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Report Highlights:

Post projects MY 2006 oilseed production at about 2.1 MMT, ten percent larger than MY 2005 production. Turkey continues to be a major importer of oilseeds and products to meet the demand of its large poultry and domestic crushing and refining industries. The recent interest to produce bio-diesel as a cheap source of renewable energy will also increase Turkish oilseed production and demand for oils. During MY 2004 Turkey imported a record amount of soybeans and meal, 1.1 MMT and 685,000 MT respectively, but MY 2005 total imports are expected to decline about thirty percent due to AI's affect on the poultry industry and large carryovers. U.S. soybean and meal continue to be the import market leaders with forty-eight and fifty-seven percent shares respectively in MY 2004 due to quality and availability of GSM 102 export credit program.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Post forecast for MY 2006 oilseeds production is 2.1 MMT, up about ten percent from MY 2005 production of 1.9 MMT due to increase mostly in cottonseed production. A minor increase is also expected in soybean production. Cottonseed and soybean seed area will increase due to the dissatisfaction of farmers with the alternative crops, such as corn, and relatively higher production bonus allocation of the GOT for oilseed crops. Sunflower seed area is expected to marginally decline but the production increase will depend on the optimum precipitation during the season.

MY 2005 total meal production is expected to go down about six percent to 1.4 MMT due to decrease in all meals but mostly in cottonseed meal. MY 2006 total meal production is projected to recover to 1.5 MMT due to increases in cottonseed meal and soybean meal.

After many years of steady growth Turkish broiler industry is expecting about a twenty percent decline in production in CY 2006 due to repeated Avian Influenza (IA) cases in late 2005 and early 2006. Total poultry meat production is expected to go down to 900,000 MT in 2006 from 1.1 MMT last year that will have an adverse affect on oilseeds and products consumption. Despite the recent decline, Turkey continues to be one of the largest poultry producers of the region and is ranked number fourteen in the world.

According to official statistics, Turkey's total soybean and meal imports for MY 2004 exceeded early predictions and reached 1.13 MMT and 685,000 MT respectively (TU5050). Fuelled by the incentive to avoid higher import taxes and the availability of the GSM-102 program, MY 2004 became a record year for soybean and meal imports to Turkey. The U.S. continues to be the leading supplier of soybean and meal to Turkey providing forty-eight and fifty-seven percent of the imports, respectively. The overall twenty percent decline in poultry production in CY 2006 following the AI cases coupled with the higher than usual year-end stocks will eventually cause a reduction in demand for imported soybean and meal in MY 2005.

MY 2005 total oils production is expected to decline to 775,000 MT from 795,500 MT of MY 2004 due to decline in all oils, particularly in sunflower seed oil production. Following a few years of drastic decline due to increased crushing and refining capacities in export markets, the over-valued Turkish Lira, and high local raw material prices, Turkish liquid oil and margarine exports are reportedly in an increase. Iraq and Libya, has reemerged as an export market during 2005 for Turkish liquid oil and particularly for margarine. Turkey's large domestic population will continue to keep demand high for oils. Due to lack of local production, demand for imported oilseeds and products to satisfy local feed, food and oil industries will continue to increase.

Since last year, local industrialist and agricultural co-ops are showing a great interest in bio-diesel production as an alternative renewable energy source. High local petroleum prices make bio-diesel a cheaper alternative for fuel. Present specification requires bio-diesel to be produced using canola oil. There is a growing trend to increase production of canola in Turkey. Companies and co-ops reportedly are signing production contracts with farmers. Canola imports also are reportedly increasing in MY 2005 to meet the demand. While some producers will use only canola oil some others are planning to mix canola oil with cottonseed oil and soybean oil; hence, production and import of both oils are expected to increase in coming years. Despite the growing interest, there are many issues related with bio-diesel that need to be finalized such as specification, distribution and taxation for production to grow. The parliament recently passed legislation that gives the Cabinet authority to announce up to YTL 0.65 per kg special consumption tax for bio-diesel. Producers are arguing that such a high tax would make bio-diesel uncompetitive with petroleum products

and requesting that the Cabinet should eventually issue a lower tax. The response of the government will shape the future of the industry. All and all bio-diesel is a product that will have a significant effect on production and consumption of oils in Turkey for years to come.

The GOT took protective measures and increased oilseed and products import duties recently. According to the present import regime, sunflower seed import tax is 27 percent or minimum of 75 euros per ton for U.E. and EFTA countries and 36 percent or minimum of 100 euros per ton for those countries who are not a member of WTO. Soybean and cottonseed import tax is ten percent and four percent respectively. Sunflower seed meal and cottonseed meal imports duties are 11.5 percent for E.U. and EFTA countries and 13.5 percent for all other sources. Soybean meal import duty is 13.5 percent for the countries other than E.U. sources. Soybean meal imports from E.U. and Bosnia remain as zero percent.

All oil imports - crude and refined - are subject to 31.2 percent import duty with the exception of sunflower seed oil. Crude sunflower seed oil is subject to a 36 percent or minimum of 200 euros per ton for E.U., EFTA and other countries but 54 percent or minimum of 300 euros per ton for those countries that are not WTO members. Refined sunflower seed oil is subject to a 50 percent customs tax from all sources.

According to the Customs Union agreement with the E.U., and bilateral agreements with Romania, Bulgaria and Hungary, Turkey allows importation of oils and seeds duty free from member countries or at reduced tariff rates, as listed on page 12.

Turkey has ratified the Cartagena Biosafety Protocol and is in the process of establishing a bio-safety system. Even though officials stated earlier that regulations should be in place in 2005, no progress has taken place. While many Turkish officials state that they are not opposed to biotechnology, the effect of pending legislation on trade remains to be seen. No disruptions on trade for products destined for animal feed are expected. As of now Turkey does not permit planting of GMO seeds.

OILSEEDS**Production****Sunflower seed**

Turkey's MY 2005 sunflower seed crop reached 750,000 MT, higher than earlier season projections despite a minor decrease in planted area. Ideal weather conditions and timely rains during the season helped to increase yields to one of the highest in recent years while area, although marginally, continued to decline due to increased planting of confectionery pumpkinseed and sorghum in the Thrace region where seventy percent of sunflower seeds are grown. Increased industrial development and ecological problems i.e., soil and water pollution that come with it also played a role in shrinking sunflower planting area in the region. MY 2006 production is expected to be about 700,000 MT with a minor decline in area.

PSD, Sunflower seed

Turkey Oilseed, Sunflower seed (1000 HA) (1000 MT)						
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		09/2004		09/2005		09/2006
Area Planted	520	480	510	440	0	420
Area Harvested	480	480	510	440	0	420
Beginning Stocks	25	20	30	20	25	30
Production	650	650	670	750	0	700
MY Imports	529	525	460	350	0	420
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	30	0	0	0	0
TOTAL SUPPLY	1204	1195	1160	1120	25	1150
MY Exports	7	0	0	0	0	0
MY Exp. to the EC	3	0	0	0	0	0
Crush Dom. Consumption	1161	1165	1130	1080	0	1110
Food Use Dom. Consump.	4	6	3	8	0	8
Feed,Seed,Waste Dm.Cn.	2	4	2	2	0	2
TOTAL Dom. Consumption	1167	1175	1135	1090	0	1120
Ending Stocks	30	20	25	30	0	30
TOTAL DISTRIBUTION	1204	1195	1160	1120	0	1150
Calendar Year Imports	462	550	200	480	0	500
Calendar Yr Imp. U.S.	0	0	0	35	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Soybean

Soybean production in MY 2005 remained about 25,000 MT, the same as the last two years. Farmers in the Cukurova region, where about eighty percent of local soybeans are grown, were not happy with returns so continue to shift to corn in the recent two years. In MY 2005, Turkey experienced a record corn production. However, this lowered the domestic prices and farmers got disappointed again. MY 2006 soybean production is expected to be higher, 40,000 MT, due to the recent increase in soybean import duty and the GOT's relatively high production bonus announcement for last year's crop.

PSD, Soybean

Turkey						
Oilseed, Soybean						
(1000 HA)(1000 MT)						
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		09/2004		09/2005		09/2006
Area Planted	0	0	0	0	0	0
Area Harvested	10	10	10	10	0	16
Beginning Stocks	71	61	160	246	105	216
Production	25	25	25	25	0	40
MY Imports	1046	1135	1100	850	0	950
MY Imp. from U.S.	550	550	450	400	0	450
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1142	1221	1285	1121	105	1206
MY Exports	0	0	2	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	380	445	623	425	0	475
Food Use Dom. Consump.	35	30	35	30	0	35
Feed,Seed,Waste Dm.Cn.	567	500	520	450	0	500
TOTAL Dom. Consumption	982	975	1178	905	0	1010
Ending Stocks	160	246	105	216	0	196
TOTAL DISTRIBUTION	1142	1221	1285	1121	0	1206
Calendar Year Imports	656	656	0	800	0	900
Calendar Yr Imp. U.S.	303	303	0	450	0	400
Calendar Year Exports	1	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Cottonseed

Cottonseed production is expected to increase about twenty percent in MY 2006 due to increase acreage following an unsatisfactory return in alternative crops i.e., corn. An increase in the number of cotton-picking machines will reduce the cost and burden of picking labor that will also play an important role. Cottonseed production in all cottonseed producing regions is expected to increase in MY 2006 and reach 1.3 MMT. However, this increase will only bring back domestic cottonseed production to its usual range prior to last year's decline. A further increase in production depends on the increase planting in the Southeastern Anatolian Project (GAP), which is developing very slowly.

PSD, Cottonseed

Turkey Oilseed, Cottonseed (1000 HA)(1000 MT)						
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		09/2004		09/2005		09/2006
Area Planted (COTTON)	720	700	650	580	0	700
Area Harvested(COTTON)	700	700	600	580	0	700
Seed to Lint Ratio	0	0	0	0	0	0
Beginning Stocks	5	5	5	5	5	5
Production	1390	1350	1130	1125	0	1350
MY Imports	65	60	170	150	0	100
MY Imp. from U.S.	10	3	10	10	0	10
MY Imp. from the EC	25	0	25	0	0	0
TOTAL SUPPLY	1460	1415	1305	1280	5	1455
MY Exports	4	2	0	2	0	2
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	1376	1343	1245	1223	0	1388
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cm.	75	65	55	50	0	60
TOTAL Dom. Consumption	1451	1408	1300	1273	0	1448
Ending Stocks	5	5	5	5	0	5
TOTAL DISTRIBUTION	1460	1415	1305	1280	0	1455
Calendar Year Imports	84	84	70	125	0	100
Calendar Yr Imp. U.S.	0	15	0	1	0	10
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Other**Canola**

There is a growing interest to increase canola production in Turkey particularly following the recent investments in bio-diesel producing facilities. Additionally, the GOT's relatively higher production bonus allocations for canola will also effect planting decisions. MY 2006 planting projected at about 6,000 hectares and production is expected to be about 15,000 MT ten times larger than MY 2005 area and production of 600 hectares and 1,500 MT. Canola was

introduced to Turkey in late 1980's to increase local oilseed production and to make higher use of large crushing capacity. Despite the repeated trials, planting remained marginal and it never went beyond experimental stage. However the recent wave of increasing bio-diesel production will have a major effect on increasing canola production in Turkey because Turkey is following the EU regulations, which emphasize usage of canola for bio-diesel over other oils. Almost all the large farmers coops but particularly Cukobirlik and Antbirlik, in southern part of Turkey and Karadeniz Birlik in the north are promoting canola planting in their regions to be used in bio-diesel production to obtain cheaper and renewable energy source which will eventually assist farmers to reduce cost of farming.

Any production increase in the short run for oilseeds in Turkey depends on the developments regarding to the bio-diesel production and in the long run on an increase in cotton planting area in the GAP region one of the largest irrigation projects in the world. In the GAP region there is a 1.7 million hectare area irrigation target, and potential to produce about 1.0 million tons of cotton when it is completed. About 80 percent of the energy projects in the region are completed, but only about 15 percent of the irrigation projects are finished. The project started in 1975 and targeted to be completed by the year 2000 but slow speed of irrigation projects is raising concerns that with the present budget allocation the project cannot be finalized before the year 2020.

Agricultural Sales Cooperative Unions

Trakya Birlik and Karadeniz Birlik, two of the leading Agricultural Sales Cooperative Unions (ASCUs) play a very important role supporting sunflower seed production in Turkey. Other ASCUs includes Taris (cotton and olive oil), Cukobirlik (cotton and soybean) and Antbirlik (cotton and cottonseed). All of the ASCUs has thousands of members to whom they provide seeds, fertilizer and low cost financing prior to planting. The ASCUs then tries to buy their production with attractive prices after the harvest. Trakya Birlik bought about 422,000 MT of MY 2005 crop of sunflower seed, and Karadeniz Birlik about 42,000 MT Cukobirlik about 6,000 MT. The total of combined purchases represents about sixty-three percent of the total crop. During the last year almost all the ASCUs are investing on facilities to produce bio-diesel to distribute to their members to help them to reduce the cost of farming. ASCUs are also effective to guide and pressure the government to issue production bonuses and import tax protections for commodities that they handle. In line with IMF reforms, the GOT has applied some fiscal restraints on ASCUs so that they do not operate at a loss, i.e., purchase commodities above market values.

Production bonus

Farmers and Agricultural Sales Cooperative Unions (ASCUs) are waiting for the government to pay production bonuses for MY 2005 crops. The GOT announced recently that MY 2005 oilseed production bonuses should be paid in April to assist farmers who were effected with the recent flooding in the Bulgarian border towns of the Thrace region. The GOT has been announcing production bonuses for various oilseeds and grains (sunflower seed, soybean, seed cotton, corn, canola and olive oil) to support local production. Also, the GOT increased bonus amounts substantially for some crops, particularly oilseeds, to prevent the decline in planting. Accordingly, MY 2005 bonuses and increases in percentages compared to MY 2004 as follows: sunflower seed TL 175,000 per kilogram (up 30 percent), soybean TL 240,000 per kilogram (up 43 percent), canola TL 200,000 per kilogram (up 48 percent), cotton TL 320,000 per kilogram (up 40 percent). Cotton and soybean producing farmers that use certified seeds will also be paid twenty percent extra for their products. (USD 1 = TL 1,300,000)

Consumption

The majority of oilseeds and products are utilized for meal and oil. In MY 2005, utilization of full-fat soy continued to be strong in poultry rations. However, improved crushing margins since MY 2002 continued to orient crushers to use soy for oil and meal in increasing amounts.

After many years of steady growth, despite seasonal fluctuations, the Turkish broiler industry is expecting about a twenty percent decline in production in CY 2006 due to repeated Avian Influenza (AI) cases. Even though the epidemic was only seen among the open range poultry producing farms and not in the modern integrated operations the whole poultry industry suffered as a result of the epidemic. The broiler producers had to cut production drastically and lowered the prices below cost to stop the decline in sales. This will have an adverse effect on oilseeds consumption in Turkey. But the poultry meat sales are expected to increase and prices should recover with the start of the tourism season. On the other hand the industry continues to be fragile for fear of new outbreaks since the migrant birds will soon be returning.

There are about 180 crushing firms in Turkey with a total capacity of more than 4.5 MMT. Capacity utilization is estimated at only about 60% due to lack of seeds. Turkish exports of oils and fats show signs of improvement after a few years of decline, particularly for sunflower seed oil and margarine, which may keep the demand high for imported seeds.

Trade

Import, Sunflower seed

MY 2004 sunflower seed imports exceeded early season projections and reached 525,000 MT of which eighty-two percent were imported from Bulgaria; however, imports during MY 2005 are expected to decline to about 350,000 MT. Larger domestic crop, increased crushing capacity in the Black Sea region, the main region for Turkish sunflower seed imports and an increase in import tax were the reasons for decline. Sunflower seed imports are expected to gradually decline in the near future since sunflower seed availability in the region will be very limited due to increased domestic crushing in the producer countries.

Bulgaria was the main supplier during the first four months of the MY 2005 providing sixty percent of total imports (88,000 MT) due to geographic proximity. Other neighboring Black Sea countries such as Ukraine lost their importance as sources since now they crush larger portion of their seeds domestically. Bulgarian sunflower seed prices were about USD 270 per ton C&F Turkey at the beginning of the season but went up to USD 280 in recent months. Due to the large local sunflower seed stocks in the hands of Trakya Birlik and higher shipping costs, imports from other sources, such as Argentina, during the second part of the marketing year seem unlikely.

Import Trade Matrix, Sunflower seed**Import Trade Matrix**

Country		Turkey	
Commodity		Oilseed, Sunflowerseed	
Time Period	Jan/Dec	Units:	Metric tons
Imports for:	CY 2004		CY 2005
U.S.	132	U.S.	34
Others		Others	
Bulgaria	222870	Bulgaria	364266
Ukraine	147860	Russia	34990
Russia	55699	Hungary	31230
Moldova	22425	Romania	29372
Romania	11696	Moldova	18357
Hungary	1236	Ukraine	1006
Kyrgyzstan	244	Syria	143
Kazakhstan	68	Kyrgyzstan	57
Israel	60	Uzbekistan	46
Uzbekistan	50	Argentina	23
Total for Others	462208		479490
Others not Listed	40		
Grand Total	462380		479524

Import, Soybean

In MY 2004 Turkish soybean imports reached 1.13 MMT. Fuelled by the initiative to avoid higher import tax and the availability of GSM-102 program, MY 2004 became a record year for soybean imports to Turkey (TU5050). However in MY 2005, repeated outbreaks of avian influenza (AI) and large stocks caused soybean imports to decline to 850,000 MT. Imports of soybeans are projected to recover in MY 2006 to 950,000 MT. The U.S. continued to be the leading supplier to the Turkish soybean market providing forty-eight percent (550,000 MT) of total imports in MY 2004 and fifty-nine percent (171,00 MT) during the first four months of the MY 2005. In addition to the U.S. and South America, neighboring Black Sea countries, Ukraine and Romania, have become new soybean sources for Turkey.

Import Trade Matrix, Soybean**Import Trade Matrix****Country**

Turkey

Commodity

Oilseed, Soybean

Time Period	Jan/Dec	Units:	Metric tons
Imports for:	CY 2004		CY 2005
U.S.	303240	U.S.	542360
Others		Others	
Argentina	238948	Argentina	207235
Paraguay	53620	Brazil	188731
Ukraine	21550	Paraguay	66048
Brazil	18122	Ukraine	61813
Canada	10058	Uruguay	32904
Romania	7808	Romania	29995
Uruguay	2348	Germany	4
Total for Others	352454		586730
Others not Listed			
Grand Total	655694		1129090

Import, Cottonseed

Cottonseed imports in MY 2004 were 59,000 MT, about six percent less than MY2003. However, they showed a significant increase during the first four months of MY 2005 and

reached 87,000 MT due to lack of local supply. Imports are expected to reach 150,000 MT at the end of the marketing year. Greece continues to be the leading supplier during the first four months of MY 2005 with 71,000 MT. African countries and Syria were the other leading suppliers for cottonseed during the same period.

Import Trade Matrix, Cottonseed

Import Trade Matrix

Country	Turkey	
Commodity	Oilseed, Cottonseed	
Time Period	Jan/Dec	Units: Metric tons
Imports for:	CY 2004	CY 2005
U.S.	15045	1014
Others	Others	
Greece	30845	78905
Syria	19982	10588
Togo	13458	9284
Burkina Faso	3929	8027
Iraq	233	6315
		Syria 5750
		Mozambique 4112
		Burkina Faso 1263
Total for Others	68447	124244
Others not Listed		
Grand Total	83492	125258

Other

Canola imports are showing a great increase in MY 2005 and year-end imports should reach 100,000 MT compared to 6,000 MT last year. Canola oil utilization for bio-diesel is the main driving force for the increasing imports.

For the long-term, increasing demand for oil (for domestic and export markets and also for bio-diesel) as well as for meal (for the poultry, livestock and food industries), will keep Turkey's demand for imported oilseeds strong.

Stocks

Sunflower seed MY 2005 year-end stocks are expected to be at normal levels due to high import taxes that will drive private crushers to buy sunflower seed from Trakya Birlik. As of March 2006 Trakya Birlik's sunflower seed stock is estimated at 180,000 MT. Soybean stocks will be reduced for MY 2005 since poultry operations prefer to carry minimum stocks to avoid additional financial burden on top of sudden drops in sales following the AI cases.

Policy

The GOT took a protectionist approach and increased all the oilseed and meal duties in recent months. Accordingly, import duties for soybeans increased to 10 percent from zero last year (see TU 6013). Sunflower seed import tax increased from 20 percent to 27 percent or minimum of 75 euros per MT for U.E. and EFTA countries and 36 percent or minimum of

100 euros per ton for those countries that are not members of WTO. Cottonseed import tax went up to 10 percent from 4 percent.

According to bilateral trade agreements signed with Hungary and Bulgaria, Turkey will be importing 1,000 MT and 25,000 MT of sunflower seed from these countries, respectively, with no duty.

Marketing

The American Soybean Association (ASA) continues to actively promote the use of soybean and soybean products in the region. ASA's training programs in utilization of soy flour in bakeries has become very successful in Turkey.

OIL MEALS

Production

Total meal production for MY 2005 is projected to decline six percent to 1.35 MMT. But MY 2006 total meal production is expected to increase ten percent up to 1.5 MMT as a result of the expected increase in cottonseed meal production.

There are about 630 feed mills with an estimated total capacity of 15 MMT in Turkey. According to the industry, mills with large capacities are enjoying the benefits of economies of scale and the top fifty mills are controlling eighty-five percent of the market and growing their market shares while about 170 small mills are reported to have ceased operation due to lack of business. Unregistered production and sales (in order to avoid taxes and other costs) continue to be major factors in the feed and, to a lesser degree, in oil industries.

PSD, Sunflower seed meal

Turkey Meal, Sunflowerseed (1000 MT)(PERCENT)						
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		09/2004		09/2005		09/2006
Crush	1161	1165	1130	1080	0	1110
Extr. Rate, 999.9999	0.381568	0.381974	0.380531	0.388889	0	0.387387
Beginning Stocks	20	50	0	25	0	35
Production	443	445	430	420	0	430
MY Imports	281	290	325	325	0	350
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	744	785	755	770	0	815
MY Exports	0	10	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	744	750	755	735	0	775
TOTAL Dom. Consumption	744	750	755	735	0	775
Ending Stocks	0	25	0	35	0	40
TOTAL DISTRIBUTION	744	785	755	770	0	815
Calendar Year Imports	300	345	325	480	0	325
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD, Soybean meal

Turkey Meal, Soybean (1000 MT)(PERCENT)						
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		09/2004		09/2005		09/2006
Crush	380	445	623	425	0	475
Extr. Rate, 999.9999	0.797368	0.797753	0.796148	0.8	0	0.8
Beginning Stocks	51	50	77	215	62	170
Production	303	355	496	340	0	380
MY Imports	581	685	500	350	0	400
MY Imp. from U.S.	310	325	0	125	0	225
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	935	1090	1073	905	62	950
MY Exports	18	15	20	25	0	25
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	20	10	25	10	0	15
Feed Waste Dom. Consum	820	850	966	700	0	750
TOTAL Dom. Consumption	840	860	991	710	0	765
Ending Stocks	77	215	62	170	0	160
TOTAL DISTRIBUTION	935	1090	1073	905	0	950
Calendar Year Imports	451	450	0	500	0	450
Calendar Yr Imp. U.S.	162	160	0	300	0	200
Calendar Year Exports	15	15	0	25	0	25
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD, Cottonseed meal

Turkey Meal, Cottonseed (1000 MT) (PERCENT)						
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		09/2004		09/2005		09/2006
Crush	1376	1343	1245	1223	0	1388
Extr. Rate, 999.9999	0.449128	0.465376	0.46506	0.470155	0	0.4683
Beginning Stocks	0	0	0	0	0	0
Production	618	625	579	575	0	650
MY Imports	5	6	40	20	0	10
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	623	631	619	595	0	660
MY Exports	14	14	15	15	0	15
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	609	617	604	580	0	645
TOTAL Dom. Consumption	609	617	604	580	0	645
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	623	631	619	595	0	660
Calendar Year Imports	35	35	45	5	0	10
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	16	16	20	10	0	15
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Consumption

MY 2005 total meal consumption will decline about ten percent due to decline in poultry production. While sunflower seed meal consumption will remain almost the same compare to the last marketing year soybean meal and cottonseed meal consumption expected to decline eighteen and six percents respectively. Turkish feed industry will also utilize about 45,000 MT of canola meal in MY 2005.

In general, total oilseed meal consumption is projected to move in line with expanding domestic poultry, livestock and soy based food production. Overall, Turkish poultry meat production increased three times during the last ten years to reach 1.1 MMT in 2004 and another fifty percent increase is foreseen for the coming ten years. The layer industry is projected to expand in coming years too. Beef and Dairy sector is also foreseen to grow in coming years but in a slower pace compared to poultry sector due to slower increase in meat consumption caused by high local prices.

Consumption, Soy flour

Utilization of soy meal to produce pasteurized soy flour is fairly new in Turkey. Soy flour is utilized in bakery products to extend the shelf life and in confection industries to add flavor

and in meat industry as fillers and as a low cost substitute for meat. Local consumption for pasteurized soy flour and products is expected to increase gradually in coming years due to expanding market and investments of leading industrial groups.

Trade

Total meal imports in MY 2004 reached 971,000 MT, up twenty-six percent due to the record increase in soy meal imports. Total imports are projected to decline to 695,000 MT in MY 2005 due about fifty percent decline in soy meal imports due to large carry over and lower demand from the poultry industry.

Import, Sunflower seed meal

Turkey’s sunflower seed meal imports continue to be higher compared to two years ago due to increased availability in the neighboring Black Sea countries as a result of increased crushing capacities. MY 2004 import of sun meal reached 288,000 MT Russia and Romania were the leading suppliers with 98,000 MT and 82,000 MT respectively. Sunflower meal imports should continue to be strong in MY 2005 and year-end imports are expected to reach 325,000 MT. Sunflower seed meal C&F Turkey prices for Black Sea countries reported to decline to USD 112 per ton in recent months compared to USD 130 per ton average price of last year.

Import Trade Matrix, Sunflower seed meal

Import Trade Matrix

Country	Turkey		
Commodity	Meal, Sunflowerseed		
Time Period	Jan/Dec	Units:	Metric tons
Imports for:	CY 2004		CY 2005
U.S.		U.S.	
Others	Others		
Russia	187799	Russia	97618
Ukraine	90572	Romania	85490
Romania	31919	Ukraine	58056
Bulgaria	19306	Bulgaria	23816
Moldova	15973	Moldova	3160
Total for Others	345569		268140
Others not Listed			
Grand Total	345569		268140

Import, Soybean meal

Soybean meal imports during MY 2004 were 685,000 MT, with the US supplying 48 percent (326,000 MT). US soy meal exports increased 79 percent in MY 2004. Lower U.S. prices and availability of GSM programs during the marketing year made U.S. soybean meal very attractive to Turkish meal industries. But soybean meal imports are expected to decline in MY 2005 as result of the recent AI outbreaks and higher than usual stocks. Soybean meal imports had a very slow start in MY 2005 with total imports only reaching 34,000 MT during the first four months. However, imports are projected to increase during the second half of the marketing year, benefiting South American exports.

Import Trade Matrix, Soybean meal**Import Trade Matrix**

Country	Turkey	
Commodity	Meal, Soybean	
Time Period	Jan/Dec	Units: Metric tons
Imports for:	CY 2004	CY 2005
U.S.	161813	287802
Others		
Argentina	211606	172422
Brazil	76244	40113
Netherlands	1076	901
Germany	121	25
United Kingdom	100	
Israel	68	
Total for Others	289215	213461
Others not Listed		
Grand Total	451028	501263

Import, Cottonseed meal

Cottonseed meal imports declined to 6,000 MT during MY 2004 from 34,000 MT a year ago due to increased cottonseed imports for crushing. The same trend is continued during the first four months of the MY 2005 as well.

Other

Turkey's imports of fishmeal remained about 40,000 MT due to the demand from the local fish farms despite high world prices. Fishmeal is mixed with fish oil, soybean meal, full-fat soybean and wheat flour for planting and feed to fish. Layer industry also uses fishmeal, although a limited quantity, but high world prices prevent usage last year. Peru continued to be the leading supplier of fishmeal providing seventy-five percent of the imports.

In the long run, import demand for oil meals is forecast to increase in response to the growing demand for all meals from the poultry, livestock and bakery industries

Stocks

There is no reliable information on the level of commercial stocks. But total stocks of meals in MY 2005 will decline due to decline in imports since feed millers will utilize large stock from MY 2004.

Policy

The GOT increased soybean meal import taxes gradually in 2005 first to eight percent from two percent and with a recent decree (TU 6013) to 13.5 percent for all countries with the exception of E.U. and Bosnia, which are subject to zero customs tax. Sunflower seed meal and cottonseed meal imports from E.U. and EFTA countries are subject to 11.5 percent, zero percent from Romania and Bosnia and 13.5 percent from all other sources.

Marketing

The American Soybean Association has been very effective implementing activities to promote soybean meal utilization in poultry, ruminant and aquaculture feed.

OILS**Production**

MY 2005 total oils production is expected to decline to 775,000 MT from 795,500 MT of MY 2004 due to decline in all oils, particularly in sunflower seed oil production. An increase in canola oil would not offset the decline. Total production is expected to recover in MY 2006 and reach 850,000 MT due to projected increase in all oils but mostly cottonseed oil and canola oil. It is expected that Turkey will produce about 45,000 MT of canola oil in MY 2006, by far the largest production of recent years primarily for bio-diesel production.

Turkey has a large refining capacity, currently about 3.4 MMT, of which about 2.3 MMT is used to produce liquid oils and the remaining 1.1 MMT is used to produce margarine.

There is a growing interest to increase production of olive oil. Turkish farmers are estimated to plant about five million of new olive trees annually in recent years to increase the production. MY 2005 is an off year for olive oil and production is estimated to be about 100,000 MT compared to 155,000 MT of MY 2004. Due to the modern olive collection equipment investments of TARIS and farmers, the production gap between on years and off years are narrowing.

PSD, Sunflowerseed oil

Turkey						
Oil, Sunflowerseed						
(1000 MT)(PERCENT)						
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		09/2004		09/2005		09/2006
Crush	1161	1165	1130	1080	0	1110
Extr. Rate, 999.9999	0.425495	0.420601	0.425664	0.425926	0	0.423423
Beginning Stocks	30	30	30	30	26	30
Production	494	490	481	460	0	470
MY Imports	152	150	175	200	0	220
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	676	670	686	690	26	720
MY Exports	21	40	20	50	0	60
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	16	0	15	0	0	0
Food Use Dom. Consump.	593	595	610	605	0	620
Feed Waste Dom. Consum	16	5	15	5	0	5
TOTAL Dom. Consumption	625	600	640	610	0	625
Ending Stocks	30	30	26	30	0	35
TOTAL DISTRIBUTION	676	670	686	690	0	720
Calendar Year Imports	0	78	0	200	0	225
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	15	0	45	0	60
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD, Soybean oil

Turkey Oil, Soybean (1000 MT)(PERCENT)						
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		09/2004		09/2005		09/2006
Crush	380	445	623	425	0	475
Extr. Rate, 999.9999	0.178947	0.179775	0.17817	0.176471	0	0.178947
Beginning Stocks	0	11	0	10	0	10
Production	68	80	111	75	0	85
MY Imports	145	104	105	180	0	240
MY Imp. from U.S.	0	0	0	10	0	10
MY Imp. from the EC	0	74	0	60	0	70
TOTAL SUPPLY	213	195	216	265	0	335
MY Exports	4	5	6	5	0	5
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	18	15	20	95	0	135
Food Use Dom. Consump.	166	125	165	115	0	130
Feed Waste Dom. Consum	25	40	25	40	0	50
TOTAL Dom. Consumption	209	180	210	250	0	315
Ending Stocks	0	10	0	10	0	15
TOTAL DISTRIBUTION	213	195	216	265	0	335
Calendar Year Imports	0	75	0	132	0	200
Calendar Yr Imp. U.S.	0	0	0	10	0	15
Calendar Year Exports	0	2	0	4	0	5
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD, Cottonseed oil

Turkey Oil, Cottonseed (1000 MT)(PERCENT)						
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		09/2004		09/2005		09/2006
Crush	1376	1343	1245	1223	0	1388
Extr. Rate, 999.9999	0.164971	0.163812	0.172691	0.159444	0	0.158501
Beginning Stocks	0	0	0	0	0	0
Production	227	220	215	195	0	220
MY Imports	4	3	5	5	0	5
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	231	223	220	200	0	225
MY Exports	2	3	4	5	0	5
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	15	5	15	5	0	5
Food Use Dom. Consump.	214	215	201	190	0	215
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	229	220	216	195	0	220
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	231	223	220	200	0	225
Calendar Year Imports	5	5	5	5	0	5
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	2	2	0	3	0	3
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD, Rapeseed oil

Turkey Oil, Rapeseed (1000 MT)(PERCENT)						
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		05/2004		05/2005		05/2006
Crush	5	8	3	110	0	180
Extr. Rate, 999.9999	0.4	0.375	0.333333	0.409091	0	0.416667
Beginning Stocks	0	0	0	0	0	0
Production	2	3	1	45	0	75
MY Imports	6	3	10	15	0	25
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	6	9	0	15	0	25
TOTAL SUPPLY	8	6	11	60	0	100
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	5	0	50	0	75
Food Use Dom. Consump.	8	1	11	10	0	25
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	8	6	11	60	0	100
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	8	6	11	60	0	100
Calendar Year Imports	1	4	1	20	0	25
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
CalIndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD, Olive oil

Turkey Oil, Olive (1000 HA)(1000 TREES)(1000 MT)						
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		11/2004		11/2005		11/2006
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Trees	95000	100000	97500	105000	0	110000
Beginning Stocks	2	2	15	3	2	3
Production	175	145	105	115	0	180
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	177	147	120	118	2	183
MY Exports	95	92	60	65	0	100
MY Exp. to the EC	35	61	0	30	0	60
Industrial Dom. Consum	5	0	0	0	0	5
Food Use Dom. Consump.	62	52	58	50	0	55
Feed Waste Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	67	52	58	50	0	60
Ending Stocks	15	3	2	3	0	23
TOTAL DISTRIBUTION	177	147	120	118	0	183
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	85	85	60	92	0	40
CalIndr Yr Exp. to U.S.	11	11	12	15	0	10

Other

Hazelnut oil production is estimated to decline to 5,000 MT during MY 2005 due to lack of raw material. Turkey also produced about 15,000 MT of corn oil in MY 2004. Corn oil production will stay the same in MY 2005 since it's a bi-product of corn sweeteners production that is control by the government with fixed production quotas.

Margarine production declined in recent years but rebounded in CY 2005 and production reached about 615,000 MT. Margarine production is projected to increase marginally in CY 2006 to 625,000 MT due to the increase in exports and domestic consumption particularly in food processing industry.

Consumption

Domestic oil consumption is estimated at about 18 kg per capita, of which 10.5 kg is liquid oil, 6.5 kg is margarine and 1 kg is olive oil. Sunflower seed oil remains the principal home cooking oil in Turkey followed by cotton, corn and olive oil. The great majority of the

sunflower oil produced or refined in Turkey is consumed locally and the rest is exported to regional markets as refined oil.

Consumption of olive oil fluctuates with the swings in domestic production since prices soften and consumption increases when the supply is abundant.

Other

Consumption of blended oils (mostly soy and cotton oil) is projected to continue to decline in MY 2005 due to high cost of raw materials.

The consumption of hazelnut oil declined due to lack of raw material (old stock hazelnuts). A new blended oil produced with hazelnut and sunflower seed oil mix is introduced to the market to fill the gap. MY 2005 domestic hazelnut oil consumption is expected to decline to about 5,000 MT.

Bio-diesel

Starting in 2005 there is a growing interest to produce bio-diesel in Turkey. About 185 companies applied to get a license to produce bio-diesel with a total capacity of 1.5 million MT per year, which puts Turkey in number two ranks in Europe in terms of capacity.

The main reason for the great enthusiasm to produce bio-diesel is the very high cost of petroleum products in the domestic market due to the increased world prices and high local taxes. Petroleum products consumption tax is one of the most important sources of revenue for the Turkish government. Presently special consumption tax on petroleum products is equivalent of sixty percent, making Turkey one of the most expensive countries in the world in terms of cost of fuel. Along with the private companies almost all the agricultural co-ops are investing on plants to produce bio-diesel for the purpose of providing cheaper fuel to their members hence lowering cost of production. While some co-ops will use canola oil some others will mix cottonseed oil with canola oil to produce bio-diesel. Turkish specification on bio-diesel is similar to the E.U. specifications and defines canola oil as a raw material. The GOT sees this demand to produce bio-diesel as an opportunity to increase local production of oilseeds therefore GOT wants oils for bio-diesel to be produced by locally produced oilseeds, namely canola. The government supports production of canola with higher production bonus payments and wants bio-diesel producers to sign production contracts with farmers to produce canola for bio-diesel. The GOT also requires used fats and oils to be used in bio-diesel production. However the industry supports more liberal approach and prefers other oils, such as soybean oil also to be used in bio-diesel production. Presently other oils, namely soy, cotton and palm oil, are unlawfully mixed with the canola oil to produce bio-diesel.

There are many issues related to bio-diesel such as specification, distribution and taxation that need to be finalized in the near future for the industry to start production and sales. The parliament recently passed a legislation that gives to cabinet an authority to announce up to YTL 0.65 per kg special consumption tax for bio-diesel. Producers are arguing that such a high tax would make bio-diesel uncompetitive with petroleum products and requesting that the cabinet should eventually issue a lower tax. The decision of the government will affect the future of the industry but the industry members believe that the government will eventually decided in the favor of the bio-diesel. All and all bio-diesel is a product that will have a significant effect on production and consumption of oils in Turkey for years to come.

Trade**Import, Sunflowerseed oil**

MY 2005 imports of sunflower seed oil is expected to reach 200,000 MT compared to 149,000 MT in MY 2004 and 83,000 MT in MY 2003. Increased crushing capacity in neighboring sunflower seed producing countries will force Turkey to import larger amounts of oil to meet its domestic and export demand rather than oilseeds.

Import Trade Matrix, Sunflowerseed oil**Import Trade Matrix****Country**

Turkey

Commodity

Oil, Sunflowerseed

Time Period	Jan/Dec	Units:	Metric tons
Imports for:	CY 2004		CY 2005
U.S.		U.S.	
Others		Others	
Ukraine	31083	Ukraine	83373
Romania	20845	Russia	53843
Russia	14262	Romania	37196
Bulgaria	11787	Bulgaria	7880
Argentina	254	Hungry	6027
Iraq	24	Argentina	4456
Germany	13	Moldova	2765
		Belarus	2301
		Spain	1275
		Brazil	500
Total for Others	78268		199616
Others not Listed			207
Grand Total	78268		199823

Import, Soybean oil

Turkey soybean oil imports grew to 104,000 MT in MY 2004 from 75,000 MT, a year ago. Imports reported to continue in MY 2005 and expected to reach 180,000 MT by the end of the marketing year. The increase is attributed partly to the increase in margarine production but mostly to the increase in unauthorized production of bio-diesel. Demand for soy oil is expected to continue as long as the demand for bio-diesel continues to develop.

Import Trade Matrix, Soybean oil**Import Trade Matrix**

Country	Turkey	
Commodity	Oil, Soybean	
Time Period	Jan/Dec	Units: Metric tons
Imports for:	CY 2004	CY 2005
U.S.		
Others	Others	
Spain	39316	Argentina 43547
Portugal	10538	Spain 39039
Greece	10416	Portugal 17202
Italy	7243	Brazil 13450
Romania	5125	Romania 9133
Argentina	2359	Italy 7906
France	398	Greece 1491
Germany	3	Netherlands 10
Total for Others	75398	131778
Others not Listed		
Grand Total	75398	131778

Import, Canola oil

Canola oil imports of Turkey increased in MY 2004 to 9,000 MT France (7,000 MT) and Germany (2,000 MT) compared to 1,500 MT of MY 2003 imports. During the first four months of MY 2005 canola oil imports were only 500 MT, Ukraine was the supplier.

Other

Turkish corn oil imports increased in CY 2005 to 113,000 MT compared to 90,000 MT of CY 2004 due to increased domestic consumption and export commitments. US corn oil exports to Turkey in CY 2005 increased to 77,000 MT compared to 64,000 MT a year ago. South American countries Brazil (15,000 MT) and Argentina (11,000 MT) were the other sources.

Turkish imports of palm oil and palm kernel oil increased to 458,000 MT and 111,000 MT respectively compared to 347,000 MT and 101,000 MT of last year. The increasing demand of the local margarine industry for domestic and export markets particularly newly emerging Iraq market triggered larger imports. Malaysia and Indonesia are the main suppliers for both oils.

The current C&F import price for crude oils per MT are: U.S. corn oil USD 700, Black Sea sun oil USD 555, palm oil USD 480 per MT, while soy oil is about USD 525.

Export**Export, Sunflower seed oil**

Turkey's refined sunflower seed oil exports went up more than hundred percent in MY 2004 and reached 39,000 MT due to increase demand from Iraq. Export demand from Iraq reported to continue in MY 2005 as well. In spite of the large increase in export last year, it is still significantly less than late nineties when Turkey was exporting about 120,000 MT per year. High local raw material prices and an increase in refining capacities at exports markets were the reasons for the decline.

Export Trade Matrix, Sunflower seed oil**Export Trade Matrix****Country**

Turkey

Commodity

Oil, Sunflowerseed

Time Period	Jan/Dec	Units:	Metric tons
Exports for:	CY 2004		CY 2005
U.S.		U.S.	16
Others		Others	
Syria	7788	Iraq	21038
Iraq	4087	Syria	12644
N. Cyprus	1223	Israel	1987
Mardin FTZ	626	Yemen	1347
Bulgaria	567	N. Cyprus	1313
Lebanon	231	Lebanon	1144
Aegean FTZ	161	Japan	689
Japan	97	Pakistan	623
Australia	94	U. E. A.	475
Israel	80	S. Arabia	451
Total for Others	14954		41711
Others not Listed	461		4371
Grand Total	15415		46098

Exports, Olive oil

In MY 2004 Turkish olive oil exports also increased and reached to 92,000 MT. Italy continues to be the leading buyer of Turkish olive oil with 39,000 MT followed by Spain 20,000 MT. The current export price of bulk, refined olive oil increased to USD 4,200 per MT (FOB Turkey) compared with last year's price of USD 2,800 per MT of last year due to worldwide scarcity of olive oil.

Export Trade Matrix, Olive oil**Export Trade Matrix**

Country	Turkey	
Commodity	Oil, Olive	
Time Period	Nov/Oct	Units: Metric tons
Exports for:	MY 2004	MY 2005
U.S.	10500	16253
Others		
Italy	19768	39020
Canada	3625	20072
Spain	3405	4164
Ivory Coast	1552	2165
S. Korea	1122	1450
Australia	745	1288
Japan	579	864
Argentina	509	795
S. Arabia	511	745
Norway	271	738
Total for Others	32087	71301
Others not Listed	2157	4554
Grand Total	44744	92108

Other

Turkish corn oil exports remained about 25,000 MT with Libya being the leading importer with 22,000 MT. CY 2006 Turkish corn oil imports expected to go up 125,000 MT to due to the lower exchange rate for US dollar making corn oil affordable for Turkish consumers.

Margarine

Turkish margarine exports continue to increase in CY 2005 and reached 127,000 MT compared to 95,600 MT in CY 2004 and 64,400 MT in 2003. Increased exports to Iraq caused margarine exports to reach its high figures of late 90's after a few years of low exports in early 2000.

Destination	MT
USA	1,440
Iraq	35,598
Syria	13,860
Kazakhstan	7,322
Turkmenistan	5,965

Romania	4,520
Georgia	4,063
Uzbekistan	3,302
Iran	2,790
Russia	2,329
*Domestic FTZ's	27,926
Other	18,053

TOTAL 127,168

*Domestic Free Trade Zones: Mersin, Istanbul, Kocaeli, Gaziantep

Stocks

Due to the sudden devaluations during the last ten years, Turkish oil companies have become very cautious of foreign currency risks. Therefore, the industry operates with relatively low stocks.

Policy

According to the 2006 tariff schedule, all liquid oil imports, crude and refined, except sunflower oil, but including olive oil, are subject to 31.2% import duty. Crude sunflower seed oil is subject to higher duties, 36 percent or minimum of 200 euros per ton for E.U., EFTA and other countries but 54 percent or minimum of 300 euros per ton for those countries that are not WTO members. Refined sunflower seed oil is subject to a 50 percent customs tax from all sources.

To comply with the Customs Union agreement with the E.U. and free trade agreements signed with Bulgaria, Romania and Hungary, Turkey established TRQs as listed below. In spite of the availability, Turkey does not necessarily always utilize these quotas.

Country	Commodity	Quantity	Duty
EU	Crude Sunflower Oil	18,000 MT	0
EU	Crude Soybean Oil	60,000 MT	0
EU	Refined Soybean Oil	2,000 MT	0
EU	Crude Canola Oil	10,000 MT	0
Romania	Crude Sunflower Oil	30,000 MT	0
Romania	Crude Soybean Oil	9,300 MT	0
Hungary	Crude Sunflower Oil	300 MT	0
Bulgaria	Crude Sunflower Oil	15,000 MT	50 percent reduced
Bulgaria	Crude Corn Oil	1,000 MT	50 percent reduced

The GOT continues to support consumer-packed exports of olive oil with an export subsidy of USD 100 per MT. The subsidy was USD 150 MT last year. The subsidy is not paid in cash but it is deductible from corporate income tax.

Marketing

The American Soybean Association (ASA) continues its U.S. soy oil promotion activities at the consumer and production levels. ASA technical consultants regularly visit refiners to overcome various technical problems in refining and improving quality.