USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

Required Report - public distribution

Date: 8/4/2010

Turkey

Grain and Feed Update

Grain and Feed Update

Approved By:
Rachel Nelson, Agricultural Attaché, U.S. Embassy
Prepared By:
Samet Serttas, Agricultural Specialist

Report Highlights:
The Turkish MY 2010 wheat production forecast has been revised to 17 MMT from 18.5 MMT. MY 2010 paddy rice production is forecasted at 750,000 MT and lentil production is forecasted at 510,000 MT. MY2010 corn imports are expected to reach 450,000 MT and exports are forecasted to reach 350,000 MT.

Post: Ankara

Commodities:

Wheat

Barley

Corn

Rice, Milled

Executive Summary:

Turkey's wheat harvest is almost finished except in the high altitude areas. Due to low yields in the Cukurova and Amik regions; yellow rust problems in the South East; and heavy rainfall problems in Central Anatolia and the Thrace region, post revised its wheat production forecast to 17 MMT from 18.5 MMT for MY 2010. Turkey is expected to import a total of 3 MMT of wheat in MY 2010.

First and second crop corn planting has finished in Turkey. The first harvest will start on August 15 and if weather conditions are favorable, corn production is forecasted to reach 4 MMT in MY 2010. MY2010 corn imports are expected to reach 450,000 MT and exports are forecasted to reach 350,000 MT.

Paddy rice production is forecasted at 750,000 MT for MY 2010 and lentil production is forecasted at 510,000 MT.

PRODUCTION

Wheat

Rainfall in 2009 was higher than in 2008 across most of the country. Average rainfall in Turkey from October 2009 through June 2010 was 692.4 mm. During the same period of the previous year, rainfall was 599.8 mm.

The areas with the greatest increase in rainfall were the Marmara, East Anatolia and Southeast Anatolia regions. Heavy rainfall created yield problems in the Cukurova and Hatay regions.

Table 1: Rainfall levels

Turkey: Recent Rainfall Levels

Region	Oct 2009- June 2010 (mm)	Oct 2008-June 2009 (mm)	Normal (mm)
Marmara	798.8	596.9	575.4
Aegean	744.9	738.9	588
Mediterranean	892.7	792.7	733.9
Central Anatolia	433.8	418.7	357.2
Black Sea	767.8	677.2	692.3
East Anatolia	643.9	525.4	542.6
South East Anatolia	544.4	402.0	533.4
Turkey Total	692.4	599.8	576.1

Turkey has seen about 15-20% wheat loss in the MY 2010 harvest except in Ankara and some parts of the Konya region. These losses were mostly due to yellow rust, particularly in the Southeast, Amik valley, Aegean region and some parts of Central Anatolia. Heavy rainfall also damaged wheat roots in the Thrace, Cukurova, and Black sea regions and part of Central Anatolia.

The wheat harvest started on May 10, 2010 in the Cukurova region (Adana, Mersin). For this area, yields were low in MY 2010 (350-450 MT/da) compared to MY 2009 (550 MT/da). The decrease was mostly due to heavy rainfall in March and April. Hilly areas showed slightly better yields. In the Amik valley (Hatay region) heavy rains also caused damage, which is expected to result in losses of at least 30%. Yellow rust was observed in both the Cukurova and Amik valley in the very early part of the season, however farmers were able to prevent further damage with chemical treatments (fungicides, etc.). Damage from the Sunni bug was limited. White wheat is the main variety in the region. It is popular with high quality flour producers. Due to the high quality of harvested wheat from these regions, prices increased to 560 TL/MT on July 16, 2010 from 520 TL/MT on May 28, 2010 and 460 TL/MT on May 01, 2010.

In the drier areas and some irrigated land in South East of Turkey, the wheat harvest started on May 15, 2010. Yellow rust was a big problem in these areas due to the lack of chemical sprays and the dry conditions, especially on the borders of Syria and Iraq. MY 2010 losses were 20-25% in these regions.

Durum wheat in the Karaman region was damaged by strong wind and heavy rainfall in early July 2010, causing both quality and quantity problems.

The Konya region was expecting high yield before harvest in MY 2010. Heavy rainfall, just before and during harvest time, decreased wheat yield and quality. Yellow rust problem is not observed predominantly but there were some locations where yellow rust problem observed. Yellow rust problem observed only in Gerek wheat variety in Konya. Protein content of wheat is low. In MY 2009, Konya region has high wheat yield but low quality. In MY 2010, yield is low compare to M 2009 but close to long term average level. In the first forecast Konya region is expected to reach to 3 MMT record high level of production but late rainfall, increased mouse population, hail damage and yellow rust problem decreased yield to 2.5 MMT and decreased wheat quality. Protein content of first harvest was around 13-15% but late rainfall decreased the quality and protein content reduced to 11-12% in Konya region. Irrigated land yield is 4-6 MT/ha, Dry land yield is 2.5-3.5 MT/ha and the disease or similar kind of problem occurred area had 1-1.5 MT/ha yield in MY 2010.

Due to yellow rust problem in Samsun region, north central Anatolia, yield is decreased to 2.5 MT/ha from 4 MT/ha. There is 22,500 ha wheat area in Samsun region. In a normal season production reaches to 100,000 MT but in MY 2010 it is decreased to 65,000 MT.

Polatli region average yield in non-irrigated land is 3.5 MT/ha. This region is one of the highest quality wheat producer area. Highest quality products price reached to 670 TL/MT in MY 2010. Polatli region has approximately 120,000 ha area and wheat products has traditionally high protein content, as average 13% and less insect damage, below 1%.

Thrace region also have late and excess rainfall. Root damage is very common problem. Yield is dropped 15-20%.

Durum wheat production in South East Anatolia was not effected by yellow rust. The yield and quality was close to short term average level. Durum wheat production in South East Anatolia was 1.2 MMT. Central Anatolia durum wheat area decreased, yield is close to MY 2009 level and quantity is better than MY 2009 level. Durum wheat production in Central Anatolia is 1.1 MMT. Total durum wheat production in MY 2010 is 2.7 MMT.

Table 2: Wheat production by region

Turkey: Wheat production in MY 2010					
Region	**MY 2010 average yield (MT/ha)**	**Short term average yield (MT/ha)**	**Harvest time**	**Production (MT)**	**Harvested Area (ha)**
Cukurova region (Adana-Mersin)	3.5-4.5	4.5-5.5	May 10-June 10	1,300,000	300,000
Amik region	3	5-5.5	May 25-June 25	300,000	100,000
GAP region	2	3-3.5	May 15-June 25	2,000,000	1,000,000
Central Anatolian region	2-2.5	1.5-2	June 25-July 25	6,000,000	3,000,000

Polatli region	2.8-3	3.5	June 15-July 20	350,000	120,000
Aegean region	2-2.5	3	May 25-June 25	1,500,000	650,000
Soke region	4.5	4	May 20-June 10	50,000	8,000
Thrace region	4	4.5-5	June 15-July15	2,500,000	600,000
Other regions	1.35	1.50		3,000,000	2,222,000
Total	2.12	2.35		17,000,000	8,000,000

Turkey's wheat harvest is almost finished except in the high altitude areas. Due to low yields in the Cukurova and Amik regions; yellow rust problems in the South East; and heavy rainfall problems in Central Anatolia and the Thrace region, post revised its wheat production forecast to 17 MMT from 18.5 MMT for MY 2010

Table 3: Wheat yields by region

Turkey: Wheat yield evaluation				
Region	**Yield**	**Chemical Usage**	**Disease**	**Harvest time**
Cukurova region	Yield is low in bowl part of valley, high in the rest of the valley	Heavy chemical usage against rust and other diseases Low sunni pest damage	Yellow rust has not been observed High quality compared to MY 2009	Harvest started in May 10,2010 and has finished
South Central Anatolia	Yield is low	Chemicals used locally	Yellow rust partially observed	Harvest not finished yet
North Central Anatolia	Yield is average	Little chemical usage	Yellow rust observed in some local areas. Especially observed in the early plantation	Harvest not finished yet
Amik valley (Hatay region)	Yield is low due to heavy rain	Chemical usage is limited	Yellow rust and fusarium type disease observed	Harvest completed
Thrace region	Yield is low than average, Heavy rain created root damage	Chemical usage is limited	Due to wet season some diseases related to wet conditions locally observed. No big yellow rust damage reported	Harvest has not finished

South East Anatolia region	Yield is low	Chemical usage was very limited	Yellow rust observed in the Syria and Iraq border. Less in the inner part of South East Anatolia (%20-25 lost is expected)	Harvest completed

There have been two ways to import wheat under the current import processing regime. The first way is to show a certain amount of export commitment. For example, processed wheat exporters like flour mills or pasta factories apply to the Undersecretary of Foreign Trade with commitments to export a certain amount of their finished product and are granted a license to import a corresponding amount of duty-free wheat. When these companies fulfill their export commitments their license is closed. The second way is to export wheat first and then apply for an import license. Every year this program is temporarily halted during the domestic harvest season (May 1-Septmber 15) in order to protect the domestic market.

Due to the effects on the domestic wheat market and accusations of cheating under the inward process licensing system, Agriculture Minister Eker announced changes to the system on June 1, 2010. In MY 2010, under the new system, wheat cannot be imported under this regime until after companies have already exported their product. This will be in effect until May 1, 2011.

TMO has 1.5 MMT of low and medium quality wheat stocks from MY 2009 and will sell these stocks to domestic processors at low prices. It is expected that Turkey will import 1 MMT of high quality wheat. There will be 2 MMT of wheat imports under the inward process regime in MY 2010. Turkey is expected to import a total of 3 MMT of wheat in MY 2010.

Turkish Grain Board announced hard red wheat intervention price at 550 TL/MT in MY 2010 which was 500 TL/MT in MY 2009. Wheat premium is increased to 50 TL/MT in MY 2010 from 45 TL/MT in MY 2009.

Turkish Grain Board is not very active in MY 2010 wheat market unlike MY 2009. Wheat price is high in the market for this reason farmers prefer to sell it to the traders instead of TMO.

Table 4: TMO durum wheat intervention price

TURKEY: TMO GRAIN INTERVENTION PRICE							
TYPES OF WHEAT		MY 2009 TMO INTERVENTION PRICE (TL/MT)				SALE PRICE (TL/MT)	
		JUNE-JULY-AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	OCTOBER	NOVEMBER
DURUM WHEAT MY 2009	DURUM WHEAT FOR PASTA	525	535	545	555	600	610
	LOW QUALITY DURUM WHEAT FOR PASTA	450	460	470	480	515	525

TYPES OF WHEAT		MY 2010 TMO INTERVENTION PRICE (TL/MT)				SALE PRICE (TL/MT)	
		JUNE-JULY-AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	NOVEMBER	DECEMBER
DURUM WHEAT MY 2010	DURUM WHEAT FOR PASTA	575	585	595	605	675	685
	LOW QUALITY DURUM WHEAT FOR PASTA	470	480	490	500	550	560

Table 5: TMO milling wheat intervention price

TURKEY: TMO GRAIN INTERVENTION PRICE							
TYPES OF WHEAT		MY 2009 TMO INTERVENTION PRICE (TL/MT)				SALE PRICE (TL/MT)	
		JUNE-JULY-AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	OCTOBER	NOVEMBER
MILLING WHEAT MY 2009	ANATOLIAN HARD WHITE WHEAT	500	510	520	530	575	585
	ANATOLIAN HARD RED WHEAT	500	510	520	530	575	585
	WHITE SEMI HARD	475	485	495	505	545	555
	RED SEMI HARD	475	485	495	505	545	555
	OTHER RED AND WHITE WHEAT	450	460	470	480	515	525
	FEED WHEAT	420	430	440	450	490	500
TYPES OF WHEAT		MY 2010 TMO INTERVENTION PRICE (TL/MT)				SALE PRICE (TL/MT)	
		JUNE-JULY-AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	NOVEMBER	DECEMBER
MILLING WHEAT MY 2010	ANATOLIAN HARD WHITE WHEAT	550	560	570	580	645	655
	ANATOLIAN HARD RED WHEAT	550	560	570	580	645	655
	WHITE SEMI HARD	520	530	540	550	610	620
	RED SEMI HARD	520	530	540	550	610	620
	OTHER RED AND WHITE WHEAT	490	500	510	520	575	585
	FEED WHEAT	440	450	460	470	515	525

Table 6: TMO other grains intervention price

TURKEY: TMO GRAIN INTERVENTION PRICE						
TYPES OF GRAIN MY 2009	MY 2009 TMO INTERVENTION PRICE (TL/MT)				SALE PRICE (TL/MT)	
	JUNE-JULY-AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	OCTOBER	NOVEMBER
BARLEY RYE, TRITICALE OATS	375	385	395	405	440	450
MINIMUM PRICE (BARLEY RYE, OATS, TRITICALE)	330	340	350	360	390	400
TYPES OF GRAIN MY 2010	MY 2010 TMO INTERVENTION PRICE (TL/MT)				SALE PRICE (TL/MT)	
	JUNE-JULY-AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	NOVEMBER	DECEMBER
BARLEY RYE, TRITICALE OATS	415	425	435	445	485	495

MINIMUM PRICE (BARLEY RYE, OATS, TRITICALE)	350	360	370	380	410	420

TMO started to procure wheat from farmers on June 02, 2010. In the first 55 days of procurement TMO procured 845,660 MT. In the same period of MY 2009 TMO procured 1,996,388 MT. Due to the high prices at the market, farmers preferred to sell wheat to traders instead of TMO.

Table 7: Anatolian durum wheat market price

ANATOLIAN DURUM WHEAT (USD/MT)												
	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
2006	216	220	235	238	240	258	259	261	272	277	283	291
2007	336	349	341	377	441	488	503	516	554	545	564	616
2008	632	660	612	580	466	382	407	367	355	341	339	324
2009	328	288	301	299	290	293	275	281	348	312	311	305
2010	330	370										

Source: KONYA CME

Table 8: Anatolian milling wheat market price

ANATOLIAN MILLING WHEAT (USD/MT)												
	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
2006	253	245	257	272	275	286	293	304	324	331	330	309
2007	338	360	350	387	415	427	433	446	478	492	490	485
2008	466	479	480	450	375	343	352	335	324	315	314	321
2009	330	339	326	317	341	323	330	369	364	352	349	334
2010	340	399										

Source: KONYA CME

TMO held eight export tenders in MY 2009. Due to a high interest of farmers to sell their products to TMO in MY 2009, TMO procured record amounts of grain from farmers that year. In order to decrease stock levels TMO exported grain stocks at world price levels.

Table 9: TMO export tender results in MY 2009

TMO export tender results in MY 2009								
Products	**Red Milling Wheat**		**White Milling Wheat**		**Durum Wheat**		**White feed barley**	
Date of Tender	Quantity (MT)	Average price ($ US/ MT)	Quantity (MT)	Average price ($ US/ MT)	Quantity (MT)	Average price ($ US/ MT)	Quantity (MT)	Average price ($ US/MT)
04.20.2010	20,000	173	50,000	162.83	5,000	215.13	45,000	151.50
03.30.2010	25,000	161.51	25,000	155.38	75,000	185.30	160,000	152.4
02.25.2010	150,000	154.90	-	-	150,000	169.53	100,000	148.67
01.21.2010	125,000	161.17	75,000	166.40	50,000	183.97	125,000	146.91
12.17.2009	50,000	167.3	100,000	179.9	50,000	174.5	-	-
11.12.2009	100,000	164	75,000	160	25,000	224	100,000	147
10.15.2009	25,000	135	25,000	163	25,000	255	100,000	140
09.10.2009	40,000	147	40,000	155	-	-	155,000	124
Total/Average	515,000	155.87	340,000	163.33	375,000	198.66	740,000	143.16

Source: TMO

Corn

First and second crop plantation has finished in Turkey. The first harvest will start on August 15 and if weather conditions are favorable, total corn production is forecasted to reach 4 MMT in MY 2010.

First crop planting in the Cukurova region, beginning in the end of February and ending in April 2010, and was one month late due to heavy rainfall. Second crop corn planting ended in June 2010. First crop plantation area in the region remained the same as MY 2009 but second crop planting area decreased because farmers in the Karatas and Ceyhan regions planted cotton, sesame seed and soybean instead of second crop corn. The Cukurova first crop corn harvest will begin around August 15 and yields are expected to reach 13 MT/ha. No disease was observed in the early part of the season later on first crop corn saw fusarium type of disease outbreaks. For second crop corn, planting area increased in the Kozan and Imamoglu areas of the Cukurova region.

In the South East, first crop corn area increased in the Diyarbakir region. Harvesting will start at the end of August. Plant size and development is very good. Second crop planting area in Sanliurfa decreased 10%, however because of improved farming techniques and high quality seed usage, corn production from Southeast of Turkey will be the same in MY 2010 as MY 2009.

The Konya region entered as a new area for corn production particularly in irrigated lands. The Sakarya and Samsun regions saw continued high levels of corn plantation in MY 2010 and corn area increased in the Aydin region.

Corn yield increases in the past 5 years were significant. First crop corn average yield increased from 7.50 MT/ha in 2004 to 13 MT/ha in MY 2009, mainly due to high quality hybrid seed use. Previously, first crop corn yields were 1.1 MT-1.4 MT/ha and second crop corn yields were 6.5 MT-9 MT/ha.

The planted and harvested corn area of Turkey seemed to decrease in our report, however this was a result of adjustments to reflect yield increases, which resulted in us readjusting planted area estimates downward.

In MY 2011 and my 2012, corn plantation is forecasted to increase dramatically due to large irrigation projects in the GAP, Konya and Cukurova regions. High government subsidies for cotton production are the only factor that may bring down expected corn plantation in MY 2011 and MY 2012.

Barley

2009 Barley production is estimated at 6.5 MMT. The barley harvest has almost finished in Turkey, and production is forecasted at 5.9 MMT in 2010. Central Anatolia has seen a 10% lower yield in MY 2010 compared to MY 2009. Production suffered due to heavy rain in some regions and high temperatures in others. Overall barley production is slightly lower this year than MY 2009.

Barley production in South East Turkey decreased 10-15% in MY 2010. Rust problems, early freezing and high temperatures later on damaged yields.

The Gaziantep region saw high yields compared to other parts of Southeast Turkey. The average yield was around 4MT/ha. The barley harvest in the Kahramanmaras region was also close to the recent average levels, at 3.5 MT/ha. Sanliurfa, Mardin, and Diyarbakir lost 10% of barley output due to bad weather conditions and rust problems.

In Central Anatolia, the Yozgat, Corum and Konya region has seen lower yields than in MY 2010 compared to MY 2009. Both yields and quality went down in MY 2010. Both rust and mouse damage were observed in central Anatolia. Yields in the Konya region were 3 MT-4 MT ha in MY 2009 and just 2 MT-3 T in MY 2010. The decrease was due to a lack of rain in April and heavy rainfall in June.

Barley production in MY 2009 was higher than the long term average. In MY 2010, Barley production is lower than MY 2009 but still slightly higher than the long term average level.

The harvest has not yet finished in the Sivas and Kayseri region, but yields are reportedly close to the long term average.

Rice

Rice planting started in the middle of May 2010 and finished by the end of the same month. The MY 2010 plantation area increased 10% due to favorable weather conditions and increased water levels in several dams. Paddy rice production is forecasted at 750,000 MT in MY 2010. Milled rice production is forecasted at 450,000 MT in MY 2010. Rice yield will depend on rainfall at the end of August and early September. In MY 2009 the Gonen region lost some of its Baldo variety production but in MY

2010 production levels are expected to return to around long term average levels.

The major rice producing provinces are Edirne, Samsun, Balikesir, Canakkale, Corum, Cankiri, Kastamonu, Sinop and Adana and the most productive region is Thrace, which contains 10-15% of Turkey's total rice plantation area. The average yield in Thrace is 8 MT/ha. Harvesting will start at the end of September.

Rice blast and zinc deficiency problems were observed in Edirne, Tekirdag and Samsun. MARA banned aerial agricultural chemical spraying in 2004, however because of severe problems the Ministry allowed spraying in Thrace in July 2010.

Lentils and Pulses

The Turkish MY 2010 lentil harvest finished at the end of June. Lentil production will be higher than MY 2009 and MY 2008 but lower than MY 2007. The most important factor determining the amount of lentils harvested is April and May rainfall. Lentil production in MY 2009 is estimated at 280,000 MT. Because of high level of rainfall in April and May, lentil production is forecasted at 510,000 MT for MY 2010.

Red lentil planting replaced barley planting in the Siverek, Viransehir and Nusaybin regions however planting of red lentils in the Diyarbakir and Urfa regions did not change in MY 2010 compared to MY 2009. The average yield in the south east region is 1.4 MT/ha.

Although U.S. traders have not made significant inroads into the Turkish market for green lentils, this is an area of potential for U.S. exporters.

The Chickpea harvest was lower than expected, showing yields 40% lower than MY 2009. Therefore, this is another area of potential increased sales for U.S. exporters.

TRADE

Wheat

Russia, Kazakhstan, Ukraine and Lithuania are the main high protein wheat suppliers. Turkey usually blends domestic wheat with high protein imported wheat to produce its wheat flour. In order to compete in international trade Turkey has an inward process regime. Wheat flour producers can import low and medium quality wheat for noodle type wheat flour from Russia, Kazakhstan at a very low price such as 170 USD/MT duty free and process it in Turkey.

In May 2010, Russia exported 198,740 MT, Kazakhstan exported 14,448 MT and Spain exported 7,384 MT (durum wheat) of wheat to Turkey. Russia's share of the Turkish wheat import market is usually

65% to 85%. The total wheat import estimate is 2.92 MMT.

The Turkish Grain Board (TMO) continued to export wheat and barley in February, March, April and May 2010. Turkey mainly exported wheat to Italy, Egypt, Israel and Tunisia but not to Syria and Bangladesh in March 2010. Post revised its wheat export estimates to 1.32 MMT. TMO stopped export tenders in May in order to prepare silos for the new harvest and mainly exported low quality wheat. In MY 2010, TMO will continue to export low quality wheat.

Table 10: Turkish wheat foreign trade

TURKEY: WHEAT FOREIGN TRADE				
MONTH	**IMPORT MY 2008 (MT)**	**IMPORT MY 2009 (MT)**	**EXPORT MY 2008 (MT)**	**EXPORT MY 2009 (MT)**
June	224,741	172,901	0	10
July	131,565	95,529	0	29,165
August	251,868	284,780	1,900	13,178
September	375,753	267,215	0	3,243
October	415,633	409,340	4,031	12,277
November	266,728	229,368	2,072	56,400
December	299,517	289,393	1	187,113
January	236,786	187,218	20	92,242
February	346,488	130,891	16	201,902
March	392,171	375,045	61	192,393
April	357,526	252,511	21	326,908
May	307,080	225,663	0	211,029
MY TOTAL	3,605,856	**2,919,854**	8,122	**1,325,862**

Turkey imported 125,320 MT of wheat in June, 2010. Its main suppliers were Russia (92,207 MT), and Kazakhstan (25,727 MT) in June 2010. Turkey exported 109,655 MT of wheat in June 2010. The main export markets for Turkish wheat were Yemen (30,081 MT), Italy (25,950 MT) and Egypt (20,415 MT) in June 2010.

Hungary and Lithuania lost most of their shares in the Turkish wheat market and Spain gained a large portion in May 2010 with exports of durum wheat. Russia and Kazakhstan kept their strong position in the market in MY 2009.

Table 11: Major wheat supplier of Turkey

Turkey: Quantity of wheat imported			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Russia	886,393	2,003,918	2,181,265
Kazakhstan	1,032,444	219,298	431,906
Ukraine	59,828	154,432	108,802
Hungary	142,248	143,951	18,458
Moldova	446	55,399	40,049

U.S.	45,537	46,821	0
Others	360,875	985,522	139,375
Total	2,527,771	3,609,341	2,919,855

Wheat export to Bangladesh jumped in February, March and April 2010 and reached to 190,135 MT in the last six months starting from October, 2009. TMO export strategy increased wheat exports in MY 2009. In May, 2010, Major wheat export markets were Egypt (70,780), Italy (52,334 MT) and Israel (35,400 MT).

Table 12: Major Turkish wheat export markets

Turkey: Quantity of wheat exported			
Country	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Syria	0	0	325,122
Italy	9,326	0	225,366
Egypt	0	0	145,034
Lebanon	0	0	38,967
Iraq	235	0	1,941
Georgia	0	3,108	0
Switzerland	3	4,424	2
Others	8,717	591	589,428
Total	18,281	8,123	1,325,860

Due to the lack of high quality domestic wheat production and continued demand from Turkish wheat flour and pasta exporters, Turkey will need to import high quality wheat. The Black Sea wheat import price increased 20% in MY 2010 and the Russian 14.5% protein wheat price was up 240% and 13.5% protein wheat price reached $210 in July 2010. Due to the fact that additional GSM-102 credit program funds were announced early in August, U.S. wheat can be competitive in the Turkish wheat market in MY 2010.

Wheat Flour

Turkey was able to export wheat flour to the Philippines, Indonesia and other asian countries at a low price due to low freight costs on ships bringing products to the region. In addition, wheat flour consumed in Asian countries goes primarily towards noodle production, which can be produced from cheaper, lower quality flour. Turkey can import low quality wheat from Russia for 130$/MT with no import duty, and process it into wheat flour for export at 240 US$/MT. For the high quality wheat demanded by market such as Iraq, Turkey imports 14-15% protein wheat from Russia duty free, processes it and exports wheat flour for 350 US$/MT .

Indonesia and Philippines filed anti-dumping investigations against Turkish wheat flour exports, however Turkey negotiated agreements with both countries before the final determinations were made.

In May 2010, wheat flour exports were 153,476 MT. Major export markets were Iraq (64,700 MT in April 2010 and 72,274 MT in May 2010), Indonesia (27,115 MT in April 2010 and 31,376 MT in May 2010) and Philippines (3,305 MT in April 2010 and 7,922 MT in May 2010)

In June 2010 Turkey exported 164,782 MT of wheat flour. The main markets were Iraq (93,998 MT), Indonesia (35,519 MT) and the Philippines (4,788 MT).

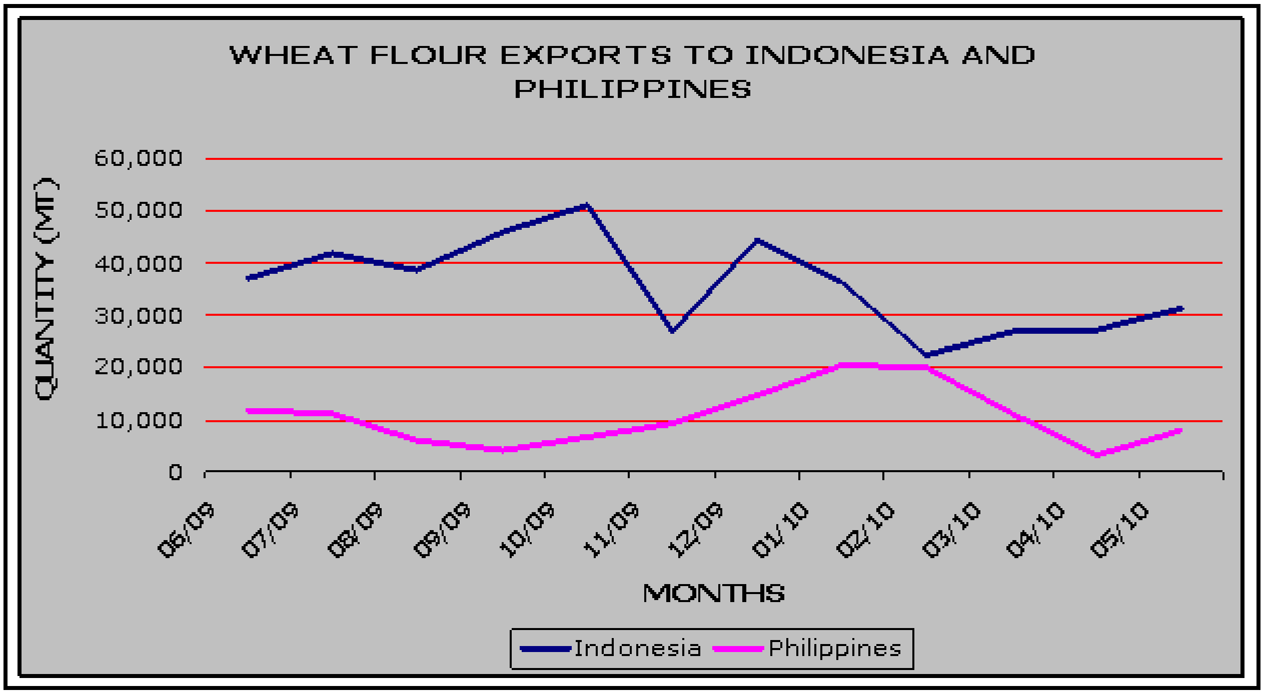
Table 13: Quantity of Turkish wheat flour exports

Turkey: Quantity of wheat flour exports			
MONTH	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
June	75,630	102,002	176,736
July	131,013	107,338	167,952
August	118,713	130,138	140,478
September	92,422	138,073	154,753
October	61,629	151,091	194,313
November	66,435	86,329	126,878
December	95,015	82,984	175,064
January	111,714	91,302	131,747
February	92,919	109,721	145,332
March	75,298	141,706	138,893
April	60,276	186,165	166,304
May	73,775	141,185	153,476
MY TOTAL	1,054,839	1,468,034	**1,871,926**

*forecast

Dumping claims of the Philippines and Indonesia resulted in trade disruptions for Turkish wheat flour exports to Philippines and Indonesia. Wheat flour exports to Philippines were 20,105 MT in February 2010; 11,113 MT in March 2010; and 3,305 MT in April 2010. After an agreement was reached, exports started to return to normal and eventually reached to 7,922 MT in May 2010. Indonesia began instituting antidumping penalties against Turkish flour on November 17, 2008 and a similar pattern was observed. Wheat flour exports to Indonesia were 51,050 MT in October 2009; 22,492 MT in February 2010; and started to increase again in May, reaching 31,376 MT.

Figure 1: Wheat flour exports to Indonesia and Philippines by Turkey



Pasta

Due to the low level of local durum wheat production in 2008, pasta exports decreased in MY 2008 but increased to record levels in MY 2009. As a result, Turkish pasta production reached 270,570 MT in MY 2009, due to the high quality of local durum wheat in MY 2009. Many Turkish producers invested in their factories in 2009 and overall capacity increased. Turkey is forecast to export 300,000 MT of pasta in MY 2010. The quality of the durum wheat harvested in South East Turkey and Central Anatolia was mostly normal but output was 10-15% lower than MY 2009. Turkish Grain Board has 220,000 MT of durum wheat stocks from MY 2009. Low cost freight to Asia is also benefited pasta manufacturers.

In the irrigated land of South East Anatolia gluten quality was reported as a slight problem in MY 2010. Although the gluten levels in the crop was average, the quality of the gluten was lower than in MY 2009.

Table 14: Pasta exports, quantity

Turkey: Quantity of pasta exportation			
MONTH	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
June	12,342	15,748	16,783
July	15,174	16,705	23,305
August	16,746	16,782	21,998
September	15,001	12,210	19,087
October	13,864	13,034	21,123
November	20,536	10,283	19,642
December	16,723	9,957	25,488

January	15,257	12,180	25,168
February	16,279	10,492	21,377
March	16,602	15,048	26,664
April	14,883	13,196	25,353
May	17,877	15,283	24,582
MY TOTAL	*191,285*	*160,918*	**270,570**

Iraq, Angola, Togo and Benin are the main markets for Turkish pasta exports. Exports to those countries increase in 2009, most significantly to Togo. The Japanese market is very important to Turkish pasta producers, not only because of the value of exports but also because they consider this the most prestigious export market. In June 2010, Turkey exported 21,118 MT of pasta. The main market for Turkey are Iraq (2,320 MT), Togo (1,766 MT) and Japan (1,663 MT).

Table 15 : Major Turkish pasta export markets

Turkey: Quantity of pasta exported by Turkey			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Iraq	16,153	13,437	24,784
Togo	12,838	8,941	21,328
Angola	2,157	7,088	17,000
Benin	11,766	4,370	19,533
Japan	3,598	10,260	14,170
Others	145,061	116,822	173,755
Total	**191,429**	**160,918**	**270,570**

Table 16 : Turkish pasta foreign trade

Turkey: Pasta Foreign Trade Data				
YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	**EXPORTS ($)**
MY 2006	1,106	2,830,022	176,808	83,317,095
MY 2007	1,345	3,643,850	191,285	155,178,315
MY 2008	1,520	4,149,741	160,918	149,970,388
MY 2009	1,941	5,107,073	270,570	175,682,310

Semolina

Semolina exports followed the same pattern as pasta exports in MY 2009. Due to the low level of production in MY 2008, semolina exports dropped to 45,676 in MY 2008 but reached 96,694 MT in MY 2009.

Table 17: Quantity of semolina exportation

Turkey: Quantity of semolina exportation			
MONTH	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
June	3,874	5,788	4,931
July	3,583	7,835	7,368
August	4,139	3,843	6,022

September	5,142	2,980	8,902
October	6,399	3,169	5,885
November	11,511	3,051	6,362
December	7,691	1,939	8,037
January	7,418	2,223	10,216
February	6,217	3,157	8,654
March	4,521	2,227	8,656
April	7,252	3,342	13,966
May	7,408	6,120	7,643
MY TOTAL	**75,154**	**45,676**	**96,694**

Oman became a new market for Turkish semolina exports, and the Iraq and Saudi Arabia markets strengthened as well. In May 2010, Turkey's major semolina export market were Iraq (1,763 MT), Saudi Arabia (1,488 MT) and Syria (1,291 MT).

In June 2010 Turkey exported 8,847 MT of semolina. The main export markets were Iraq (2,433 MT), Syria (1,689 MT) and Egypt (1,409 MT).

Table18: Major Turkish semolina export markets

Turkey: Quantity of semolina exports to select markets			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Oman	0	0	10,937
Iraq	3,582	6,253	15,547
Saudi Arabia	3,139	7,833	13,135
Egypt	8,783	5,528	9,755
Syria	7,015	4,192	11,168
Others	52,636	21,870	46,647
Total	75,155	45,676	96,543

The unit value of wheat flour, past and semolina exports all decreased in MY 2009.

Table 19: Turkish semolina foreign trade

Turkey: Semolina Foreign Trade Data				
YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	**EXPORTS ($)**
MY 2006	409	203,883	40,222	13,397,073
MY 2007	931	548,765	75,154	42,974,265
MY 2008	13	25,341	45,676	28,845,909
MY 2009	27	68,061	96,694	36,964,574

Barley

Due to low wheat yield and a low and bad quality barley harvest, barley prices jumped to 400 TL/MT in July 2010.

Table 20: Barley price in Konya Commodity Exchange

Barley (USD/MT)												
	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
2007	287	310	302	342	381	407	410	397	400	369	375	428
2008	417	427	434	396	327	302	310	301	288	270	268	270
2009	217	220	225	234	245	230	225	236	236	231	236	229
2010	232	266										

Due to high yields and high stocks at TMO, Turkey exported 754,848 MT of barley in MY 2009. Barley exports will continue in MY 2010 but will be less than MY 2009.

Table 21: Turkish barley trade

TURKEY: BARLEY FOREIGN TRADE				
MONTH	IMPORT MY 2008 (MT)	IMPORT MY 2009 (MT)	EXPORT MY 2008 (MT)	EXPORT MY 2009 (MT)
June	1,018	3,000	0	1,441
July	0	2,765	0	0
August	10,369	0	0	980
September	7,083	4,234	0	0.3
October	38,917	40	0.3	108,930
November	13,052	6,080	0	84,270
December	9,718	14,577	0	105,601
January	33,868	8,002	0	51,700
February	0	0	80	15,783
March	8,134	13,255	0	136,491
April	11,421	10,517	0	128,235
May	7,531	0	0	121,415
MY TOTAL	141,111	62,470	80.3	754,848

*forecast

Turkey traditionally exports barley to Middle Eastern countries. Due to two years of drought, Turkey didn’t export much barley in MY 2007 and MY 2008. After a bumper crop in MY 2009 led to high stocks, TMO opened seven tenders for grain exports between October 2009 and April 2010 and exported 740,000 MT of barley. TMO held the latest grain export tenders on April 20, 2010. The average price of barley at TMO’s seven tenders was 143.16 $US/MT. Total TMO barley exports reached 740,000 MT and TMO still has 556,076 MT of barley stocks. Barley exports were negligible in MY 2007 and MY 2008 reached 754,848 MT in MY 2009. Saudi Arabia (558,970 MT) was the largest barley export market in MY 2009.

In June 2010, Turkey exported 22,100 MT of barley. Saudi Arabia was Turkey's only export market for barley in June 2010.

Table 22: Major Turkish barley export markets

Turkey: Quantity of barley export			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Saudi Arabia	0	0	558,970
Syria	0	0	82,000
Morocco	0	0	55,000
Libya	0	0	52,000
UK	245	0	0
Others	49	80	6,878
Total	294	80	**754,848**

Turkey imported 62,470 MT of barley in MY 2009. The main supplier of malting barley to Turkey is France (56,716 MT), and also the Ukraine when supplies are available.

Table 23: Total Turkish barley foreign trade

Turkey: Barley Foreign Trade Data				
YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	**EXPORTS ($)**
MY 2006	47,455	11,200,918	374,985	71,509,098
MY 2007	188,450	70,044,181	548	264,230
MY 2008	141,111	53,165,708	80	22,945
MY 2009	62,470	14,719,215	754,848	110,268,676

Corn

The corn price increased to 485 TL/MT in July 2010. The harvest season has not started yet, but prices are expected to decrease in September 2010

Table 24: Corn price in Adana Commodity Exchange

Corn (USD/MT)												
	SEP	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**	**MAY**	**JUNE**	**JULY**	**AUG**
2007	328	351	343	332	332	342	302	369	409	404	448	444
2008	404	236	238	239	250	264	261	286	290	297	329	308
2009	278	284	279	276	298	307	290	303	295	290	323	

Not only corn imports but also corn exports of Turkey increased dramatically in the period of September 2009-May 2010. Due to high production levels in MY 2009, corn exports increased to

270,785 MT in the first nine months of MY 2009, and are expected to reach 400,000 MT by the end of MY 2009. Corn imports also increased in MY 2009, especially in December 2009 and March 2010.

Biotech regulations introduced and October 2009 and amended several times since then have affected imports of many products, including corn. According to amendments to the October 2009 regulation, transgenic corn could only be imported until March 1, 2010. On April 28, 2010 the Ministry of Agriculture amended the October Biotechnology regulation again, giving authority to a Scientific Committee to make decisions on biotech products. The Scientific Committee's decision on the corn events was published on May 26, 2010. According to the decision all EU approved corn events were allowed to be imported for certain uses, except the T25 event. The implementation directive of the Scientific Committee's decision was sent to ports in June 1, 2010. Based on this directive, transgenic corn except T25 can be imported to Turkey again provided that it is labeled properly. A Biosafety Law was published in the Official Gazette (No: 27533) and will be implemented on September 26, 2010. The details of the implementation of this law and how it will affect corn imports are not yet clear.

MY2010 corn imports are expected to reach at 450,000 MT and exports are forecasted to reach 350,000 MT.

Table 25: Corn foreign trade of Turkey

TURKEY: CORN FOREIGN TRADE				
MONTH	**IMPORT MY 2008 (MT)**	**IMPORT MY 2009 (MT)**	**EXPORT MY 2008 (MT)**	**EXPORT MY 2009 (MT)**
September	420	6,876	277	111,499
October	1,730	4,403	2,026	90,915
November	2,682	9,588	3,069	63,822
December	19,508	72,197	3,868	1,178
January	23,026	27,469	2,299	930
February	16,930	36,754	622	1,248
March	42,777	109,591	1,828	654
April	82,016	64,303	640	480
May	105,943	32,428	990	59
June	32,430	83,514	732	831
July	42,616		48,697	
August	46,278		2,209	
MY TOTAL	403,872	450,000*	67,258	350,000*

*Forecast

Ukraine, Romania, Russia and Hungary will be Turkey's main corn suppliers in the final months of MY 2009. The import price of Russian corn was CIF 210 USD in July 2010. Turkey imports corn duty free under an inward processing regime, or with a customs duty of 130% for corn outside of the inward processing regime.

In June 2010, Turkey imported 83,514 MT of corn. Major supplier were Hungary (33,298 MT), Russia (19,533 MT) and Romania (18,406 MT).

Table 26: Major corn suppliers to Turkey (September-May)

Turkey: Quantity of corn imported during September-May			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Ukraine	60,059	89,630	122,992
Romania	746	39,530	58,974
Russia	0	91,532	35,449
U.S.	459,188	22,963	*3,469*
Argentina	72,450	4,367	12,448
Others	39196	47,010	130,279
Total	**631,639**	**295,032**	**363,611**

Syria imported a large amount of corn from Turkey in MY 2009. Italy and Germany traditionally import only a small amount of corn from Turkey.

Table 27: Major Turkish corn export markets (September-May)

Turkey: Quantity of corn exported during September-May			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Syria	0	90	231,800
Italy	2,375	4,866	4,924
Germany	41	581	1,364
Spain	475	1,345	912
France	301	2,144	540
Others	6,285	4,276	31,246
Total	**9,477**	**13,302**	**270,786**

Due to external politics it is very difficult to forecast corn imports in MY 2009 and MY 2010. The local corn price is very high. The TMO corn price is US$ 386/MT. The local market price was US$ 313/MT in the Adana CME on February 19, 2010 and increased to 323 US$/MT in July 26, 2010. There is a big difference between the domestically produced corn and imported corn price. The corn import price is CIF US$ 210/MT.

Table 28 : Total corn foreign trade

Turkey: Corn Foreign Trade Data				
YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	**EXPORTS ($)**
MY 2006	1,102,345	260,038,691	11,698	16,986,245
MY 2007	1,160,472	384,201,503	12,061	16,786,187
MY 2008	403,872	130,714,589	67,258	34,918,162
MY 2009*	363,611	101,715,391	270,787	69,112,768

*September 2009-May 2010

Table 29: DDGS importation of Turkey

Turkey: Quantity of DDGS imported			
MONTH	MY 2007 (MT)	MY 2008 (MT)	MY 2009 (MT)
September	35,387	54,154	46,066
October	71,479	42,147	33,580
November	26,785	59,248	42,896
December	42,324	28,647	91,525
Sub total (Sep-Dec.)	**175,975**	**184,196**	**214,067**
January	38,024	16,358	44,691
February	36,537	33,860	9,675
March	79,511	46,487	7,852
April	66,675	19,825	4,013
May	19,630	24,461	8,078
June	54,832	48,976	37,586
July	26,374	21,117	
August	16,078	20,464	
MY TOTAL	**513,636**	**415,744**	**288,376**

Corn derivative product imports were also banned by the October 2009 biotechnology Regulation. When the regulation was briefly withdrawn in December a surge of DDGS imports caused a record monthly import total of 214,067 MT was reached in anticipation of increased winter feed requirements and the risk of future restrictions. DDGS and Corn Gluten Feed (CGF) imports were banned again in January when the regulation was brought back into force but then were allowed back in again in June when the scientific committee approved most corn events.

In June 2010 Turkey imported 37,586 MT of DDGS. The main suppliers were the United States (29,127 MT) and Romania (2,530 MT).

Table 30: Major DDGS suppliers of Turkey

Turkey: Quantity of DDGS imported			
Countries	MY 2007 (MT)	MY 2008 (MT)	MY 2009* (MT)
U.S.	489,891	402,245	269,918
Canada	21,899	7,099	3,442
Ukraine	1,033	5,920	7,937
Russia	*615*	*0*	*0*
Others	0	480	686
Total	**513,636**	**415,744**	**291,441**

*September-May

The United States is the main supplier of DDGS and CGF to Turkey. There are very limited amounts of DDGS and CGF currently left in stocks. Soybean meal, sunflower meal, wheat bran and corn replaced DDGS and CGF in compound feed production in January and February 2010.

Sunflower oil and soybean crushers complain that not only meal but also oil prices have been negatively affected by DDGS imports. These oilseed crushing companies have put pressure on the Ministry of Agriculture and Rural Affairs (MARA) to block DDGS importation although it is clear that Turkey needs to continue importing high protein feed ingredients. This is especially relevant if Turkey is to bring down high meat prices. Red carcass meat prices jumped from 8 US$/kg in September 2009 to 12 US$/kg in July 2010.

On July 1, 2010 in response to pressure from domestic producer and crushers, MARA sent a new directive to port ordering them to scrutinize imports of DDGS and run additional tests on all incoming shipments for items like antibiotic residues. In addition, MARA and the Turkish Standards Institute are now preparing a voluntary standard for DDGS which will likely become a mandatory standard and seem to be an additional attempt to restrict DDGS and possibly also CGF imports. The draft is being circulated for comment and it is expected to come into force soon due to extensive pressure from oilseed crushers.

Table 31: Turkish imports of CGF

Turkey: Quantity of CGF imported			
MONTH	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
September	68,861	44,341	37,529
October	76,830	38,054	35,472
November	59,495	70,309	11,837
December	80,276	10,251	48,181
Sub total (Sep-Dec.)	**285,462**	**162,955**	**133,019**
January	53,451	16,817	30,878
February	29,298	37,519	3,150
March	82,891	41,826	6,545
April	85,037	7,808	12,525
May	26,086	22,928	6,650
June	66,041	48,305	
July	37,797	42,276	
August	13,814	27,664	
MY TOTAL	**679,877**	**408,098**	**192,767**

Table 32: Major CGF suppliers of Turkey

Turkey: Quantity of CGF imported			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009* (MT)**
U.S.	656,050	355,326	147,242
Ukraine	21,529	36,724	31,118
Others	2,298	16,048	14,407
Total	**679,877**	**408,098**	**192,767**

*September-May

DDGS and CGF prices have almost returned to the level before the October biotechnology regulation was published. Before the new antibiotic test requirements were put in force, two large importers cleared almost 100,000 MT of DDGS and CGF. If antibiotic tests will not interfere with imports, the quantity of DDGS and CGF imports are expected to reach up to 400,000 MT in the following three months.

In June 2010 Turkey imported 8,614 MT of Corn Gluten Feed. Major suppliers were Ukraine (5,838 MT) and Hungary (1,400 MT).

Table 33: DDGS and CGF price

PRODUCT	PRICE BEFORE REGULATION	PRICE AFTER REGULATION (NOVEMBER)	PRICE in DECEMBER 2009	Price in February 2010	Price in July 2010
DDGS	180	250	280	290	240
CGF	150	220	250	260	215

<u>Rice</u>

Turkish consumers prefer the Calrose, Baldo and Osmancik varieties. Annual rice consumption is approximately 7 kg/person. U.S. Jupiter variety rice sales were successful in MY 2009. In Turkish cuisine rice is very important for making pilaf, and although the Jupiter variety was previously not deemed appropriate for making pilaf, apparently opinions have changed. Most people prefer the Osmancik (domestic variety) over Calrose and now in third place they prefer the Jupiter variety. The main disadvantage of U.S rice in the past was high prices, but if the United States continues to sell low priced high quality rice in MY 2010, U.S. rice sales can easily reach 150,000 MT.

The paddy rice price increased before harvest and reached to 1,274 USD/MT in June 2010. The Jupiter rice import price was 1,460 TL/MT in July 2010 while the domestic rice price in the Mersin Commodity Market Exchange (CME) was 2340 TL/MT.

Table 34: Paddy rice price

	Paddy Rice (USD/MT)											
	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG
2007	551	589	564	598	581	616	587	698	732	1,016	786	992
2008	910	535	584	621	576	618	633	677	730	684	724	604
2009	827	767	848	762	701	1,012	1,021	1,077	1,071	1,274		

Source: Bandirma and Edirne CME

A few large importers in Turkey dominate the rice market. Rice imports reached 316,585 MT in the first nine months of MY 2010. TMO has a duty free import quota which is valid until December 2010. TMO has 20,000 MT of Egyptian rice imports under contract at a price of US$ 723/MT as part of this quota; however traders do not expect further imports from TMO.

Table 35: Turkish rice foreign trade

TURKEY: RICE FOREIGN TRADE				
MONTH	IMPORT MY 2008 (MT)	IMPORT MY 2009 (MT)	EXPORT MY 2008 (MT)	EXPORT MY 2009 (MT)
September	31,486	7,224	392	182
October	7,742	10,753	715	541
November	4,427	10,611	1,795	125
December	4,507	36,434	2,590	134
January	3,040	43,556	4,886	140
February	1,777	51,028	4,789	80
March	9,468	71,977	899	114
April	13,427	49,498	3,568	58
May	39,202	35,504	2,556	2,612
Sub total (September-May)	115,076	**316,585**	22,190	**3,986**
June	30,567	59,701	637	5,639
July	35,216		744	
August	24,457		302	
MY TOTAL	**205,315**	400,000*	**23,872**	15,000*

*estimate

Turkey is forecast to import 400,000 MT of rice in MY 2009. After MY 2008, Egyptian rice gained a strong position in the Turkish market however due to the unavailability of Egyptian rice, combined with successful marketing and a low price of Calrose rice, the United States became Turkey's top rice supplier in MY 2009.

The United States and Russia are Turkey's major paddy rice suppliers. Egypt supplies milled rice. Turkey tends to import paddy rice instead of milled rice.

Table 36: Rice imports

Turkey: Rice imports in MY 2009 (September, 2009-May ,2010)				
Countries	**Paddy rice**	**Milled rice**	**Brown rice**	**Broken kernel**
U.S.	89,314	2,848	0	0
Russia	60,158	500	0	0
Egypt	0	56,827	0	0
Others	37,151	68,550	1.309	0
Total	186,623	128,725	1,309	0

Medium grain paddy rice is the most desired type of rice. Long grain rice is not very popular in Turkey. Long grain rice suppliers are Vietnam, Thailand and other Asian countries.

Table 37: Types of rice imports

Turkey: Types of Rice imports in MY 2009 (September, 2009-May, 2010)		
Countries	**Paddy Rice**	**Milled rice**

	Round	Medium	Long	Round	Medium	Long
U.S.	0	86,600	2,714	0	2,848	0
Russia	9,854	40,509	9,796	0	150	0
Egypt	0	0	0	3,504	52,824	449
Others	0	31,400	5,750	988	4,926	63,040
Total	9,854	158,509	18,260	4,492	60,748	63,489

Table 38: Major rice suppliers of Turkey in September-May

Turkey: Quantity of rice imported during September-May			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Russia	4,331	5,919	60,658
Pakistan	4,564	15,541	14,722
Italy	54,432	4,910	22,240
U.S.	63,345	53,268	**92,163**
Egypt	122,963	51,898	**56,827**
Thailand	2,664	21,948	1,456
Others	9,254	56,293	68,519
Total	**261,553**	**209,777**	**316,585**

The imported varieties from the United States are Jupiter and Carlos. Due to price and quality advantages American rice had a strong position in Turkish market in MY 2009. The GSM-102 credit is also important tool to support American rice sales in Turkey.

There are allegations of fraud in the Turkish rice market. Specifically, branded rice companies claim that importers and millers mix Calrose rice varieties with local varieties or broken rice and sell it under the name of Calrose.

The holy month of Ramadan will start in August 2010. Monthly rice consumption doubles one month before and during Ramadan in Turkey. Turkish traders imported paddy rice before July and plan to mill it in time for Ramadan sales.

Russia became a new leading rice supplier for Turkey in MY 2009. Despite quality problems, other factors such as logistical advantages, the availability of small orders, and lower prices give Russian rice an advantage. Financial tools are critical for traders seeking to import large amounts of higher quality rice to Turkey.

Table 39: Total rice foreign trade of Turkey

Turkey: Rice Foreign Trade Data				
YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	**EXPORTS ($)**
MY 2006	171,528	89,782,649	3,772	2,035,432
MY 2007	261,552	178,112,943	2,910	3,094,761
MY 2008	205,315	131,501,596	23,872	24,506,346
MY 2009*	316,585	171,136,687	3,985	4,280,074

*September 2009-May 2010

The import duty for MY 2010, publish in the Official Gazette on December 31, 2009, is 34% for paddy rice and 45% for rice.

Lentils and Pulses

Turkey's lentil imports decreased to 68,368 MT in July-December 2009 from 167, 319 MT in the same period of 2008, however due to a heavy drought, Turkey imported record amounts of lentils in MY 2008. In MY 2009, high temperatures and insufficient seeds led to continued low production levels, so Turkey is expected to import a total of 150,000 MT of lentils and export 110,000 MT in MY 2009.

Table 40: Turkish lentil trade

TURKEY: LENTIL FOREIGN TRADE				
MONTH	IMPORT MY 2008 (MT)	IMPORT MY 2009 (MT)	EXPORT MY 2008 (MT)	EXPORT MY 2009 (MT)
June	9,856	3,622	1,242	14,953
July	9,025	2,083	2,275	11,181
August	15,403	2,300	2,541	4,298
September	21,091	15,080	2,133	4,159
October	68,188	15,693	6,867	7,747
November	43,756	29,860	14,768	15,923
January	28,881	41,400	15,653	13,314
February	16,176	23,201	12,052	11,109
March	13,325	35,686	6,587	7,491
April	10,708	50,319	19,899	11,320
May	35,189	7,144	24,265	15,086
June	9,750		13,127	
MY TOTAL	**281,348**	235,000*	**121,409**	165,000

*forecast

The main lentil exporter to Turkey is Canada. In MY 2008 in the midst of a drought across the entire Black Sea region, Canada supplied 92% of Turkey's total lentil imports. The United States does not have a large share of the Turkish lentil market. Turkey imports mainly red lentils.

A temporary inward processing regime for lentil processers began in MY 2009 for the first time after two consecutive years of drought. This regime will end on May 1, 2010. Traders had problems importing and exporting lentils in MY 2009, however processors benefited from the inward processing regime.

Table 41: Major lentil supplier of Turkey in July-May

Turkey: Quantity of lentil imported during July-May			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Canada	34,230	226,463	206,687
Ethiopia	76	470	9,225

U.S	1,704	722	2,927
Russia	0	428	392
Others	12,327	12,138	7,156
Total	**48,337**	**240,221**	**226,387**

Turkey exports lentils to Middle Eastern countries in years with sufficient domestic production. Iraq is a new and emerging market for Turkish lentil exports, however Turkish exports to Sudan are decreasing.

Table 42: Major Turkish lentil export markets (July-May)

Turkey: Quantity of lentil exported during July-May			
Countries	**MY 2007 (MT)**	**MY 2008 (MT)**	**MY 2009 (MT)**
Egypt	13,837	15,119	21,970
Iraq	697	23,203	21,712
Saudi Arabia	5,660	7,546	8,828
Sudan	12,506	10,239	14,292
Others	97,166	45,523	49,779
Total	**129,866**	**101,630**	**116,581**

The average export price of Turkish lentils was 1410 $US/MT in MY 2009. Imported lentils are processed and packed mainly in the city of Mersin and re-exported to the Middle East by boat from Mersin or by truck to Iraq.

Table 43: Total lentil foreign trade of Turkey

Turkey: Lentil Foreign Trade Data				
YEAR	**IMPORTS (MT)**	**IMPORTS ($)**	**EXPORTS (MT)**	**EXPORTS ($)**
MY 2006	16,251	8,062,526	269,068	142,283,739
MY 2007	48,337	35,761,225	129,866	119,381,821
MY 2008	281,348	293,625,934	121,409	168,984,712
MY 2009*	226,388	211,152,029	116,581	155,957,304

*July 2009-May 2010

PSD Table for Wheat

Turkey Wheat										
	2008	**Revised**		**2009**	**Estimate**		**2010**	**Revised**		**UOM**
	USDA Official	**Post Estimate**	**Post Estimate New**	**USDA Official**	**Post Estimate**	**Post Estimate New**	**USDA Official**	**Post Estimate**	**Post Estimate New**	
MY Begin		*06/2008*	*06/2008*		*06/2009*	*06/2009*		*06/2010*	*06/2010*	MM/YYYY
Area Harvested	7,700	7,700	7,700	7,800	7,800	7,800	8,000	8,000	8,000	1000 HA
Beginning Stocks	420	1,220	420	1,550	2,038	1,550	1,850	1,458	1,733	1000 MT
Productio	16,80	16,800	16,800	18,00	18,000	18,450	17,00	18,500	17,000	1000

n	0			0			0			MT
MY Imports	3,468	3,606	3,468	3,100	2,300	2,922	3,500	2,500	3,500	1000 MT
TY Imports	3,577	3,606	3,577	3,100	2,300	2,922	3,500	2,500	3,500	1000 MT
TY Imp from US	20	10	20	0	0	0	0	0	0	1000 MT
Total Supply	20,688	21,626	20,688	22,650	22,338	22,922	22,350	22,458	22,233	1000 MT
MY Exports	2,238	2,288	2,238	3,400	3,380	4,389	3,100	3,000	4,000	1000 MT
TY Exports	2,342	2,288	2,342	3,400	3,380	4,389	3,100	3,000	4,000	1000 MT
Feed Consumption	700	800	700	800	1,000	800	700	1,100	700	1000 MT
FSI Consumption	16,200	16,500	16,200	16,600	16,500	16,000	17,000	16,500	16,500	1000 MT
Total Consumption	16,900	17,300	16,900	17,400	17,500	16,800	17,700	17,600	17,200	1000 MT
Ending Stocks	1,550	2,038	1,550	1,850	1,458	1,733	1,550	1,858	1,033	1000 MT
Total Distribution	20,688	21,626	20,688	22,650	22,338	22,922	22,350	22,458	22,233	1000 MT
Yield	2.	2.	2.1818	2.	2.	2.3654	2.	2.	2.125	MT/HA

PSD Table for Barley

Turkey Barley										
	2008	**Revised**		**2009**	**Estimate**		**2010**	**Revised**		**UOM**
	USDA Official	**Post Estimate**	**Post Estimate New**	**USDA Official**	**Post Estimate**	**Post Estimate New**	**USDA Official**	**Post Estimate**	**Post Estimate New**	
MY Begin		06/2008	06/2008		06/2009	06/2009			06/2010	MM/YYYY
Area Harvested	3,400	3,400	3,400	3,400	3,400	3,400	3,350		3,350	1000 HA
Beginning Stocks	612	341	341	797	176	526	647		633	1000 MT
Production	5,700	5,600	5,700	6,000	6,000	6,500	6,000		5,900	1000 MT
MY Imports	187	135	187	150	50	62	150		150	1000 MT
TY Imports	159	135	159	150	52	60	150		150	1000 MT
TY Imp from US	0	0	0	0	0	0	0		0	1000 MT
Total Supply	6,499	6,076	6,228	6,947	6,226	7,088	6,797		6,683	1000 MT
MY Exports	2	0	2	800	20	755	400		400	1000 MT
TY Exports	3	0	3	800	20	755	400		400	1000 MT
Feed Consumpt	4,800	5,000	4,800	4,600	5,000	4,800	4,800		4,800	1000 MT

ion										
FSI Consumption	900	900	900	900	900	900	900		900	1000 MT
Total Consumption	5,700	5,900	5,700	5,500	5,900	5,700	5,700		5,700	1000 MT
Ending Stocks	797	176	526	647	306	633	697		583	1000 MT
Total Distribution	6,499	6,076	6,228	6,947	6,226	7,088	6,797		6,683	1000 MT
Yield	2.	2.	1.6765	2.	2.	1.9118	2.		1.7612	MT/HA

PSD Table for Corn

Turkey Corn										
	2008	**Revised**		**2009**	**Estimate**		**2010**	**Revised**		**UOM**
	USDA Official	**Post Estimate**	**Post Estimate New**	**USDA Official**	**Post Estimate**	**Post Estimate New**	**USDA Official**	**Post Estimate**	**Post Estimate New**	
MY Begin		09/2007	09/2007		09/2008	12/2008		09/2009	09/2009	MM/YYYY
Area Harvested	520	520	520	500	500	500	500		490	1000 HA
Beginning Stocks	599	657	599	882	1,091	785	682		685	1000 MT
Production	4,150	4,150	4,150	4,000	3,800	4,000	3,900		4,000	1000 MT
MY Imports	499	300	403	400	100	450	400		350	1000 MT
TY Imports	516	310	403	400	100	450	400		350	1000 MT
TY Imp from US	29	23	29	0	30	30	0		35	1000 MT
Total Supply	5,248	5,107	5,152	5,282	4,991	5,235	4,982		5,035	1000 MT
MY Exports	66	16	67	400	10	350	300		300	1000 MT
TY Exports	176	16	176	300	10	350	300		270	1000 MT
Feed Consumption	3,400	3,100	3,400	3,300	3,100	3,300	3,300		3,300	1000 MT
FSI Consumption	900	900	900	900	900	900	900		900	1000 MT
Total Consumption	4,300	4,000	4,300	4,200	4,000	4,200	4,200		4,200	1000 MT
Ending Stocks	882	1,091	785	682	981	685	482		535	1000 MT
Total Distribution	5,248	5,107	5,152	5,282	4,991	5,235	4,982		5,035	1000 MT
Yield	8.	8.	7.9808	8.	8.	8.	8.		8.1633	MT/HA

PSD Table for Rice

Turkey Rice										
	2008	Revised		2009	Estimate		2010	Revised		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		09/2008	09/2008		09/2009	09/2009		09/2010	09/2010	MM/YYYY
Area Harvested	100	100	100	100	100	100	100		105	1000 HA
Beginning Stocks	261	261	261	265	206	265	270		400	1000 MT
Milled Production	420	420	420	420	429	400	420		450	1000 MT
Rough Production	700	700	700	700	715	667	700		750	1000 MT
Milling Rate (.9999)	6,000	6,000	6,000	6,000	6,000	6,000	6,000		6,000	1000 MT
MY Imports	209	150	209	200	130	400	200		300	1000 MT
TY Imports	200	140	200	200	125	400	200		300	1000 MT
TY Imp. from U.S.	0	65	54	0	55	120	0		130	1000 MT
Total Supply	890	831	890	885	765	1,065	890		1,150	1000 MT
MY Exports	25	25	25	15	15	15	15		15	1000 MT
TY Exports	25	25	25	15	15	15	15		15	1000 MT
Total Consumption	600	600	600	600	600	650	600		650	1000 MT
Ending Stocks	265	206	265	270	150	400	275		485	1000 MT
Total Distribution	890	831	890	885	765	1,065	890		1,150	1000 MT
Yield (Rough)	7.	7.	7.	7.	7.	6.67	7.		7.1429	MT/HA