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Report Highlights:

The wheat and barley harvest is continuing in Turkey, approximately two weeks behind the normal harvest schedule this year. Wheat production is forecast at 17.25 Million Metric Tons (MMT), and barley production is forecast at 7.4 MMT in Marketing Year (MY) 2022/23. The first corn crop planting finished with total corn production forecast at 6.2 MMT. Turkey announced a record procurement price for wheat and barley this year. Amid increasing agricultural input costs and turmoil in the Russian and Ukrainian grain markets, the main exporters of grain to Turkey, food inflation continues to be a major societal concern.

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Production

Wheat

The total wheat production forecast is increased slightly to 17.25 million metric tons (MMT) for marketing year (MY) 2022/23 from an original forecast of 17 MMT in April because of better weather conditions between April and June in almost all regions except Southeastern Anatolia. Better yields compared to last year due to improved weather conditions mostly offset production losses from the reduction in area harvested and reduced fertilizer and chemical use.

MY 2022/23 wheat planting is forecast to decrease to 6.8 million hectares (ha), down 250,000 ha compared to MY 2021/22 as farmers switch to alternative crops mainly due to competition with barley and sunflowers in unirrigated areas, as well as other higher value regional products with better financial returns this year.

Normally, the winter wheat harvest occurs between mid-May and late-July. This year, the harvest is around two weeks later than normal in almost all regions. Currently almost half of the harvest is completed in Turkey. Especially in the central and western parts of the country, where the harvest is not completed, the high precipitation experienced during the month of June has caused quality concerns. Though yields and quality vary by region and by field due to irrigation and precipitation differences, overall quality issues throughout Turkey this year are related to less fertilizer and chemical usage due to the high costs of these items. However, after last year’s difficult drought, farmers are pleased with current yields in barley and wheat in almost all regions, except southeastern Anatolia where drought again caused yield losses in unirrigated areas. However, those losses are offset by production increases in other regions. Of the total 17.25 MMT of wheat that is expected to be produced in Turkey in MY 2022/23, 2.25 MMT is durum wheat.

Barley

The barley production forecast for MY 2022/23 is 7.4 MMT, due to favorable weather condition in May and June and an increased planting area compared to MY 2021/22. Barley fields are generally unirrigated, and yields are directly linked to rainfall. Like wheat, barley crop yield expectations are strong for almost all regions this year. Yields are better than expected in Central Anatolia and Thrace, more than offsetting the drought-stricken areas of Sanliurfa and Mardin in southeastern Turkey. In these southeastern areas, some farmers again decided not to harvest their fields because of poor yields.

Corn

MY 2022/23 corn planting in Turkey is completed. The corn harvest will begin at the end of August. The corn production forecast for MY 2022/23 is 6.2 MMT, due to favorable weather conditions in May and June after planting which caused increased yield expectations. In MY 2022/23, the Turkish corn planting area forecast is 525,000 ha, down from 540,000 ha in MY 2021/22. Decreases in production are mainly in southeastern Turkey and more than offset new corn planting areas in Eskisehir and the Black Sea region. The regions of Central Anatolia, the Southeast, Cukurova, and the Aegean are the primary corn producers in Turkey. First-crop corn planting is common in the Cukurova, Aegean, and Marmara regions. Second-crop corn is a common product in Southeast Anatolia, especially in the Sanliurfa and

Mardin regions. However, due to increased cotton replacing corn in the southeast, the second-crop corn harvest production expectation is also down, as mentioned in the April Grain and Feed Annual Report.

Rice

The MY 2022/23 paddy rice area forecast is 99,000 ha with a production forecast of 896,000 MT, higher than last year, assuming improved yields resulting from favorable weather expectations. The water level in the dams in Thrace and other rice-growing regions is sufficient this year. So far, paddy germination and plant development are promising throughout Turkey.

Consumption

The Turkish domestic wheat consumption forecast is 20.3 MMT in MY 2022/23, up 100,000 MT from the previous year with a slight increase in feed usage of wheat while food, seed, and industrial consumption remain the same.

The barley consumption forecast for Turkey in MY 2022/23 is projected at 7.5 MMT which parallels the increase in production over last year.

In MY 2022/23, Turkish domestic corn consumption is projected at 9.1 MMT, slightly lower than last year, assuming similar demand from the feed sector and starch industry.

Rice consumption in Turkey in MY 2022/23 is projected to decrease marginally to 800,000 tons as domestic household use will slightly decline due to high rice prices compared to less expensive grain alternatives such as pasta, bulgur, and bread.

Trade

Wheat

For MY 2022/23, Turkey's wheat import forecast is 10.25 MMT to meet domestic food and feed demand, strengthen country stocks, and meet stable demand from wheat product producers and exporters. Total wheat exports from Turkey for MY 2022/23, including wheat products, are forecast at 6.75 MMT, similar to MY 2021/22, assuming the government does not implement any export limitations on wheat products. More background on the sector is available in the Turkey Grain and Feed Annual Report.

Turkey imported about 9.4 MMT of wheat in MY 2021/22. The main suppliers were Russia with 6.3 MMT and Ukraine with 2 MMT of wheat. Moldova (400,000 MT) and Brazil (125,000 MT) were the other main sources. The Turkish Grain Board (TMO)'s imports at the behest of the government are the main driving force of imports. Difficulties in Black Sea grain exports due to shipping effects from the Russia-Ukraine War in the last quarter of the 2021/22 marketing year caused total wheat imports to be slightly lower than the annual estimation.

In MY 2021/22, wheat exports from Turkey (including flour and wheat products) are estimated to be 6.7 MMT (wheat equivalent basis), of which about 4.1 MMT is wheat flour, about 1.9 MMT is pasta, and about 350,000 MT is bulgur.

The President of Turkey announced the 2022 grain intervention prices on June 5, 2022. Remarkably, the prices announced are more than double the previous year. The Turkish Grain Board (TMO) is offering an intervention price of 6,450 TL/MT ($391/MT) for Anatolian Hard Red Milling Wheat (AKS), 6900 TL/MT ($418/MT) for durum wheat, and 5700 TL/MT ($345/MT) for barley (based on an exchange rate of US$1=16.5 TL as of June 5 ,2022). The Ministry of Agriculture and Forestry will also make an additional premium payment of 1,000 TL/MT for wheat and 500 TL/MT for barley to farmers who sell their products to TMO by September 1, 2022.

In comparison, last year the intervention price for Anatolian Hard Red Milling Wheat (AKS) was 2250 TL/MT ($268/MT), durum wheat was 2450 TL/MT ($291/MT), and barley was 1750 TL/MT ($208/MT) (with an exchange rate of US$1=8.4 TL as of May 17, 2021).

In the first week of June 2022 in the main Turkish commodity exchange, the average Anatolian Hard Red Wheat (AKS) commercial price was about 6500 TL/ton ($393/MT), barley was 6300 TL/MT ($381/MT), and corn was 6100 TL/MT ($370/MT). Last year, the local prices were 2400 TL/MT, 2300TL/MT, and 2300 TL/MT, respectively. In other words, the main grain commodity prices more than doubled in TL terms in a year, keeping pace with the lira/dollar exchange rate which moved from 8.4:1 in June 2021 to 16.5:1 in June 2022. The CIF price for imported wheat (12.5 protein) was about $430/MT in June 2022.

Besides the grain prices which more than doubled in a year, according to the Turkish Statistical Institution, overall yearly inflation increased 78.62 percent, and the producers price index rose 138.31 percent while food and non-alcoholic beverages prices increased 93.93 percent and agricultural inputs increased 123.72 percent.

During MY 2021/22, TMO purchased imported wheat and sold it to local millers at a significant discount below domestic and international prices. TMO announced that it will continue this flour regulation program for bread bakeries in the new marketing year.

Barley

After a bad harvest in MY 2021/22, Turkey's barley import forecast increased 2.87 MMT to meet normal demand from the feed sector. The main barley export suppliers were Russia with 1.16 MMT, Ukraine with 1.09 MMT, and Romania with 265,000 MT. Almost all barley was imported by TMO in the scope of Turkey's feed regulation program, as mentioned the annual report. For MY 2022/23, barley imports are projected much lower at 400,000 MMT since the domestic barley crop is forecasted to rebound.

Corn

Corn imports for the first nine months of MY 2021/22 (from September to May) reached about 2.5 MMT. Ukraine was the main supplier with 1 MMT, followed by Russia with about 810,000 MT.

Turkey's corn import forecast in MY 2022/23 is 3 MMT to meet demand from the feed and starch sector.

Rice

For MY 2022/23, the forecast for rice imports to Turkey is 430,000 MT, milled equivalent, similar to the previous year. For MY 2022/23, the forecast for rice exports from Turkey is 230,000 MT, milled equivalent, also similar to the previous year.

Production, Supply, and Distribution

Wheat	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jun 2020		Jun 2021		Jun 2022	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	7100	7100	7050	7050	7000	6800
Beginning Stocks (1000 MT)	4468	4468	3730	3730	2237	2237
Production (1000 MT)	18250	18250	16000	16000	17500	17250
MY Imports (1000 MT)	8081	8081	9421	9421	10000	10250
TY Imports (1000 MT)	8051	8051	9500	6500	10000	10250
Total Supply (1000 MT)	30799	30799	29151	29151	29737	29737
MY Exports (1000 MT)	6469	6469	6714	6714	6750	6750
TY Exports (1000 MT)	6571	6571	6500	6500	6750	6750
Feed and Residual (1000 MT)	2000	2000	1400	1400	1500	1500
FSI Consumption (1000 MT)	18600	18600	18800	18800	19200	18800
Total Consumption (1000 MT)	20600	20600	20200	20200	20700	20300
Ending Stocks (1000 MT)	3730	3730	2237	2237	2287	2687
Total Distribution (1000 MT)	30799	30799	29151	29151	29737	29737
Yield (MT/HA)	2.5704	2.5704	2.2695	2.2695	2.5	2.5368

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2022/2023 = July 2022 - June 2023

Barley	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jun 2020		Jun 2021		Jun 2022	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3800	3800	3700	3700	3800	3800
Beginning Stocks (1000 MT)	766	766	522	522	316	316
Production (1000 MT)	8100	8100	4500	4500	7000	7400
MY Imports (1000 MT)	706	706	2867	2867	800	400
TY Imports (1000 MT)	1634	1634	2100	2100	800	400
Total Supply (1000 MT)	9572	9572	7889	7889	8116	8116
MY Exports (1000 MT)	60	60	173	173	100	100
TY Exports (1000 MT)	122	122	135	135	100	100
Feed and Residual (1000 MT)	8100	8100	6500	6500	6600	6600
FSI Consumption (1000 MT)	890	890	900	900	900	900
Total Consumption (1000 MT)	8990	8990	7400	7400	7500	7500
Ending Stocks (1000 MT)	522	522	316	316	516	516
Total Distribution (1000 MT)	9572	9572	7889	7889	8116	8116
Yield (MT/HA)	2.1316	2.1316	1.2162	1.2162	1.8421	1.9474

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Barley begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

Corn	2020/2021		2021/2022		2022/2023	
Market Year Begins	Sep 2020		Sep 2021		Sep 2022	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	620	620	540	540	520	525
Beginning Stocks (1000 MT)	825	825	889	889	589	589
Production (1000 MT)	7100	7100	6500	6500	6000	6200
MY Imports (1000 MT)	1781	1781	2800	2800	3000	3000
TY Imports (1000 MT)	1794	1794	2800	2800	3000	3000
Total Supply (1000 MT)	9706	9706	10189	10189	9589	9789
MY Exports (1000 MT)	317	317	400	400	200	200
TY Exports (1000 MT)	309	310	400	400	200	200
Feed and Residual (1000 MT)	7400	7400	8100	8100	8000	8000
FSI Consumption (1000 MT)	1100	1100	1100	1100	1100	1100
Total Consumption (1000 MT)	8500	8500	9200	9200	9100	9100
Ending Stocks (1000 MT)	889	889	589	589	289	489
Total Distribution (1000 MT)	9706	9706	10189	10189	9589	9789
Yield (MT/HA)	11.4516	11.4516	12.037	12.037	11.5385	11.8095

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Corn begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

Rice, Milled	2020/2021		2021/2022		2022/2023	
Market Year Begins	Sep 2020		Sep 2021		Sep 2022	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	97	97	97	97	99	99
Beginning Stocks (1000 MT)	181	181	161	161	92	92
Milled Production (1000 MT)	591	591	541	541	600	600
Rough Production (1000 MT)	882	882	807	807	896	896
Milling Rate (.9999) (1000 MT)	6700	6700	6700	6700	6700	6700
MY Imports (1000 MT)	412	412	430	430	450	430
TY Imports (1000 MT)	332	332	450	450	450	430
Total Supply (1000 MT)	1184	1184	1132	1132	1142	1122
MY Exports (1000 MT)	213	213	230	230	230	230
TY Exports (1000 MT)	241	241	230	230	230	230
Consumption and Residual (1000 MT)	810	810	810	810	800	800
Ending Stocks (1000 MT)	161	161	92	92	112	92
Total Distribution (1000 MT)	1184	1184	1132	1132	1142	1122
Yield (Rough) (MT/HA)	9.0928	9.0928	8.3196	8.3196	9.0505	9.0505

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2022/2023 = January 2023 - December 2023

Attachments:

No Attachments