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Report Highlights:

In MY 2024/25, the sugar beet area harvested is expected to slightly expand year-to-year as farmers switch to growing more beets in hopes of capturing higher returns compared to sunflowers and corn. In parallel with this expansion in area, sugar production is forecast to grow to nearly 3.2 million metric tons (MMT). While the government has not yet announced the beet sugar production quota for MY 2024/25, the amount is expected to be close to last year's amount of about 3.0 MMT. Any amount produced in excess of the quota will either be exported or used in a food or beverage product for export.

PRODUCTION

Sugar Beets

The MY 2024/25 area harvested for sugar beets is forecast slightly higher year-to-year at 330,000 hectares, assuming that some farmers in Thrace and Central Anatolia will switch from growing sunflowers and corn to planting sugar beets in hopes of higher returns. From a historical perspective, the sugar beet area harvested has stayed relatively steady, generally only increasing in years when the government announces an increase in the beet sugar production quota.

Sugar beet production in MY 2024/25 is projected to increase marginally to 22.5 million metric tons (MMT) in line with the parallel expansion in area harvested. For the growing season, Post is assuming sufficient springtime rainfall, favorable weather conditions, and sufficient volumes of irrigation water; nearly all sugar beets are irrigated.

The MY 2023/24 sugar beet production estimate is revised higher to nearly 22.3 MMT, up 250,000 MT from the USDA official number. The revision assumes better-than-expected yields resulting from favorable weather conditions during much of the growing season.

The state-run sugar company, Turkseker, on behalf of the government of Turkey (GoT) announces the annual purchase price for sugar beets. Turkseker may adjust the purchase price during the marketing year depending on market conditions. Some industry insiders are predicting that the price will increase to keep pace with rising on-farm input costs. Private sugar companies use this price as a reference when contracting beet purchases from farmers.

Last September, the government updated the MY 2023/24 beet purchase price to 1,855 Turkish Lira (TL) per metric ton (\$67.5/MT), compared to 1,450 Turkish Lira (TL) per metric ton (\$75/MT) the year before. (Note: The purchase price in TL increased year-to-year but declined in terms of U.S. dollars (USD) because the TL lost value against the USD.) Separately, to encourage sugar beet production and offset rising input costs, the government has upped its annual [support payment](#) for fertilizer (620 TL/HA) and fuel (210 TL/HA).

There are about 86,000 sugar beet farmers across the country. Sugar beets are planted in a four-year rotation cycle, alternating with corn, wheat, barley, potatoes, sunflowers, and more recently canola. Sugar beets are typically planted in April and harvested in September and October.

Centrifugal Sugar

With the anticipated increase in sugar beet production in MY 2024/25, the production of centrifugal sugar for this period is forecasted to climb slightly higher year-to-year to almost 3.2 MMT.

The sugar production estimate for MY 2023/24 is adjusted upward to 3.1 MMT, due to better-than-expected yields in Central Anatolia, one of the key sugar beet-growing areas. The government's production quota for sugar beets during this period is slightly less than 3.0 MMT. The amount produced in excess of the quota, which is approximately 100,000 MT, will go for export or be used in a food or beverage product for export, in accordance with the rules of the quota system. The quota system is explained in more detail in the policy section.

Historically, like many sectors in Turkey, sugar factories were once all government-owned and operated. In recent years, however, many sugar factories were privatized, except for the state-run Turkseker, which is now the largest sugar company in the country that produces more than one-third of the country's sugar. There are currently 15 companies producing sugar, including Turkseker, private companies, and coops. The combined production capacity of all beet sugar factories is approximately 3.7 million tons per year.

CONSUMPTION

Sugar consumption in MY 2024/25 is projected slightly higher than the previous year at about 3.4 MMT, assuming continued strong demand from the food and beverage industry and stable household demand.

Turkey is a significant consumer of sugar. Consumption levels continue to increase in response to a combination of interrelated factors, among which are a growing population of about 85 million, increasing urbanization, and changing eating habits. Turkey's modern food, beverage, and confectionary industry, which accounts for approximately 80 percent of sugar consumption, uses sugar to produce a wide range of items for domestic sale and export. Households account for the remaining 20 percent of consumption. Turkey's annual per capita consumption is estimated at 35 kilograms, about one-quarter of the levels in the United States.

The prices for bulk and retail-sized packages of sugar have sharply increased in the last year in terms of local currency. As of April 2024, a 50-kilogram bag of [Turkseker](#) sugar cost about 1,300 TL (\$41), compared to 925 TL (\$48) year ago. The year-to-year increase in bulk sugar prices is in part due to rising inflation.

In addition to sugar, Turkey consumes small amounts of starch-based sweeteners. These sweeteners are derived from corn and are used by the food and beverage industry as an ingredient in the production of a variety of confectionary products and beverages.

TRADE

Imports

For MY 2024/25, sugar imports are projected to decrease slightly year-to-year at 360,000 MT, based on the expected increase in domestic production.

The import estimate for MY 2023/24 is revised marginally lower to 380,000 MT, based on the latest trade data and in alignment with upward revision to sugar production for this period.

Sugar imports during the first five months (Oct-Feb) of the current marketing year were down sharply year-over-year to about 92,000 MT, which is only about one-third the amount compared to the previous year. Brazil, France, and Egypt were the top suppliers. According to market sources, imports will likely accelerate in the coming months. See trade table 1 below for details.

Given the prohibitively high tariff of 135 percent on imported sugar, nearly all sugar imports are thought to be coming in under inward processing regime (IPR) which allows duty-free imports as long as the sugar is used in a food or beverage product for export. Because of this high tariff, only specialty sugar that is not domestically produced (e.g., medical, laboratory use) is imported outside these duty-free channels.

Exports

Sugar exports in MY 2024/25 are forecast to remain unchanged from the previous year's newly revised estimate of 110,000 MT. This projection assumes that the government will not impose any unexpected restrictions on exports and transshipment demand will remain steady.

For MY 2023/24, the export estimate is revised upward to 110,000 MT, based on the increased availability of domestic sugar and the latest trade figures. Exports during the first five months (Oct-Feb) of the current marketing year increased to about 80,000 MT, which is five times more than the same period a year ago. About 20,000 MT of this amount was transshipped sugar. Top destinations were Syria and Iraq. Exports are typically limited to these neighboring countries since Turkish sugar is generally more expensive compared to international market prices.

At the end of December 2021, the GoT added domestic sugar (HS 1701) to the list of goods requiring pre-export registration. The purpose of this requirement is to ensure that there are sufficient supplies of domestic sugar. In the event that domestic supplies run thin, the government could decide to limit export volumes.

Other Sugar and Confectionary Exports

Turkey exports starch-based sugar (SBS) made from corn. In recent years, SBS exports have increased as the government has gradually reduced the amount companies can sell on the domestic market. Meantime, Turkey's sugar confectionary products exports have been steadily increasing in recent years. Sugar confectionary exports during the first five months (Oct-Feb) of the current marketing year is about 142,000 MT, which nearly matches the amount for the same period a year ago.

| Table 1: Turkey's Trade for Beet Sugar and Chemically Pure Sucrose, Refined, In Solid Form, Not Containing Added Flavoring or Coloring Matter (HS 170199) | | | |
|--|--------------------------------|--------------------------------|---------------------------------|
| Import Matrix | MY2021/22 (Oct-Sep) | MY2022/23 (Oct-Feb) | MY2023/24* (Oct-Feb) |
| Brazil | 129,602 | 217,705 | 28,894 |
| India | 82,705 | 90,028 | 2,700 |
| Egypt | 28,293 | 57,597 | 13,739 |
| Saudi Arabia | 75,181 | 75,181 | 2,002 |
| Other | 130,999 | 46,730 | 44,364 |
| Total | 446,780 | 487,241 | 91,699 |
| Raw Value Basis | 485,650 | 529,631 | 99,677 |
| | | | |
| Export Matrix | MY2021/22 (Oct-Sep) | MY2022/23 (Oct-Feb) | MY2023/24* (Oct-Feb) |
| Syria | 43,341 | 54,628 | 51,485 |
| Iraq | 33,944 | 150 | 22,580 |
| Georgia | 12,100 | 0 | 1,846 |
| Other | 11,450 | 7,375 | 3,974 |
| Total | 100,835 | 62,153 | 79,885 |
| Raw Value Basis | 109,608 | 67,560 | 86,835 |

Source: Trade Data Monitor Inc

*Note: MY 2023/24 only covers October through February.

| Table 2: Turkey's Exports of Sugars Nesoi, and Sugar Confectionary Products (MT) | | | | |
|---|--|-----------------------|----------------|-----------------|
| Commodity | Description | Marketing Year | | |
| | | 2021/22 | 2022/23 | 2023/24* |
| 1702 | sugars nesoi, including chemically pure lactose, maltose, glucose, and fructose in solid form; sugar syrups (plain); artificial honey; caramel | 403,823 | 277,660 | 128,806 |
| 1704 | Sugar Confectionary (Including White Chocolate), Not Containing Cocoa | 310,559 | 321,916 | 142,442 |

Source: Trade Data Monitor Inc

*Note: MY 2023/24 only covers October through February.

STOCKS

MY 2024/25 ending stocks are forecast unchanged year-over-year at 10,000 MT. The government's sugar production quota system discourages companies from holding excess stocks.

POLICY

Centrifugal Sugar

The sugar sector is widely regulated. The government, under presidential decree, sets production quotas and fixes certain prices. The Sugar Department under the Ministry of Agriculture and Forestry (MinAF) regulates and monitors the market. According to market sources, these government interventions result in a variety of market inefficiencies. These inefficiencies and other market dynamics tend to make Turkish sugar more expensive compared to international market prices.

The GoT regulates sugar production through a quota system that is typically announced at the beginning of each marketing year. The MY 2023/24 quota for beet sugar production is almost 3.0 MMT. The quota system is made up of an A quota, B quota, and C quota. The A quota is the amount sold on the domestic market within a given marketing year. The B quota is a small amount to be kept in reserve as a buffer. The government allocates the A and B quotas among existing 15 sugar producers, of which Turkseker is allocated approximately one-third of the total.

Companies unable to sell their individual A quota allocations will typically export the sugar under the C quota (unspecified amount) or sell it to companies producing food and beverage products for export. Otherwise, the unsold amount will be deducted from the sugar factory's quota for the following year.

The beet sugar and starch-based sugar (SBS) quotas for the 2023/24 marketing year were published in the [Official Gazette](#) on August 1, 2023. As shown in the table below, both quotas increased in size from the previous year. The beet sugar quota was nearly 3.0 MMT and the quota for SBS was nearly 73,000 MT. The quotas for the 2024/25 season have not yet been announced, but it is expected that they will increase in size to meet growing demand requirements.

| | 2021/2022 MY | | | 2022/2023 MY | | | 2023/2024 MY | | |
|--------------------|--------------|----------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|------------------|
| | A Quota | B Quota | TOTAL | A Quota | B Quota | TOTAL | A Quota | B Quota | TOTAL |
| Beet Sugar | 2,632.50 | 131.625 | 2,764.13 | 2,681.25 | 134.062 | 2,815.31 | 2,837.25 | 141.863 | 2,979.113 |
| Starch-Based Sugar | 67.5 | - | 67.5 | 68.75 | - | 68.75 | 72.75 | - | 72.75 |
| Total Quota | 2,700 | 131.625 | 2,831.63 | 2,750.00 | 134.062 | 2,884.06 | 2,910.00 | 141.863 | 3,051.863 |

Source: [Official Gazette](#)

Starch-Based Sugar (SBS)

The MY 2023/24 SBS quota was set at 2.5 percent of the national sugar quota at 72,750 MT, which is up incrementally from the previous year. Half of the quota amount is required to be glucose, which is

equivalent to about 54,000 MT of HFCS. SBS that is sold on the domestic market must be made from locally grown corn.

Over the last decade, the SBS quota has been cut in favor of beet sugar production. In fact, the MY 2022/23 quota is about 80 percent smaller than the average quota amount between 2003-2016.

There are five SBS producers under the quota system, all of which are privately owned and have a combined annual processing capacity of about 1.1 MMT. In addition, there are five other SBS companies outside the quota system which are only allowed to export. Their annual processing capacity is about 340,000 MT.

| 2003-2016 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 313-407 (avg) | 265 | 134 | 135 | 67.5 | 67.5 | 67.5 | 68.75 | 72.75 |
| 15% | 10% | 5% | 5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |

Source: Official Gazette

| Company Name | Quota (MT) |
|--|-------------------|
| Cargill Tarım ve Gıda Sanayi ve Ticaret a.ş. | 31,893 |
| Amylum Nişasta Sanayi ve Ticaret a.ş. | 22,633 |
| Pns Pendik Nişasta Sanayi a.ş. | 10,330 |
| Tat Nişasta İnşaat Sanayi ve Ticaret a.ş. | 4,685 |
| Sunar Misir ent. Tes. Sanayi ve ticaret a.ş. | 3,209 |
| Total | 72,750 |

Source: Official Gazette

Production, Supply and Distribution Data Statistics

| Sugar Beets Market Year Begins Turkey | 2022/2023 | | 2023/2024 | | 2024/2025 | |
|---|---------------|----------|---------------|----------|---------------|----------|
| | Sep 2022 | | Sep 2023 | | Sep 2024 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Planted (1000 HA) | 320 | 320 | 325 | 325 | 0 | 330 |
| Area Harvested (1000 HA) | 320 | 320 | 325 | 325 | 0 | 330 |
| Production (1000 MT) | 21500 | 21500 | 22000 | 22250 | 0 | 22500 |
| Total Supply (1000 MT) | 21500 | 21500 | 22000 | 22250 | 0 | 22500 |
| Utilization for Sugar (1000 MT) | 21500 | 21500 | 22000 | 22250 | 0 | 22500 |
| Utilizatn for Alcohol (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Distribution (1000 MT) | 21500 | 21500 | 22000 | 22250 | 0 | 22500 |
| | | | | | | |

(1000 HA) ,(1000 MT)

| Sugar, Centrifugal Market Year Begins Turkey | 2022/2023 | | 2023/2024 | | 2024/2025 | |
|--|---------------|----------|---------------|----------|---------------|----------|
| | Oct 2022 | | Oct 2023 | | Oct 2024 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Beginning Stocks (1000 MT) | 10 | 10 | 10 | 10 | 0 | 10 |
| Beet Sugar Production (1000 MT) | 2900 | 2900 | 3050 | 3100 | 0 | 3150 |
| Cane Sugar Production (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Sugar Production (1000 MT) | 2900 | 2900 | 3050 | 3100 | 0 | 3150 |
| Raw Imports (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| Refined Imp.(Raw Val) (1000 MT) | 500 | 530 | 400 | 380 | 0 | 360 |
| Total Imports (1000 MT) | 500 | 530 | 400 | 380 | 0 | 360 |
| Total Supply (1000 MT) | 3410 | 3440 | 3460 | 3490 | 0 | 3520 |
| Raw Exports (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| Refined Exp.(Raw Val) (1000 MT) | 60 | 68 | 60 | 110 | 0 | 110 |
| Total Exports (1000 MT) | 60 | 68 | 60 | 110 | 0 | 110 |
| Human Dom. Consumption (1000 MT) | 3340 | 3362 | 3390 | 3370 | 0 | 3400 |
| Other Disappearance (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Use (1000 MT) | 3340 | 3362 | 3390 | 3370 | 0 | 3400 |
| Ending Stocks (1000 MT) | 10 | 10 | 10 | 10 | 0 | 10 |
| Total Distribution (1000 MT) | 3410 | 3440 | 3460 | 3490 | 0 | 3520 |
| | | | | | | |

(1000 MT)

Attachments:

No Attachments