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Report Name: Sugar Semi-annual

Country: Turkiye

Post: Ankara

Report Category: Sugar

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Report Highlights:

Turkiye's beet sugar production in marketing year (MY) 2024/25 is forecast to decline year-over-year due to dry and hotter-than-normal weather conditions in the country's beet growing areas. Our production forecast matches the government-dictated production quota of 3.1 million metric tons (MMT), which was announced back in May 2024. The quota predominantly favors beet sugar production versus corn starch-based sugar. Besides weather-related factors and incremental changes to the size of the quota, there is little change year-to-year in Turkiye's sugar complex because the sector is highly regulated by the government.

Production

Sugar Beets

The sugar beet area planted in MY 2024/25 remains unchanged at 330,000 hectares (ha). However, sugar beet production is trimmed back from the official USDA figure to 22.0 million metric tons (MMT) due to lower-than-expected yields resulting from dry and hotter-than-normal weather conditions in some of the beet growing areas. This year's harvest kicked off in September and will end in October.

For MY2024/25, Turkseker, the government affiliated sugar company, announced the baseline procurement price for sugar beets at 2,375 TL (\$69.5/MT). By comparison, last year's purchase price was 1,850 Turkish Liras (TL)/MT (\$68.45/MT). At the start of each harvest, Turkseker sets a baseline procurement price for sugar beets with a polarity rate of 16. The sugar factories pay the farmers according to the polarity rate of their beets relative to the baseline price.

The MY 2023/24 sugar beet production estimate is revised higher to 23.0 MMT on account of better-than-expected yields due to favorable rainfall conditions in the spring of that year.

Centrifugal Sugar

In parallel with the forecasted decrease in beet production, the output of centrifugal sugar will slightly decline to 3.1 MMT in MY 2024/25.

The sugar production estimate for MY 2023/24 is revised higher to 3.4 MMT in line with an increase in sugar beet production.

Besides setting a reference procurement price for sugar beets, the Turkish government also uses a quota system to regulate the production of sugar made from beets and corn starch. In May 2024, the government announced the MY 2024/25 quota at 3.05 MMT, which is unchanged from last year. From Post's perspective, one potential reason for the quota remaining the same is because domestic sugar consumption has been fairly flat the last couple years.

The quota amount consists of 2.98 MMT of beet sugar and the remainder is starch-based sugar (SBS) made from corn. The quota is divided into smaller quotas by sugar type and are known as the A, B, and C quotas.

- The **A quota** is the amount to be 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 B quota is generally around 5 percent of the larger A quota.
- The **C quota** is the unsold amount of the A quota that is exported. The C quota amount is not predefined.

	2022/2023 MY			2023/2024 MY			2024/2025 MY		
	A Quota	B Quota	TOTAL	A Quota	B Quota	TOTAL	A Quota	B Quota	TOTAL
Beet Sugar	2,681.25	134.062	2,815.31	2,837.25	141.863	2,979.113	2,837.25	141.863	2,979.113
Starch-Based Sugar	68.75	-	68.75	72.75	-	72.75	72.75	-	72.75
Total Quota	2,750.00	134.062	2,884.06	2,910.00	141.863	3,051.863	2,910.00	141.863	3,051.863

Source: Official Gazette <https://www.resmigazete.gov.tr/eskiler/2024/05/20240521-20.pdf>

Consumption

The centrifugal sugar consumption forecast for MY 2024/25 is adjusted slightly lower from the USDA official number to 3.37 MMT, which matches the previous year. This forecast assumes steady demand from the food and beverage industries as well as households.

The state-owned sugar corporation, Turkseker, and other private producers, wholesalers, and retailers handle the marketing of sugar. As of September 2024, the retail price of crystal sugar is 28.2 TL/kg (\$0.8/kg), which is up about three percent from a year ago.

Trade

Imports

For MY 2024/25, sugar imports are projected at 380,000 MT (raw sugar equivalent), up slightly from the USDA projection to compensate for some of the minor loss in domestic sugar production. Imported sugar mostly enters the market duty-free for use in making confectionary products that are re-exported, under the parameters of the [Inward Processing Regime \(IPR\)](#).

The MY 2023/24 import estimate is cut in half to 160,000 MT (raw sugar equivalent) due to better-than-expected domestic sugar production. During the first ten months of MY 2023/24 (Oct-Jul), imports totaled nearly 160,000 MT. The leading suppliers were Brazil (59,000 MT), France (17,000 MT), and Egypt (16,000 MT).

Exports

In MY 2024/25, beet sugar exports are projected at 110,000 MT (raw sugar equivalent), which is unchanged from the USDA forecast but down year-over-year because sugar production volumes this year are smaller.

For MY 2023/24, the export forecast is revised higher to 190,000 MT, an increase of 80,000 MT over the USDA figure because beet sugar production was bigger-than-expected. During the first ten months of MY 2023/24 (Oct-Jul), sugar exports totaled about 166,000 MT (raw sugar equivalent). Syria and Iraq were the main export destinations at 87,000 MT and 64,000 MT, respectively.

Starting in January 2022, exports of domestic sugar (HS code 1701) require advance registration and pre-export approval from the Ministry of Trade (MoT). The Ministry uses this registration requirement to manage domestic sugar supplies and could restrict exports if they determine supplies are too thin.

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.

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	330	330
Area Harvested (1000 HA)	320	320	325	325	300	330
Production (1000 MT)	21500	21500	22050	23000	22500	22000
Total Supply (1000 MT)	21500	21500	22050	23000	22500	22000
Utilization for Sugar (1000 MT)	21500	21500	22050	23000	22500	22000
Utilizatn for Alcohol (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	21500	21500	22050	23000	22500	22000

(1000 HA) ,(1000 MT)

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

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	10	10
Beet Sugar Production (1000 MT)	2900	2900	3100	3400	3150	3100
Cane Sugar Production (1000 MT)	0	0	0	0	0	0
Total Sugar Production (1000 MT)	2900	2900	3100	3400	3150	3100
Raw Imports (1000 MT)	0	0	0	0	0	0
Refined Imp.(Raw Val) (1000 MT)	530	530	380	160	360	380
Total Imports (1000 MT)	530	530	380	160	360	380
Total Supply (1000 MT)	3440	3440	3490	3570	3520	3490
Raw Exports (1000 MT)	0	0	0	0	0	0
Refined Exp.(Raw Val) (1000 MT)	68	68	110	190	110	110
Total Exports (1000 MT)	68	68	110	190	110	110
Human Dom. Consumption (1000 MT)	3362	3362	3370	3370	3400	3370
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	3362	3362	3370	3370	3400	3370
Ending Stocks (1000 MT)	10	10	10	10	10	10
Total Distribution (1000 MT)	3440	3440	3490	3570	3520	3490

(1000 MT)

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Attachments:

No Attachments