

Required Report: Required - Public Distribution

Date: March 04,2021

Report Number: TU2021-0012

Report Name: Oilseeds and Products Annual

Country: Turkey

Post: Ankara

Report Category: Oilseeds and Products

Prepared By: Kubilay Karabina

Approved By: Michael Conlon

Report Highlights:

Turkey's total production of oilseeds covered in this report (soybean, sunflowerseed and cottonseed) in MY 2021/22 is projected to increase around 18 percent to 3.1 MMT compared to MY 2020/21. This increase assumes improved yields because of adequate rain and an increase in planted area. Turkey's sunflowerseed oil imports and exports went up significantly in MY 2020/21 because of the increasing refining activity of Turkish companies. Turkey also increased its crush capacity with imported soybeans in 2020. Turkey struggles with food inflation because of corona virus measures, which is exacerbated by a weak Turkish Lira and high international commodity prices. The Ministry of Agriculture and Forestry approved new genetically engineered (GE) soybean and corn events for feed in January and February, 2021.

Executive Summary

Oilseeds

Turkey's total production of oilseeds covered in this report (soybeans, sunflowerseed and cottonseed) in MY 2021/22 is projected to increase about 18 percent to 3.1 MMT compared to MY 2020/21. This increase assumes improved yields because of adequate rain and an increase in planted area.

Sunflowerseed production is expected to increase to 1.8 MMT in MY 2021/22 from 1.560 MMT in MY 2020/21 because of a five percent increase in the harvest. Cottonseed production is expected to increase to 1.175 MMT in MY 2021/22 from 947,000 MT in MY 2020/21, while soybean production is expected to increase about 13 percent in MY 2021/22, though it is a more minor oilseed crop in Turkey.

Total sunflowerseed plantings in MY 2021/22 is expected to increase somewhat to 755,000 hectares and total production is forecast at 1.8 MMT. The breakdown was 1.61 MMT oilseed for sunflowerseed production, 130,000 MT for confection sunflowerseed production, and 60,000 MT for planting seeds production.

Although there was a drought fall in 2020, a snowy winter will provide adequate soil moisture for the coming sunflowerseed crop, particularly in the Thrace region, where about fifty percent of the local sunflowerseed crop is grown.

A common concern for all producers in the coming season will be the high cost of chemicals used for production, such as pesticides and fertilizers, which may lead to lower use and hence lower yields. However, high domestic prices for oilseeds should mitigate the high cost of inputs.

The Turkish cottonseed area and production is projected to increased due to better returns and government support. Accordingly, total area and production for MY 2021/22 are projected at about 540,000 hectares and 1.175 MMT.

Domestic soybean production continues to be only a fraction of domestic demand. Farmers continue to prefer planting cotton, vegetables, and corn in Turkey's main soy growing region, Cukurova, and soybean planting is mostly done for crop rotation purposes. While domestic production is expected to increase to 125,000 MT in MY 2021/22 because of better returns compared to competing second crops, we forecast that total domestic consumption for soybeans will reach 3.25 MMT in MY 2021/22.

Meal

In MY 2021/22 total meal production in Turkey (of oilseeds subject to this report) should increase four percent to 3.46 MMT due to an increase in cottonseed and sunflowerseed production. Soy meal production is projected to remain the same as in MY 2020/21.

Vegetable Oil

In 2020 total crushing capacity was about 8 MMT and refining capacity was 4 MMT. Turkey continues to import large quantities of sunflowerseed oil for domestic consumption, and for refining and re-exporting to neighboring countries. Turkey also imports sunflowerseed, mostly from Black Sea region countries, and crushes it domestically, utilizing the oil for domestic use and exports. Turkey also imports

soybeans and crushes them domestically to export soy oil. The MY 2021/22 total vegetable oil production forecast is up about three percent to 1.651 MMT, mainly from cottonseed oil.

Olive Oil

MY 2020/21 was an off-year for olive oil production. Total production is estimated to be about 190,000 MT. Production for MY 2021/22, an on-year, is forecast to be about 250,000 MT.

Consumption - Feed Industry

Even during the pandemic, the feed sector achieved growth in 2020. Total feed production for 2020 is estimated at about 26.1 MMT, which is 5.2 percent higher than 2019. There were increases in all types of feed. Broiler and layer feed production was about 9 MMT. Dairy and beef cattle feed production was about 12.7 MMT and other feed (fish feed and other) was around 4.4 MMT.

Over the last several years, the Turkish Lira has lost a lot of its value compared to other currencies. In Turkish Lira terms, prices for all feed types have doubled since January 2008. Since many of the feed materials are imported and are internationally traded products, they became more expensive. Turkey has struggled with food inflation because of corona virus measures taken by the Turkish government and high international commodity prices.

Oilseeds Policy and Support

Grappling with a serious increase in international commodity prices and the Turkish Lira’s depreciation against other currencies, the cost of imported goods has been increasing in Turkey, which has had large effects on domestic food and feed prices.

The Turkish feed sector significantly benefits from imported raw materials. The price changes for feed move in parallel with U.S. Dollar-Lira exchange rates as well as the FOB price. Average feed prices increased more than 40 percent over the past one year while the Turkish Lira continued to depreciate against other currencies. The cost of boiler feed increase the most at 58 percent. Broiler feed prices were 2,255 TL/MT (\$375) in December 2020 compared to 2,000 TL/MT (\$370) in December 2019.

Table 1: Average Compound Feed Prices in Turkey, By Type of Feed

	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	% Dec 19 / Dec 20	% \$/TL
Broiler Feed	2150	2410	2490	2880	3400	158%	132%
Layer Feed	1800	2010	2070	2331	2450	136%	132%
Dairy Cattle Feed	1490	1560	1650	1836	2150	144%	132%
Beef Cattle Feed	1390	1460	1550	1695	1970	142%	132%

Source: Feed Millers

According to a Presidential Decree published in the Official Gazette on November 5, 2020, Turkey announced tariff reductions on lentils and sunflower seed (exclude confectionary seed). Import tariffs on lentils (HS 0713.40.00.00.13) was also temporarily reduced to nine percent, down from 19.3 percent. Import tariffs on sunflowerseed (HS 1206.00.91.00.19 and HS 1206.00.99.00.19) were reduced to zero. Previously, the duty on sunflowerseed was calculated through a more complicated formula. The zero tariff is valid between November 5, 2020 - July 1, 2021.

According to a Presidential Decree published in the Official Gazette on November 25, 2020, Turkey announced a tariff reduction for crude sunflower oil to 3 percent. The tariff was valid between November 5, 2020 - July 1, 2021. However, the Turkish government updated this amendment on December 31, 2020, increasing the tariff to 10 percent.

The Turkish Grain Board, a government affiliated body, also tendered for 5,000 MT of crude sunflower oil to meet demand for the domestic market.

Another prominent development that will affect the feed sector was that on January 23, 2021, the Turkish government published Biosafety Decisions on imports of GE soybean and corn events in the Official Gazette. The Ministry of Agriculture and Forestry (MinAF) approved two soybean events and one corn event for feed. MinAF cancelled the approvals of three soybean events that expired on 1/26/2021. In addition, on February 27, 2021, the Turkish government published Biosafety Decisions on imports of GE soybean and corn events in [the Official Gazette](#). MinAF approved four soybean events and one corn event for feed and cancelled the approvals of five corn events that expired in 2021.

The Turkey government continues to support agricultural production according to the concept of “agricultural basins,” based on climate and soil conditions, and will subsidize 21 strategic crops, with a specific set of crops for each basin. On November 5, 2020, agricultural subsidies for 2020 were announced in [the Official Gazette](#). The total subsidies for 2020 will be 22 billion TL (\$2.6 billion) which remained the same as the previous year. Producers will be able to benefit from the 2020 subsidies in 2021. Certified seeds and saplings are the most subsidized items in 2020 among agricultural products. Fuel, fertilizer, and livestock subsidies have not been increased that has frustrated producers since they are struggling with high input costs for items like fertilizers, fuel, electricity, and feed, which are mostly imported.

OILSEEDS

Sunflowerseed

Sunflowerseed PSD (1000 Hectares, 1000 MT)

Oilseed, Sunflowerseed Market Year Begins	2019/2020		2020/2021		2021/2022	
	Sep 2019		Sep 2020		Sep 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Turkey						
Area Planted (1000 HA)	730	730	730	730	0	755
Area Harvested (1000 HA)	730	730	720	720	0	755
Beginning Stocks (1000 MT)	203	203	220	220	0	118
Production (1000 MT)	1750	1750	1560	1560	0	1800
MY Imports (1000 MT)	1178	1178	875	1200	0	1100
Total Supply (1000 MT)	3131	3131	2655	2980	0	3018
MY Exports (1000 MT)	99	99	100	100	0	100
Crush (1000 MT)	2625	2625	2300	2550	0	2600
Food Use Dom. Cons. (1000 MT)	185	185	180	210	0	215
Feed Waste Dom. Cons. (1000 MT)	2	2	2	2	0	2
Total Dom. Cons. (1000 MT)	2812	2812	2482	2762	0	2817
Ending Stocks (1000 MT)	220	220	73	118	0	101
Total Distribution (1000 MT)	3131	3131	2655	2980	0	3018
Yield (MT/HA)	2.3973	2.3973	2.1667	2.1667	0	2.3841
(1000 HA) ,(1000 MT) ,(MT/HA)						

Production-Sunflowerseed

In MY 2021/22, total sunflower planting area projected to grow to 755,000 hectares, with total production at 1.8 MMT. Of that, 670,000 hectares are for oilseeds, 55,000 hectares are for confection sunflowerseed and 30,000 hectares are for planting seeds. Accordingly, sunflowerseed production is expected to be about 1.60 MMT, confection seeds about 130,000 MT, and planting seeds 70,000 MT, for a total of 1.8 MMT.

Turkey produces a significant amount of confection sunflowerseed with a strong domestic consumption. Confection sunflowerseed area was 50,000 hectares, and production was 110,000 MT in MY 2020/21, and is expected to increase to 55,000 hectares and 130,000 MT in MY 2021/22.

The estimate for MY 2020/21 total sunflowerseed production is 720,000 hectares, with production at about 1.56 million MT (MMT). The breakdown was 1.39 MMT oilseed sunflowerseed production, 110,000 MT confection sunflowerseed, and 60,000 MT planting seeds.

Sunflower planting will start in April 2021 and finish by May. Edirne, Tekirdag and Kirklareli Provinces in the Thrace Region produces more than 40 percent of the country's sunflower. Konya

province in Central Anatolia and Adana province in Cukurova region are other important production regions.

Turkey has a net deficit in sunflowerseed production, and sustainability of production will depend on farmer satisfaction with income. While sunflowerseed competes for planting area with wheat, malting barley, and canola in the Thrace region, production of sunflowerseed in other regions, such as Central Anatolia, competes with sugar beet, corn, and vegetables. In the Cukurova region it also competes with wheat. Good returns, due to rapidly increase local price after the harvest, are persuading farmers to plant more sunflowerseed, including planting some fallow fields in MY 2021/22.

Consumption – Sunflowerseed

Total domestic consumption of sunflowerseed will reach 2.817 MMT in MY 2021/22, marginally higher than MY 2020/21, due to high demand for oilseed and confection sunflowerseeds.

Soybeans

Soybean PSD (1000 Hectares, 1000 MT)

Oilseed, Soybean Market Year Begins	2019/2020		2020/2021		2021/2022	
	Sep 2019		Sep 2020		Sep 2021	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	30	30	30	30	0	31
Area Harvested (1000 HA)	27	27	29	29	0	31
Beginning Stocks (1000 MT)	155	155	328	328	0	213
Production (1000 MT)	105	105	110	110	0	125
MY Imports (1000 MT)	3148	3148	3000	3050	0	3200
Total Supply (1000 MT)	3408	3408	3438	3488	0	3538
MY Exports (1000 MT)	105	105	75	75	0	100
Crush (1000 MT)	1600	1600	1600	1800	0	1800
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	1375	1375	1450	1400	0	1425
Total Dom. Cons. (1000 MT)	2975	2975	3050	3200	0	3250
Ending Stocks (1000 MT)	328	328	313	213	0	213
Total Distribution (1000 MT)	3408	3408	3438	3488	0	3538
Yield (MT/HA)	3.8889	3.8889	3.7931	3.7931	0	4.0323

(1000 HA) ,(1000 MT) ,(MT/HA)

Production - Soybeans

MY 2021/22 soybean planting and production is expected to be about 31,000 hectares and 125,000 MT, up slightly compared to a year ago, due to better returns as a second crop compared to competing crops.

The Cukurova region is the main soybean growing area in Turkey, supplying about ninety-five percent of the total production. Soybeans are mainly planted for crop rotation purposes, despite the large domestic consumption and demand for them. Yields are high in the region as growers are technically proficient and the crop is irrigated.

The Turkish government has been trying to encourage an increase in oilseeds production by offering higher production premium payments. As announced in November 2020, the Turkish government increased the sunflowerseed and cottonseed production premium, but kept the other oilseeds premiums (including soybeans) the same as last year.

Consumption - Soybeans

Domestic consumption of soybeans will be dependent on the usage in the feed industries, especially in the poultry sector. In recent years, demand for oil for the export market was also strong while full fat soy demand was modest. According to [Turkish official data](#), total feed production increased by five percent in 2020, while poultry feed production remained almost same in 2020. The Turkish poultry industry utilizes a large amount of full fat soy in rations that are produced at their farms. In addition, favorable crush margins will increase soybean utilization. Accordingly, in MY 2020/21 total consumption of soybeans is forecast to be about 3.20 MMT and is projected to increase to 3.25 MMT in MY 2021/22.

Cottonseed

Cottonseed PSD (1000 Hectares, 1000 MT)

Oilseed, Cottonseed Market Year Begins	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Turkey						
Area Planted (Cotton) (1000 HA)	560	570	400	400	0	540
Area Harvested (Cotton) (1000 HA)	570	570	350	350	0	540
Seed to Lint Ratio (RATIO)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	21	21	17	17	0	13
Production (1000 MT)	1126	1126	947	947	0	1175
MY Imports (1000 MT)	8	8	10	40	0	5
Total Supply (1000 MT)	1155	1155	974	1004	0	1193
MY Exports (1000 MT)	3	3	1	1	0	1
Crush (1000 MT)	1125	1125	950	980	0	1170
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	10	10	10	10	0	10
Total Dom. Cons. (1000 MT)	1135	1135	960	990	0	1180
Ending Stocks (1000 MT)	17	17	13	13	0	12

Total Distribution (1000 MT)	1155	1155	974	1004	0	1193
Yield (MT/HA)	1.9754	1.9754	2.7057	2.7057	0	2.1759
(1000 HA) ,(RATIO) ,(1000 MT) ,(MT/HA)						

Production - Cottonseed

Turkish cottonseed area and production is projected to increase due to better returns and updated government supports. Accordingly, total area and production for MY 2021/22 are projected at about 540,000 hectares and 1.175 MMT. Cotton planting will start in April. Please check the Cotton and Products and the Grain and Feed reports for Turkey in 2021 for updated planting area.

Consumption

Cottonseed consumption fluctuates along with local production. MY 2021/22 total consumption of cottonseed is projected to be about 990,000 MT and is forecast to increase to 1.18 MMT in MY 2020/21, along with the projected increase in cottonseed production.

Oilseeds Production Policy and Support

Production support: Agricultural Sales Cooperative Unions:

Trakya Birlik and Karadeniz Birlik, two of the leading Agricultural Sales Cooperative Unions (ASCUs), continue to play a very important role supporting sunflowerseed production in Turkey. Other ASCUs include TARIS (cotton and olive oil), Cukobirlik (cotton and soybean) and Antbirlik (cotton and cottonseed). All of the ASCUs have thousands of members to whom they provide seeds, fertilizer and low-cost financing prior to planting. The ASCUs then offer attractive prices after the harvest. Almost all of these groups have crushing and refining facilities that they use to produce and market refined oils (sun, soy and cotton oils) in wholesale and retail markets.

Production premiums

The Turkish government will continue to support agricultural production according to the concept of “agricultural basins,” based on climate and soil conditions, and will subsidize 21 strategic crops, with a specific set of crops for each basin. On November 5, 2020, agricultural subsidies for 2020 were announced in [the Official Gazette](#). The total subsidies for 2020 were 22 billion TL (\$2.6 billion) which remained the same as the previous year. Producers will be able to benefit from the 2020 subsidies in 2021. Certified seeds and saplings are the most subsidized items in 2020 among agricultural products. Fuel, fertilizer, and livestock subsidies have not been increased, which has frustrated producers since they are struggling with high input costs for items like fertilizers, fuel, electricity, and feed, which are mostly imported.

In terms of oilseeds, the Turkish government continued to support oilseed production with production premium programs and fuel and fertilizer support. According to the 2020/21 program, the Turkish government has increased production bonus and fertilizer support levels modestly. Accordingly, seed

cotton producers will receive 620 Turkish Lira (TL) per hectare in fuel support, while sunflowerseed and soybean producers will receive 260 TL per hectare fuel support, and olive oil producers will receive 150 TL per hectare fuel support, which are same with past year. All will receive 80 TL per hectare for fertilizer support, which was 40 TL in past years. Below is the list of production premiums for recent years.

Turkey Oilseed Production Premiums (TL/MT)			
Exchange Rate:US\$1=TL 7.2 February 2021			
Crop	2018	2019	2020
Sunflowerseed	400	400	500
Soybean	600	600	600
Canola	500	500	500
Seed Cotton	800	800	1100
Olive Oil	800	800	800

Oilseeds-Trade

Turkey's total imports of sunflowerseed for MY 2019/20 was 1,178,000 MT, up about five percent compared to the previous year. Serbia (608,000 MT), North Macedonia (123,000 MT) and Russia (124,000 MT) were the main suppliers of sunflowerseed to Turkey.

During the first four months of MY 2020/21 (September-December), total sunflowerseed imports were 302,000 MT, up 10 percent compared to same period in MY2019/20. Russia (100,000MT), Serbia (86,000 MT) and North Macedonia (60,000 MT) were the main suppliers of Turkey.

Turkey's sunflower seed imports in MY 2021/22 are projected to at 1.1 MMT, down 100,000 MT from MY2020/21, which is in parallel with better domestic production expectations.

Total soybean imports during the MY 2019/20 were 3.15 MMT. Brazil was main supplier with 2 MMT of soybean, followed by Ukraine (813,000 MT) and Uruguay (64,000 MT).

Turkey imported about of 715,000 MT of soybean during the first four months of MY 2020/21, down 13 percent compared the same period in MY 2019/20. The Ukraine was the leading supplier (387,000 MT), followed by Brazil (230,000 MT).

Turkey's soybean imports in MY 2021/22 are projected to be 3.2 MMT, in parallel with demand from the feed sector and crush activity for oil exports.

While cottonseed imports for crushing were 8,000 MT in during MY 2019/20, Turkey imported about of 11,000 MT of cottonseed during the first four months of MY 2020/21 due to low domestic production. We forecast Turkey to reach 40,000 MT in MY 2020/21. Turkey's cottonseed imports in MY 2021/22 are projected at 5 MT due to high domestic production expectations.

OIL MEALS

Production - Oilseed Meals

In MY 2021/22 total meal production of Turkey (of oilseeds subject to this report) went up about four percent to 3.46 MMT due to an increase in cotton meal and sunflower seed production as a result of an increase in seed cotton and seed sunflower production. Soy meal production is projected to remain same.

The feed sector grew during the pandemic year of 2020. Total feed production for 2020 is estimated at about 26.2 MMT which 5.2 percent higher than 2019. There were increases in all types of feed. Broiler and layer feed production was about 9 MMT, dairy and beef cattle feed production was about 12.7 MMT and other feed (fish feed and other) was 4.4 MMT.

According to [government sources](#), Turkish broiler meat and egg production decreased slightly in 2020 compare to 2019. According to market sources, there has been a slowdown in compound feed production among prominent feed companies due to Covid-19 related economic issues and measures like a partial curfew and restrictions on restaurants that went into effect in late November 2020. After removing Covid-19 related measures, it is possible for an increase in production in 2021.

While the economic situation has impacted the agriculture and food sectors in Turkey, in the medium and long term, increasing population and a robust tourist industry ensures continued demand for protein meals for feed.

Compound Feed Production in Turkey by Sectors (Thousand MT)

Feed Production	2015	2016	2017	2018	2019	2020	%20/19
Broiler Feed	4,780	4,566	4,754	5,306	5,363	5,397	0.6%
Layer Feed	3,417	2,958	3,370	3,600	3,828	3,673	-4%
Dairy Cattle Feed	3,320	3824	4594	5072	5406	5725	5.9%
Beef Cattle Feed	5384	5840	6171	6481	6550	7008	7.0%
Other	3203	3210	3529	3683	3791	4431	16.9%
Total	20,105	20,402	22,419	24,144	24,939	26,234	5.2%

Source: GKGM

Meal Consumption in Turkey by Soybean Meal Equivalent Conversion

SME TABLE (1000 MT)			
	2019/20	2020/21*	2021/22*
Soybean meal	1,875	2050	2,100
Cottonseed meal	510	452	539
Sunflowerseed meal	1534	1600	1667
Soybean full-fat	1,100	1,120	1,140
TOTAL	5,019	5,222	5,446

*These are forecasts based on PSD tables in this report.

Production - Oilseed Meals

Sunflowerseed Meal

Meal, Sunflowerseed Market Year Begins	2019/2020		2020/2021		2021/2022	
	Sep 2019		Sep 2020		Sep 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Turkey						
Crush (1000 MT)	2625	2625	2300	2550	0	2600
Extr. Rate, 999.9999 (PERCENT)	0.5444	0.5444	0.5443	0.5443	0	0.5442
Beginning Stocks (1000 MT)	242	242	385	385	0	263
Production (1000 MT)	1429	1429	1252	1388	0	1415
MY Imports (1000 MT)	1029	1029	900	900	0	1000
Total Supply (1000 MT)	2700	2700	2537	2673	0	2678
MY Exports (1000 MT)	15	15	20	10	0	10
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	2300	2300	2400	2400	0	2500
Total Dom. Cons. (1000 MT)	2300	2300	2400	2400	0	2500
Ending Stocks (1000 MT)	385	385	117	263	0	168
Total Distribution (1000 MT)	2700	2700	2537	2673	0	2678
(1000 MT) ,(PERCENT)						

Production – Sunflowerseed Meal

MY 2021/22 sunflowerseed meal production will be around 1.415 MMT due to larger sunflowerseed production projections as well imports for crushing.

Soybean Meal

Soybean Meal PSD (1000 MT)

Meal, Soybean Market Year Begins Turkey	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	1600	1600	1600	1800	0	1800
Extr. Rate, 999.9999 (PERCENT)	0.775	0.775	0.775	0.775	0	0.775
Beginning Stocks (1000 MT)	415	415	310	310	0	155
Production (1000 MT)	1240	1240	1240	1395	0	1395
MY Imports (1000 MT)	1073	1073	1000	1000	0	1100
Total Supply (1000 MT)	2728	2728	2550	2705	0	2650
MY Exports (1000 MT)	543	543	400	500	0	400
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	1875	1875	2000	2050	0	2100
Total Dom. Cons. (1000 MT)	1875	1875	2000	2050	0	2100
Ending Stocks (1000 MT)	310	310	150	155	0	150
Total Distribution (1000 MT)	2728	2728	2550	2705	0	2650
(1000 MT) ,(PERCENT)						

Soybean meal production has been growing in recent years due to more favorable crushing margins and an increase in the usage in rations. Domestic production of soybean meal in MY 2021/2022 is projected to remain at 1.395 MMT.

Cottonseed Meal

Cottonseed Meal PSD (1000 MT)

Meal, Cottonseed Market Year Begins Turkey	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	1125	1125	950	980	0	1170
Extr. Rate, 999.9999 (PERCENT)	0.5511	0.5511	0.5505	0.551	0	0.5556
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	620	620	523	540	0	650
MY Imports (1000 MT)	20	20	30	20	0	20

Total Supply (1000 MT)	640	640	553	560	0	670
MY Exports (1000 MT)	10	10	2	2	0	5
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	630	630	551	558	0	665
Total Dom. Cons. (1000 MT)	630	630	551	558	0	665
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	640	640	553	560	0	670
(1000 MT) ,(PERCENT)						

Production – Cottonseed Meal

Cottonseed meal production in MY 2021/22 is forecast at about 650,000 MT, compared to 540,000 MT in MY 2020/21, assuming an increase in local cottonseed production.

OILS

Production - Oils

In MY 2020/21 total domestic production of vegetable oils subject to this report (sunflowerseed, cottonseed, and soybean, excluding olive oil) is estimated at about 1.607 MMT, down about two percent compared to the last marketing year, due mainly to decreases in domestic sunflower and cottonseed production.

MY 2021/22 total oil production is expected to increase to 1.651 MMT because of better crop expectations.

Turkey's crushing capacity has reached 8 MMT. Refining capacity for liquid oils also went up to 4 MMT. In addition, Turkey has an additional 1 MMT capacity for production of margarine, and produced an estimated 860,000 MT in 2020. Turkey's crude sunflower seed imports for refining and soybean seed imports for crushing are increasing.

Sunflowerseed Oil

Sunflowerseed Oil PSD (1000 MT)

Oil, Sunflowerseed Market Year Begins	2019/2020		2020/2021		2021/2022	
	Sep 2019		Sep 2020		Sep 2021	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2625	2625	2300	2550	0	2600
Extr. Rate, 999.9999 (PERCENT)	0.4347	0.4347	0.4348	0.4353	0	0.4308
Beginning Stocks (1000 MT)	86	86	242	242	0	262
Production (1000 MT)	1141	1141	1000	1110	0	1120
MY Imports (1000 MT)	870	870	500	900	0	850
Total Supply (1000 MT)	2097	2097	1742	2252	0	2232
MY Exports (1000 MT)	715	715	450	800	0	800
Industrial Dom. Cons. (1000 MT)	20	20	20	20	0	0
Food Use Dom. Cons. (1000 MT)	1110	1110	1160	1160	0	1200
Feed Waste Dom. Cons. (1000 MT)	10	10	10	10	0	10
Total Dom. Cons. (1000 MT)	1140	1140	1190	1190	0	1210
Ending Stocks (1000 MT)	242	242	102	262	0	222
Total Distribution (1000 MT)	2097	2097	1742	2252	0	2232
(1000 MT) ,(PERCENT)						

Production – Sunflowerseed oil

Local production of sunflowerseed oil in MY 2021/22 is projected to increase marginally to 1.12 MMT to meet the local food demand.

Consumption – Sunflowerseed Oil

Sunflowerseed oil is the most consumed and popular oil in Turkey and food use consumption is continuing to increase. It is forecast to reach 1.21 MMT in MY 2021/22. Higher sunflowerseed oil consumption is mainly due to the increase in population and the lack of affordably-priced alternative oils because Turkey has not approved any genetically engineered corn or soybeans for food use.

Soybean Oil

Soybean oil PSD (1000 MT)

Oil, Soybean Market Year Begins	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Turkey						
Crush (1000 MT)	1600	1600	1600	1800	0	1800
Extr. Rate, 999,9999 (PERCENT)	0.1788	0.1788	0.1788	0.1789	0	0.1789
Beginning Stocks (1000 MT)	39	39	14	14	0	10
Production (1000 MT)	286	286	286	322	0	322
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	325	325	300	336	0	332
MY Exports (1000 MT)	176	176	145	196	0	195
Industrial Dom. Cons. (1000 MT)	75	75	80	70	0	70
Food Use Dom. Cons. (1000 MT)	5	5	5	5	0	5
Feed Waste Dom. Cons. (1000 MT)	55	55	60	55	0	55
Total Dom. Cons. (1000 MT)	135	135	145	130	0	130
Ending Stocks (1000 MT)	14	14	10	10	0	7
Total Distribution (1000 MT)	325	325	300	336	0	332
(1000 MT) ,(PERCENT)						

Production – Soybean Oil

Importing soybeans and then exporting soy oil has been popular in the Turkish oil crush industry in recent years. Soybean oil production in MY 2020/21 are projected to reach at 322,000 MT, compared to 286,000 MT in 2019/20, because of high demand in the export markets. Soybean oil production in MY 2021/22 is forecast to remain at 322,000 MT, assuming continuing exports.

Consumption policy – Soybean Oil

Turkey's Biosafety law limits the utilization of soybean oil produced from GE soybeans. Accordingly, GE soy oil is only approved to be used in feed and industrial categories, mostly paint and ink production. GE soybean varieties have not yet been approved for use in food because no applications have been submitted or reviewed requesting food use approval. Therefore, only soybean oil that is made from locally-produced and imported non-GE soybeans are allowed for food use in Turkey. Since the great majority of imported and crushed soybeans are genetically engineered varieties for animal feed, this adversely effects domestic crushing and causes consumption of soy oil to be limited to soybeans that are locally produced.

Cottonseed Oil

Cottonseed oil PSD (1000 MT)

Oil, Cottonseed Market Year Begins	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Turkey						
Crush (1000 MT)	1125	1125	950	980	0	1170
Extr. Rate, 999.9999 (PERCENT)	0.1796	0.1796	0.1789	0.1786	0	0.1786
Beginning Stocks (1000 MT)	13	13	17	17	0	8
Production (1000 MT)	202	202	170	175	0	209
MY Imports (1000 MT)	2	2	0	0	0	0
Total Supply (1000 MT)	217	217	187	192	0	217
MY Exports (1000 MT)	10	10	1	3	0	5
Industrial Dom. Cons. (1000 MT)	10	10	8	8	0	10
Food Use Dom. Cons. (1000 MT)	180	180	170	173	0	192
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	190	190	178	181	0	202
Ending Stocks (1000 MT)	17	17	8	8	0	10
Total Distribution (1000 MT)	217	217	187	192	0	217
(1000 MT) ,(PERCENT)						

Production – Cottonseed Oil

Cottonseed oil production in MY 2021/22 is projected at about 209,000 MT, compared to 175,000 MT of 2020/21, assuming an increase in local cottonseed production.

Oils Consumption - Biodiesel

The Turkey government issued a regulation (06/16/2017, 30098) imposing 0.5 percent mandatory inclusion of biodiesel into diesel fuel starting from January 2018. Domestic biodiesel production capacity is about 240,000 MT per year with five facilities. According to market sources, 120,000 MT of biodiesel was produced in 2020, which was a decrease from 130,000 MT in 2019, due to a decrease in diesel consumption in Turkey. Approximately 32,000 MT of used vegetable oil was used for biodiesel production. The rest is made from various other oils such as cottonseed oil (about 30%), canola oil (about 30%), safflower oil, camelina oil, and small quantities of soybean oil.

Biodiesel production is expected to increase steadily in the following years in parallel with efforts for collecting used vegetable oils. The biodiesel sector aims to collect annually 120,000 MT of used vegetable oils by 2023.

Canola

Turkish canola planting and production for MY 2020/21 is projected to be about 39,000 hectares and 120,000 MT due to high returns. Canola area and production for MY 2020/21 is estimated at 32,000 hectares and 92,000 MT. Canola oil and canola bran production for MY 2020/21 is estimated at 37,500 MT and 54,200 MT, respectively.

Olive Oil

Olive oil PSD (1000 MT)

Oil, Olive Market Year Begins Turkey	2019/2020		2020/2021		2021/2022	
	Nov 2019		Nov 2020		Nov 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	0	0	0	0	0	0
Trees (1000 TREES)	155000	153000	154500	154500	0	154500
Beginning Stocks (1000 MT)	9	9	42	42	0	33
Production (1000 MT)	235	235	190	190	0	250
MY Imports (1000 MT)	43	43	40	45	0	45
Total Supply (1000 MT)	287	287	272	277	0	328
MY Exports (1000 MT)	60	60	55	55	0	65
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	185	185	190	190	0	220
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	185	185	190	190	0	220
Ending Stocks (1000 MT)	42	42	27	33	0	43
Total Distribution (1000 MT)	287	287	272	278	0	328
(1000 HA) ,(1000 TREES) ,(1000 MT)						

The Turkish government has been supporting olive tree orchards and olive oil production, and accordingly, the number of trees has reached 181 million in 2020, of which 159 million are estimated to be fruit bearing trees. About 50 million trees are for table oil and 110 million three are for olive oil. The orchard planting trend is continuing, it is estimated that about 1.5 million new trees are planted annually. Olive trees are mostly planted along the coastal regions in Marmara, Aegean, Mediterranean areas and in the Southeast Anatolian region.

MY 2020/21 production, which was an “off-year,” is estimated to be about 190,000 MT. MY 2021/22 is an “on-year” for olive oil, and production is projected to be 250,000 MT. Overall, an increase in the number of fruits bearing trees and better farming practices is expected to contribute to higher levels of olive oil production in the coming years.

Oils Consumption – Olive Oil

Olive oil is the top premium oil in Turkey. Its market price is about 4-5 times higher than sunflower oil, the most consumed vegetable oil in Turkey. Domestic consumption has increased over the years. Consumption in MY 2012/22 is expected to increase to 220,000 MT, with better production and imports from Syria.

Trade

Turkey has a very large crushing and refining capacity, about 8 MMT and 4 MMT for all oilseeds, with about 100 facilities.

Turkey’s sunflowerseed oil imports and exports went up significantly in MY 2019/20 due to the increasing refining activity of Turkish companies. Sunflowerseed oil imports of Turkey are up about 50 percent to 870,000 MT during MY 2019/20. Russia was the main supplier with 681,000 MT, followed by Ukraine at 80,000 MT.

In MY 2019/20, Turkey’s total refined sunflowerseed oil exports were up 43 percent to 715,000 MT compare to MY 2018/19. Djibouti (176,000 MT) is an important export market for Turkey, followed by Syria (59,000 MT), Iraq (122,000 MT), and Yemen (57,000 MT).

This import and export trend continued during the first four months of MY 2020/21, during which Turkey imported about 302,000 MT of sunflowerseed oil and exported 234,000 MT which is about ten percent higher than last marketing year. While Russia and Bosnia were the top suppliers with 159,000 MT and 26,000 MT, respectively, Djibouti and Iraq were the main export destinations with 65,000 MT and 32,000 MT.

In MY 2020/21 sunflower seed oil exports are forecast at 800,000 MT due to strong demand from African countries and Iraq. Turkey’s sunflowerseed oil exports in MY 2021/22 are projected to remain high at 800,000 MT.

Turkey continues to use its crush capacity with imported soybeans. Exports in MY 2019/20 were 176,000 MT, up 34 percent compared to MY 2018/19.

Turkish exports of soybean oil during the first three months (Oct-Dec) of MY 2020/21 were up to about 50,000 MT, compared to 18,000 MT during the same period in MY 2019/20. Leading destinations were Algeria (13,000 MT) and Iran (12,000 MT).

In MY 2019/20 soybean oil exports are estimated at 196,000 MT due to profitable crush activity with soymeal and soy oil prices.

Turkey's soybean oil exports in MY 2021/22 are projected to remain high at 195,000 MT, assuming similar market conditions.

Turkish olive oil exports are forecast to decrease in MY 2020/21 to 55,000 MT, compared to 60,000 MT in MY 2019/20, in parallel with decreased in domestic production. Turkey's olive oil exports in MY 2021/22 are projected to increase at 65,000 MT because it is an "on year" for olive oil production.

Turkish olive oil exports are estimated at about 60,000 MT in MY 2019/20. The United States was the leading destination for Turkish olive oil with about 18,000 MT, followed by Saudi Arabia at 10,600 MT, and Spain at 5,900 MT. The export trend is expected to continue. Meanwhile, Turkey continues to import almost all olive oil from Syria, which reached 42,000 MT in MY 2019/20 and is expected to increase marginally in MY 2020/21 and MY 2021/22.

Tariffs – All Oils

According to the [2021 customs regime](#), published in the Official Gazette on December 31, 2020 sunflowerseed oil imports are subject to a tariff of 10 percent. Refined sunflowerseed oil for human consumption is subject to a 67.5 percent import tariff and a minimum price of \$1,100 per ton. Soybean oil and cottonseed oil are subject to a 31.2 percent import tariff. Soybean oil imports from Bosnia and Herzegovina, however, are subject to a zero percent import tariff for both crude and refined oils.

Attachments:

No Attachments