



Palm Oil Opportunities in Turkey 2017/18



6-12 August 2018

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Main Topics

- 1. Turkey**
- 2. Oils/Oilseeds Supply & Demand**
- 3. Turkish Oils & Oilseeds Balances**
- 4. Palm Oil Opportunities**
- 5. Conclusions**



Turkey



Turkey Fact File

Population:	81 million (80.8m/CIA - 80.86m/IMF)
Population Growth*:	0.52%
GDP PPP*:	US\$ 2,173 billion (13th globally)
GDP per capita PPP*:	US\$ 26,500 (2017)
GDP Growth*:	7.4% (2017)
Exchange rate:	US\$ 1 = 5 Turkish Lira
Unemployment:	11.2% (2017), 13.9% (2018 est.)
Annual inflation:	11.92% (2017 consumer)



Turkey Fact File

Age Structure*:

0-14	24.68%
15-24	15.99%
25-54	43.21%
55-64	8.58%
65 & over ..	7.53%

Median Age*: 30.9

Fertility Rate*: 2.01 born/woman*

Urban Population*: 75.1%

Rate of urbanisation*: 2.04%



Turkey Fact File

Total Land:	783,562 sq km
Agricultural Land:	49.7%
Arable Land*:	26.7%
Permanent Crops*:	4%
Irrigated Land*:	65,000 sq km (AgriPro est.)

* CIA Data (November 2017)

X IMF Data (April 2016)



Turkey Major Crops (2017/18 season)

Wheat: c. 22 million tonnes (3.8mmt durum)

Sugar beat: c. 16 million tonnes

Corn: c. 6 million tonnes

Barley: c. 7.5 million tonnes

Oilseeds: 2.9 million tonnes



Oils/Oilseeds Supply & Demand



Turkish Oilseeds Production 2017/18

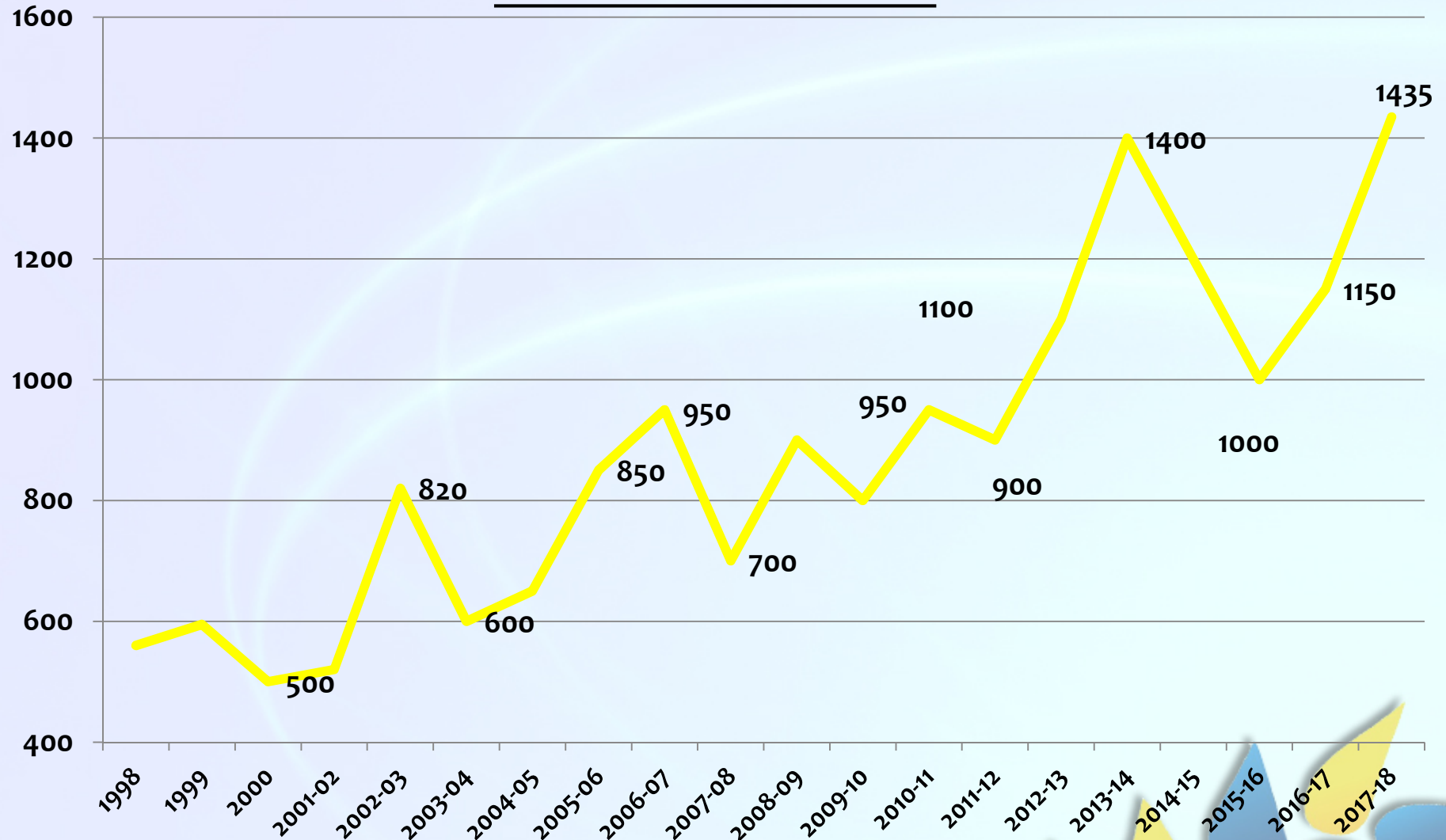
(thousand tonnes)

- Sunflowerseeds : 1,435,000 tonnes
 - Cottonseeds : 1,200,000 tonnes
 - Rapeseeds : 35,000 tonnes
 - Corn germs : 90,000 tonnes
 - Safflower : 30,000 tonnes
 - Soybeans : 120,000 tonnes
- TOTAL : 2,910,000 tonnes**

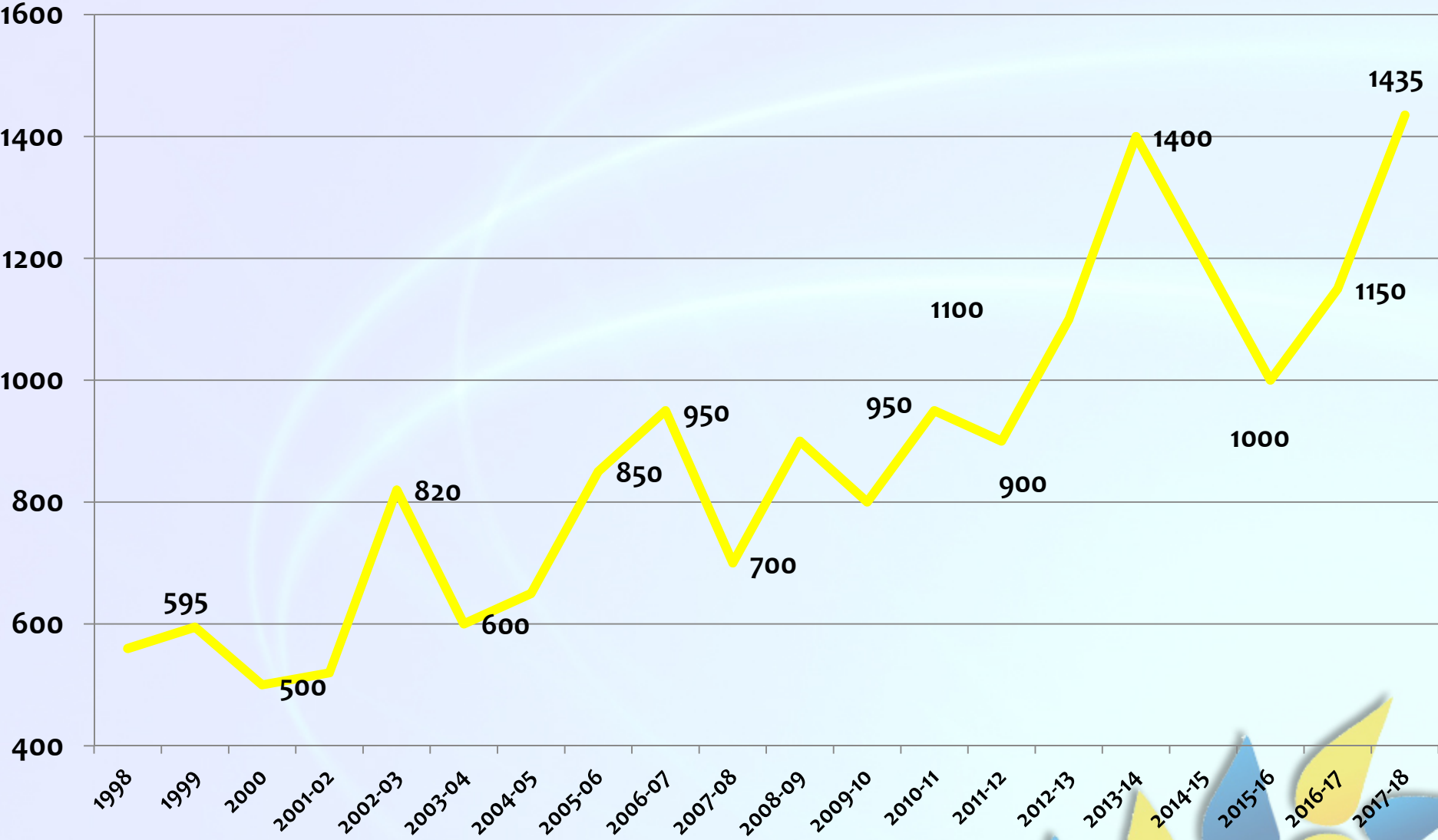


Turkish Oilseeds Production (th tonnes)

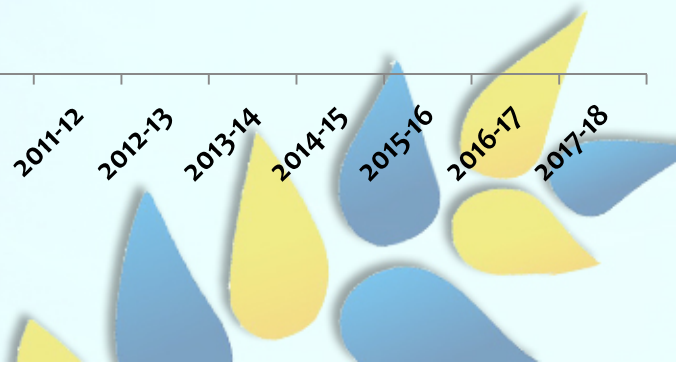
Without cottonseeds



Sunseeds Production (thousand tonnes)



Source: AgriPro 2017



Major Import Duties

Sunseeds	: 27% (or \$121.50/mt minimum)
Safflower	: 23.4% (or \$140/mt minimum)
Soybeans	: 0%
Linseeds	: 10% (or \$120/mt) 0%
Rapeseed	: 10% (or \$100/mt min.)
Crude Sunoil	: 36% (or \$360/mt min.)
Refined Sunoil	: 50%
RBD Palm Oils	: 31.2% (21.8% for Malaysia origin)
Other Vegoils	: 31.2%
Soymeal	: 5.0% (0% for EU origin soymeal)
Other meals	: 6.5%
DDGs	: 4.3%
Wheat Bran	: 0%

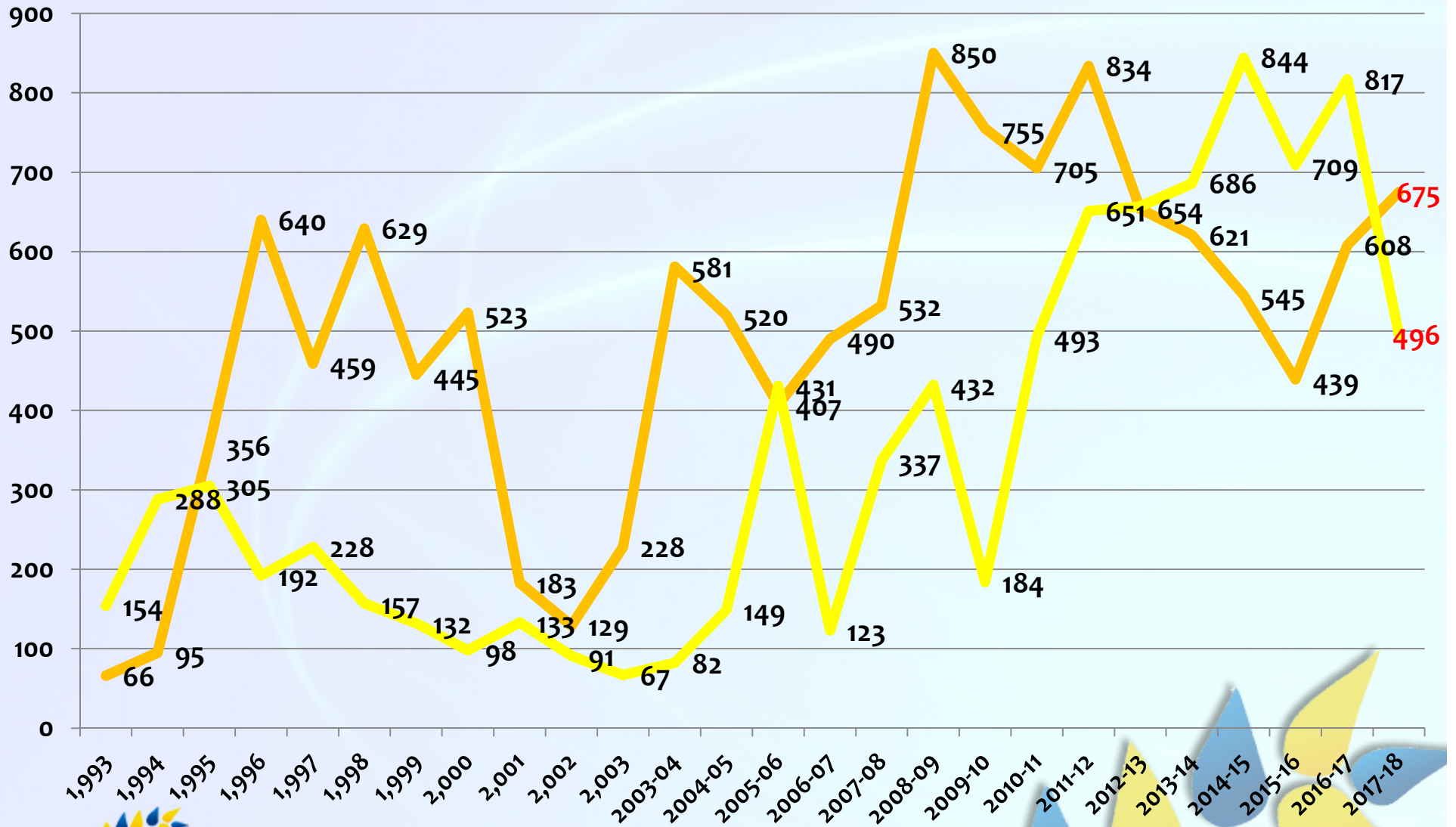


Turkish Oils & Oilseeds Balances



Sunseeds & Sunoil Imports (th tonnes)

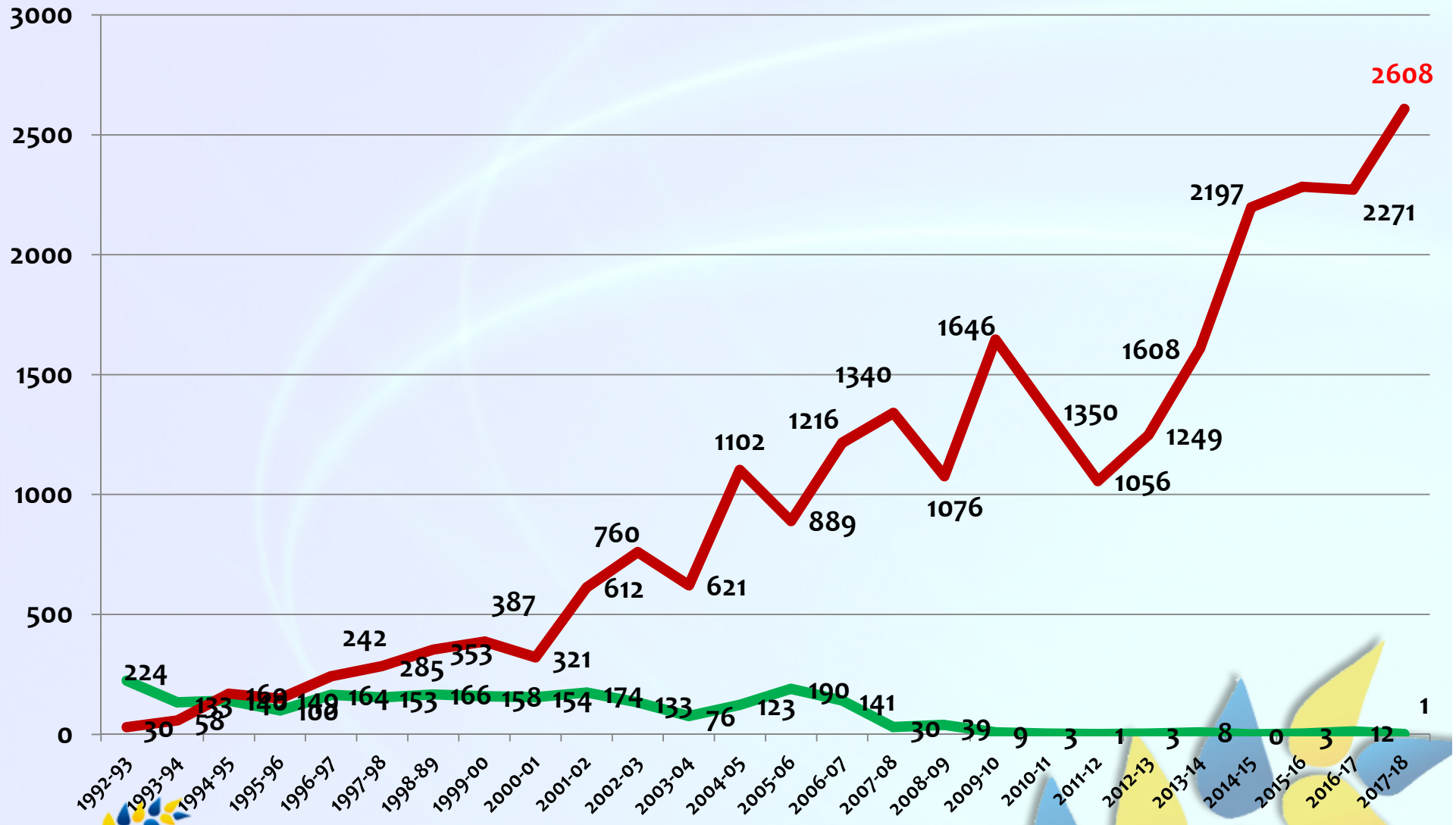
— Sunseeds — Crude Sunoil



Source: Ministry of Economy 2018

Soybeans & Soy Oil Imports (th tonnes)

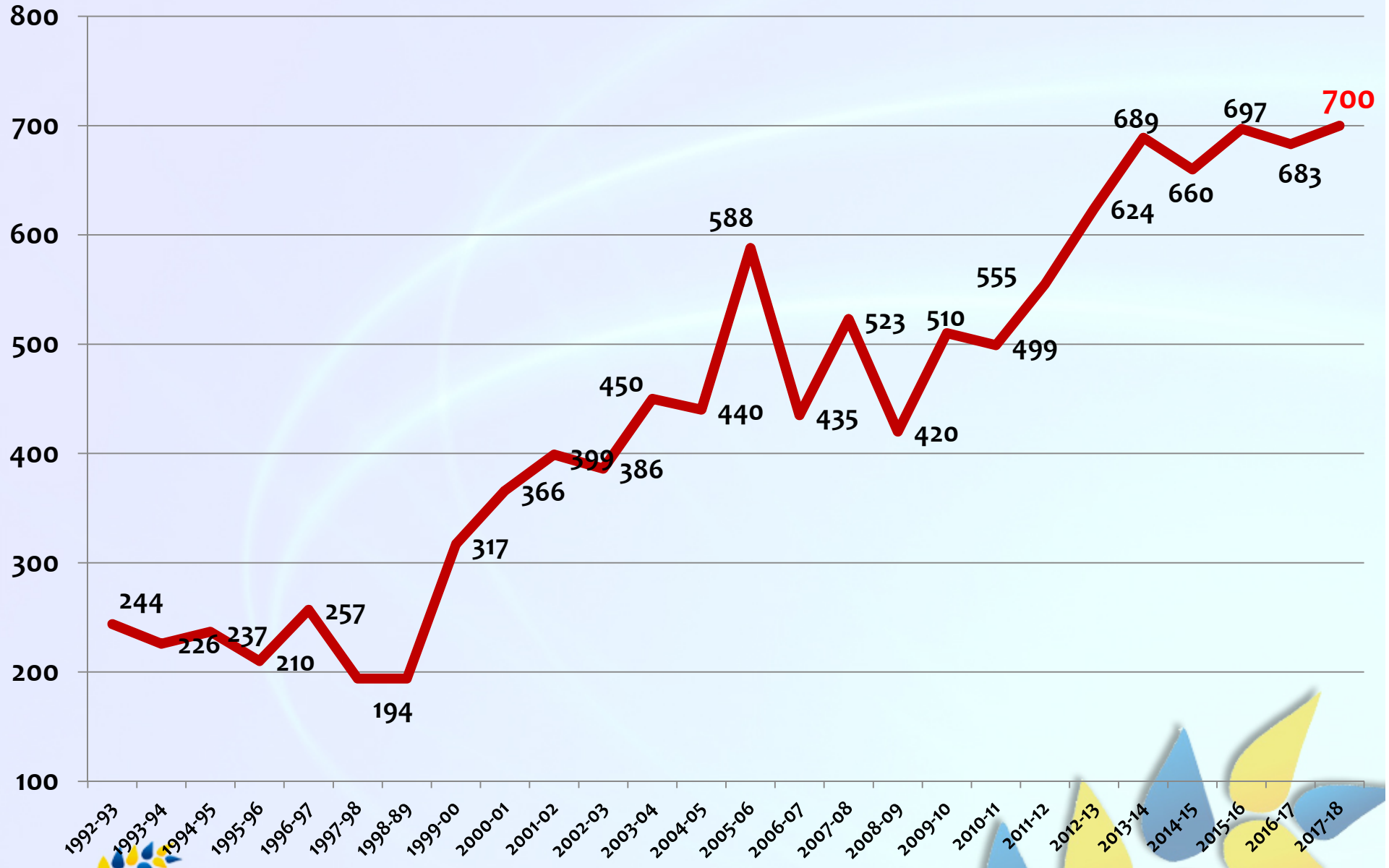
— Soy Oil — Soybeans



Palm Oil Opportunities

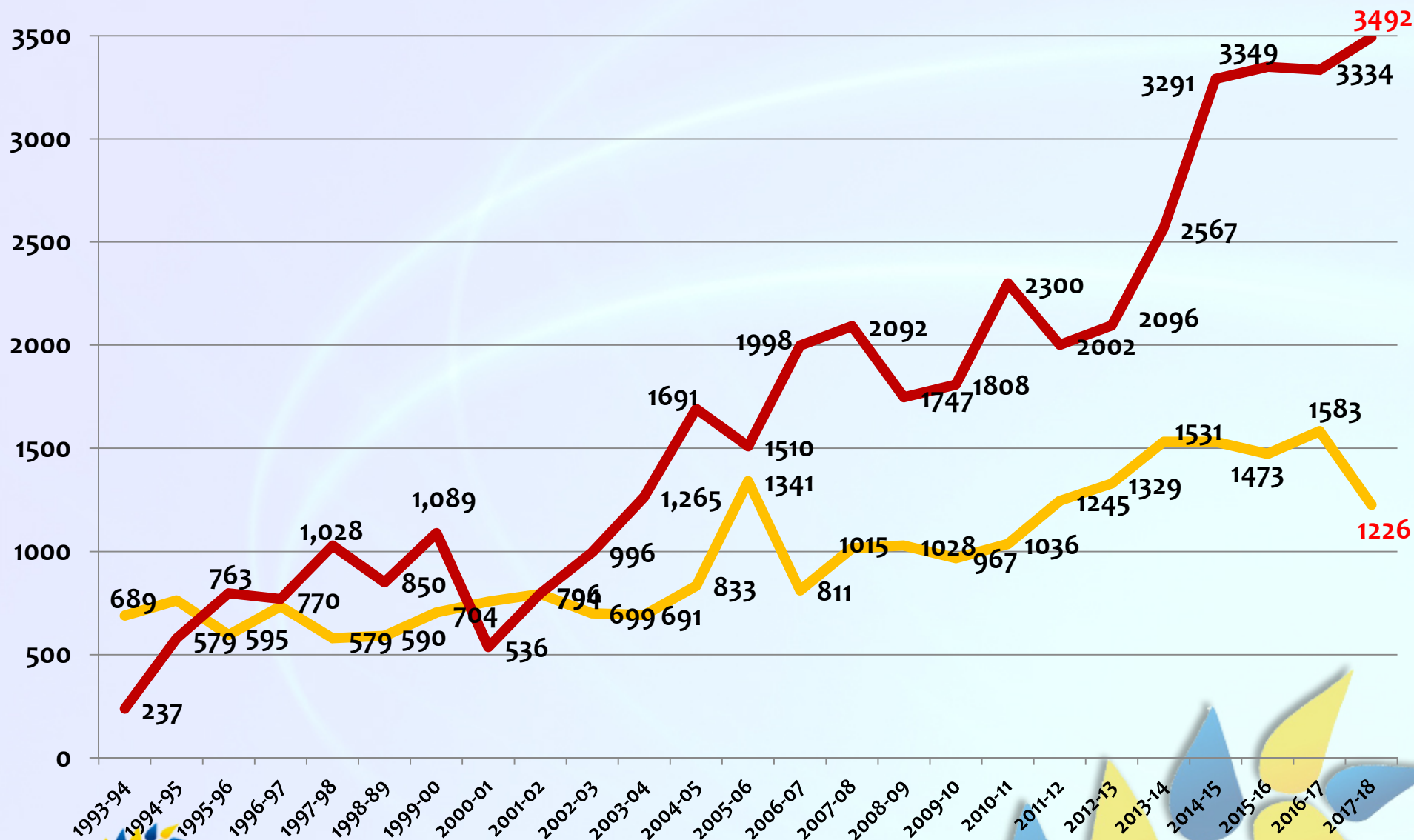


Palm Oil Imports (thousand tonnes)

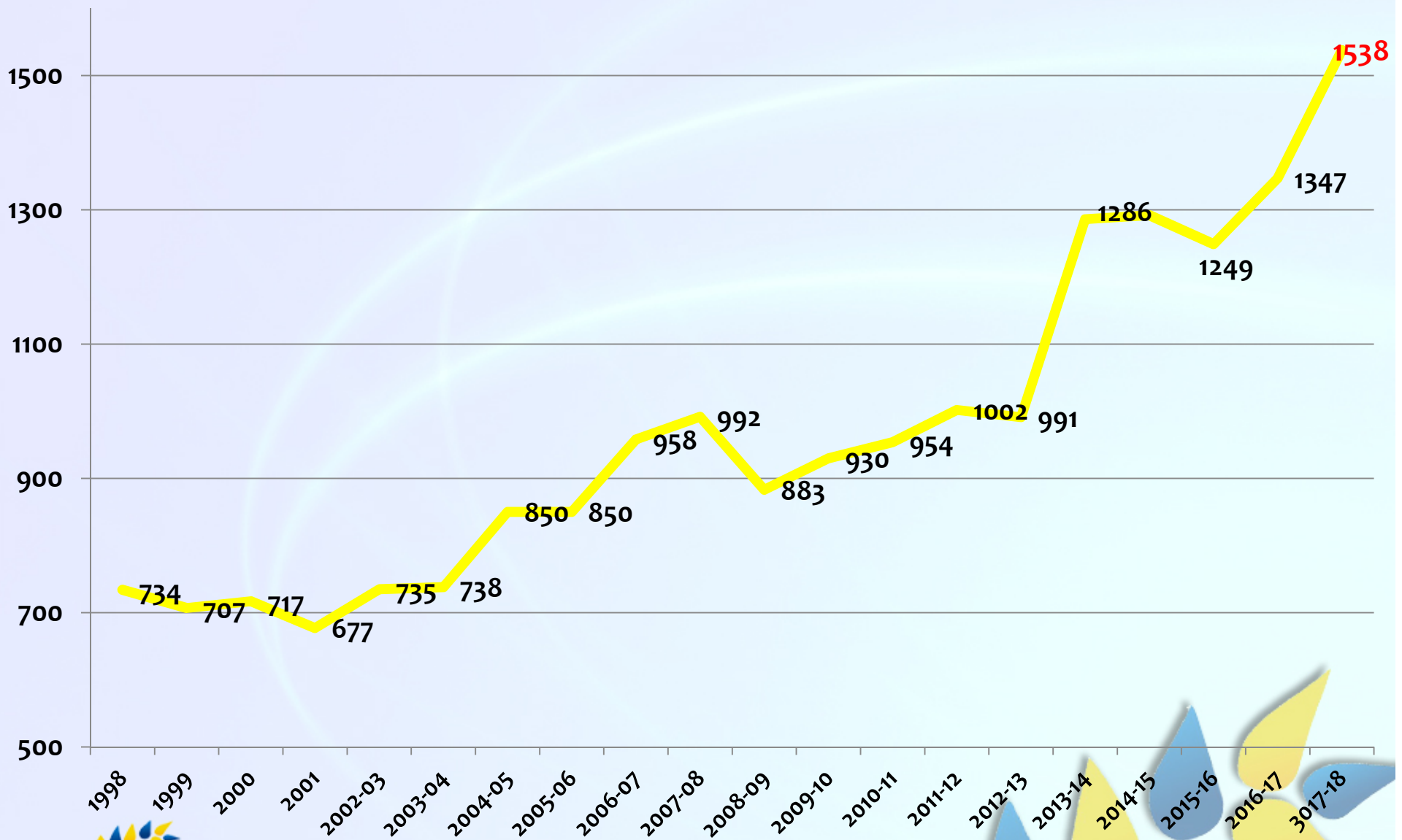


Total Oils & Oilseeds Imports (th tonnes)

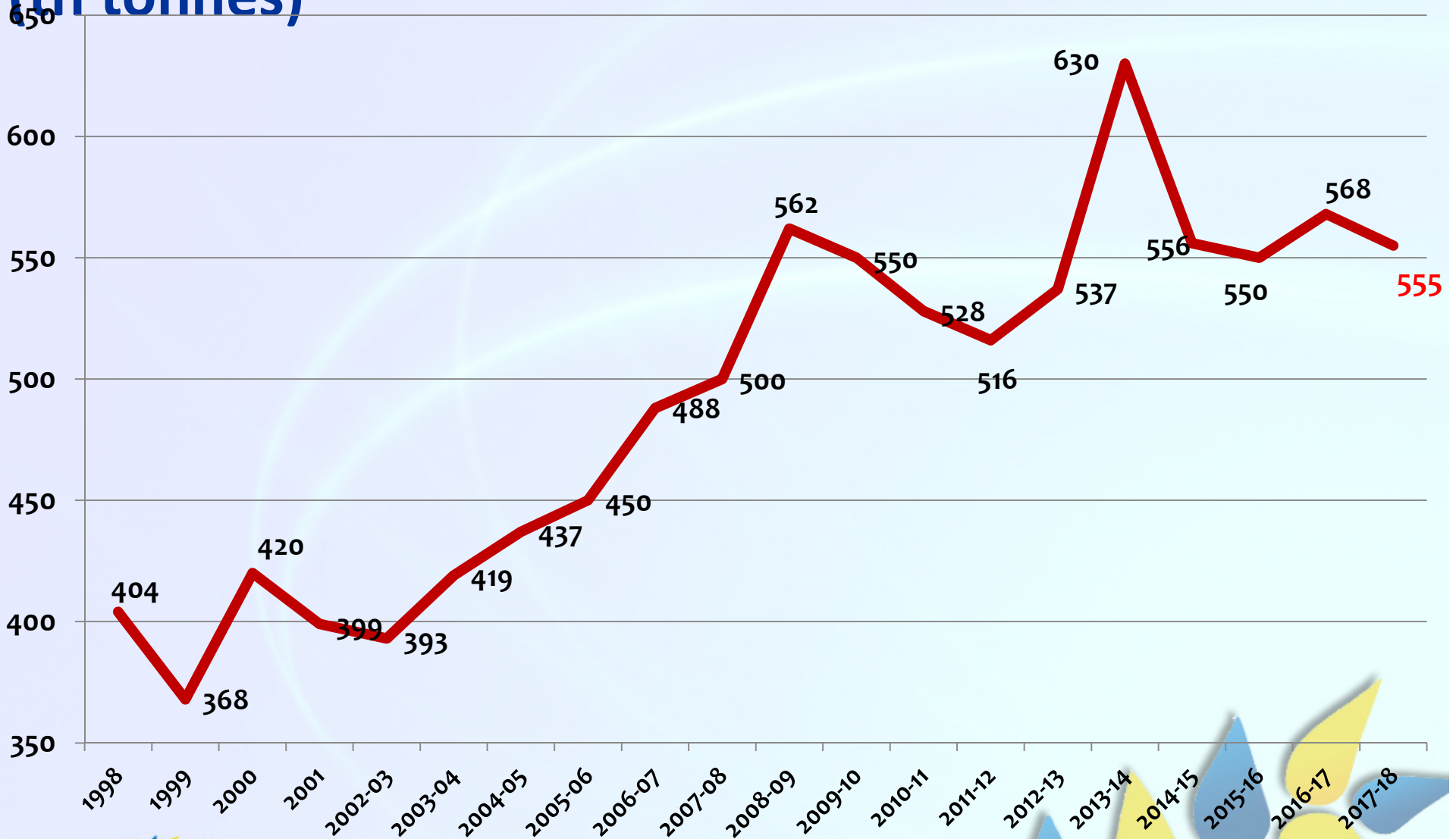
— Oils Imports — Oilseed Imports



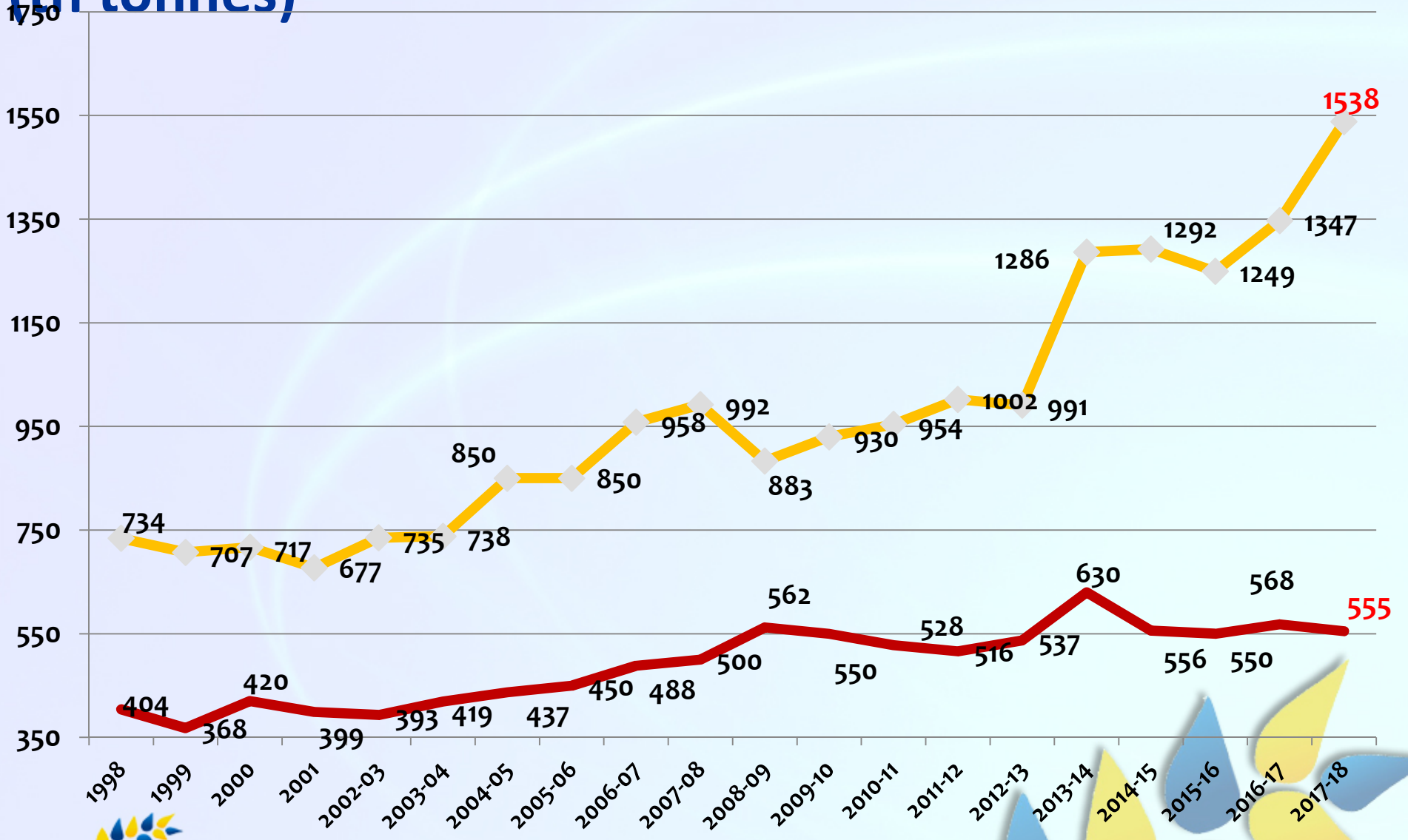
Liquid Oils Consumption (thousand tonnes)



Margarine/Industrial Fats Consumption (th tonnes)

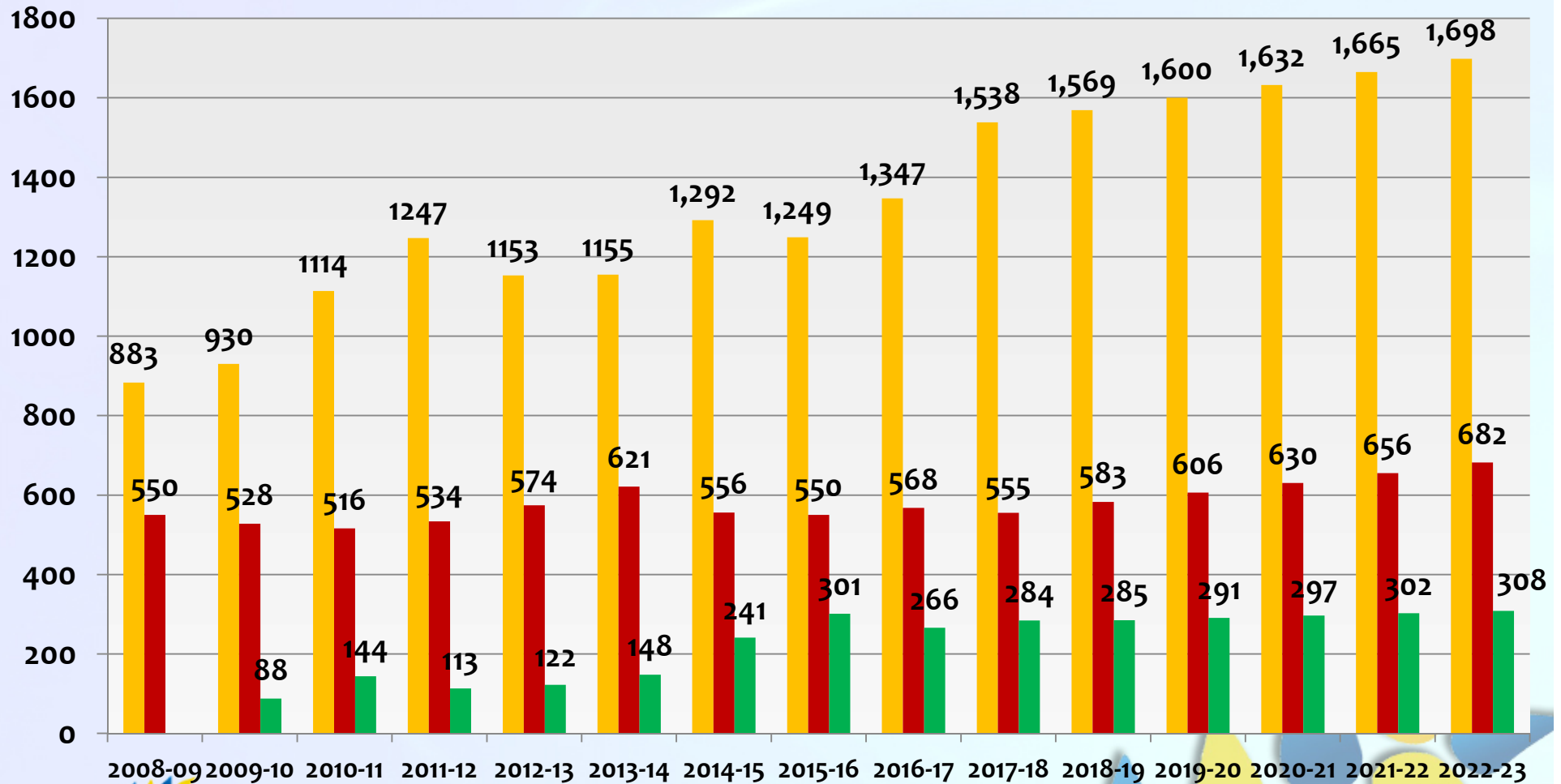


Liquid Oils vs Margarine Consumption (th tonnes)



Total Vegoil Consumption (Liquid/Margarine/Other) Projection (th mt)

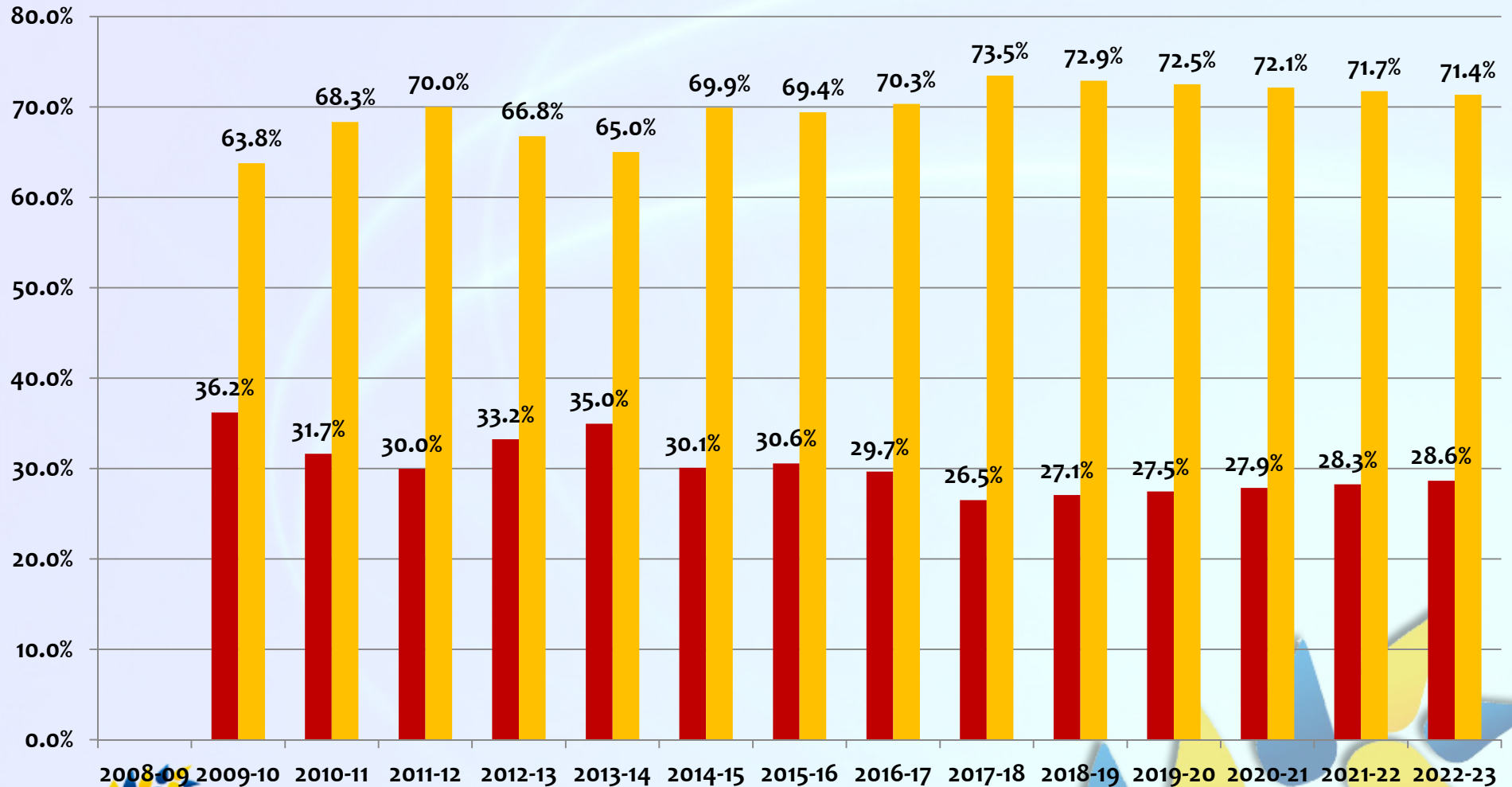
■ Liquid Oils
 ■ Mar/Industrial
 ■ Other



Source: Agripro 2018

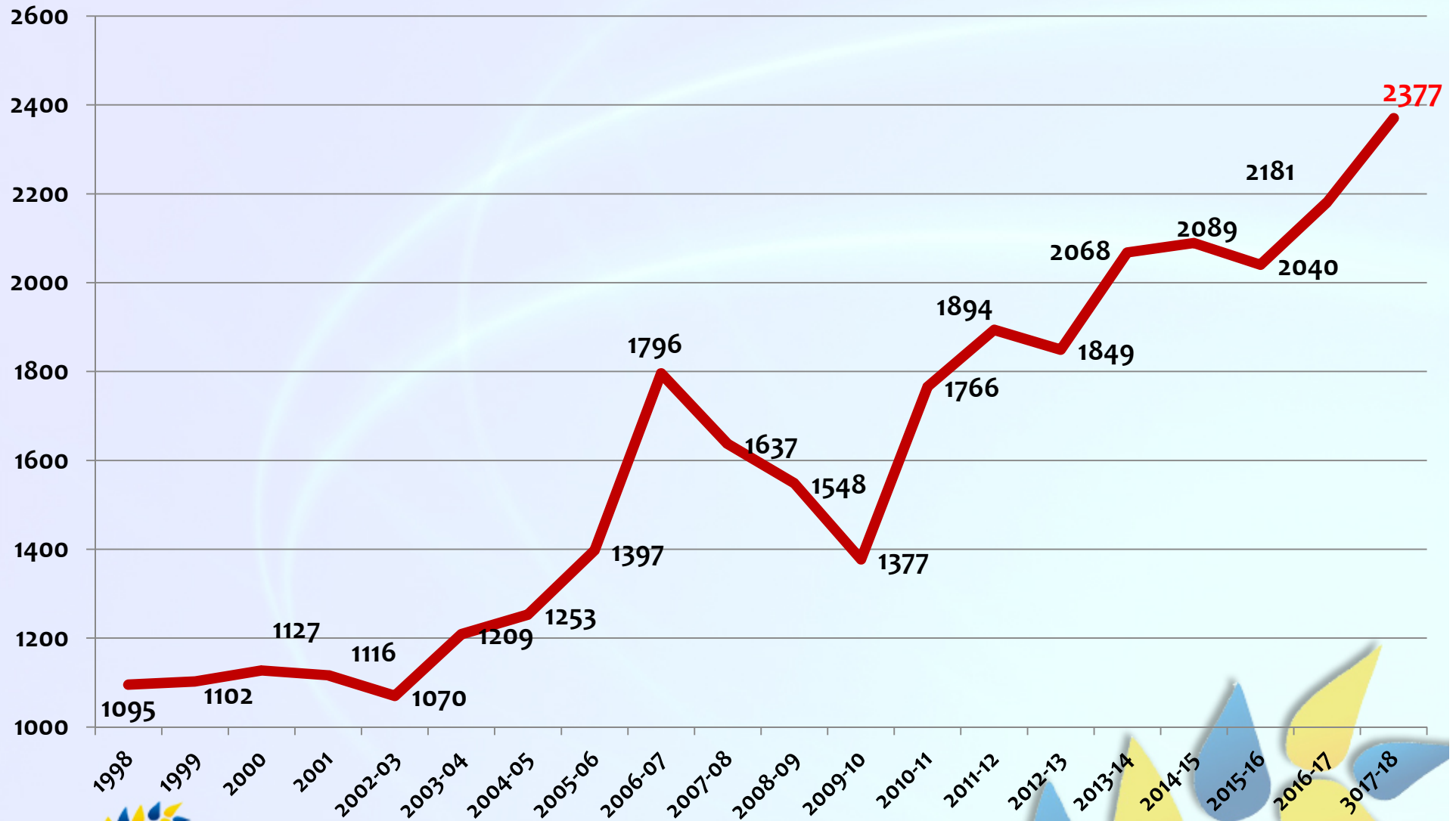
Total Vegoil Consumption (Liq.Marg./other) Projection (%)

■ Margarine/Industrial Fats ■ Liquid Oil

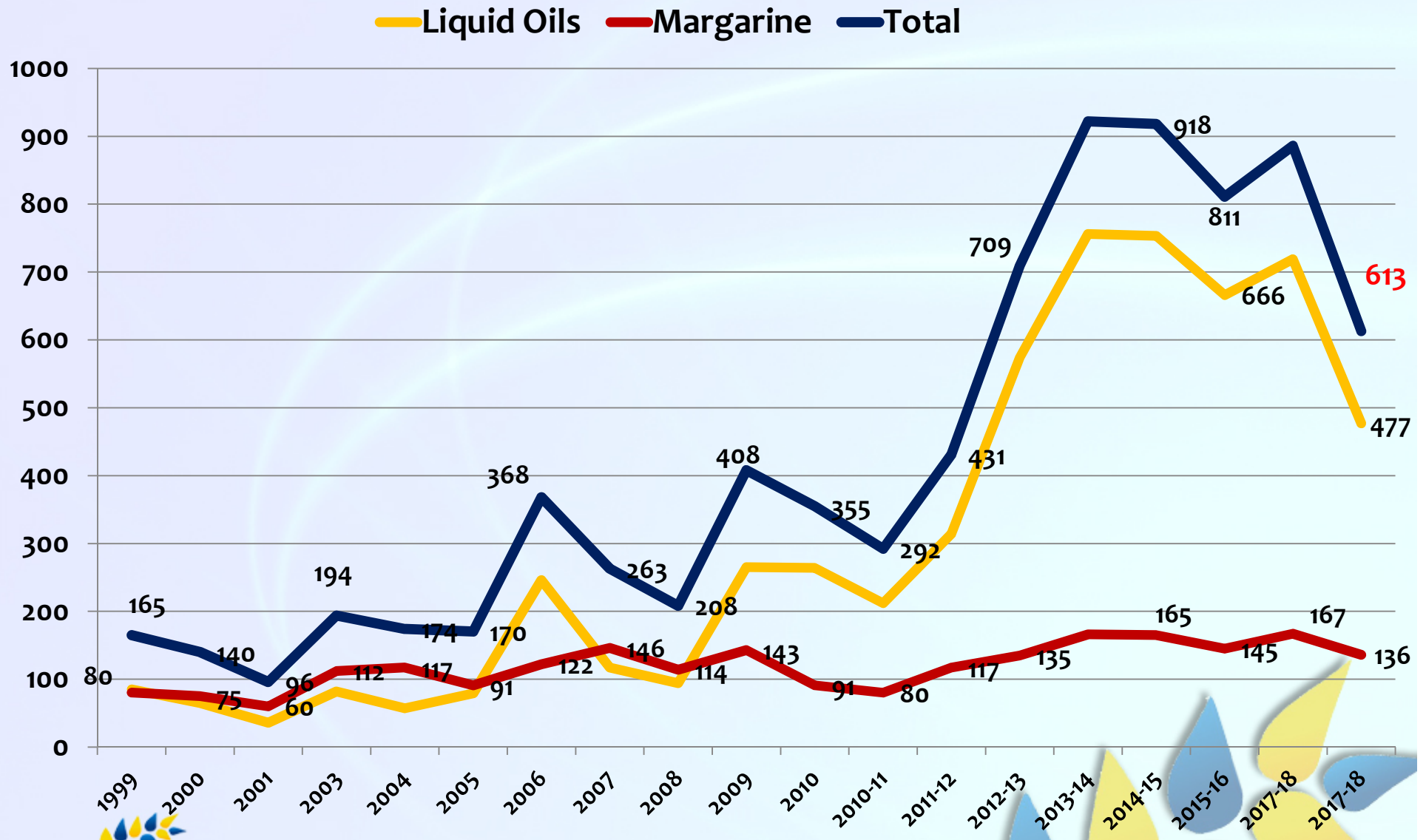


Total Vegoil Oil Consumption 2016/17

(th tonnes) exports excluded



Turkish Vegoil Exports (thousand tonnes)



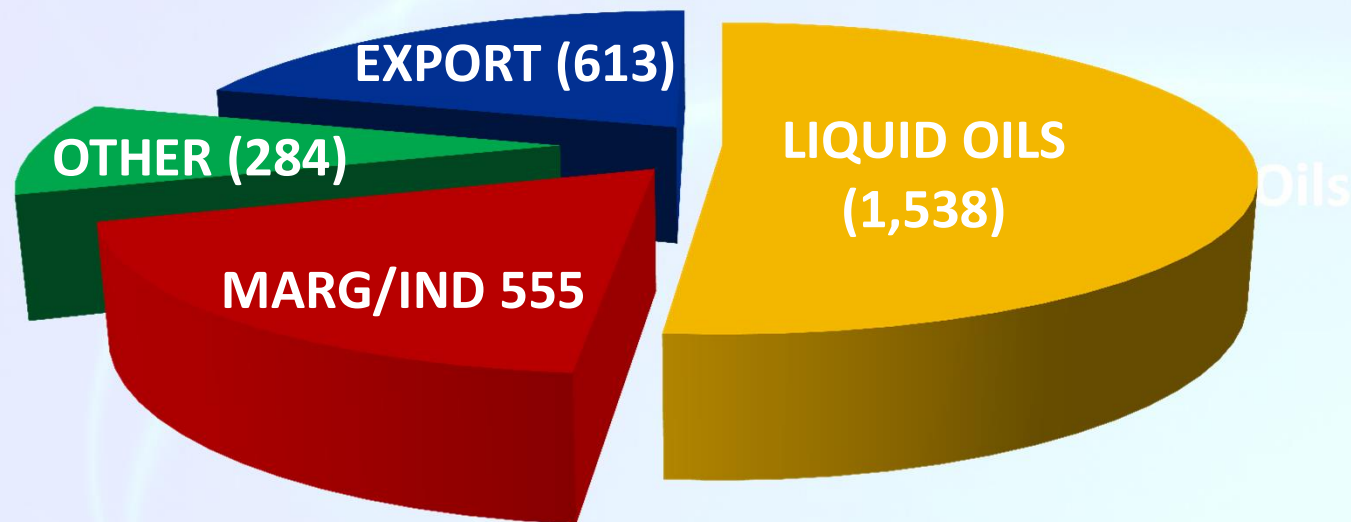
Source: Ministry of Economy 2018

Turkish Vegoil Market Size 2017/18

(incl exp.)

2,990,000 tonnes

per capita consumption : 28 kg approx. (excl. Exports)



Total Turkish Vegoil Demand 2017/18*

Liquid oils (incl. Olive Oil)	: 1,538,000 tonnes
Margarine & Industrial	: 555,000 tonnes
Exports	: 613,000 tonnes
<u>Other (paint/feed etc.)</u>	<u>: 284,000 tonnes</u>

TOTAL : 2,990,000 tonnes
(3,067,000 tons in 2016/17)

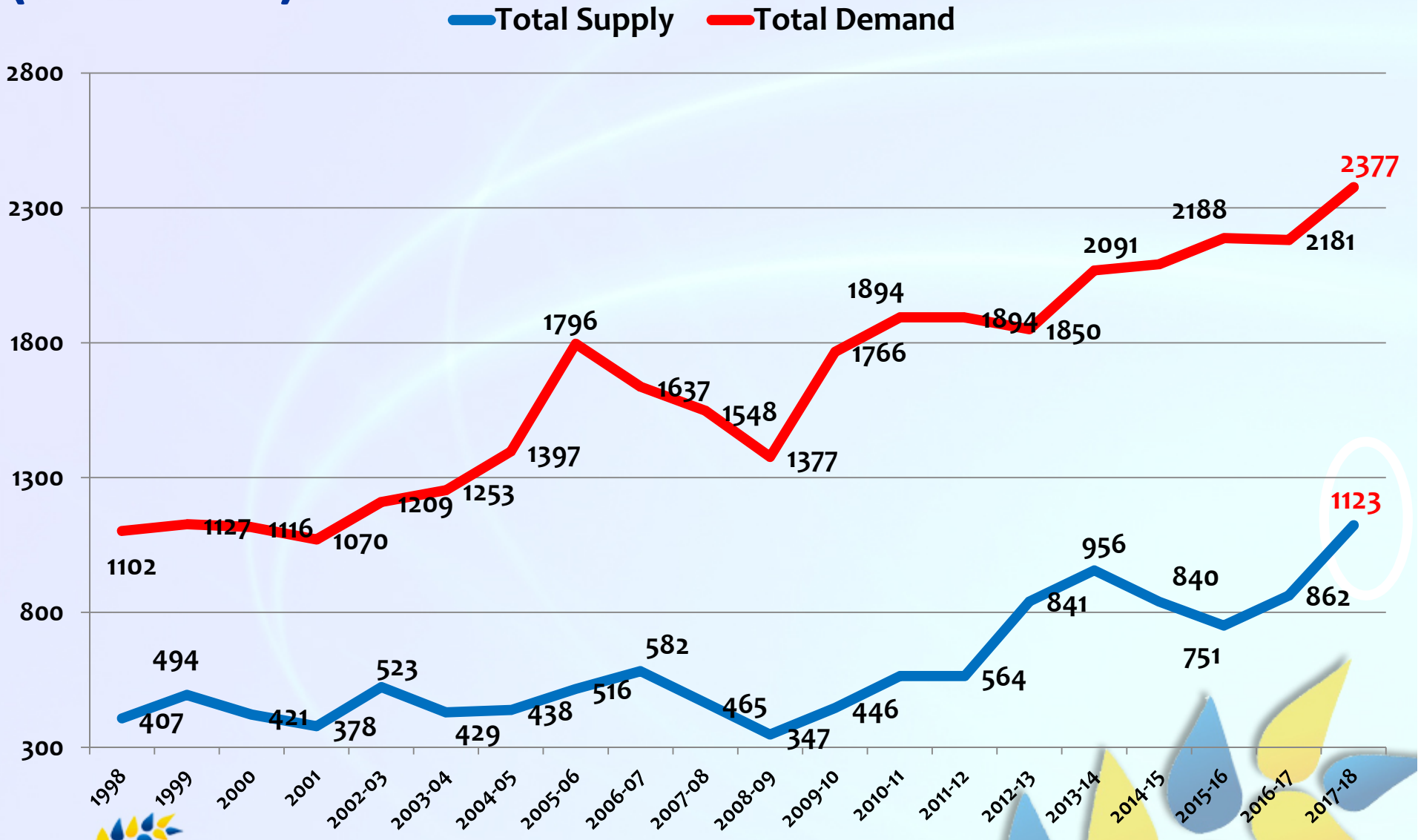
2.5% shrinkage in «Market Size» last 12 months

9.0% growth in «Consumption» last 12 months

Exports are drastically down due to new Iraqi plant!

Vegoils Supply & Demand 2017/18*

(th tonnes)



Turkish Fats/Oils Trade Balance 2016/17

SUPPLY / DEMAND 2016/17	OILSEEDS SUPPLY		OILSEED USE	OILSEED CRUSH	OILS				CONSUMPTION					
	Domestic Productn	Imports	Fullfat Feed Hybrid	CRUSH	Domestic Oil Equivalent	Import Oilseed Equivalent	Import Crude Oils	TOTAL CRUDE OIL SUPPLY	OTHER	EXPORTS		DOMESTIC CONSUMPTN		TOTAL OIL CONS.
									Feed Paint etc.	Liq. Oils	Marg	Marg	Liq. Oils	
SUNFLOWER	1,150	608		1,758	483	263	817	1,563		633			930	1,563
SOYA	120	2,271	1,200	1,191	21	187	12	220	145	3			72	220
LINS/CAMLINA		222		222	0	84		84	70	14				84
SAFFLOWER	35	129		164	11	39		44					44	44
CORN GERM	90	70		160	40	31	35	116		38			78	116
OLIVE OIL					177			177		25			152	177
COTTONSEED	960		50	910	118			118				70	48	118
PALM OILS							683	683	50	5	166	462		683
RAPESEED	30	34		64	12	14	3	29	1	1	1	3	23	29
MARGARINE							33	33				33		33
TOTAL	2,385	3,334	1,250	4,469	862	618	1,583	3,067	266	719	167	568	1,347	3,067



Turkish Fats/Oils Trade Balance 2017/18*

**projection*

SUPPLY / DEMAND 2017/18*	OILSEEDS SUPPLY		OILSEED USE	OILSEED CRUSH	OILS				CONSUMPTION					
	Domestic Productn	Imports	Fullfat Feed Hybrid	CRUSH	Domestic Oil Equivalent	Import Oilseed Equivalent	Import Crude Oils	TOTAL CRUDE OIL SUPPLY	OTHER	EXPORTS		DOMESTIC CONSUMPTN		TOTAL OIL CONS.
									Feed Paint Biod.	Liq. Oils	Marg	Marg	Liq. Oils	
SUNFLOWER	1,435	675		2,110	603	290	496	1,389		325			1,064	1,389
SOYA	120	2,608	1,400	1,328	21	211		232	148	34			50	232
LINS/CAMLINA		24		24		9		9	9					9
SAFFLOWER	30	81		111	9	24		44	5				39	44
CORN GERM	90	80		170	40	35	35	116		38			78	116
OLIVE OIL					287			287		80			207	287
COTTONSEED	1,200		50	1,150	150			150	50			50	50	150
PALM OILS							700	700	72		136	467	25	700
RAPESEED	35	24		59	14	10	1	25					25	25
MARGARINE							38	38				38		38
TOTAL	2,910	3,492	1,450	4,952	1,123	580	1,270	2,990	284	477	136	555	1,538	2,990



Conclusions

Turkish vegoil consumption will reach **2.377** million tonnes in **2017/18** season.

Domestic consumption grew **9%** in 2017/18 season after **2 stagnant** seasons; as Turkey recovered from Turco-Russian jet downing crisis, terror attacks, attempted military coup & consequent drastic fall in tourism.

Palm oil consumption too has stagnated in the last 2,5 years as people stopped going to shopping mall food courts due to continuous terror threats & fall in tourism.

In 2018 Turkey's tourism income will reach **\$40 billion**. In Q2 of 2018, number of tourists visiting Turkey jumped some **30%**.

Conclusions

In the last 6 months, **out-of-home & catering** sectors resumed to grow. This will give rise to increased palm oil usage in the latter part of 2018.

For 2018, Turkey expects a GDP growth of over **5%**.

One has to bear in mind that palm oils are **not** consumed as liquid oils in Turkey. Consumption entirely depends on industrial oils & margarine usage alone.

TV-dinners are another potential growth area in Turkey. **Ready meals** are «**not yet**» popular in Turkey and very few products are on the shelves. This will be another growth area in the coming years.

Having said all this, as geopolitical risks continue, **Turkish Lira** continues to lose value and **foreign debt** is **#1** problem of Turkish economy..

Conclusions

As »**Slide 22 & Slide 23**» of this presentation show, with numbers **projected** until **2023**, the use of industrial oils & fats will grow more than the growth of liquid oils and & other usage.

The growth of **liquid oils** & other usage will be limited to **population** growth of about **2%** however growth of industrial fats will increase **2 fold** to that of liquid oils with skyrocketing **tourism** growth.

The **key** factor for the growth of palm oil usage will be the growth in **tourism**.

Secondary growth factors will be the **out-of-home & ready meals**.



Thank you & see you @

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