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Report Highlights:

Despite the rapidly growing demand for chicken meat in Turkey due to the growing population, in 2022 chicken meat production is forecast to increase only three percent compared to 2021 to 2.23 million metric tons (MMT). In 2021, chicken meat production in Turkey is expected to grow slightly at 1.5 percent to 2.17 million metric tons (MMT) due to high feed prices and the closing of fast-food restaurants and hotels due to Covid-19 restrictions. Consumption is constrained because of insufficient production, increasing exports, and high market prices. In 2022, chicken meat exports are estimated to reach 539,000 MT, which is 10 percent more than 2021. This is in line with increasing exports to Iran and Libya. In 2021, chicken meat exports are estimated at 490,000 MT, around 10 percent higher than the previous year. In 2020, exports reached 442,214 MT and were valued at \$483 million.

Commodities:

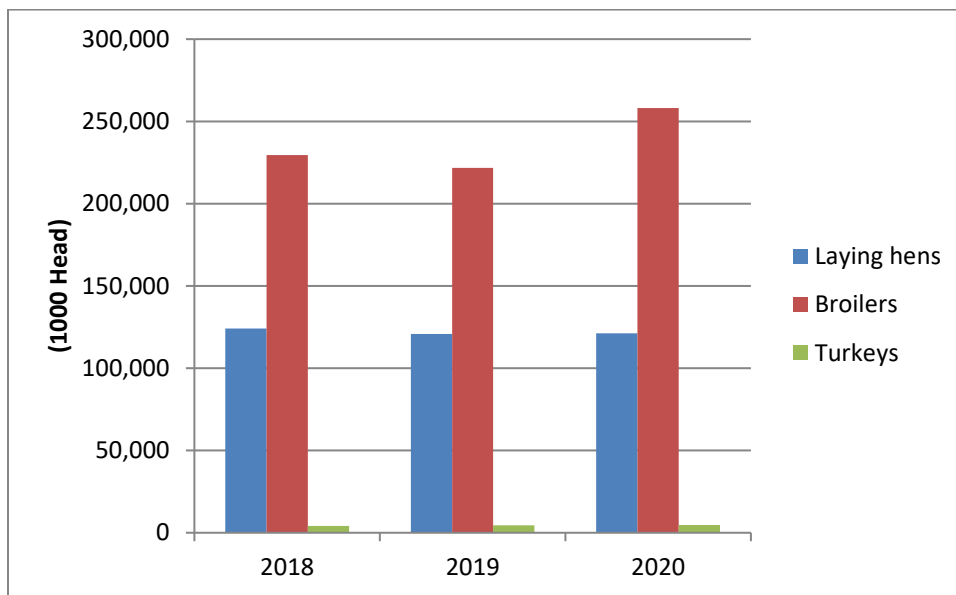
Meat, Chicken

Production:

Despite the rapidly growing demand for chicken meat in Turkey due to the growing population, in 2022 chicken meat production is forecast to increase only three percent compared to 2021 to 2.23 million metric tons (MMT). In 2021, chicken meat production in Turkey is expected to grow slightly at 1.5 percent to 2.17 million metric tons (MMT) due to high feed prices and the closing of fast-food restaurants and hotels due to Covid-19 restrictions. Chicken meat production as of June 2021 is 1.3 percent less than during the same period in 2020. In 2020, Turkey produced 2.136 MMT of chicken meat.

Poultry production has not been efficiently growing since 2018 because of the currency depreciation against the U.S. dollar, high feed prices depended on imports, lack of slaughterhouses capacity, the recent drought in Turkey, and the Covid-19 pandemic. All of these events caused economic disruptions in the agriculture sector. Broiler production is the dominant chicken meat produced in Turkey and has 99 percent of the total production. More than half of total broiler meat production in Turkey are produced in *Manisa, Balikesir, Sakarya* and *Mersin*.

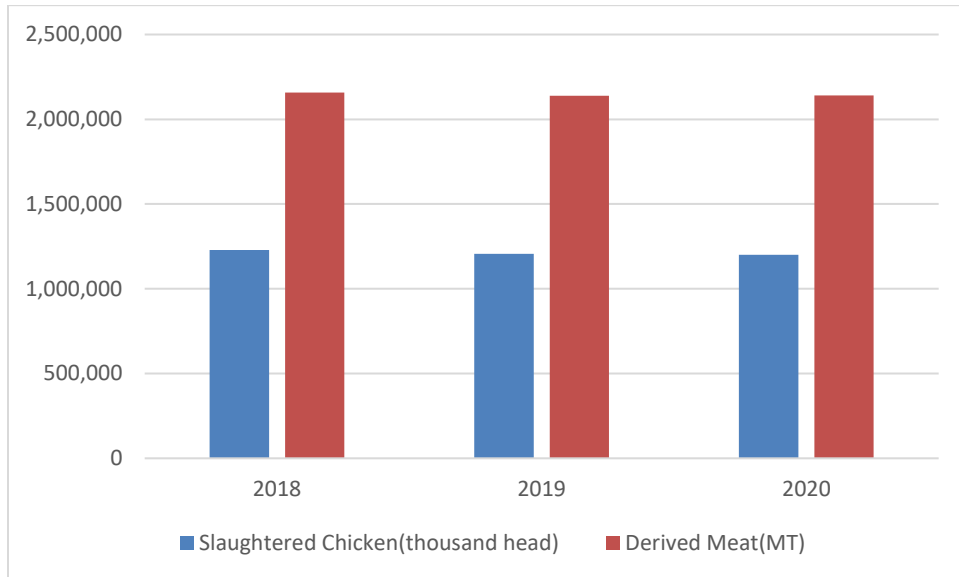
Chart 1. Turkey Chicken Population by Types, 2018-2020



Source: Turkish Statistical Institute (TurkSTAT), 2021

The poultry production growth rate, which averaged 6-10 percent per year for the last 15 years, is also hampered by the lack of supply of imported breeding stocks (day old chicks and hatching eggs). Turkish poultry producers are currently facing higher prices for imported breeding stocks because of growing demand from Russia and the Middle Eastern, which has increased global prices.

Chart 2. Slaughtered Chicken and Chicken Meat Production from 2018 to 2020

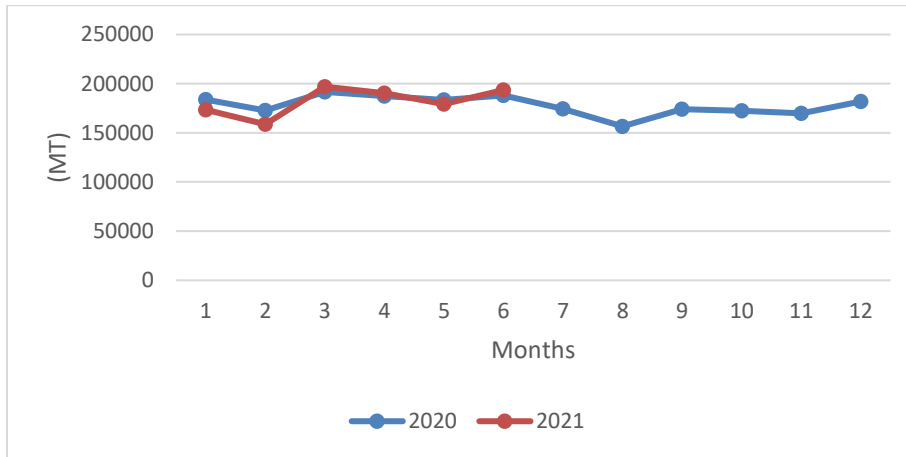


Source: Turkish Statistical Institute (TurkSTAT), 2021

The Turkish poultry sector is dependent on foreign supplies for feed, which is the main input cost for poultry operations (80 percent of the total expenditure). On February 27, 2021, the Ministry of Agriculture and Forestry (MinAF) approved four soybean events and one corn event for feed as a result of the applications of the Turkish Poultry Meat Producers and Breeders Association (Besd-Bir). For more information, please click [here](#). Although the approval of GE soybeans and corn events for feed is welcomed by the Turkish poultry industry, the high cost of feed imports will continue to be a main concern of the sector.

Broiler feed prices have been steadily increasing while broiler meat production has been stagnating for the past two years. In 2020, broiler feed prices were 60 percent greater than the previous year's prices. Turkey produced 5.4 MMT of broiler feed in 2020 for poultry meat production.

Chart 3. Turkish Chicken Meat Production from 2020 to 2021, Monthly Comparison



Source: Ministry of Agriculture and Forestry (MinAF), 2021

Feed costs account for 80 percent of the total expenditure in poultry operations. Broiler feed production in Turkey has been increasing slightly since 2018, in line with a similar trend in overall production. On the other hand, feed production for laying hens has been decreasing with the trend line for overall egg production. In addition, laying hens population has been decreasing after Iraq's embargo on Turkish egg exports.

The main inputs for poultry feed are corn and soybeans, which are both imported products. Turkey grows soybeans, corn, and a significant amount of wheat but not enough to meet the demand for the poultry sector. Around 40 percent of corn and 97 percent of soy used for poultry production were imported. Romania, Russia and Ukraine are the top suppliers for corn. The Government of Turkey (GoT) increased custom taxes for corn two years ago and the Turkish Grain Board (TMO) started selling inexpensive corn to Turkish producers. For this reason, the domestic and imported corn prices are similar. However, Turkey is not self-sufficient in corn production, and the drought has also negatively impacted production.

Turkey imports soybeans mostly from Brazil and Ukraine. However, Turkish producers are not keen with the quality of Brazilian soybeans. The dependency on imports of corn, soy and fish meal to be used for production and the necessity of imported breeding materials such as hatching eggs and day-old chicks makes the Turkish poultry sector less competitive than other countries' poultry operations.

In 2022, egg production is estimated to continue to stagnate. Turkey produced 19.9 billion eggs in 2019, but the number was expected to fall to 19.7 billion eggs in 2020. The reason for this decline is high feed prices and Iraq's market closure. Iraq was Turkey's main export market. At the beginning of May 2019, the Iraqi government stopped all egg imports from Turkey in order to protect its domestic production.

Table 1. Chicken Meat Prices and Feed Prices, Comparison 2018-2020

	2018	2019	2020
Chicken Meat (TL/kg)	6,27	7,88	8,30
Broiler Meat Feed (TL/kg)	1,79	2,08	2,72
Full Fat Soy (TL/kg)	2,32	2,38	3,32
Corn (TL/kg)	0,95	1,17	1,45

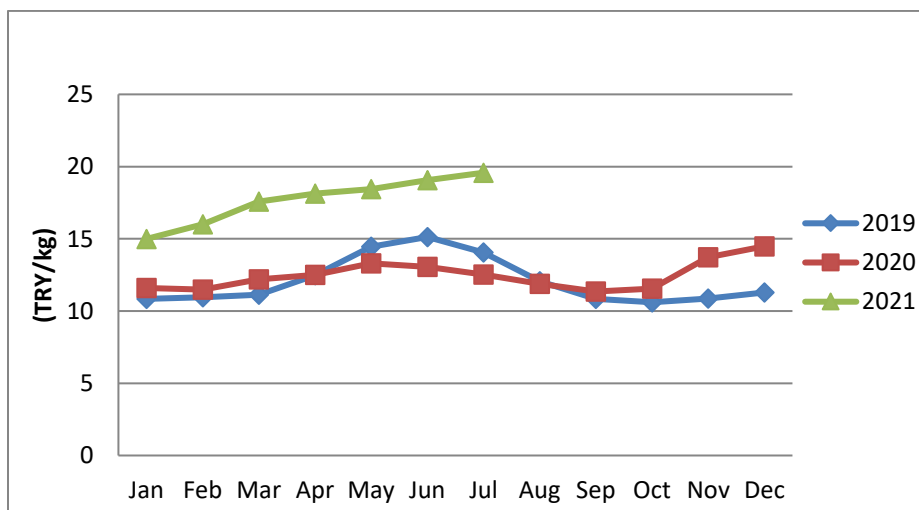
Source: Ministry of Agriculture and Forestry (MinAF), 2021

Consumption:

In 2022, chicken meat consumption is forecast at 1.691 MMT. Consumption is constrained because of insufficient production, increasing exports, and high market prices. In 2021, chicken meat consumption was similar to 2020 levels due to Covid-19 measures such as curfews in the spring and movement restrictions in the summer, two seasons during which poultry meat consumption in Turkey is usually high due to the popularity of barbecuing. Chicken is also the most popular meat in Turkey and the primary and cheapest source of protein.

In 2021, chicken meat consumption growth expectations were not met due to high market prices. Consumer poultry prices in 2021 were 30 percent more than 2020, and the consumer price index increased to 25 percent in 2020. For more information about the struggles against systemic food inflation in the last year in Turkey, please read FAS Turkey's GAIN report on Food Inflation [here](#).

Chart 4. Broiler Meat Price at Retails (TL/kg)



Source: Turkish Statistical Institute (TurkSTAT), 2021. (Note: As of August 23, 2021, \$1 = 8.4 TL)

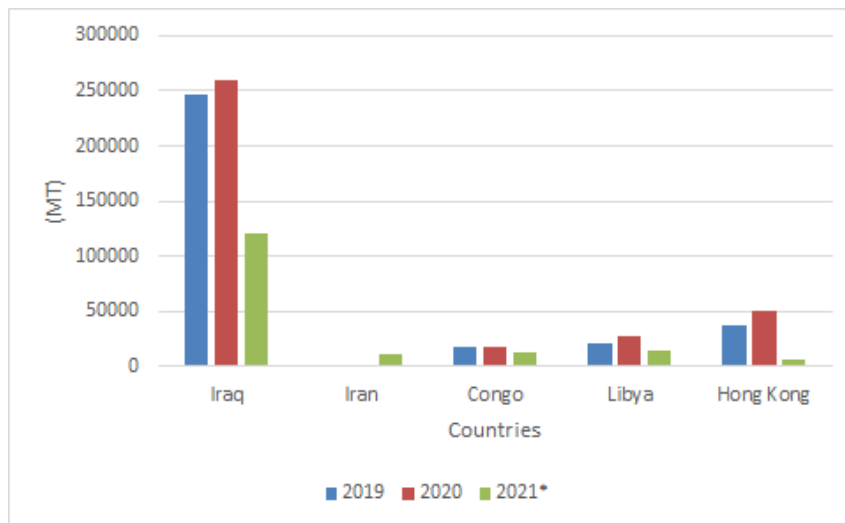
According to Turkish poultry producers, there is no expectation that there will be a drop in poultry retail prices due to increasing export demand. In Turkey, it seems that supplying poultry meat to the domestic market has been decreasing due to lack of capacity. Some poultry producers have reduced their capacities by 25-30 percent because of high input costs.

Trade:

Exports:

In 2022, chicken meat exports are estimated to reach 539,000 MT, which is 10 percent more than 2021. This is in line with increasing exports to Iran and Libya. In 2021, chicken meat exports are estimated at 490,000 MT, around 10 percent higher than the previous year. In 2020, exports reached 442,214 MT and were valued at \$483 million. In 2020, the value of chicken meat exports decreased 35 percent when compared to the previous year. Even though Turkey exported more poultry meat, lower export prices and the depreciation of the Turkish lira lowered the value of exports. In 2020, the biggest decrease in value was the export of broiler meat and the largest increase in value was the export of paws and further-processed poultry products.

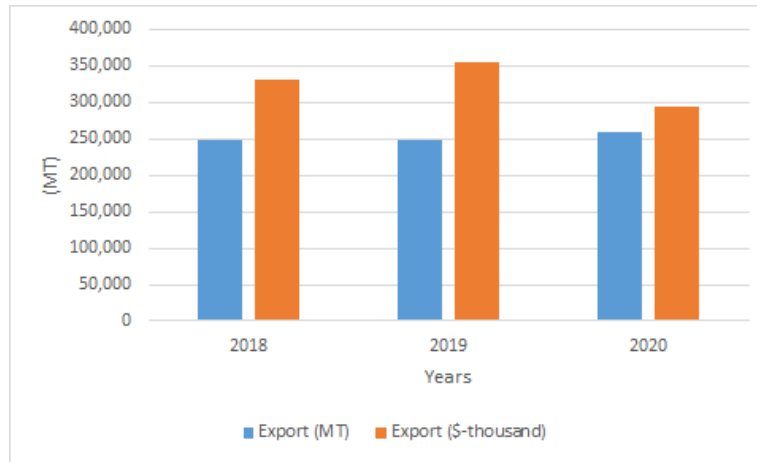
Chart 5. Turkey Top Export Markets, (MT), 2019-2021



Source: Trade Data Monitor, LLC. 2021 data includes January-June.

Seventy-eight percent of the total chicken meat exports of Turkey is poultry meat and only 10 percent of the total chicken meat exports are paws. Other exports are further-processed products and turkey meat. Ninety-six percent of total chicken exports from Turkey was broiler meat, and Iraq is the biggest export market for Turkey. Half of total chicken exports are sent to Iraq. The other important export markets are Hong Kong, Libya, the Congo, and Iran.

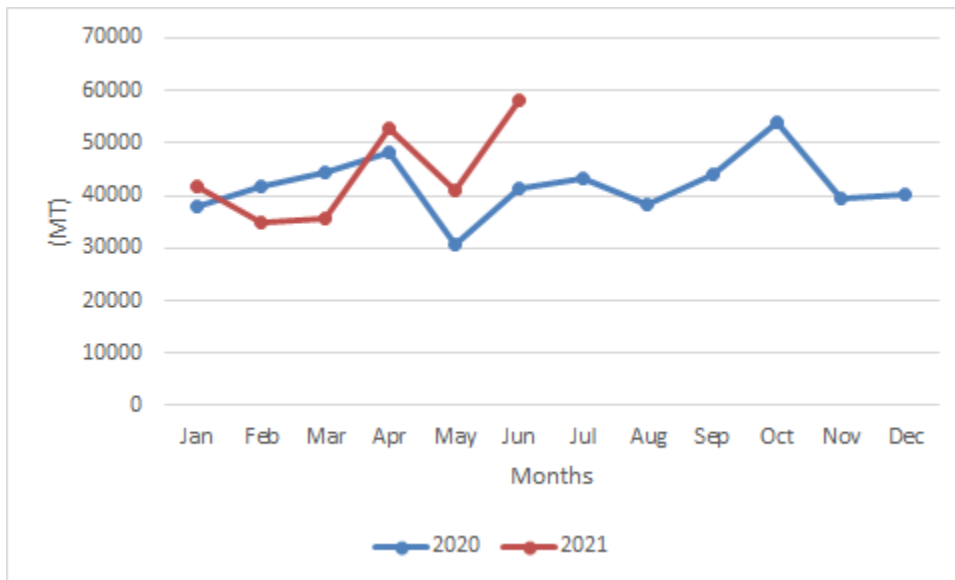
Chart 6. Turkey Poultry Meat Export to Iraq, MT- \$ Comparison, 2018-2020



Source: Trade Data Monitor, LLC

Turkey exported 257,183 MT of chicken meat to Iraq in 2020, which is 4 percent higher than 2019. Logistic problems at the border, unforeseen decisions on tariffs by the Iraqi government, and low export prices are the main problem for Iraq exports.

Chart 7. Turkey’s Chicken Meat Exports, 2020-2021 Monthly Comparison (MT)



Source: Trade Data Monitor, LLC

At the beginning of May 2019, the Iraqi government stopped all egg imports from Turkey in order to protect domestic production. Turkey exports one-third of its total domestic egg production to foreign markets, and 80 percent of total egg exports were sent to Iraq. After the Iraq ban for Turkish eggs, Turkish egg exporters started

to export eggs mostly to Syria, United Arab Emirates and Kuwait. However, egg exports in 2020 decreased 23 percent compared to 2019.

Imports:

Turkey's domestic industry produces enough poultry meat for domestic needs, therefore there are no imports of poultry meat to Turkey. Additionally, there is a high custom tariff rate of 100 percent for poultry meats (50 percent for livers under HS code 020713) and 135 percent for poultry products under 160232, in order to discourage poultry meat imports to Turkey and protect the domestic industry.

However, due to the country's location, Turkey serves as a transshipment hub for poultry meat to other countries in the Middle East. Currently, there are no bans on products from any U.S. states related to the export or transit of poultry and poultry products through Turkey. Turkey has been implementing the EU health standards for most of animal products to be imported to Turkey. However, Turkey does not apply a specific transit health certificate for poultry and poultry products throughout Turkey, even though the EU does.

According to the custom agencies in Turkey, transit poultry shipments may be stored at custom warehouses in Turkey for a certain period of time, according to the terms of the buyer's contract and transportation arrangements. Otherwise, most of the poultry meat shipments that transit Turkey are being shipped to Iraq or Afghanistan. Regarding transit certificates, wet signature, origin and shipping places, container numbers of shipments are required. If shipments are originated or shipped from one of the regions that Turkey implements a ban due to animal diseases, transit would be rejected. Transit certificates must be signed prior to shipping and other information written on certificates must comply with the products.

Turkey imports hatching eggs, mostly from the UK, the United States, and Canada, and day-old chicks mostly from Germany, the UK, and the United States. These imports are crucial for the sustainability of the domestic sector. However, import prices have been increasing in line with the increasing global demand.

Policy:

Turkish chicken meat producers do not directly receive production subsidies from the Turkish government. In addition, as of 2019, the Turkish government has not paid export refunds for poultry meat and canned products that are rejected by importing countries. However, the Turkish government is still paying export refunds for eggs. The government pays 400 Turkish lira (TL) per 1,000 units for 65 percent of egg consignments. If eggs are intended for breeding or hatching, the refund is 50 percent more than the normal payment.

As is the case with other commodities in Turkey, the Turkish Energy Market Regulatory Board has granted reduced electricity prices for broiler, laying hens, breeding, and hatching facilities. In addition, Value Added Tax (VAT) for poultry eggs on bulk purchases has been decreased from 8 percent to 1 percent. As of August 2021, the exchange rate is 8.4 TL to \$1 USD.

Production, Supply and Distribution Data:

Although not included in PS&D estimates, chicken paw exports to China and Vietnam are also important to the Turkish broiler meat industry.

Meat, Chicken	2020		2021		2022	
	Jan 2020		Jan 2021		Jan 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Market Year Begins						
Turkey						
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	2136	2136	2160	2170	0	2230
Total Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2136	2136	2160	2170	0	2230
Total Exports (1000 MT)	440	442	445	490	0	539
Human Consumption (1000 MT)	1696	1694	1715	1680	0	1691
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT)	1696	1694	1715	1680	0	1691
Total Use (1000 MT)	2136	2136	2160	2170	0	2230
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	2136	2136	2160	2170	0	2230
(1000 MT)						

Attachments:

No Attachments