

Voluntary Report – Voluntary - Public Distribution

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Report Name: Türkiye Restricted Poultry Meat Exports

Country: Türkiye

Post: Ankara

Report Category: Poultry and Products, Agricultural Situation

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Report Highlights:

According to a decision by the Ministry of Commerce, chicken meat exports, including whole chicken and its cuts, are limited to a maximum of 10,000 metric tons (MT) per month from May 1-December 31, 2024, and 80,000 MT in total by the end of the year. Türkiye produces 2.4 million metric tons (MMT) of chicken meat annually, and exports one-third of that. Export restrictions were imposed due to increasing prices in the domestic market. May inflation in Türkiye was 3.37 percent and annual inflation was 75.45 percent, the highest in the last 18 months. The rising star of inflation is poultry meat, with an increase of 107 percent within one year.

Note: All years refer to the calendar year.

Production:

While Türkiye typically sees an annual poultry meat production increase of 8-10 percent, 2024 chicken meat production is estimated to increase by only 2 percent to 2.38 MMT. This negligible increase is due high feed prices, ongoing uncertainties in export markets, severe drought expectations, and struggles with supplies of breeding materials due to high import costs and/or Highly Pathogenic Avian Influenza (HPAI) cases. Despite these difficulties, producers will see some relief from expected decreases in soy and corn prices this year.

In 2023, chicken meat production was 2.33 MMT, which is 3.1 percent less than the previous year due to especially high production costs and feed prices (which depend on the U.S. dollar exchange rate), a severe drought situation impacting domestic feed production, and ongoing uncertainties related to export demands and decreases in domestic consumption. Additionally, supplies of imported breeding materials decreased 9 percent in 2023 due to high import costs. In 2022, Türkiye produced 2.4 MMT of chicken meat.

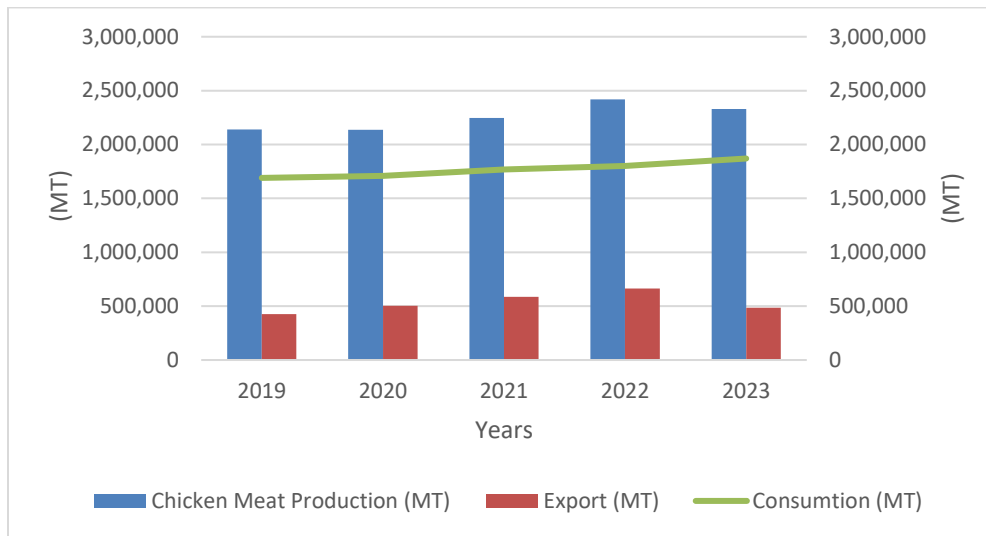
Consumption:

In 2024, chicken meat consumption is estimated to increase slightly to 1.9 MMT, in correlation with stagnated production, increased exports, and expected high market prices.

2023 chicken meat consumption is forecast slightly higher than 2022 at 1.87 MMT, mostly due to decreased exports, and despite continued high poultry meat prices at retail markets. In 2023, poultry meat prices at retail outlets increased 30 percent, and with chicken wing prices specifically increasing 133 percent.

For 2022, chicken meat consumption is revised up to 1.8 MMT, or 21.9 kg per capita. As a protein source, chicken meat is the cheapest animal product for Turkish citizens, since Turks do not generally consume pork meat.

Chart 1. Poultry Meat Production, Export and Consumption, 2019- 2023



Source: Turkish Statistical Institute (TurkSTAT) and Trade Data Monitor, LLC.

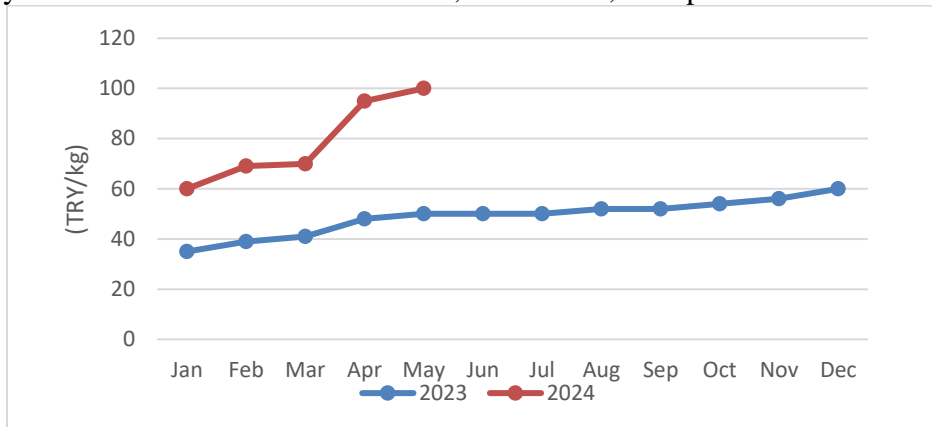
Exports:

In 2024, Turkish chicken meat exports are estimated to significantly decrease by 50 percent to 270,000 MT due to the export restriction imposed as of May 2024.

Türkiye’s Ministry of Commerce has imposed a temporary export restriction on chicken meat (including HTS codes: **0207.11, 0207.12, 0207.13, 0207.14**, excluding offals with HTS codes: **0207.13.91, 0207.13.99, 0207.14.91 and 0207.14.99**) from May 1 to December 31, 2024, due to rising domestic market prices, as food inflation has soared by 70.14 percent in May 2024 due to high production costs including fuel, animal feed and electricity, which are affecting farmers and consumers.

Within the last six months, chicken meat prices at domestic markets have spiked by almost 150 percent due to low production because of high input costs and increasing domestic demand, because chicken meat has still been the cheapest protein source. Currently, one kilogram of ground beef costs around \$18, and analysts are predicting further spikes in meat prices, going up as much as 30% through mid-summer.

Chart 2. Poultry Meat Prices at Domestic Markets, 2023-2024, Comparison



Source: Medium incomes supermarkets, the average prices for whole chicken meat.

As part of the Ministry of Commerce’s new restriction, exports are limited to 10,000 MT per month with a total of 80,000 MT by year-end. According to the Ministry’s decision, the restriction includes only poultry meat and its parts, including mechanically de-boned meats (MDM). The restriction does not include chicken paws. Turkish exporters are devastated by the restriction, and they are very concerned about losing their markets, which total \$1 billion.

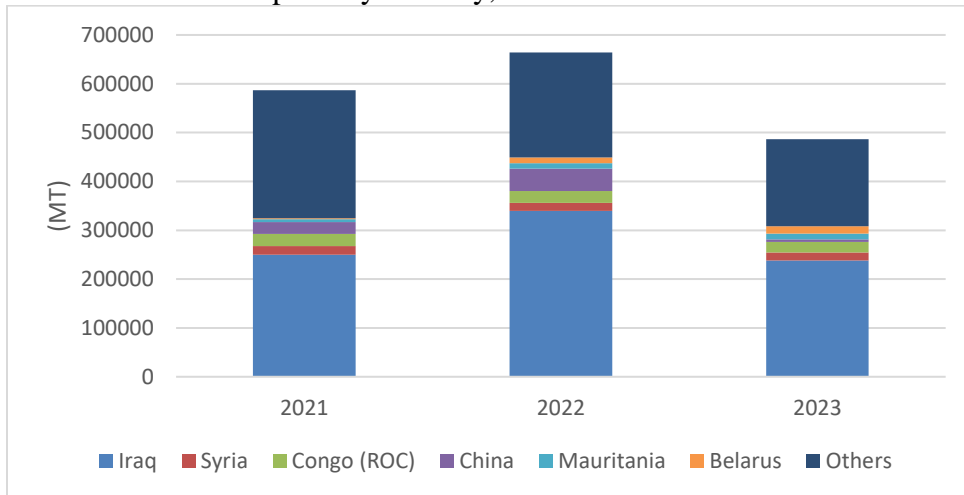
Türkiye has been playing an important role in the global poultry meat trade, with the rank of 8th in global exports last year. In 2023, Türkiye produced 2.3 MMT of chicken meat, which was 3.6 percent lower than the previous year. Poultry meat production for the first 2 months of 2024 is 10 percent higher than the same period last year, and it is expected that this trend will continue through the end of the year. Türkiye has been traditionally self-sufficient in both domestic demand and exports.

In 2023, Turkish chicken meat exports were 451,839 MT (valued at \$677 million), 25 percent less than the previous year due to reduced shipments to top export markets like Iran, Iraq, China, Philippines, and Japan following several HPAI cases during the first four months of the year. Another cause of reduced export demand was the economic uncertainty leading up to the general election in May. Moreover, export demand decreased in May 2023 since the Ministry of Trade added poultry meat and edible offal to the list of commodities which must be registered before export.

In 2022, chicken meat exports were 602,874 MT (excluding chicken paws), valued at \$961 million.

In 2023, the Turkish Competition Authority started a preliminary investigation against ten Turkish poultry producing companies, following allegation of unfair price increases in the domestic market. Last month, the Authority published their decision that those companies have created exorbitant price hikes in domestic markets, and administrative fines of 10 million Turkish Lira were imposed on eight firms found in violation by the Unfair Price Evaluation Board.

Chart 3. Turkish Chicken Meat Exports by Country, 2021-2023



Source: Trade Data Monitor, LLC.

Türkiye Chicken Paws Exports:

Due to HPAI cases in Türkiye in early 2023, China halted imports of chicken meat and legs. Chicken leg exports to Laos and Vietnam continued, despite HPAI cases. In 2024, it is expected that paws exports will decrease further, although chicken paws are not on the restricted list for export.

In 2023, exports of chicken legs to Belarus and Vietnam increased more than 100 percent. According to local contacts, Türkiye sent chicken legs to China via Belarusian and Vietnamese ports as products of those countries. Meanwhile, the Turkish Ministry of Agriculture and Forestry has been in contact with Chinese authorities to get approval for Turkish chicken head exports.

According to sector contacts, Türkiye has been using two different HTS codes for paw exports depending on paw quality and length:

- 020714990012
- 020714990019

The export numbers in PSD have been revised by excluding the aforementioned HS codes from the total chicken meat exports, but to include HS Codes 0207.11, 0207.12, 0207.13, 0207.14, 1602.32.

Egg Exports:

In 2024, egg exports are estimated to increase due to expected export demand, especially from Iran. In 2023, Türkiye exported 62 million eggs, approximately 20 million more than the previous year due to strong demand of Iraq, Iran, and Caucasus countries.

Attachments:

No Attachments.