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## Turkey

### Oilseeds and Products

### Soybean and Products Update

**2005**

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**Report Highlights:**

Turkey's MY 2004 imports of soybeans and soybean meal will reach a record 1 MMT and 600 TMT respectively. At the same time, the Turkish government recently raised duties on both soybeans and meal. There is some speculation that import duties will remain high in order to encourage domestic crushing. This could hamper U.S. meal exports in the future. In addition, the possible drop in U.S. meal exports to Turkey might result in more imports of beans from South American sources rather than the States.

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Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
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[TU]

**Table of Contents**

**Executive Summary** ..... **3**  
**Trade**..... **3**  
**Marketing** ..... **3**  
**Statistical Tables** ..... **4**  
    Table 1. Soybean PS&D..... 4  
    Table 2. Soybean Meal PS&Ds..... 5  
    Table 3: Soybean Oil PS&D..... 6  
**Trade Tables** ..... **7**  
    Table 1. Soybean Imports ..... 7  
    Table 2. Soybean Meal Exports..... 8  
    Table 3. Soybean Meal Imports ..... 8  
    Table 4. Soybean Oil Exports ..... 9  
    Table 5. Soybean Oil Imports..... 9

## Executive Summary

Fuelled by the initiative to avoid higher import taxes and availability of GSM-102 program, MY 2004 become a record year for soybean and meal imports to Turkey. Accordingly, soybean and meal imports for the marketing year now expected to reach 1 MMT and 600,000 MT respectively.

Last spring the GOT announced (TU 5015) that import duties for variety of feed ingredients including soybean and meal would be increasing in the summer. On July 1, 2005 the soybean meal import duty increased from zero to 4 percent for EU origin meal and from 2 to 6 percent for the rest of the world until the end of the year. On August 1, 2005 the soybean import duty went from zero to 4 percent for all origins until the end of the year 2005. This could hamper U.S. meal exports to Turkey in the future. In addition, the drop in U.S. meal exports might result in an increase of soybean imports beans from South America rather than the States.

The government is looking to improve local crushing while helping to reduce large sunflower seed stocks of Trakya Birlik, an agricultural sales cooperative. The industry sources indicate that while GOT may lower the seed import taxes at the end of the year as announced earlier while keeping meal import taxes unchanged in order to utilize its large domestic crushing capacity, 4.5 million tons.

## Trade

Importers rushed to bring their cargos prior to the import tax increases and according to the industry sources in June alone about 250,000 MT of soybeans were imported, which represents one third of annual imports in a normal year. While the increase in poultry production will consume some of the imports, very high year-end stocks for both commodities are expect for the next marketing year.

Soybean imports during the first ten moths of the marketing year were 860,000 MT with United States supplying (529,000 MT) sixty two percent of the total. Also, U.S. exports during the first ten months of the marketing year represent an 87 percent increase compared with MY 2003. Soybean meal imports during the same period were 585,000 MT with the United States supplying (308,000 MT) fifty-three percent. This also represented a very large increase for U.S. exports (59 percent) compared to last year. Lower U.S. prices and the availability of GSM credit guarantee programs during the marketing year made U.S. beans and meal very attractive to Turkish industries.

Turkish soybean oil imports during the first ten months of the MY 2004 were 52,000 MT and year-end imports are expected to reach 80,000 MT. The European Union with its 60,000 MT of tariff rate quota, and Argentina were the main suppliers.

## Marketing

Another development, which is being carefully observed, is the growing interest in the production of bio-diesel fuels in Turkey due primarily to the recent increases in world petroleum prices. Turkey meets the great majority of its petroleum demand by imports and there is a serious need for alternative and cheaper energy sources. Some investors are reportedly building plants to produce bio-diesel fuel. Although official standards and processing procedures are not yet in place for bio-diesel production, some industry sources speculate that this may increase soy oil consumption in Turkey.

Note: Trade figures for MY 2004 on the trade matrixes are for the first ten months of the marketing year.

## Statistical Tables

Table 1. Soybean PS&amp;D

<b>Turkey Oilseed, Soybean</b>							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate New]	USDA Official [Old]	Post Estimate New]	USDA Official [Old]	Post Estimate New]	
Market Year Begin		09/2003		09/2004		09/2005	MM/YYYY
Area Planted	0	0	0	0	0	0	(1000 HA)
Area Harvested	20	15	10	10	8	10	(1000 HA)
Beginning Stocks	127	127	81	61	85	246	(1000 MT)
Production	45	45	25	25	20	25	(1000 MT)
MY Imports	612	600	900	1000	850	850	(1000 MT)
MY Imp. from U.S.	257	283	400	550	450	450	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
<b>TOTAL SUPPLY</b>	784	772	1006	1086	955	1121	(1000 MT)
MY Exports	1	1	1	0	2	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Crush Dom. Consumption	220	230	295	300	290	330	(1000 MT)
Food Use Dom. Consump.	20	20	35	30	30	40	(1000 MT)
Feed,Seed,Waste Dm.Cn.	462	460	590	510	545	565	(1000 MT)
<b>TOTAL Dom. Consumption</b>	702	710	920	840	865	935	(1000 MT)
Ending Stocks	81	61	85	246	88	186	(1000 MT)
<b>TOTAL DISTRIBUTION</b>	784	772	1006	1086	955	1121	(1000 MT)
Calendar Year Imports	810	810	656	656	855	800	(1000 MT)
Calendar Yr Imp. U.S.	383	383	303	303	700	450	(1000 MT)
Calendar Year Exports	0	0	1	0	1	1	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 2. Soybean Meal PS&amp;D

Meal, Soybean							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate New]	USDA Official [Old]	Post Estimate New]	USDA Official [Old]	Post Estimate New]	
Market Year Begin		09/2003		09/2004		09/2005	MM/YYYY
Crush	220	230	295	270	290	320	(1000 MT)
Extr. Rate, 999.9999	0.8	0.804348	0.694915	0.814815	0.717241	0.796875	(PERCENT)
Beginning Stocks	93	93	60	50	80	195	(1000 MT)
Production	176	185	205	220	208	255	(1000 MT)
MY Imports	433	370	570	600	515	400	(1000 MT)
MY Imp. from U.S.	145	182	250	310	275	330	(1000 MT)
MY Imp. from the EC	1	1	0	0	0	0	(1000 MT)
TOTAL SUPPLY	702	648	835	870	803	850	(1000 MT)
MY Exports	18	20	22	20	25	25	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consump.	15	18	20	25	25	30	(1000 MT)
Feed Waste Dom. Consum	609	560	713	630	663	690	(1000 MT)
TOTAL Dom. Consumption	624	578	733	655	688	720	(1000 MT)
Ending Stocks	60	50	80	195	90	105	(1000 MT)
TOTAL DISTRIBUTION	702	648	835	870	803	850	(1000 MT)
Calendar Year Imports	406	400	451	450	450	500	(1000 MT)
Calendar Yr Imp. U.S.	201	200	162	160	300	300	(1000 MT)
Calendar Year Exports	28	25	15	15	25	25	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 3: Soybean Oil PS&amp;D

Turkey Oil, Soybean							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate New]	USDA Official [Old]	Post Estimate New]	USDA Official [Old]	Post Estimate New]	
Market Year Begin		09/2003		09/2004		09/2005	MM/YYYY
Crush	220	230	295	300	290	330	(1000 MT)
Extr. Rate, 999.9999	0.181818	0.173913	0.155932	0.166667	0.162069	0.166667	(PERCENT)
Beginning Stocks	5	19	10	11	12	11	(1000 MT)
Production	40	40	46	50	47	55	(1000 MT)
MY Imports	78	65	115	80	125	100	(1000 MT)
MY Imp. from U.S.	0	0	20	10	20	10	(1000 MT)
MY Imp. from the EC	63	63	60	40	60	60	(1000 MT)
TOTAL SUPPLY	123	124	171	141	184	166	(1000 MT)
MY Exports	2	5	4	10	6	5	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	20	10	18	10	21	10	(1000 MT)
Food Use Dom. Consump.	65	48	102	50	107	60	(1000 MT)
Feed Waste Dom. Consum	26	50	35	60	36	80	(1000 MT)
TOTAL Dom. Consumption	111	108	155	120	164	150	(1000 MT)
Ending Stocks	10	11	12	11	14	11	(1000 MT)
TOTAL DISTRIBUTION	123	124	171	141	184	166	(1000 MT)
Calendar Year Imports	120	120	76	75	193	80	(1000 MT)
Calendar Yr Imp. U.S.	30	15	0	0	100	0	(1000 MT)
Calendar Year Exports	10	2	4	2	20	4	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	5	0	(1000 MT)

Trade Tables

Table 1. Soybean Imports

Turkey		Soybeans		MT	
Time Period	Sept/Aug	Units:		Metric tons	
Imports for:	MY2003			MY 2004	
U.S.	283100	U.S.		529179	
Others		Others			
Argentina	203300	Argentina		194104	
Paraguay	39270	Brazil		62720	
Ukraine	29160	Paraguay		44126	
Brazil	16877	Romania		24950	
Canada	10010	Ukraine		4964	
Romania	15425	Canada		47	
Uruguay	2348	Germany		3	
China	1				
Total for Others	316391			330914	
Others not Listed					
Grand Total	599491			860093	

**Table 2. Soybean Meal Exports**

Turkey			
Meal, Soybean			
Time Period	Sept/Aug	Units:	Metric tons
Exports for:	MY2003		MY 2004
U.S.		U.S.	
Others		Others	
N. Cyprus	14150	N.Cyprus	9460
Iraq	5265	Iraq	4070
Georgia	426	Turkmenistan	177
Turkmenistan	162		
Total for Others	20003		13707
Others not Listed			
Grand Total	20003		13707

**Table 3. Soybean Meal Imports**

Turkey			
Meal, Soybean			
Time Period	Sept/Aug	Units:	Metric tons
Imports for:	MY 2003		MY 2004
U.S.	182303	U.S.	308010
Others		Others	
Argentina	124301	Argentina	225938
Brazil	60246	Brazil	49703
Netherlands	1076	Netherlands	876
United Kingdom	125	Germany	121
India	72	Israel	67
Israel	52		
Total for Others	185872		276705
Others not Listed			
Grand Total	368175		584715



**Table 4. Soybean Oil Exports**

Turkey Oil, Soybean			
Time Period	MY2003	Units:	Metric tons
Exports for:	Sept/Aug		<b>MY 2004</b>
U.S.		U.S.	
Others		Others	
Eritrea	1641	Ethiopia	2540
N.Cyprus	893	N. Cyprus	658
Ethiopia	698	Chad	310
Canada	93	Honduras	237
Aegean Free Zone	85	Pakistan	180
Norway	55	Syria	105
Belgium	6	Israel	87
Turkmanistan	6	Norway	59
Bulgaria	2	Georgia	41
New Zealand	1	Mersin Free Zone	27
Total for Others	3480		4244
Others not Listed			32
Grand Total	3480		4276

**Table 5. Soybean Oil Imports**

Turkey Oil, Soybean			
Time Period	Sept/Aug	Units:	Metric tons
Imports for:	MY2003		<b>MY 2004</b>
U.S.		U.S.	8
Others		Others	
Spain	27990	Argentina	22295
Portugal	8781	Spain	21596
France	8285	Greece	4503
Italy	7244	Romania	1998
Romania	4504	Italy	1349
Argentina	3663	Brazil	300
Greece	2098	Germany	5
Netherlands	70		
Total for Others	62635		52046
Others not Listed			
Grand Total	62635		52054