

Required Report: Required - Public Distribution

Date: October 15,2020

Report Number: TU2020-0037

Report Name: Grain and Feed Update

Country: Turkey

Post: Ankara

Report Category: Grain and Feed

Prepared By: Kubilay Karabina

Approved By: Christine Mumma

Report Highlights:

Turkey's marketing year (MY) 2020/21 corn planting area is expected to be about 620,000 hectares (ha) and production will total 7 million metric tons (MMT). The MY 2020/21 Turkish paddy rice planting area is about 97,000 ha and production is estimated at 882,000 MT. Domestic grain prices are increasing in parallel with the international market. The Turkish Grain Board (TMO) completed a series of tenders in August, September, and October 2020 to buy wheat and barley.

Production

Wheat

The wheat harvest was completed throughout Turkey in July 2020. Turkey's Marketing Year (MY) 2020/21 wheat area and production is estimated at 7.1 million hectares (ha) and 18.25 million metric tons (MMT). The weather caused yield and quality losses, especially in the Central Anatolia and Thrace regions.

In recent years, alternative crops, orchard development, greenhouse development, and increased vegetable production due to new irrigation areas account for the reduced wheat planted acreage. Area losses are mainly concentrated in wheat for milling while durum wheat planting area increased.

Of the total 18.25 MMT of wheat which is expected to be produced in Turkey in MY 2020/21, 3.25 MMT is durum wheat.

Barley

Turkey's MY 2020/21 barley area and production is estimated at 3.8 million ha and 8.1 MMT. Barley fields are generally unirrigated, and yields are directly linked to rainfall. This new forecast is still higher than the production figures from the last two years. Good returns on barley and the high cost of chemicals (such as pesticides and fertilizers) used in the production of other crops, influenced farmers' planting decisions.

Corn

MY 2020/21 corn production is forecast at 7 MMT, an increase of 1 MMT compared to last marketing year due to mainly increased planting area in the Southeastern and Cukurova regions.

Second-crop corn is a common product in Southeast Anatolia, especially in the Sanliurfa and Mardin regions. Some farmers, representing more than 40,000 hectares in the southeast, who used to plant cotton, have switched back to milling wheat as a first crop and corn as a second crop due to bad returns from cotton in previous years. In addition, some area in the Cukurova and Aegean regions also shifted to corn from other crops.

The first-crop corn harvest has been completed in the Cukurova and Southeastern regions and is continuing in Central Anatolia. The second-crop harvest will start in the Southeastern region (such as Viransehir and Kiziltepe) in November.

Rice

The MY 2020/21 paddy rice area estimate is 97,000 ha with production forecast at 882,000 MT, down three percent compared to MY 2019/20. The lower production numbers are due to a decrease in planting area, especially in the Thrace region, after a winter drought leading to low water levels of key dams used for irrigation.

The harvest normally begins in September and ends in October. Paddy rice harvest began in Edirne (Thrace region) and Gönen (Marmara region) in the first week of September 2020. All of Turkey's paddy rice harvest will be completed as of November 2020.

Consumption

Turkish domestic wheat consumption is forecast at 19.9 MMT in MY 2020/21, similar with the 2019/20 year. The majority of wheat is utilized for human consumption as flour and pasta (some of which is exported), with the rest of the wheat used as feed. After a tougher crop, wheat used as feed is expected to decrease. Seed and industrial consumption remains the same, so the increase in consumption is in mainly for human consumption.

MY 2020/21 barley consumption is estimated at 8.7 MMT tons, in line with availability of barley and demand from the feed sector with competitive prices.

In MY 2020/21, Turkey's domestic corn consumption forecast is 9.6 MMT, assuming stable demand from the feed sector.

In MY 2020/21, Turkish domestic rice consumption is forecast at 815,000 MT, which is slightly higher than MY 2019/20, assuming stable demand from the household sector.

Trade

The domestic prices of all grains have rapidly increased, up about 20 percent compared to the start of this harvest season and about 40 percent compared to last year.

and about 40 percent compared to last year. In October 2020, the Anatolian Hard Red Wheat (AKS) price is about 2000 TL/ton, barley is 1500 TL/MT, and corn is 1600 TL/MT in the domestic market. (Exchange rate of US\$1=7.8 TL as of October 2020 which was US\$1=5.8 TL as of October 2019). Besides the Turkish Lira's depreciation against other currencies, bullish international prices are also influential on increasing domestic prices.

Wheat

For MY 2020/21, Turkey's wheat import forecast is 8.1 MMT due to stable demand from wheat product producers and demand from the domestic market especially for milling wheat after a tough harvest.

Total wheat exports from Turkey for MY 2020/21, including wheat products, are forecast at 6.7 MMT, assuming Turkey can consistently procure affordable wheat from the Black Sea region in order to meet the strong demand from its main customers for flour, pasta, bulgur, and other wheat products.

According to the Turkish Statistical Institute, during the first three months of MY 2020/21 (June to August 2020) total wheat imports were about 1.5 MMT, of which just 100,000 MT were durum wheat, down significantly compared to 2.2 MT during the same period in the last marketing year. Turkey continued to meet its wheat needs mostly from Russia (1.1 MMT) and Ukraine (150,000 MT),

Turkish wheat products exports have been stably keeping over 6 MMT in recent years. In MY 2020/21, exports from Turkey (including flour and wheat products) are estimated to be 6.7 MMT (Wheat equivalent basis), of which about 3.2 MMT is wheat flour, about 1.4 MMT is pasta, and 275,000 MT is bulgur.

According to the Turkish Statistical Institute, In MY 2019/20, Turkey exported about 3.1 MMT of wheat flour, about 1.33 MMT is pasta, 300,000 MT of bulgur, and about 125,000 MT of wheat. In MY 2019/20, total wheat exports from Turkey (including flour and other wheat products) were 6.55 MMT (Wheat equivalent basis).

Although monthly wheat flour flows for export markets slowed in the last quarter of MY 2019/20 due to customs measures related to the pandemic, wheat flour exports were about 775,000 MT during the first three months of MY 2020/21, up seven percent compared to the same period in MY 2019/20. Iraq was the main destination with 381,000 MT, followed by Yemen (51,000 MT), Syria (50,000 MT), and Venezuela (38,000 MT)

Pasta exports were about 350,000 MT during the first three months of MY 2020/21, up 13 percent compared to the same period last year. Venezuela, Somalia, and Japan were the main destinations with about 52,000 MT, 38,000 MT, and 19,000 MT, respectively. Bulgur exports were about 45,000 MT during the same period, which is down 15 percent compared to last year.

As the governmental authority in the grain market, the Turkish Grain Board (TMO) announced MY 2020/21 wheat intervention prices on May 4, 2020. TMO offers Anatolian Hard Red Milling Wheat (AKS) at 1650 TL/MT (\$235/MT) compared to 1350 TL/MT (\$228/MT) last year in May. See [Grain and Feed Update Report 2020](#) for detailed information.

In order to stabilize domestic prices during the year, TMO completed a series of tenders after the harvest for about 1.25 MMT of wheat, of which 110,000 MT is durum wheat, in order to supply high quality wheat to the domestic market and strengthen the state of emergency stocks.

TMO also started its domestic sale after the harvest in October 2020. TMO [announced](#) that it was willing to sell domestic and imported milling wheat stocks (12.5 and 13.5 percent protein content) in October 2020 at a price of 1850 TL/MT (\$235/MT), excluding VAT and handling charges to provide stability to the internal wheat market. According to the market sources, this domestic sale price is just under the cost of imported wheat which tendered in September 2020.

Barley

For MY 2020/21, Turkey's barley imports forecast is 400,000 MT due to stable demand from the feed industry. TMO imported 60,000 MT of barley as a result of a tender in August 2020. It is projected that TMO will sell the imported barley in the domestic market in order to combat rising domestic prices. As of October 2020, the price of imported barley was CIF Marmara \$230/MT while the domestic barley price was about 1,500 TL/MT (~\$190/MT). TMO also [announced](#) that it was willing to sell 75,000 MT of domestic and imported barley stocks, about 1350 TL/MT (~\$173/MT).

Corn

TMO announced the MY 2020/21 corn procurement price on July 29, 2020 at 1325 TL/MT (\$184/MT), compared to the announcement price at 950 TL/MT in MY 2019/20 (which was \$201/MT, when \$1 = 5.8 TL as of the announcement date in August 2019). However, as of October 2020, the price of domestic corn was about 550 TL/MT (~\$198/MT).

According to the Turkish Statistical Institute, corn imports in MY 2019/20 reached about 3.1 MMT. Ukraine (927,000 MT), Russia (869,000 MT), and Romania (766,000 MT) were the leading suppliers. Corn imports are forecast at 2.7 MMT in MY 2020/21, down 400,000 MT compared to previous year with the help of a bumper domestic crop.

Rice

Rice imports into Turkey are estimated at 250,000 MT milled equivalent in MY 2019/20. According to the Turkish Statistical Institute, Greece (40,000 MT), China (38,000 MT), and Russia (24,000 MT) were the leading suppliers. The rice import forecast is 230,000 MT in MY 2020/21 to account for TMO's activity.

According to market sources, about 300,000 MT of rice was transferred via transshipments to neighboring countries from bonded warehouses in Mersin and Iskenderun in MY 2019/20.

TMO announced the MY 2020/21 paddy rice [procurement price](#) on September 3, 2020 at between 3200 TL/MT and 4500 TL/MT, an increase of about 18 percent compared to last year.

Production, Supply, and Distribution

Wheat Market Year Begins Turkey	2018/2019		2019/2020		2020/2021	
	Jun 2018		Jun 2019		Jun 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	7615	7615	7000	7000	7100	7100
Beginning Stocks (1000 MT)	3645	3645	3861	3511	6107	5279
Production (1000 MT)	19000	19000	17500	17500	18500	18250
MY Imports (1000 MT)	6366	6366	10718	10718	7000	8100
TY Imports (1000 MT)	6491	6491	10948	10948	7000	8100
Total Supply (1000 MT)	29011	29011	32079	31729	31607	31629
MY Exports (1000 MT)	6350	6700	6072	6550	6600	6700
TY Exports (1000 MT)	6215	6700	6162	6550	6600	6700
Feed and Residual (1000 MT)	1300	1300	1800	1800	1800	1500
FSI Consumption (1000 MT)	17500	17500	18100	18100	18400	18400
Total Consumption (1000 MT)	18800	18800	19900	19900	20200	19900
Ending Stocks (1000 MT)	3861	3511	6107	5279	4807	5029
Total Distribution (1000 MT)	29011	29011	32079	31729	31607	31629
Yield (MT/HA)	2.4951	2.4951	2.5	2.5	2.6056	2.5704

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Wheat begins in July for all countries.TY 2020/2021 = July 2020 - June 2021

Barley Market Year Begins Turkey	2018/2019		2019/2020		2020/2021	
	Jun 2018		Jun 2019		Jun 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3600	3600	3800	3800	3800	3800
Beginning Stocks (1000 MT)	791	791	543	543	831	831
Production (1000 MT)	7000	7000	7900	7900	8400	8100
MY Imports (1000 MT)	279	279	888	888	400	400
TY Imports (1000 MT)	322	322	970	970	400	400
Total Supply (1000 MT)	8070	8070	9331	9331	9631	9331
MY Exports (1000 MT)	27	27	0	0	30	30
TY Exports (1000 MT)	16	16	1	1	30	30
Feed and Residual (1000 MT)	6600	6600	7600	7600	7800	7800
FSI Consumption (1000 MT)	900	900	900	900	900	900
Total Consumption (1000 MT)	7500	7500	8500	8500	8700	8700
Ending Stocks (1000 MT)	543	543	831	831	901	601
Total Distribution (1000 MT)	8070	8070	9331	9331	9631	9331
Yield (MT/HA)	1.9444	1.9444	2.0789	2.0789	2.2105	2.1316

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Barley begins in October for all countries.TY 2020/2021 = October 2020 - September 2021

Corn Market Year Begins Turkey	2018/2019		2019/2020		2020/2021	
	Sep 2018		Sep 2019		Sep 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	530	530	520	520	600	620
Beginning Stocks (1000 MT)	765	765	902	902	857	752
Production (1000 MT)	5700	5700	6000	6000	6850	7000
MY Imports (1000 MT)	2876	2876	2682	3100	2700	2700
TY Imports (1000 MT)	2932	2932	2800	3100	2700	2700
Total Supply (1000 MT)	9341	9341	9584	10002	10407	10452
MY Exports (1000 MT)	39	39	27	50	50	50
TY Exports (1000 MT)	31	31	30	50	50	50
Feed and Residual (1000 MT)	7300	7300	7600	8000	8500	8400
FSI Consumption (1000 MT)	1100	1100	1100	1200	1100	1200
Total Consumption (1000 MT)	8400	8400	8700	9200	9600	9600
Ending Stocks (1000 MT)	902	902	857	752	757	802
Total Distribution (1000 MT)	9341	9341	9584	10002	10407	10452
Yield (MT/HA)	10.7547	10.7547	11.5385	11.5385	11.4167	11.2903

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Corn begins in October for all countries.TY 2020/2021 = October 2020 - September 2021

Rice, Milled Market Year Begins Turkey	2018/2019		2019/2020		2020/2021	
	Sep 2018		Sep 2019		Sep 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	100	100	100	100	97	97
Beginning Stocks (1000 MT)	93	93	87	87	112	112
Milled Production (1000 MT)	610	610	610	610	591	591
Rough Production (1000 MT)	910	910	910	910	882	882
Milling Rate (.9999) (1000 MT)	6700	6700	6700	6700	6700	6700
MY Imports (1000 MT)	200	200	250	250	230	230
TY Imports (1000 MT)	230	230	270	270	230	230
Total Supply (1000 MT)	903	903	947	947	933	933
MY Exports (1000 MT)	21	21	25	25	25	25
TY Exports (1000 MT)	21	21	25	25	25	25
Consumption and Residual (1000 MT)	795	795	810	810	815	815
Ending Stocks (1000 MT)	87	87	112	112	93	93
Total Distribution (1000 MT)	903	903	947	947	933	933
Yield (Rough) (MT/HA)	9.1	9.1	9.1	9.1	9.0928	9.0928

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Rice, Milled begins in January for all countries.TY 2020/2021 = January 2021 - December 2021

Attachments:

No Attachments