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Report Highlights:

Turkey's Marketing Year (MY) 2021/22 wheat production estimate is lowered slightly to 16.25 million metric tons (MMT), while barley production is further lowered to 4.5 MMT. Severe drought across large portions of Anatolia account for the lowered production. Turkey's MY 2021/22 corn planting area is expected to be approximately 540,000 hectares with production totaling 6.5 MMT. The MY 2021/22 paddy rice planting area is estimated at 97,000 ha, producing 807,000 MT. Turkey is currently struggling with high food inflation. In an attempt to lower food shelf prices, the Government of Turkey has intervened in many aspects of the market to try to lessen domestic food inflation. State-affiliated bodies are now involved in almost all stages of the value chain in the food and agricultural sectors in recent years.

Production

Wheat

All of Turkey's wheat has been harvested and marketing year (MY) 2021/22 total wheat area is estimated at 7.05 million hectares (ha) and production is 16.25 million metric tons (MMT). Wheat yield in the Central Anatolia region was slightly lower than expected in initial post estimates. An increase in production in the Thrace region was not sufficient to compensate for losses in other regions. Despite a better crop in Thrace than the previous year, heavy rains during July led to a loss of quality.

Barley

The barley production forecast for MY 2021/22 is 4.5 MMT, due to major crop losses in the Southeast and Central Anatolia regions as a result of intense heat and drought, as originally reported in the previous grain and feed update report. Rains in the late spring were not enough to eliminate the earlier months of drought in Central Anatolia.

Corn

MY 2020/21 corn production is forecast at 6.5 MMT, down 600,000 MT compared to the last marketing year due mainly to decreased planting area in the Southeast.
The first-crop corn harvest has been completed in the Cukurova and Southeastern regions and is continuing in Central Anatolia. Yields have been increasing with new (non-genetically engineered) seed technologies and better irrigation systems in years. The second-crop harvest will start in the Southeastern region (around Mardin and Sanliurfa) in November.

Rice

MY 2021/22 total paddy rice area and production are estimated at 97,000 hectares and 807,000 metric tons, which is 75,000 MT lower than previously estimated. Farmers in the Marmara and Thrace regions suffered from rice blast disease which caused yield losses this year. The harvest started in September and is expected to continue till November.

Trade

Wheat imports during the first three months of MY 2021/22 were about 1.77 MMT, of which 28,000 was durum wheat and the remaining was milling wheat, a 22 percent increase in imports compared to the same period in MY 2020/21. Russia (1.3MMT) and Ukraine (245,000 MT) were the main suppliers.

Turkey's wheat flour exports during the first three months of MY 2021/22 were just above last year's exports of the same period, reaching 866,000 MT. Iraq continues to be the leading importer with 397,000 MT, followed by Yemen with 80,000 MT.

The Turkish Grain Board (TMO), a government-affiliated body, has been very active in market interventions so far in MY 2021/22. After TMO announced grain intervention price in May 2021, TMO imported about 1.3 MMT of wheat, 1.8 MMT of barley and about 300,000 MT of corn duty free with several tenders. Although TMO never announce tenders and their results in public, other policy announcements and sales can be followed on its official website here.

Turkey's pasta exports were also up five percent during the same period, reaching 264,000 MT. Venezuela (77,000 MT), Somalia (53,500 MT), and Benin (31,500 MT) are main destination for Turkish pasta.

Turkey has maintained its top ranking in the global pasta and flour markets, despite increasing economic pressures. Since 2018, the GoT has attempted to lower inflation through unconventional means, squeezing the wheat products sector. Large fluctuations in domestic production and prices, unexpected policy changes (like eliminating tariffs for wheat and other grains for a period of time), the continued depreciation of the Turkish Lira (TL) currency, and increased shipping costs have all negatively affected Turkish wheat product exports.

TMO announced that it continues selling barley at around 2,000 TL/MT ($222/MT) to breeders and feed producers; milling wheat at around 2,550 TL/MT ($283/MT) to wheat flour producers and the poultry sector; durum wheat at around 2,700 TL/MT ($300/MT) to bulgur producers to provide price stability to the internal market. In an effort to control food price inflation in Turkey, TMO can sometimes sell imported goods to the domestic market for domestic usage at a price lower than TMO paid to procure and import the wheat. TMO also announced that in order to reduce the production costs of meat, milk, and feed producers, the GoT increased the statutory authority and reach of the TMO to import commodities duty free and control domestic prices. Additionally, President Erdogan instructed TMO to initiate a "Feed Regulation Action" to implement a long-term strategy for regulating feed prices.

Corn imports in MY 2020/21 were about 1.78 MMT. Russia (930,000 MT), Ukraine (499,000 MT), and Romania (160,000 MT) were the leading suppliers. Corn imports are forecast at 2.8 MMT in MY 2021/22 assuming stable demand from the domestic feed sector and for transshipments.

Rice imports for Turkey are estimated at 412,000 MT in MY 2020/21, milled equivalent, of which about 332,000 MT was rice, 73,000 MT was paddy rice, and 7,000 MT was brown rice.

While China (88,000 MT), India (40,000 MT), and Italy (30,000 MT) were the leading suppliers in milled rice, Russia (56,000 MT) and Bulgaria (19,500 MT) are main suppliers for paddy rice, milled equivalent. Post forecasts rice imports at 475,0000 MT in MY2021/22, up slightly in parallel with the decrease in domestic production.

Turkey exported 213,000 MT of rice in MY 2020/21, milled equivalent. The main destinations were Syria (70,000 MT), Iraq (45,000 MT), and Lebanon (15,000 MT). For MY 2021/22, the forecast for rice exports from Turkey is 230,000 MT, milled equivalent, assuming continued demand from neighboring countries.

TMO announced the MY 2021/22 paddy rice procurement price on September 7, 2021 of between 4500 TL/MT and 5500 TL/MT ($542/MT and $662/MT), an increase of about 22 percent compared to last year.

Policy

Turkey is currently struggling with high food inflation due to a variety of systemic factors along the value chain, exacerbating by a much lower domestic grain crop due to the severe drought. According to official consumer price index data, year-on-year food inflation increased about 30 percent (many products are much higher), while the annual inflation rate is averaging 20 percent. The main contributing factors are drought, the increase in international commodity prices, the Turkish Lira's depreciation against other currencies in 2021 raising the cost of inputs. The increased cost of imported goods has had large effects on domestic food and feed prices as well. In an attempt to lower food shelf prices, the government of Turkey has been intervening in the market in several ways to try to lessen domestic food inflation.

While TMO continues to import grains duty free and sell them on the domestic market, the government also amended tariffs on grain in an attempt to regulate the market. On December 17, 2020, after exceeding the previously delineated quotas for 2020 and facing domestic shortages, the government declared that tariffs on all wheat (normally 45 percent), barley (35 percent), and corn (25 percent) imports would be eliminated through April 30, 2021.

Additionally, through April 30, 2021, tariff rates on rice (36-45 percent, depending on category) decreased to 10-15 percent and the tariff on lentils (19.3 percent) was lowered to 9 percent.

A Presidential Decree published in the Official Gazette on September 8, 2021 eliminated tariffs on wheat, barley, rye, oats, sorghum, chickpeas and lentils until December 31, 2021.

Besides intervening in supply and pricing in the grain and feed sector, the Turkish government also plans to open 1000 wholesale markets across the country to counter high prices allegedly caused by commercial grocery stores. State-affiliated bodies have inserted themselves in almost all stages of the value chain in the food and agricultural sectors in recent years.

Production, Supply and Distribution

Wheat	2019/2020		2020/2021		2021/2022	
Market Year Begins	Jun 2019		Jun 2020		Jun 2021	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	7000	7000	7100	7100	7000	7050
Beginning Stocks (1000 MT)	2651	2651	4468	4468	3730	3968
Production (1000 MT)	17500	17500	18250	18250	16500	16250
MY Imports (1000 MT)	10851	10851	8081	8150	10000	11250
TY Imports (1000 MT)	11087	11087	8051	8150	10000	11250
Total Supply (1000 MT)	31002	31002	30799	30868	30230	31468
MY Exports (1000 MT)	6534	6534	6469	6300	6000	6250
TY Exports (1000 MT)	6633	6633	6571	6300	6000	6250
Feed and Residual (1000 MT)	1800	1800	2000	2000	2000	2500
FSI Consumption (1000 MT)	18200	18200	18600	18600	19000	19000
Total Consumption (1000 MT)	20000	20000	20600	20600	21000	21500
Ending Stocks (1000 MT)	4468	4468	3730	3968	3230	3718
Total Distribution (1000 MT)	31002	31002	30799	30868	30230	31468
Yield (MT/HA)	2.5	2.5	2.5704	2.5704	2.3571	2.305

(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 2021/2022 = July 2021 - June 2022

Barley	2019/2020		2020/2021		2021/2022	
Market Year Begins	Jun 2019		Jun 2020		Jun 2021	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3800	3800	3800	3800	3700	3700
Beginning Stocks (1000 MT)	465	465	766	766	522	542
Production (1000 MT)	7900	7900	8100	8100	5000	4500
MY Imports (1000 MT)	903	903	706	706	2300	2750
TY Imports (1000 MT)	1007	1007	1500	706	1800	2750
Total Supply (1000 MT)	9268	9268	9572	9572	7822	7792
MY Exports (1000 MT)	2	2	60	30	30	30
TY Exports (1000 MT)	9	9	100	30	30	20
Feed and Residual (1000 MT)	7600	7600	8100	8100	6600	6600
FSI Consumption (1000 MT)	900	900	890	900	900	900
Total Consumption (1000 MT)	8500	8500	8990	9000	7500	7500
Ending Stocks (1000 MT)	766	766	522	542	292	262
Total Distribution (1000 MT)	9268	9268	9572	9572	7822	7792
Yield (MT/HA)	2.0789	2.0789	2.1316	2.1316	1.3514	1.2162

(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 2021/2022 = October 2021 - September 2022

Corn	2019/2020		2020/2021		2021/2022	
Market Year Begins	Sep 2019		Sep 2020		Sep 2021	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	520	520	620	620	540	540
Beginning Stocks (1000 MT)	929	929	825	825	906	789
Production (1000 MT)	6000	6000	7100	7100	6350	6500
MY Imports (1000 MT)	3091	3091	1781	1781	3600	2800
TY Imports (1000 MT)	3004	3004	2100	2100	3600	2800
Total Supply (1000 MT)	10020	10020	9706	9706	10856	10089
MY Exports (1000 MT)	495	495	300	317	200	350
TY Exports (1000 MT)	471	471	300	310	200	350
Feed and Residual (1000 MT)	7500	7500	7400	7400	8950	7700
FSI Consumption (1000 MT)	1200	1200	1100	1200	1100	1300
Total Consumption (1000 MT)	8700	8700	8500	8600	10050	9000
Ending Stocks (1000 MT)	825	825	906	789	606	739
Total Distribution (1000 MT)	10020	10020	9706	9706	10856	10089
Yield (MT/HA)	11.5385	11.5385	11.4516	11.4516	11.7593	12.037

(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 2021/2022 = October 2021 - September 2022

Rice, Milled	2019/2020		2020/2021		2021/2022	
Market Year Begins	Sep 2019		Sep 2020		Sep 2021	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	100	100	97	97	97	97
Beginning Stocks (1000 MT)	42	42	181	181	197	156
Milled Production (1000 MT)	610	610	591	591	591	541
Rough Production (1000 MT)	910	910	882	882	882	807
Milling Rate (.9999) (1000 MT)	6700	6700	6700	6700	6700	6700
MY Imports (1000 MT)	574	574	450	412	450	475
TY Imports (1000 MT)	530	500	450	410	450	475
TY Imp. from U.S. (1000 MT)	19	0	0	0	0	0
Total Supply (1000 MT)	1226	1226	1222	1184	1238	1172
MY Exports (1000 MT)	235	235	210	213	230	230
TY Exports (1000 MT)	234	225	200	210	230	230
Consumption and Residual (1000 MT)	810	810	815	815	820	820
Ending Stocks (1000 MT)	181	181	197	156	188	122
Total Distribution (1000 MT)	1226	1226	1222	1184	1238	1172
Yield (Rough) (MT/HA)	9.1	9.1	9.0928	9.0928	9.0928	8.3196

(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 2021/2022 = January 2022 - December 2022

Attachments:

No Attachments