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Report Highlights:

Turkey's production of wheat, corn, barley and rice in MY 2022/23 are all forecast higher compared to the previous year. However, even with these projected increases in production along with the government interventions aimed at curbing inflation, Turkey continues to face record food prices. Among these interventions, the government has extended the zero duties on certain imported grains and pulses, while continuing to purchase and sell domestic and imported wheat, barley, and rice at discounted prices. Meantime, there are concerns that dry weather conditions over the past few months might persist and negatively impact wheat and barley yields next year.

Production

Wheat

The wheat production forecast for MY 2022/23 is left unchanged at 17.25 million metric tons (MMT), though up year-over-year by more than one million metric tons due to favorable growing conditions. Production had dropped the previous year (MY 2021/22) because of drought conditions in many wheat growing areas. Most of the wheat produced in Turkey is winter wheat.

Looking ahead to MY 2023/24, there are early signs that the dry weather has again returned, sparking concern that winter wheat yields could drop unless there's more rainfall in the weather forecast in the next couple of months. The planting of next year's winter wheat crop finished in November and the harvest will occur in the spring.

According to the [Turkish State Meteorological Service](#), rainfall totals across Turkey from October to December 2022, were down 29 percent compared to the same three-month period the previous year and 38 percent lower than the long-term average. The Marmara region in northwest Turkey, which accounts for about 15-20 percent of the country's wheat production, is experiencing unusually dry condition with rainfall totals falling to their lowest levels in more than 60 years.

Barley

The barley production forecast for MY 2022/23 is held steady at 7.4 million metric tons (MMT). Most of the barley produced in Turkey is winter barley.

The MY 2023/24 barley crop faces the same dry weather challenges as wheat. Yields could be negatively affected unless there's more precipitation. The planting of next year's winter barley crop finished in November and the harvest will occur in the spring.

Corn

The corn production forecast for MY 2022/23 is revised upward to 6.8 MMT, an increase of 300,000 from the official USDA estimate and up year-over-year by the same amount. This projected increase is attributed to higher-than-expected yields and a marginal increase in area harvested in the middle part of the country, known as the Central Anatolia region, which accounts for 25-35 percent of Turkey's corn production.

The second corn crop harvest of the MY 2022/23 season was completed in the southeastern part of the country by the end of the December. Yields were reportedly in line with expectations and the overall size of the second crop is estimated at about 1.0 MMT. See our previous [Grain and Feed Update](#) for additional details on the current marketing year's corn harvest.

Rice

The MY 2022/23 total paddy rice production forecast remains unchanged at 600,000 MT (milled), though up slightly year-over-year. The MY 2022/23 paddy rice harvest was completed in almost all regions by the end of last October.

Consumption

Wheat

The wheat consumption forecast for MY 2022/23 is held unchanged at 20.5 MMT. Amid inflationary pressures, the government continues its wheat subsidy scheme to provide consumers with affordable bread. However, despite this government support, the price of bread and other baked goods has increased in large part due to higher labor and energy costs. See the policy section below for more details.

Most of the wheat in Turkey is used to make flour for bread, pasta, and other wheat-based food products. The remaining wheat is mostly used in livestock feed.

Barley

The barley consumption forecast for MY 2022/23 is projected at 8.4 MMT, higher than the USDA official number and up year-over-year due to larger-than-expected import volumes by the Turkish Grain Board (TMO).

Corn

The MY 2022/23 corn consumption forecast is adjusted higher to 9.4 MMT in parallel with an increase in domestic corn production. However, year-to-year corn consumption is down a little due to a potential reduction in livestock feed demand.

Rice

The rice consumption forecast in MY 2022/23 is left unchanged at 760,000 MT, assuming stable household and restaurant demand.

Trade

Wheat

The wheat import forecast for MY 2022/23 is held steady at 10 MMT. This projection assumes that the pace of TMO and private sector purchases will pick up during the second half of the marketing year while the duty on imported wheat is zero.

For the first six months of MY 2022/23 (Jun-Nov), wheat imports decreased by 10 percent year-over-year to nearly 4.7 MMT, according to the Turkish Statistics Institute (TUIK). Russia and Ukraine were the leading suppliers, shipping 3.3 MMT and 1.2 MMT, respectively.

The wheat export forecast for MY 2022/23 is adjusted slightly lower to 6.7 MMT, based on a negligible slowdown in export performance, mainly pasta and bulgur, during the first six months of the marketing year (Jun-Nov).

In this six-month period, wheat flour exports remained nearly the same as last year at 1.64 MMT. Iraq (680,000 MT), Yemen (157,000 MT), Syria (145,000 MT), and Somalia (97,000 MT) were the top destinations for Turkish flour. Turkey supplies about 30,000 MT of flour each month to Yemen through the [World Food Program](#). The flour sent to Yemen comes from Ukrainian wheat that is imported under the Black Sea Grain Initiative and milled in Turkey. Approximately 15 percent of Turkey's 3.0 MMT annual flour exports, or about 400,000 MT, are humanitarian aid shipments.

Turkey's pasta exports during the first half of the current marketing year (Jun-Nov) decreased five percent to 684,000 MT compared to the same period last year. The top export markets were Venezuela (146,000 MT), Somalia (64,000 MT), and Benin (51,000 MT).

Bulgur exports during the first six months of MY 2022/23 (June-November) reached 118,500 MT, which is just slightly below levels during the same period last year. Iraq, Germany, Syria and France were the main destinations.

Barley

The barley import forecast for MY 2022/23 is adjusted higher to 1.6 MMT, which is double the USDA official number. This increase is based on the latest trade numbers and TMOs import tenders for 990,000 MT of barley in November and December. During the first half of the marketing year (Jun-Nov), barley imports climbed to 513,000 MT, with Russia (333,000 MT) and Ukraine (155,000 MT) as the main suppliers.

The MY 2022/23 barley export forecast is left unchanged at 300,000 MT, assuming continued transshipment demand from neighboring countries.

Corn

The MY 2022/23 corn import forecast is adjusted higher to 3.3 MMT, an increase of 800,000 MT over the USDA official estimate and higher than the previous year. This upward revision is based on the latest trade data and expected strong demand for transshipments, which are routed through to Turkey to neighboring countries, especially Iraq and Syria.

Turkey's corn imports during the first three months of MY 2022/23 (Sep-Nov) climbed nearly 25 percent from the same period last year to about 586,000 MT, according to the Turkish Statistics Institute (TUIK). Ukraine was the largest supplier with 385,000 MT. Other major suppliers were Argentina (66,500 MT), Romania (46,000 MT), and Russia (40,000 MT).

The MY 2022/23 corn export forecast is adjusted higher to 800,000 MT, nearly 2.5 times larger than the USDA official forecast. The projected increase is based on the latest trade numbers and continued transshipment demand. For the first three months of MY 2022/23 (Sep-Nov), exports reached 138,000 MT, an increase of 73 percent from the same period a year ago.

Rice

For MY 2022/23, the rice import forecast is adjusted a little higher to 430,000 MT (milled equivalent), assuming stable transshipment demand and increased domestic demand with the elimination of import tariffs. During the first three months of MY 2022/23 (Sep-Nov), rice imports totaled about 178,000 MT (milled equivalent).

The MY 2022/23 rice export forecast is adjusted slightly higher to 250,000 MT (milled equivalent). This minor upward adjustment assumes continued transshipment demand from neighboring countries. For the first three months of MY 2022/23 (Sep-Nov), Turkey's rice exports totaled about 45,000 MT (milled equivalent).

Policy

Turkey alongside the United Nations has played a critical role in brokering, renewing, and overseeing, the Black Sea Grain Initiative (BSGI). As part of the maritime corridor set up under this initiative, Turkey has imported more than 2.0 MMT of Ukrainian grain, most of which is wheat and corn, from August last year through January 20, 2023. Depending on the commodity, it may be used locally, re-exported as a processed product (e.g., flour), or transshipped to a neighboring country. The BSGI was extended for 120-days starting from November 19.

Turkey continues to struggle against rising food inflation, which stems from a variety of factors. The Turkish government has undertaken various measures to keep prices from climbing higher. Notwithstanding these measures, inflation levels remain near record levels. According to TUIK, food and beverage prices in 2022 shot up about 78 percent year-over-year. Independent sources think the annual food inflation number was probably even higher.

To combat food inflation, the government has again extended its zero-import duty for imports of wheat, barley, corn, rye, and oats until the end of April this year. The tariffs on these commodities have been zeroed out for the past year and a half. Meantime, the tariffs on dry beans and rice have also been zeroed out through June and August, respectively. See table below.

In addition to these tariff cuts, the government continues its longstanding interventions in the market to stabilize the price for grains, bread, other staple foods, and livestock feed. The Turkish Grain Board (TMO), a government affiliated entity, carries out many of these market interventions as part of the "Flour & Feed Regulation," which is a long-term strategy that was announced by the President in 2021 to regulate prices. In line with this regulation, TMO [announced](#) it would continue procuring domestic and imported grains and selling these commodities at a discounted price to certain industry end-users to stabilize local prices. The intent is that these discounts are passed down to Turkish consumers in the form of cheaper prices for bread, meat, dairy products, and other staples.

According to market sources, TMO has purchased about 2.5 MMT of imported grain through different international tenders since June 2022. These purchases include 1.5 MMT of milling wheat (avg. \$333/MT CIF), 1.0 MMT of barley (avg. \$313/MT CIF), 650,000 MT of corn (avg. \$310/MT CIF), and 40,000 MT of milled rice. In addition to its purchases of imported grains, TMO has also purchased domestic grains to help stabilize prices.

As of last summer, TMO is selling imported and domestic milling wheat below cost to millers for about 4,500 TL/MT (\$243/MT), which is about 30 percent lower than the domestic market price. The mills purchasing wheat from TMO are required to sell their flour at a discount to local bakeries that make cheap bread. According to market sources, about 60 percent of the country's flour is made with wheat from TMO.

However, even with this government support for wheat, the price of bread has increased over the last year. The price of a loaf of bread (210 grams) in [Ankara](#) and [Istanbul](#) in January climbed 5 Turkish Lira (\$0.25), up about 25 percent from the prior month. The current price of bread is about 2.5 higher than it was at the end of 2021.

In October of this year, TMO [announced](#) it would continue selling barley at around 5,250 TL/MT (\$283/MT), which is about 20 percent lower than the domestic market price. The discounted barley is sold to livestock producers to stabilize livestock feed prices.

Last October, the Turkish Agricultural Insurance Pool (TARSİM), which is an agricultural insurance agency that is affiliated with the Ministry of Agriculture & Forestry, [announced plans](#) to implement a crop revenue insurance program in 2023 for wheat growers in Konya, the leading wheat producing region in Turkey. The plan is to expand coverage to all wheat growers in Turkey by 2024.

Table 1: Zero Duties on Imports Certain Grains & Pulses			
HS Code	Description	Zero Duty Effective Period	MFN Rate
07132000019	chickpeas	Jan-Jun	19.3
071331000019	beans of the species vigna mungo	Jan-Jun	19.3
071332000019	small red (adzuki) beans	Jan-Jun	19.3
071333000019	kidney beans, including white pea beans	Jan-Jun	19.3
071334000019	bambara beans	Jan-Jun	19.3
071353000019	cowpeas	Jan-Jun	19.3
071340000012	Green lentil	Jan-Jun	19.3
071340000013	Red lentil	Jan-Jun	19.3
100119	durum wheat	Jan-Apr	45
100199	milling wheat	Jan-Apr	45
100290	rye	Jan-Apr	130
100390	barley	Jan-Apr	35
100490	oats	Jan-Apr	130
100590	corn	Jan-Apr	25
100610	Rice in the husk (paddy)	Jan-Aug	34
100620	Rice, brown	Jan-Aug	36
100630	Rice, milled	Jan-Aug	45

Source: <https://www.resmigazete.gov.tr/eskiler/2022/12/20221231M3-1.pdf>

Production, Supply and Distribution

Wheat Market Year Begins Turkey	2020/2021		2021/2022		2022/2023	
	Jun 2020		Jun 2021		Jun 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	7100	7100	7050	7050	6800	6800
Beginning Stocks (1000 MT)	4468	4468	3730	3730	2237	2237
Production (1000 MT)	18250	18250	16000	16000	17250	17250
MY Imports (1000 MT)	8081	8081	9421	9421	10000	10000
TY Imports (1000 MT)	8051	8051	9555	9555	10000	10000
Total Supply (1000 MT)	30799	30799	29151	29151	29487	29487
MY Exports (1000 MT)	6469	6469	6714	6714	6750	6700
TY Exports (1000 MT)	6571	6571	6646	6646	6750	6700
Feed and Residual (1000 MT)	2000	2000	1400	1400	1500	1500
FSI Consumption (1000 MT)	18600	18600	18800	18800	19000	19000
Total Consumption (1000 MT)	20600	20600	20200	20200	20500	20500
Ending Stocks (1000 MT)	3730	3730	2237	2237	2237	2287
Total Distribution (1000 MT)	30799	30799	29151	29151	29487	29487
Yield (MT/HA)	2.5704	2.5704	2.2695	2.2695	2.5368	2.5368

(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 2022/2023 = July 2022 - June 2023

Barley Market Year Begins Turkey	2020/2021		2021/2022		2022/2023	
	Jun 2020		Jun 2021		Jun 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3800	3800	3700	3700	3800	3800
Beginning Stocks (1000 MT)	766	766	522	522	316	316
Production (1000 MT)	8100	8100	4500	4500	7400	7400
MY Imports (1000 MT)	706	706	2867	2867	800	1600
TY Imports (1000 MT)	1634	1634	2036	2100	800	1600
Total Supply (1000 MT)	9572	9572	7889	7889	8516	9316
MY Exports (1000 MT)	60	60	173	173	300	300
TY Exports (1000 MT)	122	122	215	135	150	200
Feed and Residual (1000 MT)	8100	8100	6500	6500	6800	7500
FSI Consumption (1000 MT)	890	890	900	900	900	900
Total Consumption (1000 MT)	8990	8990	7400	7400	7700	8400
Ending Stocks (1000 MT)	522	522	316	316	516	616
Total Distribution (1000 MT)	9572	9572	7889	7889	8516	9316
Yield (MT/HA)	2.1316	2.1316	1.2162	1.2162	1.9474	1.9474

(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 2022/2023 = October 2022 - September 2023

Corn Market Year Begins Turkey	2020/2021		2021/2022		2022/2023	
	Sep 2020		Sep 2021		Sep 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	620	620	540	540	525	530
Beginning Stocks (1000 MT)	825	825	889	889	712	712
Production (1000 MT)	7100	7100	6500	6500	6500	6800
MY Imports (1000 MT)	1781	1781	3515	3515	2500	3300
TY Imports (1000 MT)	1787	1794	3784	3784	2500	3300
Total Supply (1000 MT)	9706	9706	10904	10904	9712	10812
MY Exports (1000 MT)	317	317	492	492	300	800
TY Exports (1000 MT)	309	310	514	514	300	800
Feed and Residual (1000 MT)	7400	7400	8500	8500	7800	8100
FSI Consumption (1000 MT)	1100	1100	1200	1200	1100	1300
Total Consumption (1000 MT)	8500	8500	9700	9700	8900	9400
Ending Stocks (1000 MT)	889	889	712	712	512	612
Total Distribution (1000 MT)	9706	9706	10904	10904	9712	10812
Yield (MT/HA)	11.4516	11.4516	12.037	12.037	12.381	12.8302

(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 2022/2023 = October 2022 - September 2023

Rice, Milled Market Year Begins Turkey	2020/2021		2021/2022		2022/2023	
	Sep 2020		Sep 2021		Sep 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	97	97	97	97	99	99
Beginning Stocks (1000 MT)	253	253	282	282	103	103
Milled Production (1000 MT)	591	591	541	541	600	600
Rough Production (1000 MT)	882	882	807	807	896	896
Milling Rate (.9999) (1000 MT)	6700	6700	6700	6700	6700	6700
MY Imports (1000 MT)	411	411	302	302	400	430
TY Imports (1000 MT)	332	331	480	480	400	430
Total Supply (1000 MT)	1255	1255	1125	1125	1103	1133
MY Exports (1000 MT)	213	213	257	257	230	250
TY Exports (1000 MT)	241	241	250	250	230	250
Consumption and Residual (1000 MT)	760	760	765	765	765	765
Ending Stocks (1000 MT)	282	282	103	103	108	118
Total Distribution (1000 MT)	1255	1255	1125	1125	1103	1133
Yield (Rough) (MT/HA)	9.0928	9.0928	8.3196	8.3196	9.0505	9.0505

(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 2022/2023 = January 2023 - December 2023

Attachments:

No Attachments