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Report Highlights:

Unexpectedly dry weather conditions in Turkey between April and June in many regions led to lower wheat and barley production forecasts for MY 2021/22. The wheat production forecast is 16.5 MMT, barley production forecast is 4.5 MMT. Planting for the first corn crop finished and production is forecast at 6.8 MMT. The Turkish Grain Board (TMO) opened tenders for about 1.5 MMT of wheat and barley in June and July.

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Production

Wheat

Total wheat production forecast has decreased to 16.5 million metric tons (MMT) for marketing year (MY) 2021/22 from an original forecast of 17.6 MMT in April. This change is due to unexpectedly dry weather conditions between April and June, causing yield and quality losses, especially in the Southeast and Central Anatolia regions. The expected increase in production in the Thrace region is not sufficient to compensate for losses in other regions.

Marketing year 2021/22 wheat planting is forecast to decrease to 7 million hectares (MHa), down 100,000 hectares (ha) compared to MY 2020/21. Farmers have complained about low domestic prices, despite sharply increased input costs which affected crop selection. The share of farm area devoted to higher-return crops, the development of orchard and greenhouse production, and irrigated vegetable cultivation is increasing every year in Turkey, reducing wheat acres in turn. Winter wheat planting, which finished in December 2020, was nearly 100,000 ha below the previous year, mainly due to planting preference for barley in unirrigated areas or selection of other crops (differing by region).

Average rainfall in Turkey between October 1, 2020 and June 30, 2021 was 396.2 mm This amount of rainfall is 24 percent less than the long-term average, and 23 percent less than last year. Moreover, the month of May this year was the warmest May in the last 50 years. Rainfall in May was 22 millimeters (0.8 inches), 56 percent less than the normal 51 millimeters (2 inches). Water reservoirs are also low due to a combination of reduced precipitation in winter and increased demand during spring. More than half of the fields are unirrigated and yields are directly linked to rainfall. Central Anatolia and Southeast Turkey were the hardest hit by the dry May weather. Yield losses reached up to 70 percent in some fields in these regions.

Wheat harvest was complete in the Mediterranean, Aegean, and Southeast Anatolia regions as of the first week of June. Almost half of the annual harvest is completed in Turkey. Though yields and quality vary by region and by field due to irrigation and precipitation differences, there are quality issues throughout Turkey. There is also a shortage of wheat straw and wheat bran in parallel with lower production. Contrary to the general situation, crop yield expectations for the Thrace region are very favorable.

The drought especially affected the main durum wheat production areas in Central Anatolia and Southeast Anatolia. The durum wheat price increased dramatically and reached 2750 TL/MT (metric ton) in July 2021 ($320), up 50 percent compared to last year. Of the total 16.5 MMT of wheat that is expected to be produced in Turkey in MY 2021/22, 2 MMT is durum wheat.

Barley

The barley production forecast for MY 2021/22 is down to 4.5 MMT from an original forecast of 7.7 MMT, due to mass yield losses in the Southeast and Central Anatolia regions related to the rain deficit.

Barley fields are generally unirrigated and yields are directly linked to rainfall. Sanliurfa and Mardin, close to the border with Syria, are the worst affected. Some farmers decided not to harvest their fields because of poor yield. On the other hand, similar to wheat, crop yield expectations for the Thrace region are very favorable, but far from compensating for yield loses in other regions. Barley price reached at 2500 TL/MT in Southeast of Turkey in June as a record level. As harvest begins in the west regions, barley price is around 2,300 TL/MT ($290) which is still higher than feed wheat prices. According to the seed companies there will be a seed shortage for the next planting season.

Corn

MY 2021/22 corn planting in Turkey is complete. The corn production forecast for MY 2021/22 is 6.8 MMT, due to favorable weather condition in late May and June after planting which caused better yield expectations. In MY 2021/22, the Turkish corn planting area forecast is down about twelve percent to 540,000 hectares. The corn harvest will begin at the end of August. 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, especially in Sanliurfa and Mardin regions. Some farmers in Harran and Akcakale, in the Southeast Region, who used to plant milling wheat as a first crop and corn as a second crop, have switched back to cotton instead of double cropping. Due to increased cotton production replacing corn in the Southeast Region, the second-crop corn harvest production expectation is also lower, as mentioned in the annual report.

Rice

Rice planting finished in May 2021. The Marmara, Thrace, and Bandirma regions around the Black Sea and the Sea of Marmara are the primary rice producing areas in Turkey. The planting area is similar to last year. The MY 2021/22 paddy rice area forecast is 97,000 hectares. with a production forecast consistent with the production levels of last year of 882,000 metric tons assuming sufficient rain and favorable conditions continue. So far, paddy germination and plant development are favorable throughout Turkey. Water level in dams are sufficient in the northwest to support yields.

Consumption

Wheat

The Turkish domestic wheat consumption forecast is 22 MMT in MY 2020/21, up 1.4 MMT compared to the MY 2020/21 year. Despite a modest crop, competitive wheat prices have stressed feed millers while barley supply is limited. The feed sector is purchasing all classes of wheat with competitive prices. 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. Seed and industrial consumption remain the same.

Barley

Barley consumption forecast for Turkey in MY 2020/21 is projected at 7.5 MMT due to the sharp decrease in production than last year. This forecast assumes that 2.75 MT of barley will be imported for usage in the feed sector.

Corn

In MY 2021/22, Turkish domestic corn consumption is projected at 9.3 MMT, up to 500,000 MT more than last year, assuming increased demand from the feed sector and starch industry. Post revised the feed and residual corn consumption forecast to 8,000 MT in parallel with feed sector demand, which was lower than previous expectations.

Rice

Rice consumption in Turkey in MY 2021/22 is projected to grow marginally to 817,000 tons. Demand is driven by the growing population and assuming increased tourism in 2022 after COVID-19 restrictions are lifted. Rice consumption in Turkey in MY 2020/21 is estimated at 815,000 tons. According to market sources, rice consumption, as well as pulses, prepared at home increased considerably, which offset losses in the food service sector.

Trade

Wheat

For MY 2021/22, Turkey's wheat import forecast is 11.25 MMT, a record high level, due to demand from the domestic market, stable demand from wheat product manufacturers, and a smaller harvest than expected. Total wheat exports from Turkey for MY 2021/22, including wheat products, are forecast at 6 MMT, down 300,000 MT from MY 2020/21, assuming more limited domestic production will partly affect pasta, bulgur, and other wheat product exports. The domestic wheat industry is concerned about possible export limitations during the year as a measure to combat domestic food inflation, as seen in other countries in the region. More background on the sector is available in the Turkey Grain and Feed Annual Report.

Turkey imported about 8.15 MMT of wheat in MY 2020/21. The main supplier was Russia, with 6.3 MMT of wheat exported to Turkey. Ukraine (740,000 MT) and Canada (250,000 MT) were the other main sources. The Turkish Grain Board (TMO)'s duty-free tenders to meet domestic demand and demand from wheat product producers are the main driving force of imports since commercial importers can't compete with the high tariffs. There has been a slowdown in Turkish wheat products exports in recent years. In MY 2020/21, wheat exports from Turkey (including flour and wheat products) are estimated to be 6.3 MMT (wheat equivalent basis), of which about 2.9 MMT is wheat flour, about 1.4 MMT is pasta, and about 250,000 MT is bulgur. Pasta exports, which have increased 25 percent in the last three years, compensated for the loss of flour exports. See Grain and Feed Annual Report 2021 for detailed information.

The President of Turkey announced the 2021 grain intervention prices on May 17, 2021. He announced the intervention price for Anatolian Hard Red Milling Wheat (AKS) at 2,250 TL/MT ($268/MT), 2,450 TL/MT ($291/MT) for durum wheat, and 1,750 TL/MT ($208/MT) for barley (exchange rate of US$1=8.4 TL as of May 17, 2021). On behalf of the government, TMO is responsible for buying grains from the farmers to ensure a minimum price threshold. However, this year TMO's total procurement will likely be limited due to higher domestic price in the markets which is above the TMO's intervention price. In July 2021, the Anatolian Hard Red Wheat (AKS) price is about 2500TL/MT barley is 2,400 TL/MT and corn is 400 TL/MT in the domestic market. Last year, the local prices were 1,650 TL/MT ($243/MT), 1,320 TL/MT ($194/MT), and 1,350 TL/MT ($199/MT), respectively (exchange rate of US$1=6.8 TL as of July 2020). In other words, the main grain commodity prices increased between 50-80 percent in TL in a year, although the currency depreciated against the dollar and euro. There may be a tariff reduction for the main grains in the following months, as has been announced in previous years, depending on the harvest. After the spring wheat harvest, TMO imported about 790,000 MT of wheat with two issued tenders in June and July 2021 to meet the domestic demand and stabilize the domestic wheat price.

Barley

After a turbulent harvest, Turkey's barley import forecast is 2.75 MMT to meet demand from the feed sector in MY 2021/22. After the announcement of intervention prices mentioned above, TMO was very active in the barley market with tenders and sales. TMO imported about 760,000 MT of barley with two issued tenders in June and July 2021 to stabilize the domestic barley price. TMO also announced sales of barley in its stocks to the feed sector at 1,950 TL/MT ($227). For MY 2021/22, Turkey's barley export forecast is 30,000 MT due to limited demand from neighboring countries.

Corn

Corn trade is slower compared to last year due to high domestic production in MY 2020/21. Corn imports for the first nine months of MY 2020/21 (from September to May) reached about 1.7 MMT. Russia was the main supplier with 878,000 MT, Ukraine with 493,000 MT, and Romania with about 160,000 MT. The Turkish Grain Board imported about 1 MMT of corn with four tenders issued in MY 2020/21 to meet the domestic demand and stabilize the domestic corn price. Turkey's corn import forecast is 2.8 MMT to meet demand from feed and starch sector in MY 2021/22.

Rice

For MY 2021/22, the forecast for rice imports to Turkey is 450,000 MT (milled equivalent), assuming transshipments remain at the same level as last year. For MY 2021/22, the forecast for rice exports from Turkey is 230,000 MT (milled equivalent), an increase, assuming some domestically produced rice will be exported.

Table 1: Wheat Production, Supply, and Distribution

Wheat	2019/2020		2020/2021		2021/2022	
Market Year Begins	Jun 2019		Jun 2020		Jun 2021	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	7000	7000	7100	7100	7000	7000
Beginning Stocks (1000 MT)	2651	2651	4468	4468	4518	3968
Production (1000 MT)	17500	17500	18250	18250	17000	16500
MY Imports (1000 MT)	10851	10851	9000	8150	10250	11250
TY Imports (1000 MT)	11087	11087	9000	8150	10250	11250
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	31002	31002	31718	30868	31768	31718
MY Exports (1000 MT)	6534	6534	6600	6300	6500	6000
TY Exports (1000 MT)	6633	6633	6600	6300	6500	6000
Feed and Residual (1000 MT)	1800	1800	2000	2000	2200	3000
FSI Consumption (1000 MT)	18200	18200	18600	18600	19000	19000
Total Consumption (1000 MT)	20000	20000	20600	20600	21200	22000
Ending Stocks (1000 MT)	4468	4468	4518	3968	4068	3718
Total Distribution (1000 MT)	31002	31002	31718	30868	31768	31718
Yield (MT/HA)	2.5	2.5	2.5704	2.5704	2.4286	2.3404

(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 2021/2022 = July 2021 - June 2022

Table 2: Barley Production, Supply, and Distribution

Barley	2019/2020		2020/2021		2021/2022	
Market Year Begins	Jun 2019		Jun 2020		Jun 2021	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3800	3800	3800	3800	3800	3700
Beginning Stocks (1000 MT)	465	465	766	766	616	512
Production (1000 MT)	7900	7900	8100	8100	6200	4500
MY Imports (1000 MT)	903	903	800	706	1000	2750
TY Imports (1000 MT)	1007	1007	800	706	1000	2750
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	9268	9268	9666	9572	7816	7762
MY Exports (1000 MT)	2	2	50	60	30	30
TY Exports (1000 MT)	9	9	50	60	30	20
Feed and Residual (1000 MT)	7600	7600	8100	8100	6600	6600
FSI Consumption (1000 MT)	900	900	900	900	900	900
Total Consumption (1000 MT)	8500	8500	9000	9000	7500	7500
Ending Stocks (1000 MT)	766	766	616	512	286	232
Total Distribution (1000 MT)	9268	9268	9666	9572	7816	7762
Yield (MT/HA)	2.0789	2.0789	2.1316	2.1316	1.6316	1.2162

Table 3: Corn Production, Supply, and Distribution

Corn	2019/2020		2020/2021		2021/2022	
Market Year Begins	Sep 2019		Sep 2020		Sep 2021	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	520	520	620	620	540	540
Beginning Stocks (1000 MT)	929	929	825	825	925	925
Production (1000 MT)	6000	6000	7100	7100	6200	6800
MY Imports (1000 MT)	3091	3091	2400	2100	3600	2800
TY Imports (1000 MT)	3004	3004	2400	2100	3600	2800
TY Imp. from U.S. (1000 MT)	1	0	0	0	0	0
Total Supply (1000 MT)	10020	10020	10325	10025	10725	10525
MY Exports (1000 MT)	495	495	300	300	200	350
TY Exports (1000 MT)	471	471	300	300	200	350
Feed and Residual (1000 MT)	7500	7500	8000	7600	8800	8000
FSI Consumption (1000 MT)	1200	1200	1100	1200	1100	1300
Total Consumption (1000 MT)	8700	8700	9100	8800	9900	9300
Ending Stocks (1000 MT)	825	825	925	925	625	875
Total Distribution (1000 MT)	10020	10020	10325	10025	10725	10525
Yield (MT/HA)	11.5385	11.5385	11.4516	11.4516	11.4815	12.5926

(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 2021/2022 = October 2021 - September 2022

Table 4: Rice Production, Supply, and Distribution

Rice, Milled	2019/2020		2020/2021		2021/2022	
Market Year Begins	Sep 2019		Sep 2020		Sep 2021	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	100	100	97	97	97	97
Beginning Stocks (1000 MT)	42	42	181	181	207	207
Milled Production (1000 MT)	610	610	591	591	591	591
Rough Production (1000 MT)	910	910	882	882	882	882
Milling Rate (.9999) (1000 MT)	6700	6700	6700	6700	6700	6700
MY Imports (1000 MT)	574	574	450	450	450	450
TY Imports (1000 MT)	530	500	450	450	450	450
TY Imp. from U.S. (1000 MT)	19	0	0	0	0	0
Total Supply (1000 MT)	1226	1226	1222	1222	1248	1248
MY Exports (1000 MT)	235	235	200	200	230	230
TY Exports (1000 MT)	234	225	200	200	230	230
Consumption and Residual (1000 MT)	810	810	815	815	820	817
Ending Stocks (1000 MT)	181	181	207	207	198	201
Total Distribution (1000 MT)	1226	1226	1222	1222	1248	1248
Yield (Rough) (MT/HA)	9.1	9.1	9.0928	9.0928	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 2021/2022 = January 2022 - December 2022

Attachments:

No Attachments