

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Turkey Raises Tariffs on Imported Grains

**Country:** Turkey

**Post:** Ankara

**Report Category:** Grain and Feed, Agriculture in the News

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**Report Highlights:**

Starting on May 1, Turkey's import duties on wheat, barley, corn, and other grains will go from zero to 130 percent. This increase was higher than was originally expected and surprised some local grain traders. It is suspected the higher duty was introduced to protect farmers from a potential influx of cheaper grain imports due to a widening price gap between domestic and Black Sea grain, especially wheat.

## Higher-than-Expected Increase in Grain Import Duties

According to a April 24 [Presidential Decree](#), Turkey will raise its import tariffs on wheat, rye, oat, barley and corn from zero to 130 percent starting on May 1. This is the highest tariffs on imported grain have been since mid-2017; this new rate is the maximum MFN applied duty rate. For the last several years, in order to fight food inflation, Turkey has cut or eliminated tariffs on imported grain.

The new duties for wheat, barley, and corn are more than the government previously announced last December, as shown in the table below. According to industry contacts, this higher-than-expected tariffs for these grains has created some confusion amongst Turkish grain traders.

Post suspects that the reason for the increase in tariffs is to protect local farmers from the prospects of cheaper imports. The current price of Black Sea milling wheat has dropped to about \$285/MT CIF, compared to \$400/MT a year ago. By contrast, domestic milling wheat is trading at around \$315/MT. This price gap will likely widen even further since the Turkish Grain Board (TMO) is expected to soon raise its purchase price for domestic wheat, possibly above \$400/MT to compensate farmers for rising input costs. From a policy perspective, this widening price spread calls into question the competitiveness of Turkey's wheat sector.

These higher duties will put some downward pressure on grain imports (excluding transshipments) in MY 2023/24. Demand for imports will also likely slacken because of large carryover stocks that were purchased from January-April of the current marketing year when the import tariff was zero. Meantime, favorable spring rainfall in March and April have helped ameliorate some of the effects of drought on domestic grain production. Turkey experienced its driest period in the last 60 years from last October through February of this year.

Post will provide further analysis on the tariff change and improved spring weather conditions in our July Grain & Feed update.

<b>Table: Turkey's Tariffs on Imported Grains</b>				
HS Code	Description	Rates from Jan-Apr 2023	Rates starting May 1 <sup>st</sup> , as announced last Dec	Rates starting May 1 <sup>st</sup> , as announced in Apr
100119	durum wheat	0	45	130
100199	milling wheat	0	45	130
100290	rye	0	130	130
100390	barley	0	35	130
100490	oats	0	130	130
100590	corn	0	25	130

### Attachments:

No Attachments.