istanbul Exporters Union

As Table 24 shows, Turkish exports of wheat flour, biscuits and pasta increased in 2008. Because of the drought in Southeast, red lentil exports decreased.

Table 24: Major Turkish Grain Product Exports in 2007 & 2008

Products	**CY 2007 (USD 1000)**	**CY 2008 (USD 1000)**
Wheat flour	432,149	619,264
Biscuits	82,960	106,487
Pasta	59,369	98,138
Red lentils	124,279	101,127

Source: Istanbul Exporters Union

In terms of value, Turkish exports of wheat flour decreased by 44.3% in January 2009 compared to January 2008. Due to an anti-dumping inquiry, wheat flour exports to Indonesia decreased 22.2% in January 2009. In order to compensate for this decrease, Turkish wheat flour exporters concentrated on the Philippines, Sudan and Israel instead. Wheat flour exports to Sudan increased 2.5 fold in January 2009.

Wheat flour exports in January 2009 were 93,770 MT, compared to 102,441 MT in January 2008. The average wheat flour exports price was USD 342 FOB.

Table 25: Major Turkish Grain Product Exports in January 2009

Products	**January 2008 (USD 1000)**	**January 2009 (USD 1000)**
Wheat flour	57,588	32,096
Biscuits	7,267	7,588
Pasta	3,299	7,788
Red lentils	11,360	18,494

Source: Istanbul Exporters Union

Wheat

Because a severe drought in Central and Southeast Anatolia reduced domestic supplies, Turkish wheat imports increased in MY 2008. Milling wheat imports in January and February 2009 were stable. In the coming six months 350, 000 MT of milling wheat from Germany is expected to arrive. Other than that Turkey, mostly imports milling wheat from Russia. Wheat from Kazakhstan, which contains 13-14% protein, is not being purchased by Turkey because of its high price and high cost of transportation. On the other hand, Russian wheat can be delivered by smaller ships relatively quickly and cheaply compared to Kazak wheat.

Table 26: Turkish Wheat Imports and Exports in MY 2006-2008

YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	***EXPORTS ($)***
MY 2006	1,578,207	361,960,618	400,299	*59,281,057*
MY 2007	2,527,772	1,040,364,312	18,019	*8,991,278*
MY 2008*	*1,965,805*	*698,924,608*	*8,004*	*5,569,774*

* June-December
Source: TUIK

In the first six months of MY 2006, there were very little wheat imports. Then the effects of the drought began to be felt in October. After October 2006 Turkey started to import wheat.

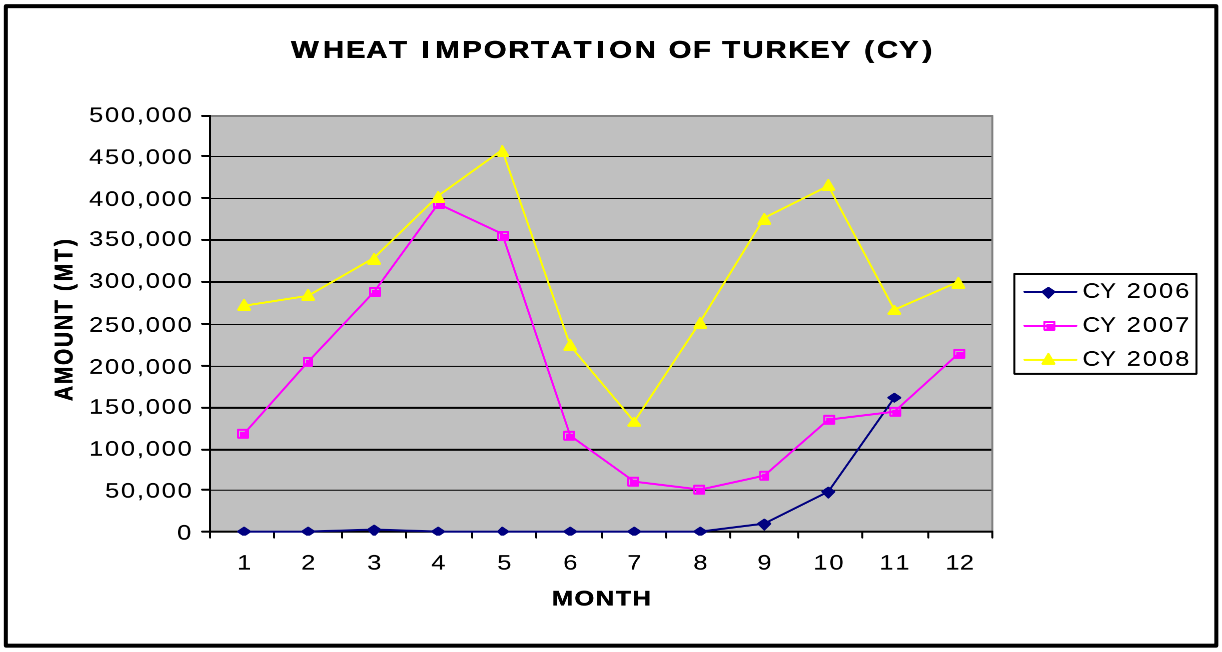
Table 27: Turkish Wheat Import and Exports in CY 2006-2008

YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	***EXPORTS ($)***
CY 2006	239,873	52,624,103	685,673	*100,853,259*
CY 2007	2,147,107	570,390,492	18,280	*9,131,611*
CY 2008	*3,708,000*	*1,483,190,308*	*8,004*	*5,569,774*

Source: TUIK

Turkish wheat importation started to decline when the harvest season began in June and continued to decrease until July 2008. Due to the effect of the drought in Central and Southeast Anatolia, wheat production was below the expected quantity. Turkey imported large quantities of wheat from June to October. Due to the price fluctuations in the market, wheat importation slowed down at the end of October. Because of high demand from the milling industry, wheat importation started to increase again in December 2008.

Figure 8: Turkish Monthly Wheat Imports CY2006-2008



Turkey mainly imports milling wheat. Due to the demand for high quality wheat from flour millers, Turkey's milling wheat imports increased dramatically in MY 2007 and are expected to be higher in MY 2008.

Table 28: Turkish Milling Wheat Imports and Exports, MY 2006-2008

YEAR	**IMPORT (MT)**	**IMPORT ($)**	**EXPORT (MT)**	**EXPORT ($)**
MY 2006	1,442,105	324,208,804	274,916	38,201,475
MY 2007	2,728,378	1,127,833,901	1,208	*699,095*
MY	*1,812,180*	*612,306,812*	*4*	*1,600*

2008*				

* June-December
Source: TUIK

Milling wheat importation dramatically increased in MY 2007 because of the drought and almost doubled in the first 6 months of MY 2008. Imports have slowed down due a decrease in flour exports between November and December 2008.

Table 29: Turkish Milling Wheat Imports in the First 6 Months of MY 2006-2008

	2006		**2007**		**2008**	
	Value ($)	**Amount (MT)**	**Value ($)**	**Amount (MT)**	**Value ($)**	**Amount (MT)**
June	0	0	23,157,343	103,00	93,950,321	220,224
July	0	0	14,847,055	62,074	37,004,138	103,383
August	0	0	13,003,878	51,403	82,691,948	243,943
September	0	0	20,051,940	66,313	120,135,071	353,225
October	1,761,070	9,107	46,314,802	131,783	112,195,803	334,300
November	9,799,761	45,651	53,109,972	143,004	82,069,913	260,757
December	34,567,238	156,260	80,787,075	212,309	84,259,618	296,346
Total	46,128,069	211,019	251,272,065	769,896	612,306,812	1,812,180

Source: TUIK

In MY 2006 and MY 2008 Turkey mainly imported wheat from Kazakhstan and the Russian Federation. However due to high prices of Kazak wheat and an abundant supply of Russian wheat, imports from Kazakhstan decreased in favor or Russian wheat in MY 2008. As Table 30 below shows, wheat imports from Russia reached to 1,052,380 MT in MY 2008. In the next few months, 350,000 MT of German wheat is expected to arrive in Turkey.

Table 30: Turkish Wheat Imports and Exports by Country, MY1006-2008

	COUNTRY	**IMPORT (MT)**	**IMPORT ($)**	**EXPORT (MT)**	**EXPORT ($)**
MY 2006	Kazakhstan	566,305	128,159,654	0	0
	Russia Federation	562,494	121,356,495	0	0
	Hungary	150,856	33,365,627	0	0
	Germany	140,971	36,484,007	162	107,457
	Spain	27,596	7,774,077	0	0
	France	54,171	15,809,293	6	4,793
	U.S.	0	356	3	1,458
	TOTAL	**1,578,207**	**361,960,618**	**400,299**	**59,281,057**
MY 2007	Kazakhstan	1,032,442	432,747,356	0.1	104
	Russia Federation	886,392	326,539,788	0	0
	Hungary	142,248	69,596,401	0	0
	Romania	82,567	39,545,465	0	0
	Germany	49,141	26,487,582	56	46,463
	U.S.	45,537	16,487,472	0	0

	TOTAL	**2,527,772**	**1,040,364,312**	**18,019**	**8,991,278**
MY* 2008	Russia Federation	1,052,380	350,430,596	0	0
	Kazakhstan	179,268	72,544,645	0	0
	Hungary	78,085	28,987,488	0	0
	Ukraine	67,288	21,351,771	0	0
	Germany	57,364	24,417,125	0	0
	Canada	28,944	16,637,430	0	0
	U.S.	6,105	2,448,463	0	0
	TOTAL	**1,965,805**	**698,924,608**	**8,004**	**5,569,774**

* June-December
Source: TUIK

Durum wheat imports dramatically decreased in MY 2007, but returned to previous levels in MY 2008.

Table 31: Turkish Durum Wheat Imports and Exports, MY 2006-2008

YEAR	**IMPORT (MT)**	**IMPORT ($)**	**EXPORT (MT)**	**EXPORT ($)**
MY 2006	121,677	34,300,404	125,205	*20,979,045*
MY 2007	12,016	3,627,689	13,526	*6,346,518*
MY 2008*	*148,839*	*84,183,251*	*0.6*	*428*

* June-December
Source: TUIK

In the first six months of MY 2007, durum wheat imports increased but then dropped sharply. Durum wheat exports increased sharply in July after the domestic harvest began and again in October when the harvest finished.

Table 32: Turkish Durum Wheat Imports in the first 6 months of MY 2006-2008

	2006		**2007**		**2008**	
	Value ($)	**Amount (MT)**	**Value ($)**	**Amount (MT)**	**Value ($)**	**Amount (MT)**
June	0	0	2,363,900	8,681	1,498,261	2,983
July	0	0	0	0	16,125,853	28,181
August	0	0	0	0	4,547,726	7,924
September	0	0	99,584	320	12,399,683	22,528
October	0	0	0	0	45,729,143	78,429
November	0	0	115,848	579	2,800,191	5,806
December	736,834	3,764	0	0	1,082,394	2,985
Total	**736,834**	**3,764**	**2,579,332**	**9,581**	**84,183,251**	**148,839**

Turkey is one of the top wheat flour exporting countries. Even though exports decreased as a result of the economic crisis in the last two months of CY 2008, overall wheat flour exports are estimated to be higher in MY 2008 than in MY 2007. Despite the slowdown starting in November, wheat flour exports in MY 2008 will reach 1.3 MMT. Wheat flour exports in January 2009 were 93,770 MT, compared to 102,441 MT in January 2008.

Table 33: Turkish Wheat Flour Imports and Export, MY 2006-2008

YEAR	**IMPORT (MT)**	**IMPORT ($)**	**EXPORT (MT)**	***EXPORT ($)***
MY 2006	70	22,895	1,268,359	*326,377,803*
MY 2007	41	24,620	1,054,643	*492,551,804*
*MY 2008**	*300*	*715*	*795,820*	*379,907,775*

* June-December
Source: TUIK

Wheat flour exports decreased in the first 6 months of MY 2007 compared to MY 2006. Wheat flour exports decreased almost twofold in November and December. In MY 2006 and 2007, wheat flour exports slowed down in October and started to rise in November but in MY 2008 this pattern changed.

Table 34: Major Export Markets for Turkish Wheat Flour

	2007		***2008***	
Country	**Value (USD 1000)**	**Quantity (MT)**	**Value (USD 1000)**	***Quantity (MT)***
Iraq	149,960	448,698	230,021	*439,362*
Indonesia	51,284	165,186	122,793	*247,247*
Libya	104,704	230,193	93,446	*156,357*
Sudan	3,662	10,868	35,684	*67,376*
Israel	11,158	35,048	21,389	*49,634*
TOTAL	***424,486***	***1,216,893***	***619,516***	***1,196,939***

Source: Istanbul Exporters Union

Due to a decrease in the customs duty on wheat flour to Indonesia, Turkish wheat flour exports to Indonesia increased significantly in CY 2008. In addition, after Sudan eliminated the VAT taxes on wheat flour, Turkish wheat flour exports to Sudan increased dramatically.

Table 35: Turkish Wheat Flour Exports in First 6 Months of MY 2006-2008

Turkish Wheat Flour Exports in First 6 Months of MY 2006-2008						
	2006		**2007**		**2008**	
	Value ($)	**Quantity (MT)**	**Value ($)**	**Quantity (MT)**	**Value ($)**	**Quantity (MT)**
June	19,620,513	94,227	22,847,910	75,628	56,305,125	101,979
July	21,812,185	107,795	41,347,866	130,996	55,486,574	107,321
August	19,339,298	94,104	42,822,626	118,680	64,525,105	130,137
September	23,594,038	115,475	36,510,995	92,421	65,731,038	138,052
October	11,906,896	51,859	26,819,739	61,596	70,964,348	151,560
November	25,949,417	97,211	32,971,360	66,432	36,611,428	86,309
December	35,678,314	131,671	52,601,187	94,991	30,284,157	80,460
Total	**157,900,661**	**692,345**	**255,921,683**	**640,746**	**379,907,775**	**795,820**

Source: TUIK

Turkish pasta exports overall decreased slightly in CY 2008. Pasta exports to Japan, Benin and Angola increased dramatically while exports to Iraq and UAE decreased.

Table 36: Turkish Pasta Exports, CY 2007-2008

Turkish Pasta Exports, CY 2007-2008				
	2007		***2008***	
Country	**VALUE (USD 1000)**	**QUANTITY (MT)**	**VALUE (USD 1000)**	***QUANTITY (MT)***
United Arab Emirates	11,387,544	20,069	15,622,055	*16,162*
Iraq	10,657,428	19,269	12,736,316	*13,268*
Japan	1,513,666	2,292	11,862,666	*9,531*
Benin	3,322,217	5,226	11,728,878	*11,144*
Togo	5,592,618	9,280	10,374,634	*10,757*
Angola	2,286,022	3,777	10,124,397	*9,044*
Niger	5,252,554	8,268	9,856,029	*8,941*
Total	***108,572,445***	***177,125***	***183,476,690***	***175,239***

Source: Central Anatolia Exporters Union

Turkish pasta exports in January 2009 were 11,699 MT, compared to 16,354 MT in January 2008. The export price of pasta was 1,140 USD/MT FOB in November 2008 and is now 820 USD/MT FOB.

Turkish biscuit and wafer exports have remained steady in CY 2008, reaching 180,424 MT.

Table 37: Turkish Biscuit and Wafer Exports CY2007 & 2008

	2007		*2008*	
Country	**VALUE (USD 1000)**	**QUANTITY (MT)**	**VALUE (USD 1000)**	***QUANTITY (MT)***
Iraq	54,777,038	40,555	71,438,607	*39,748*
Saudi Arabia	31,334,577	15,848	30,598,439	*12,612*
Germany	15,643,349	8,835	19,468,149	*9,345*
Yemen	11,893,866	7,314	14,801,855	*7,533*
Israel	7,820,443	4,850	12,589,906	*5,479*
Albania	9,257,494	6,161	11,786,363	*6,225*
Libya	7,051,819	4,636	11,546,538	*5,409*
Total	***294,754,865***	***188,726***	***360,908,406***	***180,424***

Source: Central Anatolia Exporters Union

Milling wheat seed importation of Turkey increased in MY 2007 and dropped in MY 2008.

Table 38: Turkish Milling Wheat Seed Imports and Exports

YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	***EXPORTS ($)***
MY 2006	505,090	393,501	19	*11,175*
MY 2007	795,927	690,369	3,271	*1,934,559*
MY 2008*	*685,836*	*771,298*	*7,496*	*5,163,523*

* June-December
Source: TUIK

Barley

Due to severe drought in the Central Anatolian Region, barley exports dramatically decreased in both MY 2007 and MY 2008.

Table 39: Turkish Barley Exports

Turkish Barley Exports MY 2006-2008						
Products	**MY 2006**		**MY 2007**		***MY 2008****	
	Value ($)	**Quantity (MT)**	**Value ($)**	**Quantity (MT)**	**Value ($)**	***Quantity (MT)***
Barley (Malting)	0	0	0	0	0	*0*
Barley (Other)	71,489,956	374,936	32,250	49	397	*0.3*
Total	***71,489,956***	***374,936***	***32,250***	***49***	***397***	***0.3***

* June-December
Source: TUIK

Turkish barley imports increased in MY 2007 because of the effects of severe drought in the Central Anatolian region.

Table 40: Turkish Barley Imports

Turkish Barley Imports MY 2006-2008						
Products	**MY 2006**		**MY 2007**		***MY 2008****	
	Value ($)	**Quantity (MT)**	**Value ($)**	**Quantity (MT)**	**Value ($)**	***Quantity (MT)***
Barley (Others)	0	0	50,191,703	137,394	17,352,916	*54,636*
Barley (Malting)	11,169,967	47,420	19,787,723	50,958	9,506,673	*25,499*
Total	***11,169,967***	***47,420***	***69,979,426***	***188,352***	***26,859,589***	***80,135***

* June-December
Source: TUIK

There were no barley imports in MY 2006 other than malting barley, and barley was Turkey's major grain export commodity. As a result of severe drought in Turkey in MY 2007, Turkey imported exceptional quantities of barley in MY 2008. After the start of the barley harvest in June 2008, imports dropped to 1000 MT in June 2007, then increased dramatically after August 2008. So far, the economic crisis has had no effects on barley imports because of the continued demand from feed sector.

Table 41: Barley (Others) importation and exportation on the first 6 months of MY

Months	**2006 Import**	**2006 Export**	**2007 Import**	**2007 Export**	**2008* Import**	**2008* Export**
	Quantity (MT)	**Quantity (MT)**	**Quantity (MT)**	**Quantity (MT)**	**Quantity (MT)**	**Quantity (MT)**
June	0	0	0	0	1,017	0
July	0	0	0	0	0	0
August	0	30,000	0	0	0	0
September	0	0	0	0	7,083	0
October	0	0	0	0	32,717	0.3
November	0	49,146	0	49	7,100	0
December	0	80,557	491	0	6,718	0
TOTAL	**0**	**159,704**	**491**	**49**	**54,636**	**0.3**

* June-December
Source: TUIK

Malting barley importation of Turkey also increased in MY 2007 and reached their highest level in August 2008. There is a steady decline in the malting barley exportation of Turkey after October 2008. Total malting barley imports in the first 6 months of MY 2008 were higher than MY 2007 and MY 2006.

Table 42: Turkish Malting Barley Trade in the First 6 Months of MY 2006-2008

Months	2006 Import	2006 Export	2007 Import	2007 Export	2008* Import	2008* Export
	Quantity (MT)	Quantity (MT)	Quantity (MT)	Quantity (MT)	Quantity (MT)	Quantity (MT)
June	0	0	0	0	0	0
July	0	0	2,900	0	0	0
August	0	0	0	0	10,369	0
September	0	0	0	0	0	0
October	0	0	3,000	0	6,178	0
November	8,000	0	6,063	0	5,951	0
December	2,832	0	3,039	0	2,999	0
Total	**10,832**	0	**15,004**	0	**25,499**	0

* June-December
Source: TUIK

Kazakhstan, France and Russia are the major barley suppliers for Turkey. Turkey's barley export markets were Saudi Arabia, Syria and Tunisia but because of the severe drought Turkey didn't export large quantities of barley in MY 2007 or MY 2008.

Table 43: Turkish Barley Exports and Imports

	COUNTRY	IMPORTS (MT)	IMPORTS ($)	EXPORTS (MT)	EXPORTS ($)
MY 2006	**France**	47,440	11,188,568	0	0
	Saudi Arabia	0	0	229,899	43,477,849
	Syria	3	500	91,573	17,331,272
	Tunisia	0	0	19,604	3,737,259
	Lebanon	0	0	2,358	438,900
	TOTAL	**47,420**	**11,169,967**	**374,936**	**71,489,956**
MY 2007	**Kazakhstan**	46,723	17,090,692	0	0
	Ukraine	46,006	16,382,122	0	0
	France	42,496	15,294,786	0	0
	Russia Federation	22,388	8,013,513	0	0
	Iraq	15,525	6,221,376	49	32,250
	Spain	15,309	7,041,344	0	0
	TOTAL	**188,352**	**69,979,426**	**49**	**32,250**
MY* 2008	**Ukraine**	24,769	8,475,054	0	0
	France	19,438	7,140,774	0	0
	Russia Federation	12,702	3,792,185	0	0
	Romania	9,429	2,687,416	0	0
	TOTAL	**80,135**	**26,859,589**	**0.3**	**397**

* June-December
Source: TUIK

Corn

Due to record corn production in MY 2008, Turkish corn imports sharply decreased in MY 2008.

Table 44: Turkish Corn Imports

Products	MY 2006		MY 2007		*MY 2008**	
	Value ($)	Quantity (MT)	Value ($)	Quantity (MT)	Value ($)	*Quantity (MT)*
Maize (Corn) Seed	6,060,166	1,787	18,614,780	4,617	1,978,042	*463*
Maize (Corn) popcorn unpopped except seed	4,163,077	11,922	10,062,013	24,301	3,090,521	*5,475*
Maize (Corn) (Others)	249,760,604	1,088,604	355,524,710	1,131,553	4,275,683	*18,400*
TOTAL	***259,983,847***	***1,102,313***	***384,201,503***	***1,160,471***	***9,344,246***	***24,338***

* September-December
Source: TUIK

Total corn exports doubled in MY 2007 compared to MY 2006. Corn seed exports Turkey decreased in MY 2007 and then slightly increased in MY 2008. Unlike MY 2006 and MY 2007, corn exports decreased in November and December of MY 2008.

The number one type of corn seed both imported to and exported from Turkey is classified as a 'Simple Hybrid' and the number two type is classified as 'Double Hybrid and Top Cross Hybrid`.

Table 45: Turkish Corn Exports

Product	MY 2006		MY 2007		*MY 2008**	
	Value ($)	Quantity (MT)	Value ($)	Quantity (MT)	Value ($)	*Quantity (MT)*
Corn Seed	15,618,293	8,129	14,069,097	5,564	15,632,228	*6,609*
Popcorn, unpopped except seed	145,408	127	151,582	95	40,703	*18*
Corn, Others	1,222,544	3,441	3,095,762	6,696	179,261	*294*
TOTAL	***16,986,245***	***11,697***	***17,316,441***	***12,355***	***15,852,192***	***6,921***

* September-December
Source: TUIK

The United States was the major supplier of corn for Turkey in MY 2006 and MY 2007, but due to record production in Turkey, corn imports decreased dramatically in MY 2008.

Table 46: Turkish Corn Imports and Exports by Country

	COUNTRY	IMPORT (MT)	IMPORT ($)	EXPORT (MT)	EXPORT ($)
MY 2006	**U.S.**	351,052	81,409,989	2,436	2,627
	Ukraine	268,598	61,956,177	18,600	34,968
	Hungary	131,064	31,411,024	207,574	376,868
	Argentina	123,367	28,887,928	120	390
	Romania	100,218	22,618,141	0	0
	Bulgaria	93,261	21,749,305	37,861	80,685
	TOTAL	**1,102,313**	**259,983,847**	**11,697**	**16,986,245**
MY 2007	**U.S**	496,691	150,251,524	1,860	3,069
	Argentina	317,480	107,450,480	0	0
	Ukraine	228,430	72,502,143	7,740	29,900
	Canada	103,610	35,306,944	0	0
	Hungary	10,091	3,901,250	0	0
	TOTAL	**1,160,471**	**384,201,503**	**12,355**	**17,316,441**
MY *2008	**Argentina**	2,262	1,281,299	0	0
	Russia	2,045	554,516	0	0
	U.S.	524	238,553	240	516
	TOTAL	**24,338**	**9,344,246**	**6,921**	**15,852,192**

* September-December
Source: TUIK

CORN MILLING BYPRODUCTS

Turkey has displaced the EU-27 as the biggest market in the world for U.S. exports of corn gluten feed and meal. From negligible levels in MY 2006, U.S. exports jumped to 437,689 MT in MY 2007 and reached 641,385 MT in MY 2008.

Table 47: Turkish Imports & Exports of Residues of Starch Manufacture and Similar Waste Products

YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	***EXPORTS ($)***
MY 2006	426,902	64,673,069	82	*48,025*
MY 2007	679,876	144,383,389	201	*163,609*
MY 2008*	162,954	39,184,812	0	*0*
CY 2008	*557,369*	*138,188,702*	*198*	*161,038*

* September-December
Source: TUIK

Turkey also has become the single biggest market outside of NAFTA for U.S. exports of starch residues and DDGS. Starting in MY 2006, Turkish imports of DDGS increased dramatically, reaching 419,593 MT in MY 2008. Imports of DDGs have recently slowed. The factors for this slowdown include the global economic crisis, low milk prices and a resulting shrinkage of the Turkish dairy sector, as well as a change in the tax structure on DDGs that increased the VAT from 10% to 18%. Average monthly DDGS imports in CY 2008 were 43,500 MT but DDGS imports in December 2008 were only 28,640 MT.

Table 48: Turkish Imports & Exports of DDGS

YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	***EXPORTS ($)***
MY 2006	195,381	31,817,247	4,150	*289,864*
MY 2007	513,634	128,480,069	960	*84,131*
MY 2008*	184,196	49,879,652	0	*0*
CY 2006	100,908	14,653,639	3,847	*295,470*
CY 2007	325,922	60,933,340	4,150	*289,864*
CY 2008	*521,855*	*142,296,618*	*960*	*84,131*

* September-December
Source: TUIK

Rice

On April 17, 2008 the Turkish government published a cabinet decision authorizing TMO (the Turkish Grain Board) to import up to 100.000 MT of rice at zero duty until July 31, 2009.

TMO used 31,000 MT of the rice quota in CY 2008 and paid $32.5 million for this amount. TMO would like to import an additional 20,000 MT of rice under the duty free quota in March 2009.

Rice imports doubled in MY 2007 but have dramatically decreased in MY 2008 due to record production.

Table 49: Turkish Rice Imports

Products	**MY 2006**		**MY 2007**		***MY 2008****	
	Value ($)	**Quantity (MT)**	**Value ($)**	**Quantity (MT)**	**Value ($)**	***Quantity (MT)***
Rice in the Husk	2,169,216	6,254	14,788,883	33,884	5,837,919	*13,657*
Rice, Husked (Brown Rice Or Cargo Rice)	849,924	2,026	7,154,943	14,000	2,780,530	*4,127*
Rice, Semi-Milled or Wholly Milled, Whether or not Polished or Glazed	86,742,680	163,217	156,265,008	213,902	26,403,532	*30,376*
Rice, Broken	0	0	0	0	0	*0*
TOTAL	***89,761,820***	***171,498***	***178,208,834***	***261,787***	***35,021,981***	***48,161***

*September-December
Source: TUIK

In MY 2008, Turkey re-exported 30,000 MT of rice to the Middle East, especially Syria and Iraq. Because of low domestic prices in Turkey, importers preferred to re-export their imported stocks at the Mersin port.

In February, however, domestic rice prices began to increase. The domestic rice price was 1.6 TRL/kg in January and it is increased to 2.15 TRL/kg by the end of February 2009.

Table 50: Turkish Rice Exports

Products	**MY 2006**		**MY 2007**		***MY 2008***	
	Value ($)	**Quantity (MT)**	**Value ($)**	**Quantity (MT)**	**Value ($)**	***Quantity (MT)***
Rice in The Husk	209,988	150	332,048	294	77,064	*45*
Rice, Husked (Brown Rice or Cargo Rice)	103,542	68	187,457	106	36,170	*19*
Rice, Semi-Milled or Wholly Milled, Whether or Not Polished or Glazed	864,637	685	1,366,484	709	3,989,885	*3,581*
Rice, Broken	830,177	2,845	1,334,755	2,034	1,163,343	*1,839*
TOTAL	***2,008,344***	***3,749***	***3,220,744***	***3,146***	**5,266,462**	**5,486**

*September-December
Source: TUIK

The main rice suppliers for Turkey are normally Egypt, Italy and the United States. Because of recent rice shortages, Turkey imported rice from Thailand and the United States instead of Egypt.

Table 51: Turkish Rice Imports and Exports, by Country

	COUNTRY	IMPORTS (MT)	IMPORTS ($)	EXPORT S (MT)	EXPORTS ($)
MY 2006	Egypt	134,612	68,216,457	0	0
	Italy	25,277	16,008,141	0	0
	Russia Federation	6,254	2,169,216	1,5	1,860
	Thailand	1,188	787,101	0	0
	United States	50	54,967	109	167,157
	Afghanistan	0	0	28	29,860
	Kazakhstan	0	0	44	69,204
	Iraq	0	0	156	189,816
		171,498	**89,761,820**	**3,749**	**2,008,344**
MY 2007	Egypt	122,962	69,912,550	0	0
	United States	63,346	45,309,781	123	254,099
	Italy	54,433	49,549,991	44,400	46,391
	Uruguay	5,407	4,078,529	0	0
	Pakistan	4,565	2,673,826	0	0
	Thailand	2,662	2,455,634	0	0
		261,787	**178,208,834**	**3,146**	**3,220,744**
MY* 2008	Thailand	20,537	18,261,842	0	0
	United States	17,917	10,425,951	27	53,481
	Italy	2,225	2,169,566	0	0
	Egypt	944	541,121	0	0
	Uruguay	626	708,210	0	0
		48,161	**35,021,981**	**5,486**	**5,266,462**

*September-December
Source: TUIK

Lentils

Due to severe drought in Southeast Turkey in CY 2008, Turkey imported 191,683 MT of red lentils, mainly from Canada. Previously, Turkey had been a net exporter of red lentils. In order not to lose market share in its export markets, Turkey still exported 70,345MT of lentils in CY 2008. The main export destinations for red lentil from Turkey are Middle Eastern Countries.

Table 52: Turkish Lentil Imports and Exports

IMPORTS	**2007**	**2008**
CANADA	21,292	174,320
U.S.	1,229	1,627
TOTAL	30,978	191,683
EXPORTS	**2007**	**2008**
Sri Lanka	37,734	12,500
Egypt	17,127	6,635

TOTAL	186,271	70,345

Source: TUIK

Stocks

Official data on private stocks are not available. Therefore, PSD stock data were derived from information received from industry and trade sources. TMO grain stocks are given in Table 53 below.

Table 53: TMO Grain Stocks in 2008

Turkish Grain Board (TMO) Grain Stocks		
Types of grain	**Quantity (MT)** December 2008	**Quantity (MT)** February 2009
Milling wheat	385,000	500,000
Durum wheat	47,000	100,000
Biscuit Wheat	0	50,000
Barley	30,000	35,000
Corn	950,000	1,040,000
Rice	15,000	10,000
Lentil	35,000	40,000

Source: TMO

Policy

On July 4, 2008 the Turkish government authorized TMO to import up to 100,000 MT of lentils at zero duty before May 31, 2009. Under this duty free quota, TMO imported 40,100 MT of whole lentils and 8,300 MT of hulled lentils from Canada. TMO paid $58.3 million and $16.4 million, respectively, for these purchases.

Table 54: Grain Imports of TMO in CY 2008

Turkish Grain Board (TMO) Grain Imports, CY 2008		
TYPES OF WHEAT	**QUANTITY (MT)**	***VALUE (Million $)***
Milling Wheat	690,000	*312.2*
Durum Wheat	9,000	*57.2*
Biscuit Wheat	50,000	*15.4*
Rice	31,000	*32.5*
Corn	540,000	*275.3*
Barley	64,200	*20.2*
Whole Lentil	40,100	*58.3*
Hulled Lentil	*8,300*	*16.4*

Source: TMO

Details of a new grain support program were published in the Official Gazette dated January 25, 20009. The government decreased the amount of total agricultural support from 5.5 billion TRL to 4.95 Billion TRL, as a result of ongoing IMF negotiations. This decision affected all agricultural support budget items, including grain premiums. Grain premiums decreased 10% after this revision.

The direct support payment program, which started in March 14, 2000 as a pilot project of the Agricultural Reform Implementation (ARIP) project and was supported by the World Bank, was discontinued after MY 2007. The budget of direct support payments was diverted to deficiency payments, chemical fertilizer payments and diesel support payments.

However, the government has not yet released a detailed support budget for the grain sector in MY 2009. The only available information is that there will be no direct support payments in MY 2009 and that the budget for chemical fertilizer and diesel support will increase.

Table 55: Government Support for Grain Production in Turkey

Turkey: Government Grain Support Payments (YTL/Dekare)									
Types of Support	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Direct Support Payment	10.00	13.50	16.00	16.00	10.00	10.0	10.0	7.0	0
Diesel Support	-	-	3.90	-	2.40	2.88	2.88	3.25	
Certified Seed Support	-	-	-	-	3.00	5.00	5.00	5.00*	
Chemical Fertilizer Support	-	-	-	-	1.60	2.13	2.13	4.25	
Irrigation Energy Support (YKr/KWh)	-	-	-	-	1.70	1.70	1.70	1.70	

*3 YTL/da for barley, oats and rice; 5 YTL/da for wheat; 6 YTL/da for chickpeas, lentils and dry beans; 8 YTL/da for Paddy rice

Grain premium support payments were first introduced in 2005. Pulse premium support payments were introduced in MY 2008 for the first time. Grain premium support payments for the MY 2008 harvest will be paid in CY 2009.

MY 2007 grain support was paid in CY 2008. MY 2009 grain premiums have not been announced yet, however because of the decrease in the total agricultural support budget, grain premiums are expected to decrease slightly.

Table 56: Grain Premiums

Turkey: Grain Premiums (YTL/MT)					
Products	**2004**	**2005**	**2006**	**2007**	**2008**
Wheat	-	30	35	45	50
Barley, Oats, Rye	-	20	25	35	40
Paddy Rice	-	30	60	90	100
Chick Peas, Lentils, Dry beans	-	-	-	-	100
Corn	25	50	67	20	40

Turkey's new tariff schedule was published in the Official Gazette on December 31, 2008 and entered into force on January 01, 2009.

Tariffs are often adjusted by the Agriculture Ministry in response to supply and demand. Wheat, barley, rye, and oat tariff rates were increased from 50% to 80%. It is expected that these will increase to the maximum bound rate of 130% on May 15. Because of record high corn production levels in 2008, corn, sorghum and millet tariffs also are expected to remain at 130%.

Table 57: Turkey's Tariffs on Grains

Turkey: Grain Tariff Rates						
Products	New Tariff Rate		Latest Tariff Rate		Previous Tariff Rate	
	Customs Duty	Date Of Change	Customs Duty	Date Of Change	Customs Duty	Date Of Change
WHEAT						
Spelt, common wheat and meslin (excl. seed)	80[1]	12.31.2008	50	05.15.2008	0	02.23.2008
Durum Wheat	80[1]	12.31.2008	50	05.15.2008	0	02.23.2008
Common wheat, Durum wheat and meslin seed	0	12.31.2008	0	12.31.2007	0	12.31.2007
CORN						
Maize Seed	0	12.31.2008	0	12.31.2007	0	12.31.2007
Popcorn, Unpopped, (excluding seed)	130	12.31.2008	130	12.31.2007	130	12.31.2007
Other Corn	130	12.31.2008	130	11.12.2008	50	07.31.2008
BARLEY						
Barley Seed	0	12.31.2008	0	12.31.2007	0	12.31.2007
Barley (excluding seed)	80[1]	12.31.2008	50	05.15.2008	0	12.31.2007

A drought in MY 2007/08 drastically reduced domestic red lentil production, therefore lentil tariffs remain at only 5%. The rice tariff remains at between 12% and 45%.

Turkey: Grain Tariff Rates						
Products	**New Tariff Rate**		**Latest Tariff Rate**		**Previous Tariff Rate**	
	Customs Duty	**Date Of Change**	**Customs Duty**	**Date Of Change**	**Customs Duty**	**Date Of Change**
RYE						
Rye Seed	0	12.31.2008	0	12.31.2007	0	12.31.2007
Rye (excluding seed)	80[1]	12.31.2008	50	05.15.2008	0	02.23.2008
OAT						
Oat Seed	0	12.31.2008	0	12.31.2007	0	12.31.2007
Oat (excluding seed)	80[1]	12.31.2008	50	05.15.2008	0	02.23.2008
SORGHUM						
Sorghum Seed	0	12.31.2008	0	12.31.2007	0	12.31.2007
Sorghum (excluding seed)	130	12.31.2008	130	11.12.2008	50	07.31.2008
RICE						
Rice in husk for sowing	12[2]	12.31.2008	12	12.31.2007	12	12.31.2007
Round, medium, long grain rice in husk	34	12.31.2008	34	12.31.2007	34	12.31.2007
Round, medium, long husked rice	36	12.31.2008	36	12.31.2007	36	12.31.2007
Semi milled, wholly milled, broken rice	45	12.31.2008	45	12.31.2007	45	12.31.2007
LENTILS						
Red and Green lentils seed	0	12.31.2008	0	07.04.2008	0	12.31.2007
Red and Green lentils (excluding seed)	5[2]	12.31.2008	5	07.04.2008	19.3	12.31.2007

Turkey: Grain Tariff Rates						
Products	**New Tariff Rate**		**Latest Tariff Rate**		**Previous Tariff Rate**	
	Customs Duty	**Date Of Change**	**Customs Duty**	**Date Of Change**	**Customs Duty**	**Date Of Change**
LEGUMES						
Legume seeds	0	12.31.2008	0	07.04.2008	0	12.31.2007
Peas, chickpeas, beans (excluding seed)	19.3	12.31.2008	19.3	12.31.2007	19.3	12.31.2007

(1) It is expected that this duty will be 130% after 05.15.2009
(2) A 1% tariff rate is applied if a pre-notification document from the Ministry of Agriculture, as required by the Seed Importation Decree, is submitted to customs authorities.

Statistical Tables

PSD Table for Wheat

Turkey Wheat										
	2007	Revised		2008	Estimate		2009	Revised		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
MY Begin		06/2007	06/2007		06/2008	12/2008		06/2009	03/2009	MM/YYYY
Area Harvested	8,600	8,600	8,600	8,600	8,600	8,600			8,670	1000 HA
Beginning Stocks	1,338	1,770	1,715	480	670	1,220			1,021	1000 MT
Production	15,500	15,500	15,500	16,800	16,800	16,800			17,500	1000 MT
MY Imports	2,164	1,500	2,527	2,000	1,800	2,351			1,500	1000 MT
TY Imports	2,192	1,500	2,637	2,000	1,800	2,450			1,500	1000 MT
TY Imp from US	46	0	46	0	0	10			0	1000 MT
Total Supply	19,002	18,770	19,742	19,280	19,270	20,371			20,021	1000 MT
MY Exports	1,722	1,300	1,722	1,800	1,300	2,100			2,200	1000 MT
TY Exports	1,763	1,300	1,722	1,800	1,300	2,100			2,200	1000 MT
Feed Consumption	800	800	800	700	750	750			800	1000 MT
FSI Consumption	16,000	16,000	16,000	16,200	16,500	16,500			16,500	1000 MT
Total Consumption	16,800	16,800	16,800	16,900	17,250	17,250			17,300	1000 MT
Ending Stocks	480	670	1,220	580	720	1,021			521	1000 MT
Total Distribution	19,002	18,770	19,742	19,280	19,270	20,371			20,021	1000 MT
Yield	2.	2.	1.8023	2.	2.	1.9535			2.0185	MT/HA

PSD Table for Barley

Turkey Barley										
	2007	Revised		2008	Estimate		2009	Revised		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
MY Begin		06/2007	06/2007		06/2008	12/2008		06/2009	03/2009	MM/YYYY
Area Harvested	3,600	3,600	3,600	3,400	3,400	3,400			3,400	1000 HA
Beginning Stocks	653	653	653	340	323	341			201	1000 MT
Production	6,000	6,000	6,000	5,600	5,600	5,600			6,000	1000 MT
MY Imports	187	170	188	350	350	160			50	1000 MT
TY Imports	250	170	204	350	350	160			52	1000 MT
TY Imp from US	0	0	0	0	0	0			0	1000 MT
Total Supply	6,840	6,823	6,841	6,290	6,273	6,101			6,251	1000 MT
MY Exports	0	0	0	0	0	0			0	1000 MT
TY Exports	0	0	0	0	0	0			0	1000 MT
Feed Consumption	5,600	5,600	5,600	5,100	5,100	5,000			5,000	1000 MT
FSI Consumption	900	900	900	900	900	900			900	1000 MT
Total Consumption	6,500	6,500	6,500	6,000	6,000	5,900			5,900	1000 MT
Ending Stocks	340	323	341	290	273	201			351	1000 MT
Total Distribution	6,840	6,823	6,841	6,290	6,273	6,101			6,251	1000 MT
Yield	2.	2.	1.6667	2.	2.	1.6471			1.7647	MT/HA

PSD Table for Corn

Turkey Corn										
	2007	Revised		2008	Estimate		2009	Revised		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
MY Begin		09/2007	09/2007		09/2008	12/2008		09/2009	03/2009	MM/YYYY
Area Harvested	450	450	450	520	520	520			500	1000 HA
Beginning Stocks	522	522	522	612	212	646			831	1000 MT
Production	2,900	2,900	2,900	4,150	4,150	4,150			3,800	1000 MT
MY Imports	1,102	500	1,136	100	100	45			100	1000 MT
TY Imports	1,096	500	1,157	100	100	47			100	1000 MT
TY Imp from US	422	0	497	0	10	1			30	1000 MT
Total Supply	4,524	3,922	4,558	4,862	4,462	4,841			4,731	1000 MT
MY Exports	12	10	12	10	0	10			10	1000 MT
TY Exports	12	3,922	11	10	0	10			10	1000 MT
Feed Consumption	3,000	2,800	3,000	3,100	3,100	3,100			3,100	1000 MT
FSI Consumption	900	900	900	900	900	900			900	1000 MT
Total Consumption	3,900	3,700	3,900	4,000	4,000	4,000			4,000	1000 MT
Ending Stocks	612	212	646	852	462	831			721	1000 MT
Total Distribution	4,524	3,922	4,558	4,862	4,462	4,841			4,731	1000 MT
Yield	6.	6.	6.4444	8.	8.	7.9808			7.6	MT/HA

PSD Table for Rice

Turkey Rice										
	2007	**Revised**		**2008**	**Estimate**		**2009**	**Revised**		**UOM**
	USDA Official	**Post Estimate**	**Post Estimate New**	**USDA Official**	**Post Estimate**	**Post Estimate New**	**USDA Official**	**Post Estimate**	**Post Estimate New**	
Market Year Begin		09/2007	09/2007		09/2008	09/2008		09/2009	09/2009	MM/YYYY
Area Harvested	95	95	95	100	100	100			100	1000 HA
Beginning Stocks	213	283	213	173	222	261			223	1000 MT
Milled Production	360	360	360	420	420	420			429	1000 MT
Rough Production	600	600	600	700	700	700			715	1000 MT
Milling Rate (.9999)	6,000	6,000	6,000	6,000	6,000	6,000			6,000	1000 MT
MY Imports	200	150	261	200	150	150			130	1000 MT
TY Imports	200	150	195	200	150	140			125	1000 MT
TY Imp. from U.S.	0	80	63	0	75	65			55	1000 MT
Total Supply	773	793	834	793	792	831			782	1000 MT
MY Exports	0	1	3	0	2	8			10	1000 MT
TY Exports	0	1	3	0	2	8			10	1000 MT
Total Consumption	600	570	570	600	600	600			600	1000 MT
Ending Stocks	173	222	261	193	190	223			172	1000 MT
Total Distribution	773	793	834	793	792	831			782	1000 MT
Yield (Rough)	6.	6.	6.3158	7.	7.	7.			7.15	MT/HA