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## **Report Name:** Oilseeds and Products Update

**Country:** Turkiye

**Post:** Ankara

**Report Category:** Oilseeds and Products

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### **Report Highlights:**

MY 2023/24 sunflowerseed production is forecast at 1.6 million metric tons (MMT), which is down nearly 20 percent year-over-year because of drought-related losses in Thrace, Turkey's leading sunflower producing region. An increase in imported sunflowerseed, a large share of which will likely come from Ukraine, is expected to offset the gap in production. Meantime, owing to large carryover stocks, sun oil imports are expected to fall below last year's record to 1.2 MMT. Since the war started, imports of sun oil from Ukraine have surged, accounting for nearly 70 percent of Turkey's sun oil imports in MY 2022/23 (Sep-Jul). A large share of the oil is refined and re-exported or transshipped.

**Production – Sunflowerseed:**

MY 2023/24 (Sep-Aug) sunflowerseed area harvested is projected to remain unchanged from the USDA official forecast of 700,000 hectares. Of the forecasted area harvested, approximately 610,000 hectares will be sunflowerseeds for crushing, 60,000 hectares of confectionary sunflowerseeds, and 30,000 hectares of sunflowerseeds for planting purposes.

Compared to last year, MY 2023/24 area harvested is down by about 10 percent because some farmers, who were discouraged by low farmgate prices, switched to growing other crops, especially wheat, in hopes of better profit margins. In addition, worries about drought and high input costs has also discouraged some farmers from planting sunflowerseeds in marginal growing areas.

MY 2023/24 sunflowerseed production is forecast at 1.55 million metric tons (MMT), nearly unchanged from the USDA official number. Of the forecasted amount of production, about 1.35 MMT is for crushing, 140,000 MT for confectionary, and 60,000 MT for planting purposes. The MY 2023/24 production forecast is down year-over-year by 350,000 MT. This downturn is linked to the projected year-on-year decline in area harvested and weather-related yield losses, especially in the Thrace region which accounts for half of the country's total sunflower production.

Sunflower production in Thrace was seriously affected by dry-weather conditions through most of the summer months, with yields dropping by as much as 50 percent compared to the previous year. Meantime, growing conditions in the other major sunflower growing areas – Central Anatolia and Cukurova region – had relatively better weather conditions.

**Consumption – Sunflowerseed:**

MY 2023/24 sunflowerseed consumption is estimated at 2.73 MMT, nearly unchanged from the official USDA figure. Compared to last year, consumption is down by 135,000 MT, which is mainly due to the reduction in domestic sunflowerseed production.

The MY 2022/23 consumption estimate remains nearly unchanged at about 2.87 MMT, though up year to-year by about 500,000 MT because of higher domestic production and increased import volumes, especially from Ukraine.

**Trade**

The table below provides a historical perspective on Turkey's imports and exports of sunflower products. On the import side, there are at least two noteworthy developments, especially since the war in Ukraine started. First, Ukraine now accounts for more than half of Turkey's total sunflowerseed imports, up from just 1 percent in 2018. Second, imports of sun oil from Ukraine have surged, accounting for nearly 70 percent of Turkey's sun oil imports in MY 2022/23 (Sep-Jul). On the export side, the big story is the jump in Turkey's exports of sun oil, a large share of which is processed and re-exported Ukrainian sun oil.

<b>Table 1. Turkey Imports from World (Metric Ton)</b>								
Product	Marketing Year from September to August					Year to Date		
	2018	2019	2020	2021	2022	09/21-07/22	09/22-07/23	%Δ
Sunflowerseed	769,787	1,115,548	1,178,000	907,351	668,664	587,561	934,760	59
<i>Ukraine</i>	6,348	56,933	24,034	58,387	372,187	306,541	543,468	77
Sunflower meal	921,474	910,294	1,029,457	812,641	819,743	743,600	818,278	10
<i>Ukraine</i>	276,014	304,329	303,416	258,509	299,114	255,476	173,053	-32
Sunflower oil	544,715	568,901	871,930	779,739	1,308,727	1,157,966	1,641,764	42
<i>Ukraine</i>	55,214	41,606	79,371	47,053	326,597	196,278	1,113,777	467
<b>Turkey Exports to Word Metric Ton)</b>								
Product	Marketing Year from September to August					Year to Date		
	2018	2019	2020	2021	2022	09/21-07/22	09/22-07/23	%Δ
Sunflowerseed	147,582	116,063	98,678	123,285	117,742	112,148	97,986	-12.63
Sunflower meal	11,191	22,781	14,718	18,303	35,763	34,312	71,685	108.92
Sunflower oil	419,644	504,718	724,976	649,829	895,276	771,593	1,033,474	33.94

## **Trade – Sunflowerseed:**

### *Imports*

Sunflowerseed imports in MY 2023/24 are projected at 1.3 MMT, up 100,000 MT from the USDA official number and 225,000 MT higher than the previous year. This forecasted increase in imports is to partially compensate for the drop in domestic production and assumes continued availability of sunflowerseeds from Ukraine and other Black Sea suppliers.

The MY 2022/23 import estimate remains unchanged at about 1.1 MMT. Imports during the first eleven months of MY 2022/23 (September-July) totaled 934,000 MT. The leading suppliers were Ukraine (543,000 MT), Moldova (130,000 MT), and Romania (82,000 MT).

### *Exports*

Sunflowerseed exports in MY 2023/24 are predicted to remain unchanged from the USDA official figure of 115,000 MT, assuming stable export demand for both confectionary and planting sunflowerseeds.

**Stocks – Sunflowerseed:**

The sunflowerseed stock forecast for MY 2023/24 is trimmed back to 107,000 MT, which is in line with previous years' volumes.

**Sunflowerseed PSD (1000 Hectares, 1000 MT)**

Oilseed, Sunflowerseed 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 Planted (1000 HA)	760	760	790	790	750	720
Area Harvested (1000 HA)	760	760	790	790	700	700
Beginning Stocks (1000 MT)	102	102	101	101	159	104
Production (1000 MT)	1750	1750	1900	1900	1600	1550
MY Imports (1000 MT)	669	669	1075	1075	1200	1300
Total Supply (1000 MT)	2521	2521	3076	3076	2959	2954
MY Exports (1000 MT)	118	118	105	105	115	115
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	2125	2125	2590	2645	2500	2520
Food Use Dom. Cons. (1000 MT)	175	175	220	220	210	210
Feed Waste Dom. Cons. (1000 MT)	2	2	2	2	2	2
Total Dom. Cons. (1000 MT)	2302	2302	2812	2867	2712	2732
Ending Stocks (1000 MT)	101	101	159	104	132	107
Total Distribution (1000 MT)	2521	2521	3076	3076	2959	2954
Yield (MT/HA)	2.3026	2.3026	2.4051	2.4051	2.2857	2.2143
(1000 HA) ,(1000 MT) ,(MT/HA)						

**Production – Sunflowerseed Meal:**

MY 2023/24 sunflowerseed meal production is forecast at 1.37 MMT, nearly unchanged from the USDA number and down year-over-year by 67,000 MT. This projected year-on-year decline is based on reduced domestic sunflowerseed production.

The MY 2022/23 sunflowerseed meal production estimate remains nearly unchanged from the USDA official figure of about 1.44 MMT. Compared to the previous year, sunflowerseed meal production was higher due to an increase in domestic production and imports of sunflowerseed.

**Consumption – Sunflowerseed Meal:**

MY 2023/24 sunflowerseed meal consumption is projected slightly higher at 2.2 MMT, assuming steady demand for meal in animal feed rations. The MY 2022/23 consumption estimate is revised marginally higher to 2.15 MMT, based on higher crush demand.

**Trade – Sunflowerseed Meal:***Imports*

MY 2023/24 sunflower meal imports are forecast unchanged from the USDA figure at 850,000 MT, based on stable feed demand.

The MY 2022/23 import estimate for sunflowerseed meal is revised higher by 50,000 MT to 850,000 MT, based on the latest available trade numbers. From September through July of MY 2022/23, sunflowerseed meal import volumes totaled about 818,000 MT, up ten percent compared to the same

period the previous year. Russia (626,00 MT), Ukraine (173,053 MT), and Bulgaria (17,510 MT) were the main suppliers during this period.

### *Exports*

MY 2023/24 sunflower meal export forecast is adjusted higher to 50,000 MT, assuming stable demand from neighboring countries.

### **Stocks – Sunflowerseed Meal:**

For MY 2023/24, sunflowerseed meal stocks are forecast downward to 144,000 MT, due to a projected increase in both exports and consumption.

### **Sunflowerseed Meal PSD (1000 MT)**

Meal, Sunflowerseed 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
<b>Crush</b> (1000 MT)	2125	2125	2590	2645	2500	2520
<b>Extr. Rate, 999.9999</b> (PERCENT)	0.544	0.544	0.5444	0.544	0.5444	0.5444
<b>Beginning Stocks</b> (1000 MT)	223	223	113	113	183	172
<b>Production</b> (1000 MT)	1156	1156	1410	1439	1361	1372
<b>MY Imports</b> (1000 MT)	820	820	800	850	850	850
<b>Total Supply</b> (1000 MT)	2199	2199	2323	2402	2394	2394
<b>MY Exports</b> (1000 MT)	36	36	90	80	15	50
<b>Industrial Dom. Cons.</b> (1000 MT)	0	0	0	0	0	0
<b>Food Use Dom. Cons.</b> (1000 MT)	0	0	0	0	0	0
<b>Feed Waste Dom. Cons.</b> (1000 MT)	2050	2050	2050	2150	2175	2200
<b>Total Dom. Cons.</b> (1000 MT)	2050	2050	2050	2150	2175	2200
<b>Ending Stocks</b> (1000 MT)	113	113	183	172	204	144
<b>Total Distribution</b> (1000 MT)	2199	2199	2323	2402	2394	2394
(1000 MT) ,(PERCENT)						

### **Production – Sunflowerseed Oil**

The MY 2023/24 production forecast for sunflowerseed oil is projected to remain nearly unchanged from the USDA official number of nearly 1.1 MMT. Year-over-year production is down 54,000 MT because of a decrease in domestic sunflowerseed production.

### **Consumption – Sunflowerseed Oil**

MY 2023/24 sunflower oil consumption is forecast to remain unchanged from the USDA number at 1.4 MMT. Consumption is slightly higher year-over-year because of steady consumer demand. Sunflowerseed oil is the most widely consumed cooking oil in Turkey because of its affordability.

### **Trade – Sunflowerseed Oil**

#### *Imports*

MY 2023/24 sunflowerseed oil imports are forecast at about 1.2 MMT, unchanged from the USDA number. Import volumes are projected down year-over-year by about 500,000 MT as the pace of imports, especially from Ukraine is expected to cool down because of larger than expected carry over stocks.

The MY 2022/23 sunflowerseed oil import estimate is revised higher to a new record of 1.7 MMT, because of a surge in cheap crude oil imports from Ukraine. Of this estimated import volume, 500,000 MT is expected to go for domestic consumption, 650,000 MT for refining and re-export, and 550,000 MT for transshipment.

From September to July in MY 2022/23, sunflowerseed oil imports reached nearly 1.64 MMT, up more than 40 percent compared to the same period last year. Ukraine (1.1 MMT) was the leading supplier followed by Russia (485,000 MT). In recent years, Russia has increasingly preferred to ship value-added oil instead of sunflowerseeds to Turkey.

### Exports

The MY 2023/24 sunflowerseed oil export forecast is revised higher from the USDA official number to 1.2 MMT, but in line with the previous year.

The MY 2022/23 sunflowerseed oil export estimate remains unchanged at 1.2 MMT. Exports are up year-over-year because of a surge in re-exports and transshipments of Ukrainian oil.

### Stocks

MY 2023/24 sunflowerseed oil stocks are forecast marginally lower at 221,000 MT.

The MY 2022/23 sunflowerseed oil stock estimate is revised higher to 511,000 MT, based on the assumption that importers increased their holdings of oil to take advantage of the zero-import duty through the end of May this year.

### Sunflowerseed Oil PSD (1000 MT)

Oil, Sunflowerseed 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
<b>Crush</b> (1000 MT)	2125	2125	2590	2645	2500	2520
<b>Extr. Rate, 999.9999</b> (PERCENT)	0.4344	0.4344	0.4347	0.4344	0.4344	0.4345
<b>Beginning Stocks</b> (1000 MT)	140	140	222	222	358	511
<b>Production</b> (1000 MT)	923	923	1126	1149	1086	1095
<b>MY Imports</b> (1000 MT)	1308	1308	1575	1700	1225	1225
<b>Total Supply</b> (1000 MT)	2371	2371	2923	3071	2669	2831
<b>MY Exports</b> (1000 MT)	889	889	1225	1225	975	1200
<b>Industrial Dom. Cons.</b> (1000 MT)	20	20	25	25	25	25
<b>Food Use Dom. Cons.</b> (1000 MT)	1230	1230	1300	1300	1375	1375
<b>Feed Waste Dom. Cons.</b> (1000 MT)	10	10	15	10	10	10
<b>Total Dom. Cons.</b> (1000 MT)	1260	1260	1340	1335	1410	1410
<b>Ending Stocks</b> (1000 MT)	222	222	358	511	284	221
<b>Total Distribution</b> (1000 MT)	2371	2371	2923	3071	2669	2831
(1000 MT) ,(PERCENT)						

## Oilseed Policy

Effective June 1 of this year, Turkey raised the tariff on imported sunflowerseeds and sunflower oil from zero to 27 percent and 36 percent, respectively. In addition, to protect local sunflower growers during the harvest season, Turkey's Trade Ministry instituted a reference price for imports of sunflowerseed (\$700/MT) and crude sunflower oil (\$1,350/MT). The table below shows how the tariff and the reference price are calculated to come up with the total import cost.

Table 2. Taxes Applied to Imported Crude Sunflower Oil and Seed						
	Reference price	Tariff Rate	Calculated Tax	CIF Marmara price	Total Import Cost	1 \$=27 TL
Crude Oil	\$1,350/MT (b)	36% (d)	$b*d=\$486$ /MT	\$750/MT	\$1,236/MT	33,372 TL/MT
Sunflower Seed	\$700/MT (a)	27% (c)	$a*c=\$189$ /MT	\$410/MT	\$599/MT	16,173 TL/MT

Table 3. Oilseed, Meal, and Oil Tariffs for Calendar Year 2023		
HTS	Product	Tariff Rate
1206	Sunflowerseed (crushing)	0% until May 31. After this date, the tariff reverts to 27%.
230630	Sun meal	0%
151221 151229	Sunflower Oil	0% until May 31. After this date, the tariff reverts to 36%.

Source: Ministry of Trade, [Notice in the Official Gazette](#)

## Attachments:

No Attachments