



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 6/29/2004

GAIN Report Number: TU4021

Turkey

Grain and Feed

Barley Update

2004

Approved by:

Jim Higgiston, Agricultural Counselor
U.S. Embassy

Prepared by:

Unal Sarigedik, Agricultural Specialist

Report Highlights:

Turkey's barley production is estimated currently at 7.1 MMT, a slight increase over 2003. Yields were good in most parts of Turkey, except the Southeast Anatolia Region. After exporting large quantities in the past, Turkey imported about 290,000 MT of barley in MY 2003. Although production is expected to be good in MY 2004, The Turkish Grain Board may need to import some barely to regulate the market since it will not be able to procure any domestically due to high prices.

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

Barley Area

Barley area increased slightly in MY 2004, primarily in the Southeast Anatolia, as a result of a switch from durum wheat into barley. Good prices in the market in MY 2003 precipitated the change.

Production

MY 2004 production is now projected at 7.1 MMT, which is slightly higher than the earlier estimates. Barley is grown throughout the country however Central Anatolia (especially Konya, Ankara, Eskisehir, and Kirsehir Provinces) and Southeast Anatolia (especially Sanliurfa, Diyarbakir, and Mardin Provinces) are the two major barley-growing regions.

Thrace, Central Anatolia, and Aegean Regions are projected to have good yields while yields in Southeast Anatolia were lower than expected. Weather conditions in Thrace favored production while hot weather in Southeast Anatolia limited yields.

Consumption

Barley consumption increased in MY 2003 due to greater demand in the livestock sector and expansion of Turkey's domestic feed industry. Fewer cattle were slaughtered during the traditional holidays this year compared to recent years and, as a result, demand for bovine feed was larger than expected earlier. The output in the feed sector also increased by about 15 percent this year that also raised the demand for feed. Although production remained steady in MY 2003, increased demand along with speculative trading put upward pressure on barley prices. The Turkish Grain Board (TMO) normally stores barley in order to control prices. If prices increase, TMO would release barley onto the market in order to decrease prices. Unfortunately, TMO did not have sufficient stocks to release barley in the market to depress prices.

Turkish poultry production has increased by 200 TMT from MY 2002 to MY 2004. Since the beginning of CY 2004, the GOT imposed an 80 percent duty on corn imports. This has increased corn prices, but also exhibited upward pressure on barley prices. The recent announcement of corn quotas has done nothing to alleviate this price rise.

Trade

In the past, TMO used to export large quantities of barley. Instead, in order to combat high prices for barley, TMO had to import barley in 2003. TMO imported close to 215 TMT of barley in MY 2003. These imports were primarily from the Black Sea Region, about half from Ukraine and the rest from Russia and Kazakhstan. Additionally, brewing companies imported about 75,000 MT of malting barley. TMO is not expected to import large quantities in MY 2004.

Barley Prices

Barley prices are currently around TL 320,000 per kilogram (or about USD 215 per MT). Prices are expected to decrease somewhat (about TL 300,000 per kilogram or USD 200 per MT) after the harvest starts in the Central Anatolia Region but are expected to increase again (to about TL 340,000 per kilogram or USD 225 per MT with the current exchange rate) in September or shortly after, when the entire harvest is completed. In MY 2004, TMO will not procure any domestic barley because the market prices are already high. As a result, TMO will again not be in a position to regulate the market. If prices go very high, then, TMO will need to import barley.

Turkey Barley							
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		06/2002		06/2003		06/2004	MM/YYYY
Area Harvested	3550	3550	3450	3450	3450	3500	(1000 HA)
Beginning Stocks	753	623	773	530	673	500	(1000 MT)
Production	7300	7200	6900	6900	7000	7100	(1000 MT)
TOTAL Mkt. Yr. Imports	29	20	200	290	50	150	(1000 MT)
Oct-Sep Imports	85	60	150	290	50	150	(1000 MT)
Oct-Sep Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	8082	7843	7873	7720	7723	7750	(1000 MT)
TOTAL Mkt. Yr. Exports	509	510	100	20	50	50	(1000 MT)
Oct-Sep Exports	504	500	100	20	50	50	(1000 MT)
Feed Dom. Consumption	5900	5900	6200	6300	6200	6300	(1000 MT)
TOTAL Dom. Consumption	6800	6803	7100	7200	7100	7200	(1000 MT)
Ending Stocks	773	530	673	500	573	500	(1000 MT)
TOTAL DISTRIBUTION	8082	7843	7873	7720	7723	7750	(1000 MT)