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Report Highlights:

Turkey's MY 2020/21 corn production is estimated at 7.1 MMT, an increase of 1.1 MMT compared to last marketing year. Turkey's wheat product exports continue to hold steady. Turkey struggles with food inflation because of corona virus measures and high international commodity prices. Turkey approved two genetically engineered (GE) soybean events and one GE corn event for feed. Agricultural subsidies for 2020 were announced in the Official Gazette. The total subsidies for 2021 will be 22 billion TL ($2.6 billion), which remained the same as the previous year.

Production

Wheat

Turkey's Marketing Year (MY) 2020/21 wheat area and production remain the same at 7.1 million hectares (ha) and 18.25 million metric tons (MMT). In recent years, alternative crops, orchard development, greenhouse development, and increased vegetable production due to new irrigation areas account for the reduced wheat planted acreage. However, durum wheat is still attractive for farmers and gaining area because of higher prices.

Turkey has an issue with rain, which could have an impact on wheat production going forward. According to the Turkish National Meteorological Service report, average rainfall in the last three months of 2020 in Turkey was just 101.1 millimeters (mm), which is 34 percent lower than during the same period in 2019. It was also lower than the long-term average (1981-2010), which was at 195.6 mm. Farmers in Turkey are looking forward to snow during the winter to help reduce the dry conditions.

Barley

Post maintains the production forecast at 8.1 MMT of barley in MY 2020/21, up 200,000 MT compared to MY 2019/20. Good returns on barley and the high cost of pesticides and fertilizers used in the production of other crops, especially milling wheat, continue to influence farmers' planting decisions.

Corn

Turkey's MY 2020/21 corn area and production is estimated at 620,000 ha and 7.1 MMT, an increase of 1.1 MMT compared to the last marketing year, due mainly to increased planting area in the Southeastern and Cukurova regions.

Second-crop corn is a common product in Southeast Anatolia, especially in the Sanliurfa and Mardin provinces. Second crop corn yields were better than expected due to favorable weather conditions during the harvest that was completed in December, 2020.

Rice

The MY 2020/21 paddy rice area estimate is 97,000 ha with production forecast at 882,000 MT, down three percent compared to MY 2019/20 due to a decrease in planting area because of the drought. Moreover, the dry weather has raised concerns regarding water levels of key dams used for irrigation. For instance, the cumulative rainfall between October and December 2020 in the Thrace region, one of the prominent rice producer regions, was 46 percent lower than the national historical average and 8 percent lower than last year.

Consumption

Post maintains the total wheat consumption forecast at 20.1 MMT in MY 2020/21. In MY 2020/21 wheat consumption increased by 200,000 MT compared to MY 2019/20, with an increase in the consumption of wheat for food purposes while a marginal decrease in feed wheat consumption. The majority of wheat in Turkey is utilized for human consumption as flour, biscuits and pasta, some of which is exported, with the rest of the wheat used as feed. Seed and industrial consumption remain the same.

Post increased the barley consumption forecast to 8.9 MMT in MY 2020/21 in parallel with the revised increased in the production forecast.

According market sources, there has been a slowdown in compound feed production among prominent feed companies due to Covid-19 related economic issues and measures like a partial curfew and restrictions on restaurants that went into effect in late November 2020.

Post revised downward the corn consumption forecast to 8.7 MMT in MY 2020/21, assuming a decrease in demand from the feed sector. Apart from the feed sector's general overview, alternative sources such as feed wheat has increased in some feed rations in recent months due to competitive price.

In MY 2020/21, Turkish domestic rice consumption is forecast at 815,000 MT, which is slightly higher than MY 2019/20.

Trade

Turkey has suffered from an increase in international commodity prices since the last harvest, exacerbated by a weak Turkish Lira and a faltering Turkish economy.

Over the last few months Turkey has tried to supply grain to the domestic market at reasonable prices to curb food inflation, which was about 20 percent in 2020. As a first step, the Turkish Grain Board (TMO), a governmental affiliated body that is authorized through a presidential decree to import grain at a zero tariff, completed a series of tenders between August 2020 and January 2021 for about 2.3 MMT of wheat (of which 110,000 MT was durum wheat), 345,000 MT of barley and 500,000 MT of corn. TMO wanted to supply high quality wheat to the domestic market and strengthen the state of emergency stocks. TMO would then sell the imported commodities to the domestic market for a lower price than commodities imported commercially. TMO also started its domestic sales after the harvest in October 2020.

As a second step, in October 2020, the Government of Turkey (GOT) announced some tariff reductions on grain for all importers. The GOT reduced the import tariff on wheat (45%), barley (35%) and corn (25%) to zero through a decree published in the Official Gazette on October 21, 2020. The new tariffs were valid between October 21 - December 31, 2020. On December 17, 2020, the Turkish government extended the tariff reductions until April 30, 2021.

Wheat

According to the official statistics, during the first six months of MY 2020/21 total wheat imports were about 4.4 MMT, and they are expected to reach 8 MMT by the new harvest with private sector and government imports.

Russia is the main supplier of milling wheat to Turkey with 3.5 MMT in MY 2020/21, followed by Ukraine with about 430,000 MT. Turkey imported 195,000 MT of durum wheat during the first six months of MY 2020/21.

TURKEY: WHEAT FOREIGN TRADE (excluding wheat products) (metric ton)				
MONTH	IMPORT	IMPORT	EXPORT	EXPORT
	MY 2019/20	MY 2020/21	MY 2019/20	MY 2020/21
June	245,741	481,455	16,400	3,064
July	749,495	232,665	2,872	2,075
August	1,283,413	745,505	11,286	40,213
September	1,115,619	1,203,895	5,948	3,239
October	1,211,884	750,506	26,508	11,096
November	1,184,528	979,620	17,473	24,469
Sub-total (June-Nov.)	5,790,680	4,393,646	80,487	84,156
December	939,697		5,067	
January	869,710		9,837	
February	622,756		2,425	
March	632,960		15,399	
April	1,050,359		10,416	
May	915,131		1	
MY TOTAL	10,821,293	*8,000,000**	123,632	*125,000**

*forecast, *does not include wheat products*
Source: Turkish Statistics Institute, does not include transshipments

Turkish wheat product exports have been over 6 MMT in recent years. In MY 2020/21, exports from Turkey (including flour and wheat products) are estimated to be 7 MMT (wheat equivalent basis), of which about 3.1 MMT is wheat flour, 1.5 MMT is pasta, and 275,000 MT is bulgur.

Turkey's wheat flour exports during the first six months of MY 2020/21 (from June to November) were just below last year's exports of the same period, reaching 1.553 MMT. Exports during the same period of last year were 1.741 MMT. Iraq continues to be the leading importer with 747,000 MT, followed by Syria with 98,000 MT, and Yemen with 92,000 MT.

MY 2020/21 is a busy time for Turkish pasta producers with increased domestic and international demand. Average monthly pasta exports reached around 124,000 MT between June 2020 and

November 2020. Turkey's pasta exports were up 18 percent during the first six months of MY 2020/21, reaching a record level 745,000 MT. Somalia and Venezuela were leading markets with 98,237 MT and 94,150 MT, respectively. African countries such as Benin, Ghana, Niger, and Senegal were also important markets for Turkish pasta.

Another wheat product for export is bulgur. Turkey is forecast to export 275,000 MT of bulgur in MY 2020/21 due to stable demand from neighboring countries.

Barley

Barley imports during the first six months of MY 2020/21 (from June to November) were about 314,000 MT. The main barley supplier was Syria with 240,000 MT.

Post increased the barley import forecast to 1 MMT in MY 2020/21 based on TMO's imports and the temporary tariff elimination for the private sector. After April 2021, the Turkish government will reimpose the 35 percent duty on barley.

Corn

Corn imports during the first three months of MY 2020/21 (from September to November) were around 165,000 MT. The main corn suppliers were Argentina (46,500 MT), Russia (35,000 MT), and Romania (25,500 MT). According to TUIK, about 400,000 MT of corn in MY 2019/20 were transferred via neighboring countries from bonded warehouses in Mersin and Iskenderun.

TMO tendered about 500,000 MT of corn, with several tenders issued in MY 2020/21, to stabilize the domestic corn price. As mentioned above, Turkey also eliminated the import tariff on corn (25%) to zero until April 30,2021.

Post revised downward the corn import forecast to 2.1 MMT in MY 2020/21 assuming a softening of demand after a record domestic production.

On January 23, 2021, the Turkish Government published the Biosafety Decisions on imports of genetically engineered (GE) soybean and corn events in the Official Gazette. The Ministry of Agriculture and Forestry approved two soybean events and one corn event for feed. MinAF cancelled the approvals of three soybean events that expired on 1/26/2021. (Please see detailed information on approvals in the report dated January 24, 2021.)

Rice

Post left the rice import forecast for MY 2020/21 unchanged at 450,000 MT. According to Turkish statistics, Turkey has imported about 42,600 MT of rice (milled equivalent) during the first three months of MY 2020/21 (September, October and November) of which about 34,200 MT was milled rice, 7,400 MT was paddy rice and 488 MT was brown rice, milled equivalent. China (17,500 MT), India (6,400 MT) and Pakistan (3,200 MT) were the leading milled rice suppliers for Turkey during the first three months in MY2020/21.

Post revised upward the rice export estimates to 250,000 MT (milled equivalent) in MY 2020/21.

Policy

The GOT will continue to support agricultural production according to the concept of "agricultural basins," based on climate and soil conditions, and will subsidize 21 strategic crops, with a specific set of crops for each basin. On November 5, 2020, agricultural subsidies for 2020 were announced in the Official Gazette. The total subsidies for 2020 will be 22 billion TL ($2.6 million) which remained the same as the previous year. Producers will be able to benefit from the 2020 subsidies in 2021. Certified seeds and saplings are the most subsidized items in 2020 among agricultural products. Fuel, fertilizer, and livestock subsidies have not been increased which has frustrated producers since they are struggling with high input costs for items like fertilizers, fuel, electricity, and feed, which are mostly imported.

Production, Supply and Demand Data Statistics:

Wheat	2018/2019		2019/2020		2020/2021	
Market Year Begins	Jun 2018		Jun 2019		Jun 2020	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	7615	7615	7000	7000	7100	7100
Beginning Stocks (1000 MT)	3290	3290	3445	3185	5771	5136
Production (1000 MT)	19000	19000	17500	17500	18250	18250
MY Imports (1000 MT)	6395	6395	10851	10851	8000	8000
TY Imports (1000 MT)	6515	6515	11087	11087	8000	8000
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	28685	28685	31796	31536	32021	31386
MY Exports (1000 MT)	6440	6700	6125	6500	6700	7000
TY Exports (1000 MT)	6308	6700	6212	6500	6700	7000
Feed and Residual (1000 MT)	1300	1300	1800	1800	1700	1700
FSI Consumption (1000 MT)	17500	17500	18100	18100	18400	18400
Total Consumption (1000 MT)	18800	18800	19900	19900	20100	20100
Ending Stocks (1000 MT)	3445	3185	5771	5136	5221	4286
Total Distribution (1000 MT)	28685	28685	31796	31536	32021	31386
Yield (MT/HA)	2.4951	2.4951	2.5	2.5	2.5704	2.5704

(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 2020/2021 = July 2020 - June 2021

Barley	2018/2019		2019/2020		2020/2021	
Market Year Begins	Jun 2018		Jun 2019		Jun 2020	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3600	3600	3800	3800	3800	3800
Beginning Stocks (1000 MT)	724	724	465	465	766	766
Production (1000 MT)	7000	7000	7900	7900	8100	8100
MY Imports (1000 MT)	389	389	903	903	700	1000
TY Imports (1000 MT)	375	375	1007	1007	700	1000
Total Supply (1000 MT)	8113	8113	9268	9268	9566	9866
MY Exports (1000 MT)	148	148	2	2	30	30
TY Exports (1000 MT)	83	83	9	50	30	30
Feed and Residual (1000 MT)	6600	6600	7600	7600	8000	8000
FSI Consumption (1000 MT)	900	900	900	900	900	900
Total Consumption (1000 MT)	7500	7500	8500	8500	8900	8900
Ending Stocks (1000 MT)	465	465	766	766	636	936
Total Distribution (1000 MT)	8113	8113	9268	9268	9566	9866
Yield (MT/HA)	1.9444	1.9444	2.0789	2.0789	2.1316	2.1316

(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 2020/2021 = October 2020 - September 2021

Corn	2018/2019		2019/2020		2020/2021	
Market Year Begins	Sep 2018		Sep 2019		Sep 2020	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	530	530	520	520	620	620
Beginning Stocks (1000 MT)	884	884	929	929	825	825
Production (1000 MT)	5700	5700	6000	6000	7000	7100
MY Imports (1000 MT)	3652	3652	3091	3091	2700	2100
TY Imports (1000 MT)	3669	3669	3004	3004	2700	2100
Total Supply (1000 MT)	10236	10236	10020	10020	10525	10025
MY Exports (1000 MT)	707	707	495	495	600	400
TY Exports (1000 MT)	717	717	471	471	600	400
Feed and Residual (1000 MT)	7400	7400	7500	7500	7900	7400
FSI Consumption (1000 MT)	1200	1200	1200	1200	1100	1300
Total Consumption (1000 MT)	8600	8600	8700	8700	9000	8700
Ending Stocks (1000 MT)	929	929	825	825	925	925
Total Distribution (1000 MT)	10236	10236	10020	10020	10525	10025
Yield (MT/HA)	10.7547	10.7547	11.5385	11.5385	11.2903	11.4516

(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 2020/2021 = October 2020 - September 2021

Rice, Milled	2018/2019		2019/2020		2020/2021	
Market Year Begins	Sep 2018		Sep 2019		Sep 2020	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	100	100	100	100	97	97
Beginning Stocks (1000 MT)	22	22	42	42	181	181
Milled Production (1000 MT)	610	610	610	610	591	591
Rough Production (1000 MT)	910	910	910	910	882	882
Milling Rate (.9999) (1000 MT)	6700	6700	6700	6700	6700	6700
MY Imports (1000 MT)	396	396	574	574	450	450
TY Imports (1000 MT)	489	489	500	500	450	450
TY Imp. from U.S. (1000 MT)	3	3	0	0	0	0
Total Supply (1000 MT)	1028	1028	1226	1226	1222	1222
MY Exports (1000 MT)	191	191	235	235	200	250
TY Exports (1000 MT)	202	202	225	225	200	250
Consumption and Residual (1000 MT)	795	795	810	810	815	815
Ending Stocks (1000 MT)	42	42	181	181	207	157
Total Distribution (1000 MT)	1028	1028	1226	1226	1222	1222
Yield (Rough) (MT/HA)	9.1	9.1	9.1	9.1	9.0928	9.0928

(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 2020/2021 = January 2021 - December 2021

Attachments:

No Attachments