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Approved By:
Rachel Nelson, Agricultural Attaché

Prepared By:
Samet Serttas, Agricultural Specialist

Report Highlights:
The Council of Ministers allocated a duty free import quota for 500,000 MT of corn to the Turkish Grain Board (TMO) for use until August 31, 2012 however corn imports are not expected to resume until early 2012.

Executive Summary:

The Council of Ministers allocated a duty free import quota for 500,000 MT of corn to the Turkish Grain Board (TMO) for use until August 31, 2012. This decision was published in the Official Gazette on August 5, 2011. Due to the Biosafety Law, biotech corn and corn derived product imports from the United States are not allowed. The Biosafety Board, which was established under the Biosafety Law, is currently reviewing applications for approval to import biotech corn. Expectations are that biotech corn events will not be approved for import until at least December 2011. Because of this restriction, post believes that TMO will probably not use the import quota until the first months of 2012.

The Turkish Grain Board (TMO) is pleased with the current grain market conditions. The corn price is very high and stocks are almost fully depleted. If you can find corn in the market, which is difficult, it is priced at around 440 USD/MT. The domestic broiler sector would have been badly affected by the biotech corn import ban if there hadn't been record wheat and barley harvests in Turkey.

Wheat production in Turkey reached a record 18.7 MMT. Due to heavy rainfall, the wheat harvest started 15 days late throughout the country.

General Information:

Production:

Wheat

Cukurova Region

The first harvests in the Cukurova region and the Mediterranean coast started in June 2011, which was 10 days later than normal. The first harvests in this region were in the Karatas and Seyhan valleys, where most fields are irrigated. Due to increased cotton area the wheat area decreased at least 20% in both valleys. The Corn area would have been more if the rainfall had stopped earlier but due to continuing rainfall in the spring some farmers, especially in Seyhan valley, switched from cotton to corn. Average wheat yields were incredibly high at 7 MT/ha. In a normal season the average yield is 5 MT/ha. The quality was high compared to other regions in Adana. The first harvest wheat price was very high at 420 USD/MT, because of high demand from the broiler sector. Normally the broiler sector is one of the largest consumers of corn but due to import restrictions related to the new biotech regulations, there was very limited corn in the market and so wheat was substituted.

Next, the harvest began in the Ceyhan, Imamoglu and Kozan valleys. The Ceyhan valley is mostly irrigated and grows mainly cotton and first and second crop corn. The wheat area decreased in this valley but the corn area remained high. The average wheat yield in this area was 5.5MT/ha, and quality was normal. The Imamoglu and Kozan valleys have non-irrigated fields and common products are wheat, cotton and increasingly, sunflowers. The average wheat yield here was 5 MT/ha, compared to 3.5 MT/ha in 2010. Even though there was almost a

20% decline in wheat area in the region, the yield increase was around 20%. Some areas were affected by hail damage such as the Kadirli region but it was only a minor problem. Sunni bug damage and yellow rust were not problems in the region. However, the high amount of rainfall just before harvest deteriorated the gluten and protein content of the wheat.

Southeast Region

Wheat area decreased overall in the Southeast of Turkey. The milling wheat area did not decrease but the durum wheat area decreased in this region. The Harran valley in Sanliurfa was mostly allocated to cotton production. According to some traders, a durum wheat yield increase compensated for the decline in durum planting area in the region. Favorable weather conditions and good yields from the Zenith and Svevo varieties produced increased yields, however Post believes the total South East region production was down 150,000 MT below average. South East Anatolia had one of the best yield records except in Silvan in Diyarbakir region where rainfall damaged crops and in some hilly places. But yields in Mardin, Kiziltepe were also very good.

Wheat protein quality was not a major concern but low level of energy was the main concern in the region. In the coming years, total agricultural production capacity should increase in response to a large government project called the Southeast Anatolia Project (GAP). The GAP action plan was announced in 2007 and will be updated in 2012. Also in 2007 the GAP authority moved to Sanliurfa from Ankara in 2007 in order to better co-ordinate and implement the project. In the short term, the GAP administration already has budget enough for 1,060,000 ha to be irrigated by 2014. The total planned irrigation area is 1.8 Million ha, which according to plans will be realized by 2017. According to the manager of the project, the target should be corrected down to 1.5 Million ha.

In the GAP Administration Project plan the irrigation budget increased dramatically in the last five years. In 2008 the budget was 1 billion TL budget, in 2009 it went to 3 billion TL, in 2010 it went to 3 billionand in 2011 it reached 3.2 billion TL in 2011.

The government believes that this will be a major cotton producing region in the future as well as a major producer of second crop corn, fruits and vegetables.

In addition to the investments under the GAP project, farmers also invest capital to irrigate their land. Mardin Kiziltepe already has 60,000 ha of irrigation, Sanliurfa Viransehir has 40,000 ha and Diyarbakir Bismil has 40,000 ha. All of which was irrigated by farmers own initiatives. In 2013, another 90,000 ha area in Diyarbakir will be irrigated. Also, a separate Silvan Dam project tender for irrigation of 200,000 ha by 2014 Has been awarded.

In the GAP region, 340,000 ha are now irrigated from the GAP project, 308,000 ha are irrigated from the TIGEM (State farms) wells, and the total area irrigated by farmers own initiatives is 250,000 ha. As a result, the underground water level is 340 meters deep.

Another project that will add to the output of this area is the clearing of landmines from the Syria border, which

will be finished in 2014. This will add another 20,000 ha of potential farmland.
The Amik valley (Hatay region) had record yields in 2011. Low rainfall decreased wheat production in 2010 but favorable weather condition increased yields in 2011. Like other regions, the protein quality was below the long term average level. The Amik valley was previously one of the cotton producer regions but farmers had begun to switch to other corps. In 2011, nearly 20% of the previous wheat fields were converted to cotton. The average yield increase in this region was 60% higher than to MY 2010 yields.

Central Anatolian Region

Central Anatolia, including Konya, Nigde, and Kirsehir, had record high wheat yields. Even in very dry areas wheat yield here reached 3 MT/ha. The corn area increased in the Karapinar and Eregli regions. Accordingly, wheat and barley area decreases. The harvest was late, starting in the second week of July. The Gerek variety, which is common in the Karaman region, had yellow rust problems. Some certified seed varieties such as Tosunbey gave very high yields of around 6-7 MT/ha and didn't have quality problems like other varieties. Demand for high quality wheat was met by these new varieties from the Konya region for the first two months after new harvest, but when this runs out there will be a need for high quality wheat imports. Bezostaya1 is the main wheat variety in the region but it lost a lot of its favorable properties since it was first introduced in the region. A septoria and yellow rust problem was notified in some fields. Farmers again made the same mistake and used too high concentrations of seeds (25-30 kg/da), causing some disease and yield loss problem. In irrigated land such as Karapinar and Eregli, the wheat yield was around 5 MT/ha, which is a record high. The yield was 4 MT/ha in most other parts of the Konya region.
The harvest is almost completed in Konya. Almost 90% of the harvest is completed in Central Anatolia. High yields and low quality was the general trait of the 2011 wheat harvest. Some varieties had a protein level as low as 8%. Due to high demand from the feed sector, however, the wheat price was high. Then once the harvest began and farmers and traders realized that there will be record high yields, the price started to decrease from 387 USD/MT to 350 USD/MT. TMO announced the wheat procurement price of 366 USD/MT on July 14, and the price stabilized..
Not only wheat yields but also barley yields were record high in Konya, Kirsehir and Nigde. Most farmers enjoyed a 3.5 to 4 MT/ha barley yield in the region. A barley lodging problem was observed in Kulu and Haymana counties.

The Konya Blue Tunnel Project will increase irrigation in Konya province. Under this project, the government plans to irrigate 1,100,000 ha in the Konya region by 2023.

Yeilds in Polatli and Eskisehir were at record levels but the quality was not as high as usual. Normally, the protein content of Polatli wheat is in the range of 11%-14%. In MY 2011, the range was between 10%-13%. Gerek79 andBezostaya1 are the most important wheat varieties in central Anatolia. The Gerek variety is suitable for biscuit manufacturing, which explains why this region is one of the major biscuit manufacturers with 5 factories in Eskisehir. Gerek is very susceptible to rust disease. Due to heavy rainfall and a wet season, Gerek varieties suffered from yellow rust disease this year. Sultan 95 and Sonmez 2001 are the most common new varieties. Sonmez is becoming very popular among farmers.

Western Region

In the Thrace region, yields were not as high as in other regions but quality was also not a problem like it was in other regions. Wheat crown rot disease was common in Thrace and high altitude parts of the Aegean region.

Turkey: Wheat production and yield								
Regions	**MY 2010 Avg.yield (MT/HA)**	**MY 2011 Avg.yield (MT/HA)**	**Long term Avg.yield (MT/HA)**	Harvest Time	**MY 2010**		**MY 2011**	
					Harvested Area (ha)	Production (MT)	Harvested Area (ha)	Production (MT)
Cukurova region	3.5-4.5	4.7	4.5-5.5	May 10-June 10	300,000	1,300,000	250,000	1,175,000
Hatay region	3	4.7	5-5.5	May 25-June 25	100,000	300,000	85,000	399,500
Southeast region	2	2.9	3-3.5	May 15-June 25	1,000,000	2,000,000	800,000	2,320,000
Central Anatolia	2	2.38	1.5-2	June 25-July 25	3,000,000	6,000,000	3,000,000	7,140,000
Polatli	2.8-3	3.4	3.3	June 15-July 20	120,000	350,000	130,000	442,000
Aegean region	2-2.5	3	3	May 25-June 25	650,000	1,500,000	550,000	1,650,000
Aydin region	4.5	4	4	May 20-June 10	8,000	50,000	6,000	24,000
Thrace	3.5	4.1	4.1	June 15-July 15	600,000	2,500,000	600,000	2,460,000
Other regions	1.3	1.4	1.5	June 15-July 15	2,222,222	3,000,000	2,300,000	3,220,000
Total	2.12	2.3	2.3	My 15-July15	8,000,222	17,000,000	7,721,000	18,830,500

Turkey: Wheat harvest report, MY 2011				
Province	Yield	Quality	2010-Yield-MT/HA	2011/Yield-MT/HA
Adana	Yield Increase Area decrease	Low quality Protein level is 11.5-13	350-400	450-700

	Cotton area increase	Late rain damage Hail damage in Kadirli		
Konya	Record yield Increase Corn area increase	Low quality Low protein level 8-13%	150-250	200-400
Gaziantep	Yield increase Hail damage in Araban	Normal quality	250-350	250-350
Sanliurfa	Yield increase Area decrease Cotton area increase Irrigated area increase Durum wheat area decrease	High quality-in terms of protein but low energy content	250-350	350-500
Diyarbakir	Yield decrease Hail damage in Bismil	Low quality	180-250	150-240
Mardin	Yield increase	Quality increase	250-350	350-500
Hatay	Yield increase Area decrease	Low quality	350-450	450-600
Polatli	Yield increase	Normal quality	300-450	400-550`
Aydin	Yield increase Area decrease Cotton area increase	Normal quality	280-350	300-450
Edirne	Yield Increase	Normal quality	250-350	300-450
Osmaniye	Yield decrease Hail damage	Low quality	350-450	300-400
Antalya	Local yield decrease Hail damage	Low quality	350-450	300-400
Mus	Local yield decrease Hail damage	Low quality	150-280	130-250

Barley

Barley production was reached record levels. Even in very dry areas of the Konya region farmers enjoyed yields of 3 MT/ha. Total barley production is forecasted at 7.5 MMT in 2011.

Barley yields were very high in the South East Anatolia region. Malting barley, extensively grown in the Adiyaman region, saw record yields of 4 MT/ha. Yields for the feed type of barley were also very high in the Diyarbakir, Mardin, Gaziantep and Sanliurfa regions.

Corn

First and second crop corn plantation has finished in Turkey. The first harvest will start on August 15 and if weather conditions are favorable, total corn production is forecasted to reach 3.6 MMT in MY 2011.
In a normal season first crop planting in the Cukurova region begins in the end of February and ends in April, but In MY 2011 due to heavy rainfall planting was one month late. Second crop corn planting ended in July 2011. The first crop planting area in the region decreased because of an increase in the cotton area. Second crop planting, especially in the Karatas and Seyhan valleys, decreased for the last three years because disease problems and weather conditions usually result in low yields of around 6.5-9 MT/ha. In the Ceyhan valley the second corn plantation area remained strong. Farmers in Ceyhan can easily get 10-12 MT/ha yield from second crop corn.

South East Turkey is mostly only suitable for second crop corn planting. Although in some places like Gaziantep, Kahramanmaras and part of Diyarbakir can grow first crop corn.

The Konya region has become a new area for corn production particularly in irrigated lands. The Sakarya and Samsun regions saw continued high levels of corn plantation in MY 2011. The corn area decreased in the Aegean region.

Corn yield increases in the past 5 years were significant. The average yield of the first crop corn increased from 7.50 MT/ha in 2004 to 13 MT/ha in MY 2009, mainly due to high quality hybrid seed use. Previously, first crop corn yields were 1.1 MT-1.4 MT/ha and second crop corn yields were 6.5 MT-9 MT/ha.

High government supports for cotton production and a high cotton price caused farmers to plant cotton more in the Cukurova, Southeast and Aegean region. However, heavy rainfall in the Cukurova region during March, April and May led to some farmers deciding to plant corn instead of cotton afterall. First crop corn yields in the Cukurova region are expected to be lower than the previous two years due to a problem with “wave” (non-uniform crop heights) in the fields of the Seyhan and Karatas Valleys. Yields will be just 11-13 MT/ha instead of the usual 14-15 MT/ha for this region.

Rice

Turkey has 100,000 ha of paddy rice plantations, half of which are located in the Thrace and Marmara regions.

The major rice producing provinces in these regions are Edirne, Samsun, Balikesir, Canakkale, Corum, Cankiri, Kastamonu, Sinop and Adana. The most productive region is Thrace, which contains 10-15% of Turkey's total rice plantation area. The town or Ipsala in Thrace produces 20,000 ha of paddy rice. The average rice yield in Thrace is 8 MT/ha.

Rice planting started in the middle of May 2011 and finished by the end of the same month. The MY 2011 plantation area increased 5% due to increased water levels in several dams. Rice yield depends on rainfall at the end of August and early September. The harvest starts in September and ends in October.

Lentils

In a normal season, Turkish lentil production has been close to 500,000 MT. Post estimates MY 2010 production at 500,000 and forecasts MY 2011 production at 400,000 MT.

The pulse planting area normally changes depending on the availability of seeds, prices and premiums for the previous year's harvest, weather conditions, fertilizer prices, plant diseases, and the presence of weeds like broomrape (Orobanche spp) . The Ministry of Agriculture and Rural Affairs introduced a 90 TL/MT pulse premium in 2008 and increased it to 100 TL/MT for 2009, 2010 and 2011. This high pulse premium led to increased lentil area in MY 2011. The GAP region, which is in Southeast Anatolia, traditionally grows pulses. GAP development projects, including new dams and irrigation canals, have also led to increased lentil yields and plantation area. In MY 2011, the lentil area increased but due to heavy rainfall total production decreased because the harvest was 15 days late.

Trade:

Trade

Wheat

Turkey imported a record 4.1 MMT of wheat in MY 2010. In February 25, 2011, the wheat import tariff was reduced to zero for shipments clearing customs by May 1, 2011. Traders and wheat millers quickly tried to contract for U.S rice and imported 747,458 MT from the United States during that period. Some of the vessels were on their way to other destinations but were diverted to Turkey. Wheat from Brazil (260,378 MT), Argentina (164,947) and Paraguay (77,733 MT) dominated the market for this short time period. Most Latin American wheat contained 12% protein and most U.S. wheat contained 13% and higher protein.

TURKEY: WHEAT IMPORTS			
MONTH	IMPORTS MY 2008 (MT)	IMPORTS MY 2009 (MT)	IMPORTS MY 2010 (MT)
June	224,741	172,901	125,320
July	131,565	95,530	159,029
August	251,868	284,780	226,965
September	375,754	267,215	132,372
October	415,633	409,970	231,759

November	266,728	229,368	156,859
December	299,517	289,393	347,507
January	236,786	187,219	320,232
February	349,971	130,891	148,909
March	392,171	378,095	702,015
April	357,526	252,511	906,918
May	307,081	225,663	675,628
MY TOTAL	**3,609,341**	**2,923,536**	**4,133,513**

On August 26, 2010 the Turkish Grain Board (TMO) allocated a 330,000 MT zero tariff import quota for EU wheat to the private sector. Germany recieved the largest share of these sales (215,506 MT) and France (52,668 MT) recieved the second largest share.

TURKEY: MAJOR WHEAT SUPPLIERS				
Country	**MY 2007 MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**	**MY 2010 (MT)**
Russia	886,393	2,003,918	2,184,316	587,409
Kazakhstan	1,032,444	219,298	432,536	486,323
Ukraine	59,828	154,432	108,802	581,657
Hungary	142,248	143.951	18,458	131,569
Moldova	446	55,399	40,049	47,310
Lithuania	48,402	106,872	88,948	108,532
U.S.	45,537	46,821	0	1,065,573
Others	312,474	1,022,457	50,427	1,125,140
MY Total	2,527,772	3,609,341	2,923,536	**4,133,513**

In the first month of MY 2011, Turkey imported only 17,309 MT of wheat mainly from Kazakhstan and Ukraine. Russian lifted its import ban on July 1, 2011. According to traders Turkey imported 250,000 MT of wheat from Russia immediately after the country re-entered the market. Most of these shipments contained wheat with a protein level of 12% and higher. The inconsistency of the Russian wheat time benefited millers because mostly they received last year's Russian crop, which contained higher protein levels than promised. The price for the first wheat imports in July was 300-310 USD/MT but prices started to decrease sharply in subsequent weeks. The current wheat import price for Russian 12% protein wheat is 255 USD/MT. Due to the expectation of a high level of wheat product exports, post forecasts MY 2011 Turkish wheat imports at 3 MMT.

Wheat import to Turkey is only feasible under the inward process regime. Outside of this regime, traders must pay a 130% customs tax on wheat imports. The inward process regime helps flour millers be competitive in the wheat flour export market. Under the regime, exporters of wheat products such as wheat flour and pasta are eligible to receive special import licenses when they export wheat products. For example, when pasta exporters export 100 MT of pasta they are eligible to import 175.4 MT of wheat at a zero tariff rate (conversion rate is 1.754) and when a wheat flour producer exports 100 MT of wheat flour they are eligible to import 140 MT of wheat duty free. Usually wheat flour exporters and pasta exporters do not use this license themselves but instead sell it to international trading companies or experienced domestic traders. The license currently can be traded for 80 USD/MT in the market.

Wheat flour exports decreased in MY 2010 compared to 2009. The most market share was lost was in the Philippines, Sudan and Libya. The lack of cheap and abundant Russian and Ukrainian wheat decreased the competitiveness of the Turkish wheat flour industry in 2010. Astute millers, however, were able to obtain and use Latin American and U.S wheat to fulfill their contracts.

Iraq wheat flour suppliers are mainly located in the Gaziantep, Mardin and Konya regions. They were very aggressive buyers at the Adana wheat market. They purchased high quality wheat at a price of 700 TL/MT. This was a signal of a high amount of orders from Iraq.

Turkey: Wheat flour exports				
Month	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**	**MY 2010 (MT)**
June	75,630	102,002	176,761	164,533
July	131,013	107,338	166,938	214,371
August	118,713	130,138	140,478	149,139
September	92,422	138,073	154,753	143,360
October	61,629	151,091	194,313	142,873
November	66,435	86,329	126,860	121,524
December	95,015	82,984	175,065	173,989
January	111,714	91,302	131,663	132,162
February	92,919	109,721	145,332	142,886
March	75,298	141,706	138,893	125,168
April	60,276	186,165	166,880	123,035
May	73,775	141,185	153,496	155,922
MY TOTAL	**1,054,839**	**1,468,034**	**1,871,432**	**1,788,962**

Iraq is still a very strong export market for the Turkish flour milling industry due to close proximity and good relations. It is expected to be stronger in MY 2011. Iran used the be the major competitor in Iraq but due to a short domestic wheat supply Iran will lost some market share to Turkey. It is difficult to compete with the Turkish wheat flour industry in as many mills export without even having letters of credit because relationships are so strong. Transport is also easy. Libya will also be a strong market for Turkish flour exporters in 2011. Indonesia is becoming a large export market as well. Due to availability of domestic and imported Russian wheat, Turkey's wheat flour exports will be strong in MY 2011 and are forecasted at 1.9 MMT.

TURKEY: MAJOR WHEAT FLOUR MARKET				
Country	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**	**MY 2010 (MT)**
Iraq	338,432	631,478	796,528	808,694
Indonesia	177,657	305,967	429,826	450,584
Philippines	240	69,824	126,749	74,172
Sudan	31,672	66,523	72,337	14,073
Yemen	0	670	16,491	7,845
Israel	26,148	66,523	24,370	37,653
Others	480,690	329,009	405,131	395,941
MY Total	1,054,839	1,469,994	1,871,432	1,788,962

In the first month of MY 2011, Turkey exported 180,562 MT of wheat flour. The major export markets were Iraq (78,158 MT), Indonesia (35,627 MT), Libya (28,021 MT) and the Philippines (7,915 MT).

Pasta factories in Turkey invested heavily in MY 2010 to increase their production capacities; however a major challenge will be decreased durum wheat production in MY 2011 as many high quality durum wheat producers, especially in the Sanliurfa region, switched to cotton production. Pasta companies that have contracted with farmers will not have a supply problem but the rest will need to import durum wheat. Pasta exports should reach 340,000 MT in MY 2011 with the help of investments and new capacity. The durum wheat price is incredibly high at the international market, decreasing competitiveness for producers that must import durum wheat. Turkey needs 100,000 to 150,000 MT of durum wheat import to satisfy the strong pasta export demand.

TURKEY: PASTA FOREIGN TRADE				
MONTH	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**	**MY 2010* (MT)**
June	12,342	15,748	16,783	20,925
July	15,174	16,705	23,300	29,015
August	16,746	16,782	22,001	25,900
September	15,001	12,210	19,053	23,056
October	13,864	13,034	21,123	24,562
November	20,536	10,283	19,642	20,268
December	16,723	9,957	25,488	30,169
January	15,257	12,180	25,298	26,770
February	16,279	10,492	21,507	29,109
March	16,602	15,048	26,664	29,914
April	14,883	13,196	25,435	30,863
May	17,877	15,283	24,789	34,408
MY TOTAL	**191,285**	**160,918**	**271,083**	**324,959**

Semolina exports reached 125,000 MT in MY 2010 and are forecasted at 140,000 MT in MY 2011.

Policy:

Policy and Prices

Wheat

Due to a strong U.S. dollar, the wheat price increase is not accurately reflected in the following USD based chart. The milling wheat price was 700 TL/MT in Polatli CME, and the durum wheat price is 625 TL/MT in Konya CME on August 4, 2011.

TURKEY: Anatolian Durum Wheat price at Commodity Exchange (USD/MT)												
MY YEAR	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
200	216	220	235	23	240	258	259	26	27	277	28	291

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2007	336	349	341	377	441	488	503	516	554	545	564	616
2008	632	660	612	580	466	382	407	367	355	341	339	324
2009	328	288	301	299	290	293	275	281	348	312	311	305
2010	330	370	356	355	370	376	400	391	398	450	457	400
2011	368	370										

TURKEY: Milling Wheat price at Commodity Exchange (USD/MT)												
MY YEAR	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
2006	253	245	257	272	275	286	293	304	324	331	330	309
2007	338	360	350	387	415	427	433	446	478	492	490	485
2008	466	479	480	450	375	343	352	335	324	315	314	321
2009	330	339	326	317	341	323	330	369	364	352	349	334
2010	340	339	378	368	383	400	460	400	390	445	420	435
2011	365	411										

For the first time this year TMO started to purchase wheat according to its protein content (quality). The July-August wheat purchase price for 12-12.5% protein is 611 TL, for 12.5-13% protein is 617 TL/MT and for 13% and above is at 623 TL/MT.

The wheat premium for 2011 is 50 TL/MT. Total wheat supports to farmer including fertilizer, diesel, certified seed, and soil analysis is 115 TL/MT. Taking all these supports into account, the total amount of money that the farmer gets is 720 TL/MT for June and July, 2011.

The prices below were announced for 11.5-12% protein content wheat.

TURKEY: TMO GRAIN INTERVENTION PRICE							
TYPES OF WHEAT		MY 2009 TMO INTERVENTION PRICE (TL/MT)				SALE PRICE (TL/MT)	
		JUNE-JULY-AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	OCTOBER	NOVEMBER
DURUM	DURUM WHEAT	525	535	545	555	600	610

WHEAT	FOR PASTA						
MY 2009	LOW QUALITY DURUM WHEAT FOR PASTA	450	460	470	480	515	525
TYPES OF WHEAT		MY 2010 TMO INTERVENTION PRICE (TL/MT)				SALE PRICE (TL/MT)	
		JUNE-JULY-AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	NOVEMBER	DECEMBER
DURUM WHEAT **MY 2010**	DURUM WHEAT FOR PASTA	575	585	595	605	675	685
	LOW QUALITY DURUM WHEAT FOR PASTA	470	480	490	500	550	560
TYPES OF WHEAT		MY 2011 TMO INTERVENTION PRICE (TL/MT)				SALE PRICE (TL/MT)	
		JULY-AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	NOVEMBER	DECEMBER
DURUM WHEAT **MY 2011**	DURUM WHEAT FOR PASTA	640	645	650	655	760	765
	LOW QUALITY DURUM WHEAT FOR PASTA	520	525	530	535	615	620

TURKEY: TMO GRAIN INTERVENTION PRICE							
TYPES OF WHEAT		MY 2009 TMO INTERVENTION PRICE (TL/MT)				SALE PRICE (TL/MT)	
		JUNE-JULY-AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	OCTOBER	NOVEMBER
MILLING WHEAT MY 2009	ANATOLIAN HARD WHITE WHEAT	500	510	520	530	575	585
	ANATOLIAN HARD RED WHEAT	500	510	520	530	575	585
	WHITE SEMI HARD	475	485	495	505	545	555
	RED SEMI HARD	475	485	495	505	545	555
	OTHER RED AND WHITE WHEAT	450	460	470	480	515	525
	FEED WHEAT	420	430	440	450	490	500
TYPES OF WHEAT		MY 2010 TMO INTERVENTION PRICE (TL/MT)				SALE PRICE (TL/MT)	
		JUNE-JULY-AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	NOVEMBER	DECEMBER
MILLING WHEAT **MY 2010**	ANATOLIAN HARD WHITE WHEAT	550	560	570	580	645	655
	ANATOLIAN HARD RED WHEAT	550	560	570	580	645	655
	WHITE SEMI HARD	520	530	540	550	610	620

	RED SEMI HARD	520	530	540	550	610	620
	OTHER RED AND WHITE WHEAT	490	500	510	520	575	585
	FEED WHEAT	440	450	460	470	515	525
TYPES OF WHEAT		MY 2011 TMO INTERVENTION PRICE (TL/MT)				SALE PRICE (TL/MT)	
		JULY-AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	NOVEMBER	DECEMBER
MILLING WHEAT **MY 2011**	ANATOLIAN HARD WHITE WHEAT	605	610	615	620	720	725
	ANATOLIAN HARD RED WHEAT	605	610	615	620	720	725
	OTHER RED AND WHITE WHEAT	575	580	585	590	680	685
	FEED WHEAT	500	505	510	515	590	600

TURKEY: TMO GRAIN INTERVENTION PRICE						
TYPES OF GRAIN MY 2009	MY 2009 TMO INTERVENTION PRICE (TL/MT)				SALE PRICE (TL/MT)	
	JUNE-JULY-AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	OCTOBER	NOVEMBER
BARLEY RYE, TRITICALE OATS	375	385	395	405	440	450
MINIMUM PRICE (BARLEY RYE, OATS, TRITICALE)	330	340	350	360	390	400
TYPES OF GRAIN MY 2010	MY 2010 TMO INTERVENTION PRICE (TL/MT)				SALE PRICE (TL/MT)	
	JUNE-JULY-AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	NOVEMBER	DECEMBER
BARLEY RYE, TRITICALE OATS	415	425	435	445	485	495
MINIMUM PRICE (BARLEY RYE, OATS, TRITICALE)	350	360	370	380	410	420
TYPES OF GRAIN MY 2011	MY 2011 TMO INTERVENTION PRICE (TL/MT)				SALE PRICE (TL/MT)	
	JULY-AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	NOVEMBER	DECEMBER
BARLEY RYE, TRITICALE OATS	455	460	465	470	540	545
MINIMUM PRICE (BARLEY RYE, OATS, TRITICALE)	400	405	410	415	475	480

Corn

Biotech corn imports to Turkey are still blocked due to the new Biosafety Law. Enforcement of this Biosafety Law started on September 26, 2010. The Biosafety Board approved A2704-12, MON40-3-2 and MON89788 soybean events for import (for feed only). At the moment applications for biotech corn events are still being reviewed. According to the sources Biosafety Board may approve a few corn events in September but will not approve all corn events, thus allowing imports from the U.S. to resume, until at least December 2011. The Turkish animal feed and livestock industry hopes that the first corn shipments will arrive by the end of January 2012 when the sector will run out of wheat and barley.

Feed sector

Commodity prices are high at the moment. The barley price is 280 USD/MT, corn price is 440 USD/MT, wheat price is 364 USD/MT and the durum wheat price is 370 USD/MT. This increases the cost of animal feed. Unpopular high red meat prices (Beef meat is 17 USD/kg) are continuing because of this factor. Turkey extensively invests on dairy breeding cattle farms. The Turkish Agriculture Bank gave 2.2 billion TL of credit to 35,000 livestock farmers in recent years. In the last 4 years, Turkey imported 60,432 head of breeding cattle, mostly of them from U.S. In the first six months of 2011 Turkey imported 30,601 head of dairy breeding cattle, 17,063 of which came from the U.S). These investments increases demand for compound feed. The poultry sector is also growing very fast. Both sectors require soybean and corn as a raw material. There will be 1-1.5 MMT of corn shortage in 2011 due to problems created by the Biosafety Law. Turkish feedmillers will need to consider every possible feed source to satisfy the needs of both sectors. The main factors for them will be approval of all biotech corn events by the Biosafety Board and increased the ability to incorporate sorghum into feed rations.

Turkey: Poultry meat production					
Year	Chicken meat (MT)	Turkey meat (MT)	Free range and hatchery poultry meat (MT)	Total poultry meat (MT)	Total poultry population (000)
2007	1,012,000	33,000	55,000	1,100,000	70,586
2008	1,170,000	35,000	57,000	1,262,000	71,517
2009	1,250,000	30,000	60,000	1,340,000	72,561
2010	1,430,000	30,000	60,000	1,520,000	73,613
2011	1,560,000	35,000	65,000	1,660,000	73,800
2012	1,650,000	37,000	67,000	1,754,000	74,000
2023	2,840,000	60,000	100,000	3,000,000	82,000

Production, Supply and Demand Data Statistics :

Wheat Turkey	**2009/2010**		**2010/2011**		**2011/2012**	
	Market Year Begin: Jun 2009		**Market Year Begin: Jun 2010**		**Market Year Begin: Jun 2011**	
	USDA Official	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested	7,800	7,800	8,000	8,000	7,700	7,700
Beginning Stocks	1,546	1,550	1,815	1,733	2,215	2,486
Production	18,450	18,450	17,000	17,000	18,500	18,830
MY Imports	3,192	2,922	3,600	4,133	3,000	3,000

TY Imports	3,218	2,922	3,600	4,133	3,000	3,000
TY Imp. from U.S.	38	0	0	1,065	0	0
Total Supply	23,188	22,922	22,415	22,866	23,715	24,316
MY Exports	4,273	4,389	3,000	3,080	4,000	4,000
TY Exports	4,371	4,389	3,000	3,080	4,000	4,000
Feed and Residual	800	800	700	800	1,200	1,300
FSI Consumption	16,300	16,000	16,500	16,500	16,700	16,700
Total Consumption	17,100	16,800	17,200	17,300	17,900	18,000
Ending Stocks	1,815	1,733	2,215	2,486	1,815	2,316
Total Distribution	23,188	22,922	22,415	22,866	23,715	24,316
1000 HA, 1000 MT, MT/HA						

Barley Turkey	**2009/2010**		**2010/2011**		**2011/2012**	
	Market Year Begin: Jun 2009		**Market Year Begin: Jun 2010**		**Market Year Begin: Jun 2011**	
	USDA Official	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested	3,400	3,400	3,350	3,350	3,200	3,200
Beginning Stocks	793	176	790	83	710	103
Production	6,500	6,500	5,900	5,900	6,500	7,500
MY Imports	178	62	70	70	150	60
TY Imports	156	60	70	70	150	60
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	7,471	6,738	6,760	6,053	7,360	7,663
MY Exports	781	755	50	150	150	300
TY Exports	801	755	50	150	150	300
Feed and Residual	5,000	5,000	5,100	4,900	5,550	5,700
FSI Consumption	900	900	900	900	900	950
Total Consumption	5,900	5,900	6,000	5,800	6,450	6,650
Ending Stocks	790	83	710	103	760	713
Total Distribution	7,471	6,738	6,760	6,053	7,360	7,663

1000 HA, 1000 MT, MT/HA						

Corn Turkey	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Sep 2009		Market Year Begin: Sep 2010		Market Year Begin: Sep 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	500	500	490	490	450	450
Beginning Stocks	782	785	768	725	443	305
Production	4,000	4,000	3,600	3,600	3,600	3,600
MY Imports	558	512	300	400	500	900
TY Imports	527	500	300	400	500	900
TY Imp. from U.S.	0	7	0	35	0	400
Total Supply	5,340	5,297	4,668	4,725	4,543	4,805
MY Exports	272	272	25	20	10	0
TY Exports	161	161	25	20	10	0
Feed and Residual	3,400	3,400	3,300	3,500	3,400	3,500
FSI Consumption	900	900	900	900	900	900
Total Consumption	4,300	4,300	4,200	4,400	4,300	4,400
Ending Stocks	768	725	443	305	233	405
Total Distribution	5,340	5,297	4,668	4,725	4,543	4,805
1000 HA, 1000 MT, MT/HA						

Rice, Milled Turkey	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Sep 2009		Market Year Begin: Sep 2010		Market Year Begin: Sep 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	100	100	105	105	100	105
Beginning Stocks	225	206	316	338	306	378
Milled Production	400	400	450	450	430	440

Rough Production	667	667	750	750	717	733
Milling Rate (.9999)	6,000	6,000	6,000	6,000	6,000	6,000
MY Imports	367	458	300	420	300	400
TY Imports	412	458	300	420	300	400
TY Imp. from U.S.	314	165	0	200	0	160
Total Supply	992	1,064	1,066	1,208	1,036	1,218
MY Exports	26	26	80	80	85	90
TY Exports	52	40	80	80	85	90
Consumption and Residual	650	700	680	750	700	750
Ending Stocks	316	338	306	378	251	378
Total Distribution	992	1,064	1,066	1,208	1,036	1,218
1000 HA, 1000 MT, MT/HA						