

OILSEEDS

ENLARGEMENT – BILATERAL MEETING TURKEY

Non-exhaustive list of issues and questions to facilitate preparations for bilateral meetings

The main oilseeds used in the farming and production of the oil are sunflower and cotton seed. In addition to these oilseeds, sesame, soybeans, rapeseed (colza), peanut, maize and poppy seed are cultivated.

Although Turkey is an important producer of oilseeds, it is also net importer of oilseed and vegetable oil.

Producers are supported in order to increase production of sunflower, rapeseed and soybean.

1. BASIC INFORMATION CONCERNING: RAPESEED, SUNFLOWER AND SOYBEANS

a) Statistics on rapeseed, sunflower and soybeans				From 1998 onwards			
Rapeseed	1998	1999	2000	2001	2002	2003	2004
Area (hectare)	115	187	82	290	550	2.800	1.700
Yield (by tons/hectare)	2.61	1.76	2.28	2.24	2.73	2.32	2.65
Production (by tons)	300	330	187	650	1.500	6.500	4.500
Import (by tons)	15,935	5,492	24,156	2,182	0	0	0
Export (by tons)	0	0	0	0	0	0	0
Stocks (by tons)	0	0	0	0	0	0	0
Sunflower	1998	1999	2000	2001	2002	2003	2004
Area (hectare)	586,000	595,000	542,000	510,000	550,000	545,000	550,000
Yield (by tons/hectare)	1.47	1.60	1.48	1.27	1.55	1.47	1.64
Production (by tons)	860,000	950,000	800,000	650,000	850,000	800,000	900,000
Import (by tons)	678,477	483,890	523,903	182,728	129,108	540,852	481,703
Export (by tons)	2,895	3,272	2,121	2,199	2,319	4,269	4,489
Stocks (by tons)	0	0	0	0	0	0	0
Soybeans	1998	1999	2000	2001	2002	2003	2004
Area (hectare)	23,000	24,000	15,000	17,000	25,500	27,000	14,000
Yield (by tons/hectare)	2.61	2.75	2.97	2.94	2.94	3.15	3.57
Production (by tons)	60,000	66,000	44,500	50,000	75,000	85,000	50,000
Import (by tons)	285,193	353,267	386,708	321,252	612,497	831,454	681,964
Export (by tons)	177	187	101	0	166	0	1,516
Stocks (by tons)	0	0	0	0	0	0	0

**Source: :Turkish Statistics Institute (TURKSTAT) – Undersecretariat for Foreign Trade (UFT)
Import and export figures are in Annex 1.**

b) Prices (€ / Kg)		From 1998 onwards					
Prices of Rapeseed							
	1998	1999	2000	2001	2002	2003	2004
Rapeseed	0.42	0.34	0.30	0.26	0.28	0.24	0.26
Rapemeal*	-	-	-	-	-	-	-
Rape oil*	-	-	0.70	0.64	0.73	0.41	0.39
Prices of Sunflower							
	1998	1999	2000	2001	2002	2003	2004
Sunflower	0.41	0.29	0.28	0.30	0.28	0.27	0.28
Sunflower meal*	-	-	0.14	0.17	0.08	0.09	0.09
Sunflower oil*	-	-	0.54	1.00	0.81	0.68	0.65
Prices of Soya							
	1998	1999	2000	2001	2002	2003	2004
Soybeans	0.31	0.25	0.23	0.30	0.26	0.27	0.35
Soya meal*	-	-	0.24	0.35	0.36	0.26	0.31
Soybean oil*	-	-	0.45	0.61	0.80	0.66	0.72

Source: TURKSTAT - Ministry of Industry and Trade (MIT)

* Prices of the rape, sunflower and soybean oil and sunflower and soya meal in 1998 -1999 and also the price of the rapemeal between 1998-2004 are not available.

c) Balance sheets for rapeseeds / sunflower seeds /soybean

Rapeseed	1998	1999	2000	2001	2002	2003	2004
Initial Stocks	-	-	-	-	-	-	-
Production (by tons)	300	330	187	650	1,500	6,500	4,500
Imports (by tons)	15,935	5,492	24,156	2,182	0	0	0
Exports (by tons)	0	0	0	0	0	0	0
Crushings (by ton)	16,235	5,822	24,343	2,832	1,500	6,500	4,500
Other Usage	-	-	-	-	-	-	-
Final Stocks	-	-	-	-	-	-	-
Sunflower							
	1998	1999	2000	2001	2002	2003	2004
Initial Stocks	-	-	-	-	-	-	-
Production (by tons)	860,000	950,000	800,000	650,000	850,000	800,000	900,000
Imports (by tons)	678,477	483,890	523,903	182,728	129,108	540,852	481,703
Exports (by tons)	2,895	3,272	2,121	2,199	2,319	4,269	4,489
Crushings (by ton)	1,535,582	1,430,618	1,321,782	830,529	976,789	1,336,583	1,377,214
Other Usage	-	-	-	-	-	-	-
Final Stocks	-	-	-	-	-	-	-
Soybean							
	1998	1999	2000	2001	2002	2003	2004
Initial Stocks	-	-	-	-	-	-	-
Production (by tons)	60,000	66,000	44,500	50,000	75,000	85,000	50,000
Imports (by tons)	285,193	353,267	386,708	321,252	612,497	831,454	681,964
Exports (by tons)	177	187	101	0	166	0	1,516
Crushings (by ton)	345,016	419,080	431,107	371,252	687,331	916,454	730,448
Other Usage	-	-	-	-	-	-	-
Final Stocks	-	-	-	-	-	-	-

Source: TURKSTAT, UFT, MIT

d) Balance sheets for rape meal / sunflower meal /soy meal

Rapemeal	1998	1999	2000	2001	2002	2003	2004
Initial Stocks	-	-	-	-	-	-	-
Production (by tons)	-	-	13,700	1,600	1,000	1,800	5,200
Imports (by tons)	-	-	-	-	-	-	2,349
Exports (by tons)	-	-	-	-	-	51	23
Consumption (by ton)	-	-	13,700	1,600	1,000	1,749	7,526
Final Stocks	-	-	-	-	-	-	-
Sunflower meal	1998	1999	2000	2001	2002	2003	2004
Initial Stocks	-	-	-	-	-	-	-
Production (by tons)	845,000	786,840	567,500	415,400	369,500	446,800	562,700
Imports (by tons)	31,341	133,382	281,300	53,500	59,800	113,500	345,600
Exports (by tons)	-	-	-	-	-	-	-
Consumption (by ton)	876,341	920,222	848,800	468,900	429,300	560,300	908,300
Final Stocks	-	-	-	-	-	-	-
Soy meal	1998	1999	2000	2001	2002	2003	2004
Initial Stocks	-	-	-	-	-	-	-
Production (by tons)	199,500	203,700	209,900	263,100	423,000	452,400	523,100
Imports (by tons)	390,253	520,549	539,300	377,600	379,800	406,000	520,700
Exports (by tons)	4,064	5,035	4,900	8,200	15,100	27,400	15,000
Consumption (by ton)	585,689	719,214	744,300	632,500	787,700	831,000	1,028,800
Final Stocks	-	-	-	-	-	-	-

Source: MIT, UFT

e) Balance sheets for rape oil / sunflower oil / soybean oil

Rape oil	1998	1999	2000	2001	2002	2003	2004
Initial Stocks	-	-	-	-	-	-	-
Production (by tons)	6,500	2,300	9,800	1,100	700	1,300	3,700
Imports (by tons)	13,317	21,923	39,100	12,300	15,100	8,900	3,400
Exports (by tons)	19	24	0	0	0	0	0
Consumption (by ton)	19,798	24,199	48,900	13,400	15,800	10,200	7,100
Final Stocks	-	-	-	-	-	-	-
Sunflower oil	1998	1999	2000	2001	2002	2003	2004
Initial Stocks	-	-	-	-	-	-	-
Production (by tons)	468,876	371,832	505,200	369,800	329,000	397,800	501,000
Imports (by tons)	169,060	138,180	97,800	133,500	92,400	92,500	78,300
Exports (by tons)	89,856	41,262	38,400	24,300	23,000	28,500	18,100
Consumption (by ton)	548,080	468,750	564,600	479,000	398,400	461,800	561,200
Final Stocks	-	-	-	-	-	-	-
Soybean oil	1998	1999	2000	2001	2002	2003	2004
Initial Stocks	-	-	-	-	-	-	-
Production (by tons)	6,948	8,454	46,200	57,900	93,100	99,600	115,200
Imports (by tons)	153,054	166,241	159,200	154,600	174,900	134,600	75,400
Exports (by tons)	656	1,862	1,500	900	5,200	14,900	3,600
Consumption (by ton)	159,346	172,833	203,900	211,600	262,800	219,300	187,000

Final Stocks	-	-	-	-	-	-	-
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Source: MIT, UFT

2. MARKET TOOLS AND CONTROL SYSTEM

a) How is the trade organised? Are there any producers' organisations?

Organisation of Trade in Oilseeds Sector

According to the Law No.5174 on Chambers and Stock Exchange, Commodity Exchanges bringing purchaser and supplier together, registering and announcing the trade transactions on the prices in the oilseed sector as well as other sectors, ensure well functioning of the market mechanism.

On the other hand, the trade of oilseeds produced in Turkey is carried out by oilseed agriculture sales cooperatives and unions, crushers and traders. A big share of oilseeds (%50-70) is purchased by oilseed agriculture sales cooperatives and unions.

There is no public institution or organisation for storage of oilseeds and vegetable oils. Products are stored by traders, agriculture sales cooperatives and unions and storehouses belonging to the big producers. It is worth to mention that work has already been started in order to establish a licensed storage system. Within this framework, necessary legislation was adopted.

Producer Organisations

The most important trade organisations of producers operating in the field of oilseeds are agriculture sales cooperatives and unions, which are given below.

Agriculture Sales Cooperatives and Unions operating in the Oilseeds Sector

NAME OF THE UNION	NUMBER OF THE UNION'S MEMBERS	NUMBER OF THE COOPERATIVES' MEMBERS
Trakyabirlik	83,962	48
Çukobirlik	62,084	36
Karadenizbirlik	79,157	22
Tariş-Pamuk Bir.	49,936	44
Antbirlik	28,198	6
TOTAL	303,337	156

The Agriculture Sales Cooperatives and Unions operating under the Law No.4572 have purchased, processed, stored and sold the products of their members and when required products of others.

These institutions have significant crushing, storehouse and oil production facilities.

Cooperatives and its unions supply substantial amount of the production inputs to the producers and distribute it. Generally, they give the inputs, which they supplied, to the producers as in rem credit. Besides, they can give cash credit to their members according to their financial situation.

On the other hand, members of the cooperatives have to submit minimum 50 % of their production, which they committed to the cooperatives. The remaining part is sold to the traders and crusher.

3. TRADE

- **Is there a system of import licences? If so, could you describe the system (delivery documents, type of control, custom duties ...)?**

Under the current Import Regime, no import licenses are required for seeds, seed flour & meal and oilseeds. However, import licenses are only required for the importation of oilseeds under the tariff quotas resulting from bilateral agreements.

Turkey's preferential import arrangements are as follows:

THE EUROPEAN UNION			
CN CODE	DESCRIPTION	QUOTA	DUTY
ex 1507 10	Soya bean crude oil, from 1 January to 31 August	60.000 tons	0
ex 1507 90	Refined soya oil, from 1 January to 31 August	2.000 tons	50% red MFN
ex 1512 11	Sunflower seed or safflower crude oil, from 1 January to 31 August	18.000 tons	0
ex 1514 11	Rape and colza or mustard crude oil, from 1 January to 31 August	10.000 tons	0

TURKEY-BULGARIA FREE TRADE AGREEMENT			
CN CODE	DESCRIPTION	QUOTA	DUTY
ex 1205 00 90	Rape or colza seeds, whether or not broken, other than for sowing from 01.01 to 31.08 (ex. Canola type)	Unlimited	50% red MFN
1206	Sunflower, whether or not broken from 01.01 to 31.08	25.000t	0

ROMANIA			
CN CODE	DESCRIPTION	QUOTA	DUTY
1206 00 91	Sunflower, whether or not broken (from 1 Jan to 31 Aug)	10.000 t	0%
1206 00 99			

BOSNIA AND HERZEGOVINA			
CN CODE	DESCRIPTION	QUOTA	DUTY
All oil seeds		Unlimited	0%

Source: UFT

- **Is there an aid system for exports? If so, could you describe the mechanism (direct aid for traders, export refunds ...)?**

There is no export aid for rape seeds, sunflower or soy beans.

Turkey's preferential export arrangements are as follows:

BOSNIA AND HERZEGOVINA

CN CODE	DESCRIPTION	QUOTA	DUTY
All oil seeds		Unlimited	0%

Source: UFT

- **Are there trade agreements with third countries (eg. Central-European Countries, WTO, import/export quotas, tariff reductions ...)? Please provide a description**

Turkey's WTO commitments are as follows:

Bound tariffs:

<u>CN Code</u>	<u>Bound Rate of Duty (%)</u>	
1201.00	A. For sowing	0,0
1201.00		23,1
	B. Other	23,1
1205.00	A. For sowing	0,0
1205.00		10,0
	B. Other	10,0
1206.00	A. For sowing	0,0
1206.00		23,1
	B. Other	27,0

Source: UFT

There are no export subsidy commitments for these products.

4. PREMIUM

- **Is there any system of support of production? Are there any subsidies paid to oilseeds producers? If so, describe the system.**

There are three different support schemes in favour of the oilseeds production:

1. Support Premium
2. Direct Income Support
3. Diesel and Fertiliser Support

Direct Income Support and Diesel and Fertiliser Support are not specific to oilseeds.

Premium Support

Income support payment per kg has been provided to the oilseed (sunflower, soybean, rapeseed) producers under the name of “support premium”. Domestic and foreign market prices and costs of the producers have been taken into consideration in determination of the amount of the support.

Payments have been made according to the Decrees issued annually and the Communiqués published based on these Decrees. The last Decree dated 04.04.2005 and numbered 2005/8670. All support payments are provided to the farmers registered to the NFRS.

Premium payments are provided one time for every production period. There is no national or regional limit in the payments given.

There is no subsidy for the oilseed meal producers.

Premium Supports per Year

	1998 (€/Kg)	1999 (€/Kg)	2000 (€/Kg)	2001 (€/Kg)	2002 (€/Kg)	2003 (€/Kg)	2004 (€/Kg)
Soybean*	-	0.075	0.087	0.082	0.069	0.068	0.079
Sunflower	-	0.047	0.065	0.068	0.059	0.065	0.076
Rapeseed	-	-	0.087	0.064	0.062	0.071	0.073

***20% extra premium are provided to the soy bean producers using certified seed.**

Source: MIT, Ministry of Agriculture and Rural Affairs (MARA)

Direct Income Support (DIS)

Within the scope of the DIS, income support payment has been provided to the oilseed producers as well as other products up to 50 hectares in accordance with the By-law on NFRS dated 16.04.2005¹, the Decree dated 28.03.2005 and numbered 2005/8629² and Communiqué No 2005/21 on DIS Payments³.

Besides, diesel and fertiliser support has been provided to the oilseed producers with the Decree dated 27.06.2005 and numbered 2005/9065⁴ and the Communiqué No 2005/38⁵.

All support payments in favour of the oilseed production are provided to the farmers, whose employee, product and area information is registered to the NFRS and produce oilseeds in these areas.

DIS and diesel support are decoupled payments.

¹ (OG), 16.4.2005 - 25788

² (OG) 2.4.2005 - 25774

³ (OG), 30.4.2005 - 25801

⁴ (OG), 6.7.2005 - 25867

⁵ (OG), 15.7.2005 - 25876

5. OTHER

- Please indicate any particular situation relevant in this sector.

Cottonseed, groundnut, safflower, hemp seed, poppy seed and sesame have been cultivated as oil seeds in Turkey in addition to the sunflower, soy bean and rapeseed. The most important of these oilseeds is cottonseed. Information on cultivated area, production and yield for this product are given below.

Cottonseed	1998	1999	2000	2001	2002	2003	2004
Area (hectare)	756,566	719,294	654,177	684,665	721,077	637,329	636,832
Production (ton)	1,334,778	1,157,583	1,295,066	1,353,888	1,457,122	1,337,065	1,371,351
Yield (ton/hectare)	1.76	1.61	1.98	1.98	2.02	2.10	2.15
Import (ton)	114,000	52,000	178,000	32,000	54,000	3,000	63,000
Raw Cottonseed Oil Production (ton)	58,173	53,510	42,308	43,333	54,671	64,651	62,371

Source: TURKSTAT - MIT