

Required Report: Required - Public Distribution

Date: February 01, 2024

Report Number: TU2024-0005

Report Name: Grain and Feed Update

Country: Turkiye

Post: Ankara

Report Category: Grain and Feed

Prepared By: Kubilay Karabina

Approved By: Michael Francom

Report Highlights:

Wheat, corn, and barley production in MY 2023/24 are forecast at or near record levels due to favorable weather during much of the growing season. Consequently, import demand for these three grains is projected lower year-to-year. Similarly, rice imports are expected to contract, but this is because of larger-than-usual carryover stocks. On the export side, the Turkish government temporarily authorized exports of domestic corn and durum because of an oversupply of these grains. Meantime, it is unclear whether the situation in the Red Sea will have any noticeable impact on overall export volumes of pasta and flour.

Wheat

Production

The wheat production forecast for MY 2023/24 is left unchanged at 19.5 million metric tons (MMT), which is tied for second biggest wheat crop. This year's production is up year-over-year by more than 2.0 MMT because of favorable growing conditions.

Looking ahead to MY 2024/25, favorable weather conditions during the current growing season bode well for next year's winter wheat and winter barley crops which were planted last fall. According to the latest data from the [Turkish State Meteorological Service](#), the cumulative precipitation across Turkiye from October to December 2023 was near or above the long-term average.

Most of the wheat produced in Turkey is winter wheat. However, in recent years durum wheat production has increased due to favorable prices, especially for exports.

Consumption

The wheat consumption forecast for MY 2023/24 is adjusted slightly lower to 21.05 MMT, a decrease of 250,000 MT from the USDA official projection. This forecasted contraction is attributed to a slackening in animal feed demand resulting from smaller cattle inventories. For reference, only about 10 percent of wheat is consumed as animal feed. Approximately 90 percent of wheat is used to make flour for bread, pasta, and other wheat-based food products.

Trade

Wheat Imports

The wheat import forecast for MY 2023/24 is held steady at 10 MMT. This projection assumes that the private sector will continue purchasing wheat from abroad. In contrast, the state-run Turkish Grain Board (TMO), which has historically been the country's leading wheat importer, is not expected to procure any wheat during the current marketing year because it is holding onto large stocks of wheat purchased last year.

For the first six months of MY 2023/24 (Jun-Nov), wheat imports increased by two percent year-over-year to nearly 4.8 MMT, according to the Turkish Statistics Institute (TUIK). Russia and Ukraine were the leading suppliers, shipping 4 MMT and 665,000 MT, respectively. The pace of imports is expected to hold steady during the second half of the year. However, with a sizeable amount of imported wheat being processed and re-exported as flour and pasta through the Suez Canal, there is a chance that import demand could slip if the current situation in the Red Sea persists.

Wheat Export

The wheat export forecast for MY 2023/24 is adjusted higher to a record of 8.75 MMT. This record forecast is partly based on the expectation that stronger-than-expected exports of flour and pasta will continue throughout the year. The forecast also accounts for Turkish government's decision to temporarily allow exports of durum wheat in response to an oversupply of durum wheat.

Turkey's durum wheat exports during the first half of the current marketing year (Jun-Nov) reached 1.35 MMT. Italy (650,000 MT), Canada (200,000 MT) and Algeria (154,000 MT) were the top destinations for Turkish durum wheat.

For the first six months of MY 2023/24 (Jun-Nov), wheat flour exports increased by 28 percent to 2.1 MMT compared to the same period last year. This increase is mainly due to increased demand from African countries. The leading export destinations during this period were Iraq (663,000 MT), Djibouti (181,000 MT), and Somalia (109,000 MT). Meantime, pasta exports during this same period grew by three percent year-over-year to 684,000 MT. The top export markets were Somalia (117,000 MT), Venezuela (146,000 MT), and Togo (54,000 MT).

Owing to the threats in the Red Sea, the price to ship a container through the Red Sea has skyrocketed in recent weeks. According to trade contacts, freight prices have jumped as much as 10 times from where they were last month. As a result, some traders have reportedly paused or redirected shipments of wheat flour and pasta, especially those going to the Horn of Africa. However, at this time, it is unclear whether the situation will have impact flour and pasta exports.

Bulgur exports during the first six months of MY 2023/24 (Jun-Nov) reached 135,000 MT, which is up ten percent from the same period last year. Iraq, Syria, and EU countries were the main destinations.

Stocks

MY 2023/24 ending stocks for wheat remain the same at 3.78 MMT.

Barley

Production

The barley production forecast for MY 2023/24 is held steady at 8.0 million metric tons (MMT), which is the second largest barley crop ever. Most of the barley produced in Turkey is winter barley. The planting of next year's winter barley crop finished in November and the harvest will occur in the spring.

Consumption

The MY 2023/24 barley consumption forecast remains unchanged from the official USDA figure of 8.5 MMT. However, consumption is down year-to-year in part because of a slowdown in livestock feed demand.

Trade

Barley Imports

The MY 2023/24 barley import forecast is revised lower to 400,000 MT, down 100,000 MT from the USDA official number. The revision assumes weaker-than-expected import demand because of large carryover stocks of barley.

During the first half of the marketing year (Jun-Nov), barley imports fell year-over-year by 85 percent to 82,000 MT. The top suppliers were Russia (26,000 MT) and Ukraine (55,000 MT).

Barley Exports

MY 2023/24 barley exports are forecasted at 200,000 MT, down 50,000 MT from the USDA official projection. The revision assumes that neighboring countries' demand for barley will remain relatively

weak through the marketing year. During the first half of the marketing year (Jun-Nov), barley exports also fell year-over-year by 85 percent to 22,000 MT.

Stocks

MY 2023/24 ending stocks for barley are revised lower to 432,000 MT, based on the expectation that the private sector will draw down their large inventories to more normal levels.

Corn

Production

MY 2023/24 corn production is revised slightly higher to a record 8.4 MMT due to a larger-than-expected second corn crop in the southeastern part of the country. Farmers in that region planted more second-crop corn instead of cotton in hopes of capturing higher profits. The second crop is typically harvested in December or January, depending on weather conditions.

Consumption

The corn consumption forecast for MY 2023/24 remains unchanged at 8.6 MMT. The slowdown in animal feed demand is not expected to impact overall corn consumption because of steady demand for corn to make starch.

Trade

Corn Imports

The MY 2023/24 corn import forecast remains unchanged at 2.0 MMT. During the first three months of the marketing year (Sep-Nov), corn imports fell year-over-year by 85 percent to 91,000 MT. The leading suppliers were Russia (79,000 MT) and Ukraine (6,000 MT). Despite the slow start, import volumes are expected to accelerate, especially in the summer months when local corn supplies run thin.

Corn Exports

The MY 2023/24 corn export forecast remains unchanged at 2.0 MMT, based on the expectation that the government will only allow up to this amount for export. To date, according to market sources, grain traders have applied for export licenses totaling 1.85 MMT. The Turkish government temporarily authorized exports due to an overabundance of local corn, a slowdown in animal feed demand, and a slackening in domestic corn purchases because of high borrowing costs.

Compared to other grains, corn purchases were disproportionately affected by high borrowing costs because other grains were harvested earlier and sold when interest rates were lower. For instance, in June of last year when the wheat crop was harvested, the Central Bank's interest rate was 15 percent. The rate has steadily increased each month since that time and the current rate is now 45 percent.

In the first quarter of MY 2023/24 (Sep-Nov), exports reached nearly 1.6 MMT of corn was exported, mostly to Iran (850,000) and Iraq (450,000 MT). Transshipments of Ukrainian corn was negligible.

Stocks

MY 2023/24 ending stocks for corn are revised slightly higher to 556,000 MT to account for the revised corn production forecast.

Rice

Production

The MY 2023/24 (Sep-Aug) rice production forecast remains unchanged at 545,000 MT (milled). Production is, however, down slightly year-over-year because of earlier drought conditions in the Thrace region located in the northeastern part of the country.

Consumption

Rice consumption in MY 2023/24 is revised lower to 830,000 MT but still remains at record levels because of stable household and restaurant demand. Even though it's more expensive, most consumers generally prefer locally grown rice because it is considered to be better quality than imported rice from Vietnam, China, and Thailand. Imported rice is typically used in the HRI sector or consumed in lower-income households. Meantime, with affordable substitutes such as bulgur and pasta available, consumers are particularly price sensitive when it comes to buying and consuming rice.

Rice consumption in MY 2022/23 is adjusted slightly downward to 810,000 MT, with the difference going into carryover stocks.

Trade

Rice Imports

The MY 2023/24 rice import forecast is slashed from 550,000 MT to 300,000 MT (milled equivalent) because import demand is expected to soften resulting from the country's larger-than-usual carryover stocks. Most of the stocks are made up of imported rice.

During the first three months of the marketing year (Sep-Nov), rice imports fell year-to-year about 40 percent to 72,000 MT. The top suppliers were Vietnam (31,000 MT) and China (21,000 MT).

The MY 2022/23 rice import estimate is bumped considerably higher from the USDA number to a record of 777,000 (milled equivalent). This revision is made because traders purchased larger-than-usual volumes of rice when the import duty was zero in hopes of selling some of it at a higher profit margin after the tariff increased.

The government regularly adjusts tariffs on rice and other grains depending on the market situation. To curb inflation, the government zeroed out tariffs on imports of rice (and other grains) from December 2022 through the end of August 2023. From the beginning of September through the end of December 2023, the tariffs reverted to most-favored-nation (MFN) levels.

During this three-month period (Sep-Dec), the price of high-quality domestic rice nearly doubled from 35 to 60 Turkish Lira per kilogram. In response, as announced in [the December 31 official gazette](#), the government again cut tariffs on imported rice to 10 percent from January through the end of August 2024. See table below.

HS Code	Product	Dec 2022-Aug 2023	Sep-Dec 2023	Jan-Aug 2024	After Sep 1, 2024
1006.10	paddy rice	0%	34%	10%	34%
1006.20	brown rice	0%	36%	10%	36%
1006.30	milled rice	0%	45%	15%	45%

Rice Exports

For MY 2023/24, rice exports are forecast revised higher to 275,000 MT (milled equivalent), based on the expectation that the strong export sales trend in the first quarter (Sep-Nov) will continue. During this three-month period, rice exports surged year-on-year by 60 percent to about 73,000 MT. Most rice exports are transshipments to neighboring countries.

Stocks

The MY 2023/24 ending stock forecast is adjusted nominally higher to 152,000 MT. Year-to-year stock levels are significantly down but in line with normal levels.

Production, Supply and Distribution

Wheat Market Year Begins Turkey	2021/2022		2022/2023		2023/2024	
	Jun 2021		Jun 2022		Jun 2023	
	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	4084	4084
Production (1000 MT)	16000	16000	17250	17250	19500	19500
MY Imports (1000 MT)	9421	9421	12072	12072	10000	10000
TY Imports (1000 MT)	9555	9555	12500	12500	10000	10000
Total Supply (1000 MT)	29151	29151	31559	31559	33584	33584
MY Exports (1000 MT)	6714	6714	6875	6875	8500	8750
TY Exports (1000 MT)	6646	6646	6953	6954	8500	8750
Feed and Residual (1000 MT)	1400	1400	1500	1500	2100	1850
FSI Consumption (1000 MT)	18800	18800	19100	19100	19200	19200
Total Consumption (1000 MT)	20200	20200	20600	20600	21300	21050
Ending Stocks (1000 MT)	2237	2237	4084	4084	3784	3784
Total Distribution (1000 MT)	29151	29151	31559	31559	33584	33584
Yield (MT/HA)	2.2695	2.2695	2.5368	2.5368	2.7083	2.7083

(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 Market Year Begins Turkey	2021/2022		2022/2023		2023/2024	
	Jun 2021		Jun 2022		Jun 2023	
	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	732	732
Production (1000 MT)	4500	4500	7400	7400	8000	8000
MY Imports (1000 MT)	2867	2867	2141	2141	500	400
TY Imports (1000 MT)	2036	2100	1967	2100	500	400
Total Supply (1000 MT)	7889	7889	9857	9857	9232	9132
MY Exports (1000 MT)	173	173	225	225	250	200
TY Exports (1000 MT)	215	135	121	200	250	200
Feed and Residual (1000 MT)	6500	6500	8000	8000	7600	7600
FSI Consumption (1000 MT)	900	900	900	900	900	900
Total Consumption (1000 MT)	7400	7400	8900	8900	8500	8500
Ending Stocks (1000 MT)	316	316	732	732	482	432
Total Distribution (1000 MT)	7889	7889	9857	9857	9232	9132
Yield (MT/HA)	1.2162	1.2162	1.9474	1.9474	2.1622	2.1622

(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 Market Year Begins Turkey	2021/2022		2022/2023		2023/2024	
	Sep 2021		Sep 2022		Sep 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	540	540	530	530	650	650
Beginning Stocks (1000 MT)	827	827	647	647	697	656
Production (1000 MT)	6500	6500	6800	6800	8200	8400
MY Imports (1000 MT)	3512	3512	2658	2658	2000	2000
TY Imports (1000 MT)	3782	3784	2388	2388	2000	2000
Total Supply (1000 MT)	10839	10839	10105	10105	10897	11056
MY Exports (1000 MT)	492	492	808	849	1900	1900
TY Exports (1000 MT)	514	514	1181	1181	1900	1900
Feed and Residual (1000 MT)	8500	8500	7500	7500	7400	7400
FSI Consumption (1000 MT)	1200	1200	1100	1100	1200	1200
Total Consumption (1000 MT)	9700	9700	8600	8600	8600	8600
Ending Stocks (1000 MT)	647	647	697	656	397	556
Total Distribution (1000 MT)	10839	10839	10105	10105	10897	11056
Yield (MT/HA)	12.037	12.037	12.8302	12.8302	12.6154	12.9231

(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 Market Year Begins Turkey	2021/2022		2022/2023		2023/2024	
	Sep 2021		Sep 2022		Sep 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	97	97	99	99	94	94
Beginning Stocks (1000 MT)	282	282	78	78	145	412
Milled Production (1000 MT)	541	541	600	600	545	545
Rough Production (1000 MT)	807	807	896	896	813	813
Milling Rate (.9999) (1000 MT)	6700	6700	6700	6700	6700	6700
MY Imports (1000 MT)	302	302	525	777	550	300
TY Imports (1000 MT)	478	478	550	650	550	300
Total Supply (1000 MT)	1125	1125	1203	1455	1240	1257
MY Exports (1000 MT)	257	257	233	233	250	275
TY Exports (1000 MT)	227	227	240	240	250	275
Consumption and Residual (1000 MT)	790	790	825	810	850	830
Ending Stocks (1000 MT)	78	78	145	412	140	152
Total Distribution (1000 MT)	1125	1125	1203	1455	1240	1257
Yield (Rough) (MT/HA)	8.3196	8.3196	9.0505	9.0505	8.6489	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