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Report Highlights:

The wheat and barley harvest continues toward conclusion in Turkey, with a surprisingly better performance than expected after generous spring rains following a historic winter drought. Wheat production is revised higher at 18.5 million metric tons (MMT), and barley production is forecast at 7.8 MMT in Marketing Year (MY) 2023/24. The first corn crop planting s finished with total corn production forecast at 8 MMT. Turkey imported record grain amounts in MY2022/23.

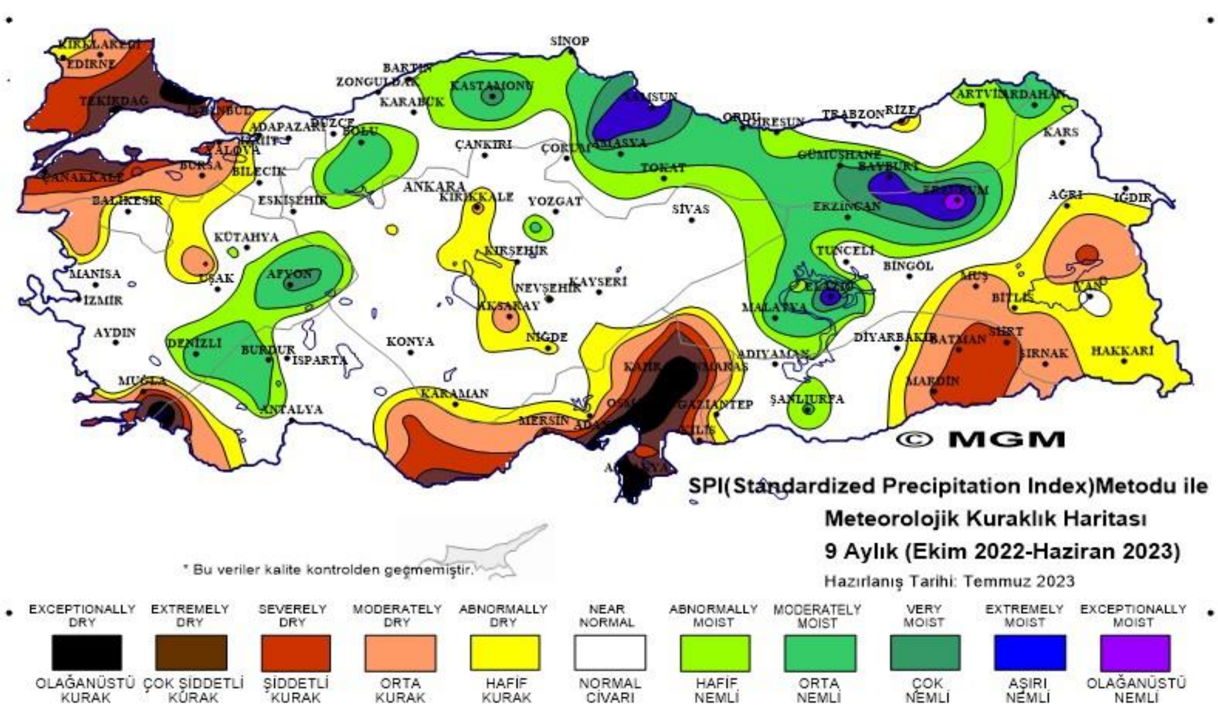
Production

A large portion of winter crops production in Turkey is unirrigated. This increases the effect of yearly precipitation on yield and quality, which was especially significant for this year's crop. As mentioned in the previous Grain and Feed [Annual report,](#) the concerns about drought were most intensive in March. However, with a dramatic increase of precipitation throughout Turkey in the spring, pessimism has been replaced by optimism, especially for winter crops.

The period from October 1, 2022 to February 28, 2023 was the driest rainfall year in last 63 years; however, the dry period was somewhat compensated for by prolonged and heavy rains in the spring. Turkey's overall March rainfall increased by 56 percent compared to normal and by 27 percent compared to March 2022 rainfall. April rainfall increased by 51 percent compared to normal and by 100 percent compared to April rainfall last year. May rainfall increased by 27 percent compared to normal and by 51 percent compared to May rainfall last year. June rainfall increased by 73 percent compared to normal and by 8 percent compared to May rainfall last year.

According to the [Turkish State Meteorological Service](#), the rainfall for the 2023 water year, which covers the period from October 1, 2022 to June 30, 2023, was below normal, around last year's rainfall. There was a 4 percent decrease in rainfall compared to historical norms. As seen below in Chart 1, the distribution of precipitation varies according to geographical regions. The Central Anatolia Region and the Southeast Anatolia Region received generous spring rains generously. However, although some improvement was observed, there is ongoing drought in the Marmara and Aegean. Average rainfall was above normal for northeastern and eastern Turkey, following the normal weather pattern for the Black Sea.

Chart 1: Standardized Precipitation Index Drought Map for October 2022 – June 2023 (9 MONTHS)



Source: [Turkish State Meteorological Service](#)

Wheat
The total wheat production forecast is increased slightly to 18.5 million metric tons (MMT) for marketing year (MY) 2023/24 from an original forecast of 17.25 MMT in April because of better weather conditions between April and June in almost all regions except western Turkey, including the Marmara region. Better yields compared to last year due to improved weather conditions mostly offset production losses from the winter drought. Also, due to excessive spring rains, farmers in many regions had to take precautions with extra pesticide spraying to counter wheat rust, although the greater use negatively affected quality and yields in places.

MY 2023/24 wheat planting is forecast to increase to 7.2 million hectares (ha), up 200,000 ha compared to MY 2022/23. This higher number is based on the expectation that relatively stronger domestic wheat prices will prompt farmers to plant more wheat instead of cotton and sunflowers.

The winter wheat harvest occurs between mid-May and late-July. Especially in the Marmara region, which is more affected by drought, this year's harvest took place two weeks earlier than last year. In the central and western parts of the country, where the harvest is not completed, the high precipitation experienced during the month of June has caused quality concerns. However, well-timed spring rains that came after the historic drought in October boosted the morale of a significant portion of the farmers.

Barley
The barley production forecast for MY 2023/24 is 7.8 MMT, due to favorable weather condition in the spring which compensated losses related to winter drought in Central and Southeast Anatolia; yields in western regions were not better than last year. Barley fields are generally unirrigated, and yields are directly linked to rainfall.

Corn
MY 2023/24 first-crop corn planting in Turkey is completed. The corn harvest will begin at the end of August. The corn production forecast for MY 2023/24 is 8 MMT, due to a sizeable expansion in the area harvested as farmers preferred to switch from growing lower-priced cotton to planting corn. Considering decreased market demand for cotton, some farmers in the southeastern part of Turkey, where about half of the country’s cotton is grown, are expected to switch from cotton to double-cropping wheat and corn.

In MY 2023/24, the Turkish corn planting area forecast is 650,000 ha, up from 530,000 ha in MY 2022/23. Increases in production are mainly in southeastern Turkey, new corn planting areas in Eskisehir, Ankara, and the Black Sea region. The regions of Central Anatolia, the Southeast, Cukurova, and the Aegean are the primary corn producers in Turkey. First-crop corn planting is common in the Cukurova, Aegean, and Marmara regions. Second-crop corn is a common product in Southeast Anatolia. Second crop corn yields are lower than the first crop.

Rice
The MY 2023/24 paddy rice area forecast is 94,000 ha with a production forecast of 813,000 MT, which is down 83,000 MT year-to-year. This decline in production is linked to reduction in area harvested as farmers reduced planting because of initial fears over water shortages. The water level in the dams in Thrace and other rice-growing regions ended up being sufficient this year. So far, paddy germination and plant development are promising throughout Turkey.

Consumption

Wheat
The Turkish domestic wheat consumption forecast is 21.1 MMT in MY 2023/24, up 700,000 MT from the previous year with an increase in feed usage of wheat. Due to the excess rain during the spring, domestic production is expected to be more suitable for feed usage while food seed and industrial consumption has steadily increased.

Barley
The barley consumption forecast for Turkey in MY 2023/24 is projected at 8.9 MMT which is similar with last year.

Corn
In MY 2023/24, Turkish domestic corn consumption is projected at 9.4 MMT, slightly higher than last year, assuming better demand from the feed sector and starch industry.

Rice
Rice consumption in Turkey in MY 2022/23 is projected to increase marginally to 810,000 tons in parallel with possible demand increase from the hotel, restaurant, and catering side.

Trade

Wheat
Turkey's wheat import forecast for MY 2023/24 is 8.25 MMT. Enough to meet stable demand from wheat product producers and exporters. The reason for the decrease in the wheat import forecast is the high turnover of stocks from the previous year.

Total wheat exports from Turkey for MY 2023/24, including wheat products, are forecast at 7.25 MMT, just above MY 2022/23, stemming from better domestic durum wheat production, assuming stable demand from neighboring countries for wheat products. Turkey generally does not export wheat, except for transshipments. However, there are rumors in the markets that durum wheat export may be allowed in the coming months, which would dramatically increase the total wheat export numbers.

Turkey imported about 12 MMT of wheat in MY 2022/23, a record level. The main suppliers were Russia with 8.3 MMT and Ukraine with 3.2 MMT of wheat. 340,000 MT of this was durum wheat, while the rest is all milling wheat. The historic winter drought and the elimination of tariffs that lasted until May allowed both the government and the private sector to a historic record 12 million tons of wheat imports last year.

In MY 2022/23, wheat exports from Turkey (including flour and wheat products) are estimated to be about 6.9 MMT (wheat equivalent basis), of which about 4.4 MMT is wheat flour, about 1.7 MMT is pasta, and about 300,000 MT is bulgur.

Barley
Post updated Turkey's barley import forecast for MY 2023/24 to 900,000 MT to meet domestic demand and transshipment. In MY 2022/23, Turkey imported about 2.14 MMT of barley. The main barley

export suppliers were Russia with about 1.1 MMT, Ukraine with 700,000 MMT and Romania with 120,000 MT. Last year's high barley consumption and imports were spurred by the Turkish Grain Board (TMO)'s program for the feed industry, mentioned in previous reports.

Corn

Turkey's corn import forecast in MY 2023/24 is 1.8 MMT to meet demand from the feed and starch sector, assuming better domestic production with an increased planting area. Corn imports for the first nine months of MY 2022/23 (from September to May) reached about 2.2 MMT, which down about 12 percent compared to same period in MY 2021/22. Russia was the main supplier with 1.4 MMT, followed by Ukraine with about 580,000 MT.

Rice

Turkey's rice imports in MY 2023/24 are projected at 300,000 MT, milled equivalent, to meet demand from domestic industry and transshipments. Turkey's rice import forecast in MY 2022/23 is 650,000 MT, assuming a slowdown in imports in last quarter of marketing year. Rice imports for the first nine months of MY 2022/23 (from September to May) reached about 546,000 MT, milled equivalent, which is more than double compared to same period in MY 2021/22 due to elimination of tariffs, which ended at the end of April 2023. The private sector imported higher than average stores of rice for the next season, taking advantage of zero tariffs and concerns over winter drought. Rice exports for the first nine months of MY 2022/23 (from September to May) reached about 167,000 MT, milled equivalent, which almost all consists of transshipments.

Stocks

To combat food inflation and as a result of imports from both TMO and the private sector taking advantage of the elimination of tariffs on many grains, grain stocks are noticeably higher than usual in Turkey. However, in the next 1-2 years with the resumption of high grain tariffs, stocks are expected to return to normal levels

Policy

The President of Turkey announced the 2023 grain intervention prices on June 6, 2023. TMO is offering an intervention price of 8,250 Turkish Lira (TL)/MT ($358/MT) for Anatolian Hard Red Milling Wheat (AKS), 9,000 TL/MT ($391/MT) for durum wheat, and 7000 TL/MT ($304/MT) for barley (based on an exchange rate of US$1=23 TL as of June 7, 2023). The Ministry of Agriculture and Forestry will also make an additional premium payment of 1,000 TL/MT for wheat and 500 TL/MT for barley to farmers.

The initial price is deceiving, however, as the lira has depreciated more than 20 percent in the last month, making the intervention prices lower in dollar terms (exchange rate of US$1=27 TL as of July 21, 2023). Fuel prices have increased by more than 50 percent in the last month, negatively affecting farmers' input costs.

In comparison, last year the intervention price for Anatolian Hard Red Milling Wheat (AKS) was 6450 TL/MT ($391/MT), durum wheat was 6900 TL/MT ($418/MT), and barley was 5700 TL/MT ($345/MT) (with an exchange rate of US$1=16.5 TL as of June 5, 2022).

In the first week of June 2023 in the main Turkish commodity exchange, the average Anatolian Hard Red Wheat (AKS) commercial price was about 6500 TL/MT ($282/MT), durum wheat was 8500 TL/MT ($370/MT) barley was 5800 TL/MT ($252/MT), and corn was 5500 TL/MT ($391/MT) (based on an exchange rate of US$1=23 TL as of June 7, 2023). Last year, the local prices were about same level in TL term.

The CIF price for imported wheat (12.5 protein) was about $250/MT in June 2023, compared to $430/MT in June 2022, a marked decrease in price in the international markets.

Currently the instability in the TL and rising interest rates have reduced the capital that the private sector can allocate for post-harvest purchases from the farmer. At the moment, the TMO purchase price of TMO is above market prices, incentivizing farmers to sell their products to TMO instead of private companies. To control demand, TMO announced it would purchase a maximum of 200,000 MT a day, but many farmers report being unable to make appointments to sell their products to TMO at the more favorable prices.

According to private sector representatives, the termination of the Black Sea Grain Initiative as of July 17 will not have a major impact on the Turkish grain markets in the short term, given the adequate domestic harvest. However, tension in the region remains a threat to food security.

Production, Supply and Distribution

Wheat	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jun 2021		Jun 2022		Jun 2023	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	7050	7050	6800	6800	7200	7200
Beginning Stocks (1000 MT)	3730	3730	2237	2237	3887	4187
Production (1000 MT)	16000	16000	17250	17250	19500	18500
MY Imports (1000 MT)	9421	9421	12000	12000	10000	8250
TY Imports (1000 MT)	9555	9555	12000	12000	10000	8250
Total Supply (1000 MT)	29151	29151	31487	31487	33387	30937
MY Exports (1000 MT)	6714	6714	7000	6900	7500	7250
TY Exports (1000 MT)	6646	6646	7000	6900	7500	7250
Feed and Residual (1000 MT)	1400	1400	1500	1500	2000	2100
FSI Consumption (1000 MT)	18800	18800	19100	18900	19300	19000
Total Consumption (1000 MT)	20200	20200	20600	20400	21300	21100
Ending Stocks (1000 MT)	2237	2237	3887	4187	4587	2587
Total Distribution (1000 MT)	29151	29151	31487	31487	33387	30937
Yield (MT/HA)	2.2695	2.2695	2.5368	2.5368	2.7083	2.5694

(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 2023/2024 = July 2023 - June 2024

Barley	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jun 2021		Jun 2022		Jun 2023	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3700	3700	3800	3800	3700	3700
Beginning Stocks (1000 MT)	522	522	316	316	557	732
Production (1000 MT)	4500	4500	7400	7400	8200	7800
MY Imports (1000 MT)	2867	2867	2141	2141	500	900
TY Imports (1000 MT)	2036	2100	2100	2100	500	900
Total Supply (1000 MT)	7889	7889	9857	9857	9257	9432
MY Exports (1000 MT)	173	173	225	225	250	250
TY Exports (1000 MT)	215	135	200	150	250	250
Feed and Residual (1000 MT)	6500	6500	8175	8000	7600	8000
FSI Consumption (1000 MT)	900	900	900	900	900	900
Total Consumption (1000 MT)	7400	7400	9075	8900	8500	8900
Ending Stocks (1000 MT)	316	316	557	732	507	282
Total Distribution (1000 MT)	7889	7889	9857	9857	9257	9432
Yield (MT/HA)	1.2162	1.2162	1.9474	1.9474	2.2162	2.1081

(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 2023/2024 = October 2023 - September 2024

Corn	2021/2022		2022/2023		2023/2024	
Market Year Begins	Sep 2021		Sep 2022		Sep 2023	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	540	540	530	530	640	650
Beginning Stocks (1000 MT)	889	889	712	712	512	512
Production (1000 MT)	6500	6500	6800	6800	8200	8000
MY Imports (1000 MT)	3515	3515	2800	2500	1800	1800
TY Imports (1000 MT)	3784	3784	2800	2500	1800	1800
Total Supply (1000 MT)	10904	10904	10312	10012	10512	10312
MY Exports (1000 MT)	492	492	500	500	500	500
TY Exports (1000 MT)	514	514	500	500	500	500
Feed and Residual (1000 MT)	8500	8500	8200	7900	8400	8200
FSI Consumption (1000 MT)	1200	1200	1100	1100	1200	1200
Total Consumption (1000 MT)	9700	9700	9300	9000	9600	9400
Ending Stocks (1000 MT)	712	712	512	512	412	412
Total Distribution (1000 MT)	10904	10904	10312	10012	10512	10312
Yield (MT/HA)	12.037	12.037	12.8302	12.8302	12.8125	12.3077

(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 2023/2024 = October 2023 - September 2024

Rice, Milled	2021/2022		2022/2023		2023/2024	
Market Year Begins	Sep 2021		Sep 2022		Sep 2023	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	97	97	99	99	100	94
Beginning Stocks (1000 MT)	282	282	78	78	323	298
Milled Production (1000 MT)	541	541	600	600	617	545
Rough Production (1000 MT)	807	807	896	896	921	813
Milling Rate (.9999) (1000 MT)	6700	6700	6700	6700	6700	6700
MY Imports (1000 MT)	302	302	725	650	500	300
TY Imports (1000 MT)	478	478	650	650	500	300
Total Supply (1000 MT)	1125	1125	1403	1328	1440	1143
MY Exports (1000 MT)	257	257	230	230	250	250
TY Exports (1000 MT)	227	227	240	230	250	250
Consumption and Residual (1000 MT)	790	790	850	800	875	810
Ending Stocks (1000 MT)	78	78	323	298	315	83
Total Distribution (1000 MT)	1125	1125	1403	1328	1440	1143
Yield (Rough) (MT/HA)	8.3196	8.3196	9.0505	9.0505	9.21	8.6489

(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 2023/2024 = January 2024 - December 2024

Attachments:

No Attachments