Turkish Fats & Oils Trade Balances 2014/15 and 2015/16*

Odessa,Ukraine

27 October 2016

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AgriPro Limited

Main Topics

1. Turkey
2. Oils/Oilseeds Supply & Demand
3. Turkish Oils & Oilseeds Balances
4. Sun Complex
5. Conclusions/Facts/Assumptions
6. Price Predictions

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Turkey

Turkey Fact File

Population:	**79 million (80.3m/CIA - 78.8m/IMF)**
Population Growth*:	**0.9%**
GDP PPPx:	**US$ 1,665 billion**
GDP per capita:	**US$ 9,562**
GDP Growth:	**3.3% (2016 est.)**
Exchange rate:	**US$ 1 = 3.08 Turkish Lira**
Unemployment:	**10.3% (2016 est.)**
Annual inflation:	**8.4% (consumer, 2016 est.)**

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Source : CIA WorldFactbook July 2016

Turkey Fact File

Age Structure*:	**0-14 ..... 25.08%**
	15-24 ..... 16.1%
	25-54 ..... 43.2%
	55-64 ..... 8.4%
	65 & over ... 7.3%
Median Age*:	**30.5**
Fertility Rate*:	**2.03 born/woman***

Urban Population*: 73.4%

Rate of urbanisation*: 1.97%

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Source : CIA WorldFactbook July 2016

Turkey Fact File

Total Land:	**783,562 sq km**
Agricultural Land:	**49.7%**
Arable Land*:	**26.7%**
Permanent Crops*:	**4%**
Irrigated Land*:	**52,150 sq km**

*** CIA Data (July 2016)**

x IMF Data (April 2016)

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Source : IMF/CIA WorldFactbook, July 2016

Turkey Major Crops (2015/16 season)

Wheat:	***c. 20* million tonnes (3.7 m durum)**
Sugar beat:	***c.* 15 million tonnes**
Corn:	***c.* 6.5 million tonnes**
Barley:	***c.* 6.8 million tonnes**
Oilseeds:	***c.* 2.5 million tonnes**

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Source: AgriPro 2016

Oils/Oilseeds Supply & Demand

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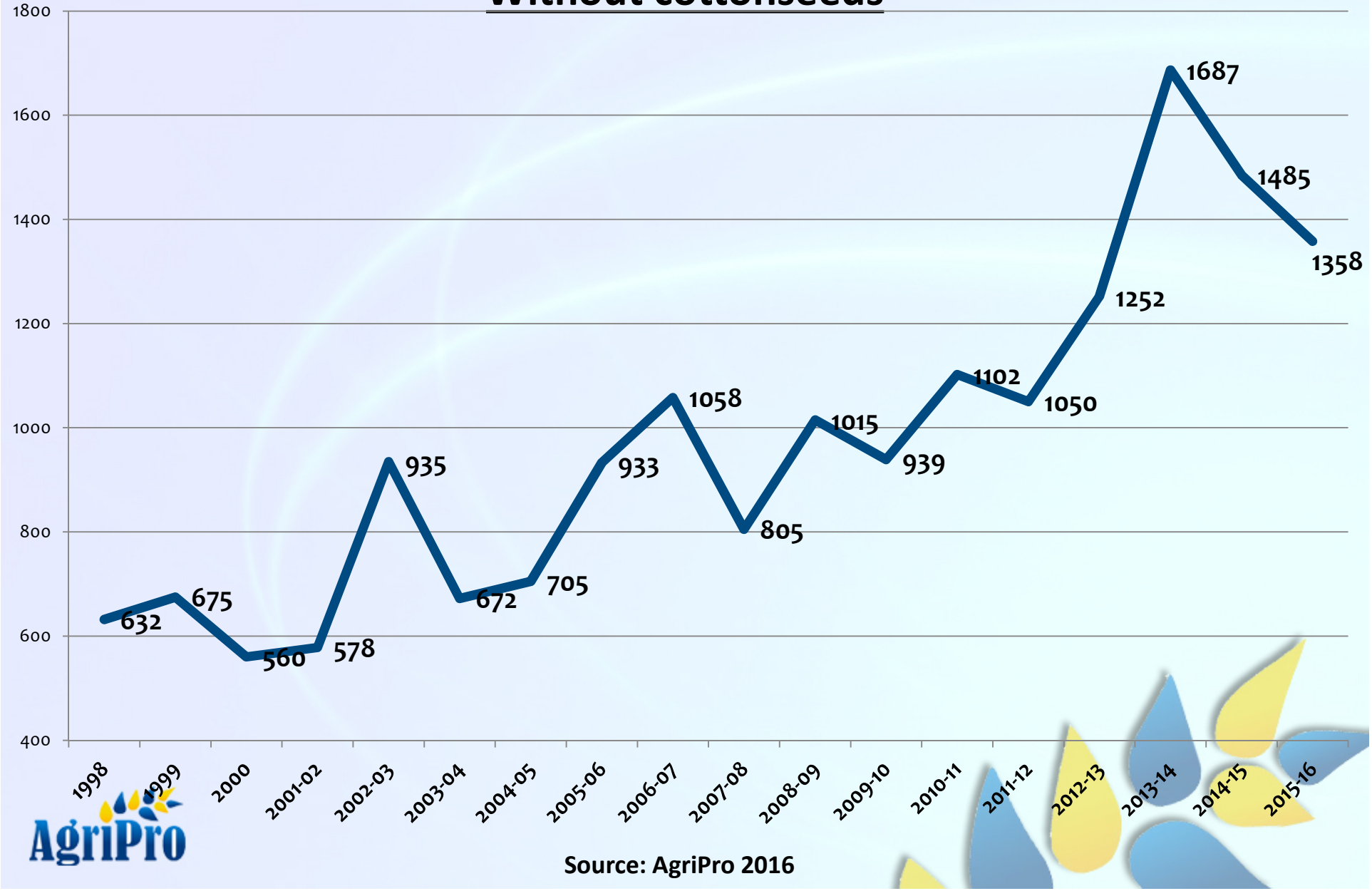
Turkish Oilseeds Production (th tonnes)



Source: AgriPro 2016

Turkish Oilseeds Production 2016/17
(thousand tonnes)

- **Sunflowerseeds : 1,150,000 tonnes**
- **Cottonseeds : 960,000 tonnes**
- **Rapeseeds : 85,000 tonnes**
- **Corn germs : 75,000 tonnes**
- **Safflower : 35,000 tonnes**
- **Soybeans : 120,000 tonnes**

TOTAL : 2,425,000 tonnes

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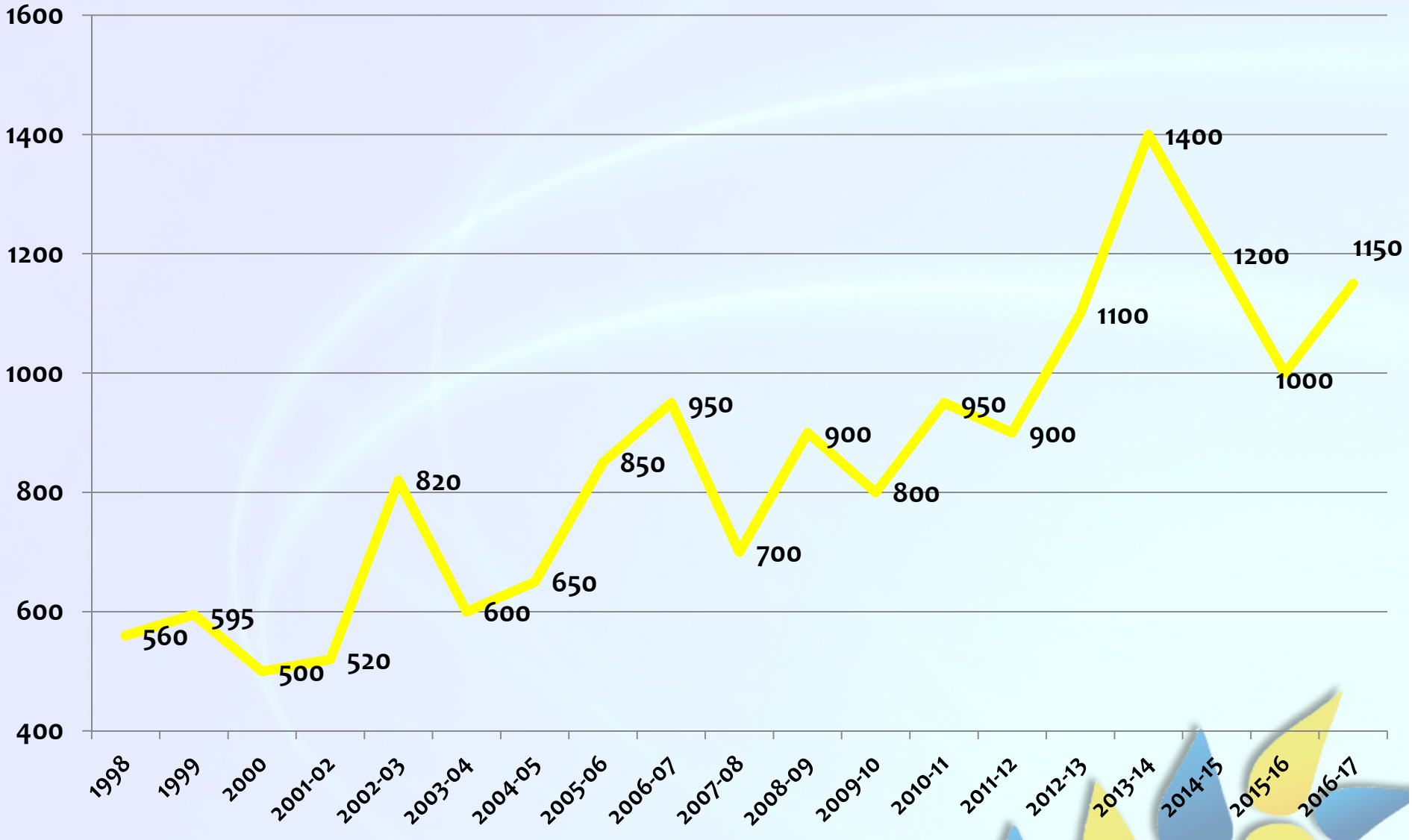
Source: AgriPro 2016

Sunseeds Production (thousand tonnes)



Source: AgriPro 2016

Major Import Duties

Sunseeds	:	27% (or $202.50/mt minimum)
Safflower	:	23.4%
Soybeans	:	0%
Linseeds	:	0%
Rapeseed	:	10% (or $160/mt min.)
Crude Sunoil	:	36% (or $540/mt min.)
Refined Sunoil	:	50%
RBD Palm Oils	:	31.2% (21.8% for Malaysia origin)
Other Vegoils	:	31.2%
Soymeal	:	5% (0% for EU origin soymeal)
Other protein meals: 13.5%		

Source: Ministry of Economy ,September 2016

Turkish Oils & Oilseeds Balances

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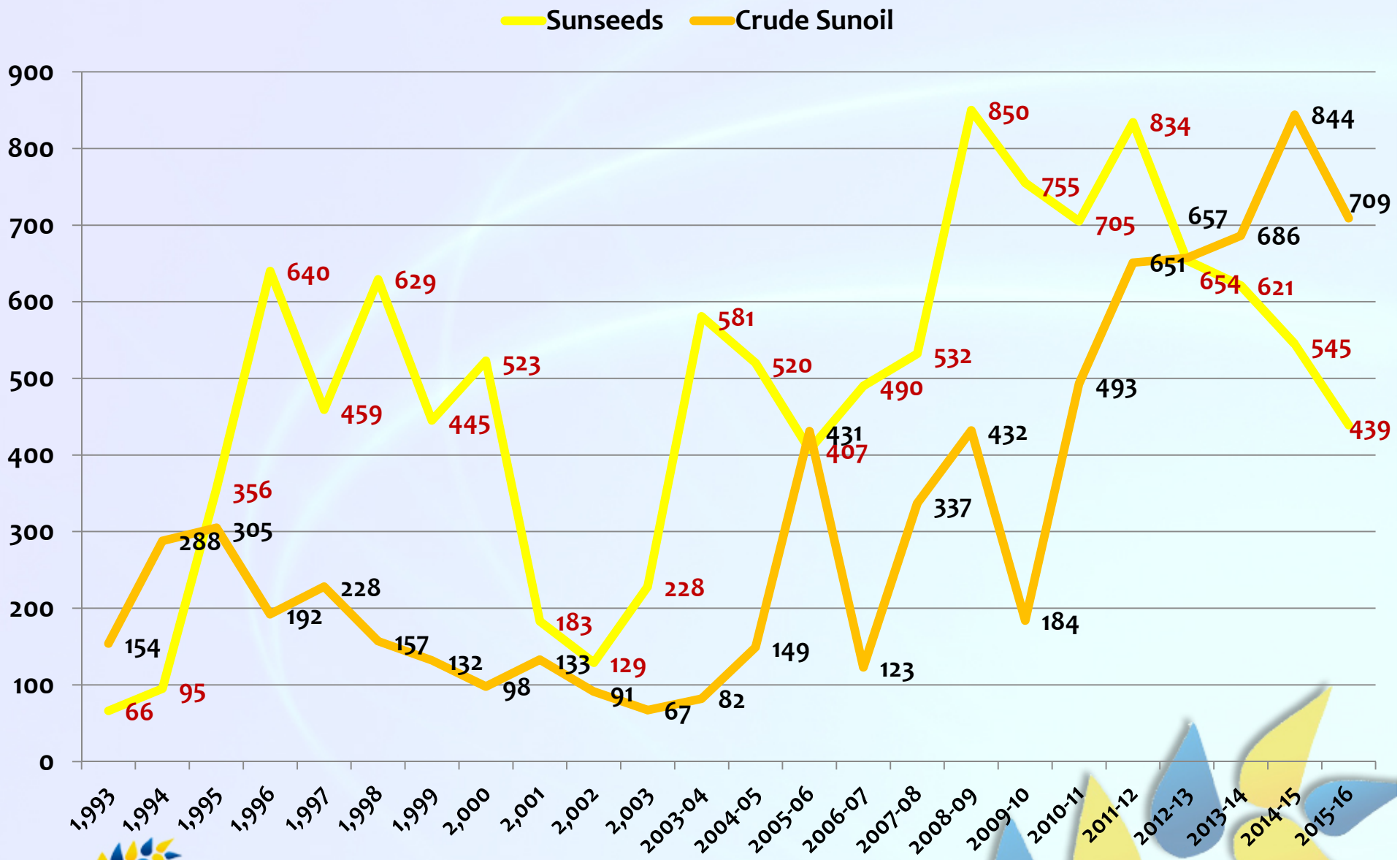
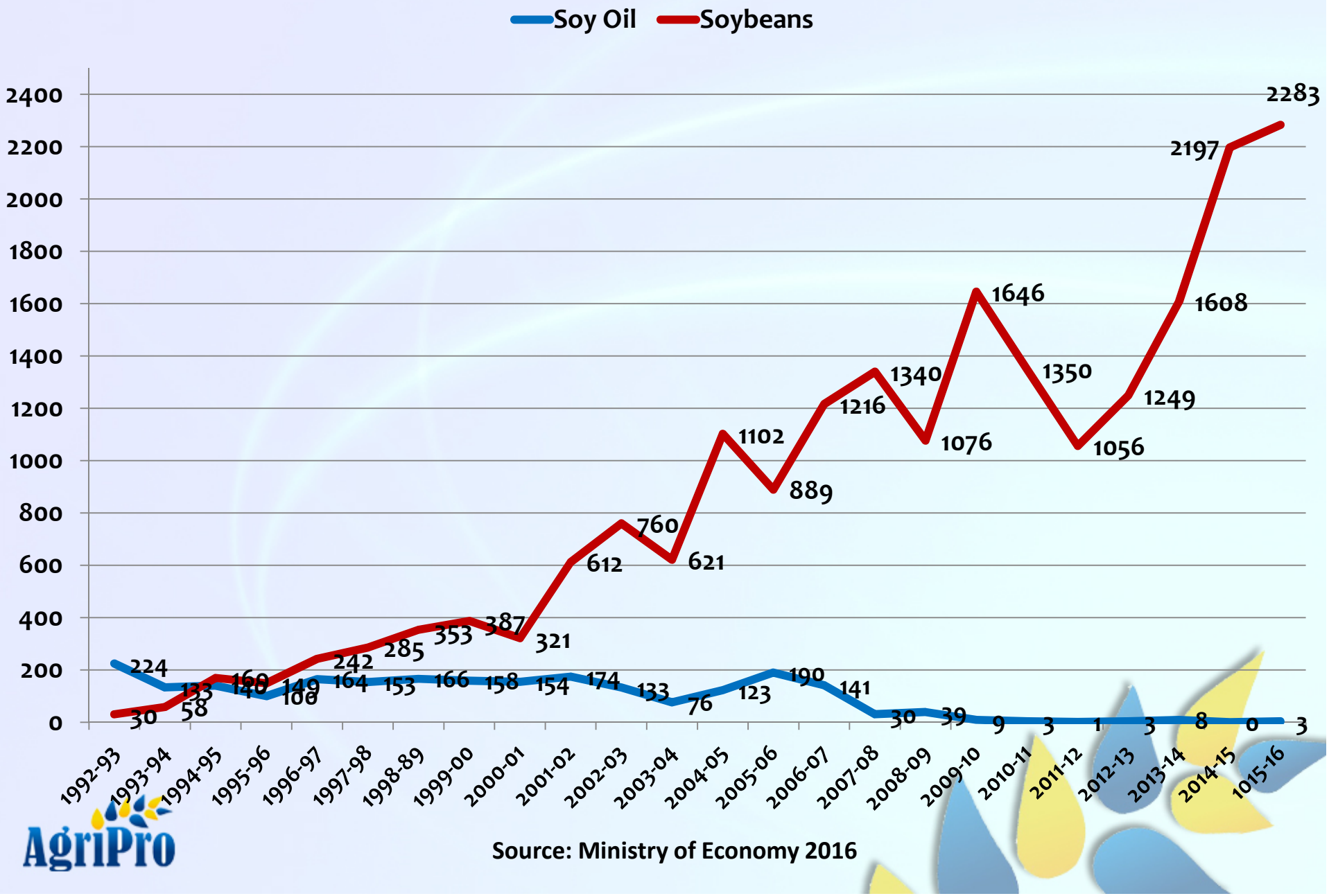
Sunseeds & Sunoil Imports (th tonnes)



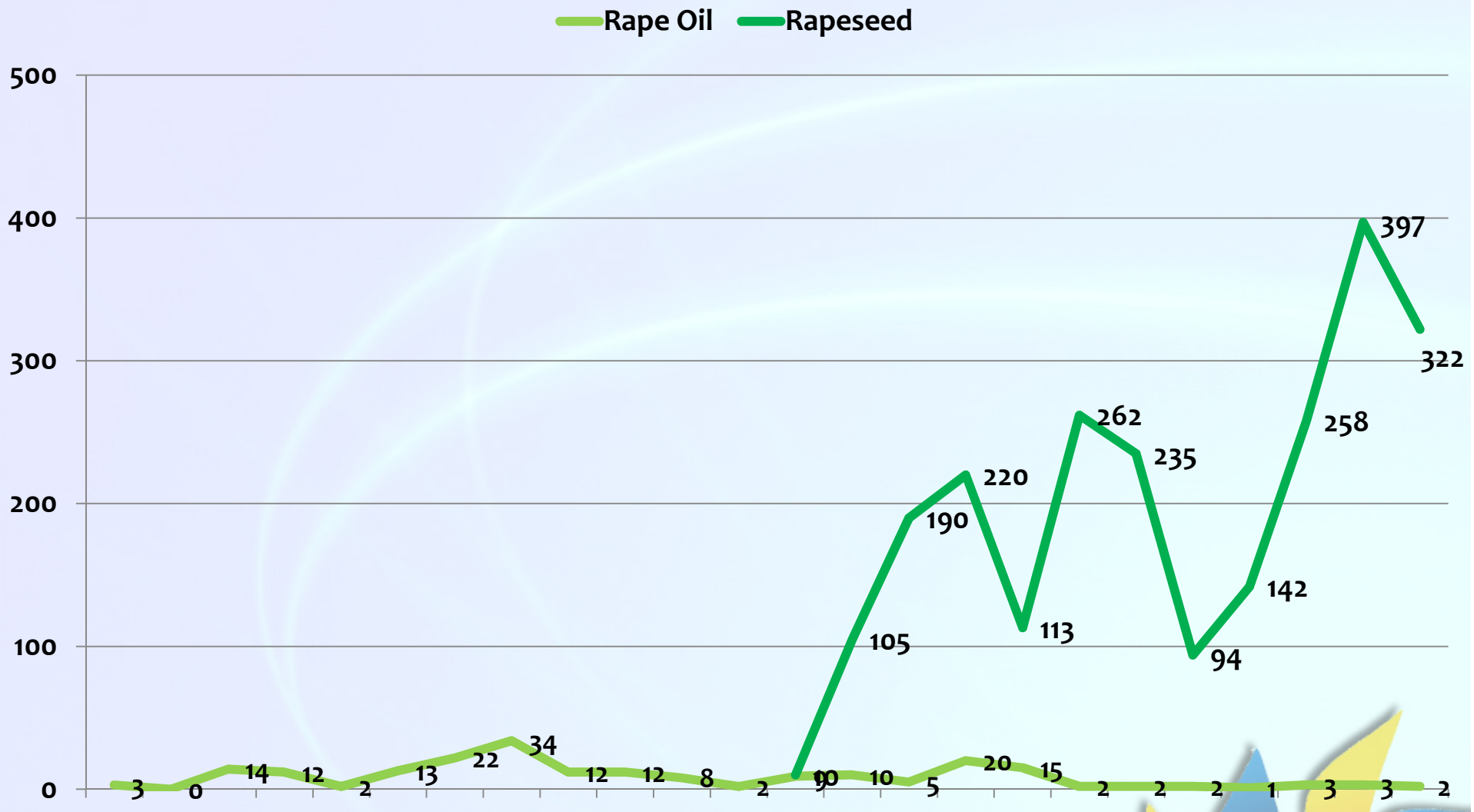
Source: Ministry of Economy 2016

Soybeans & Soy Oil Imports (th tonnes)



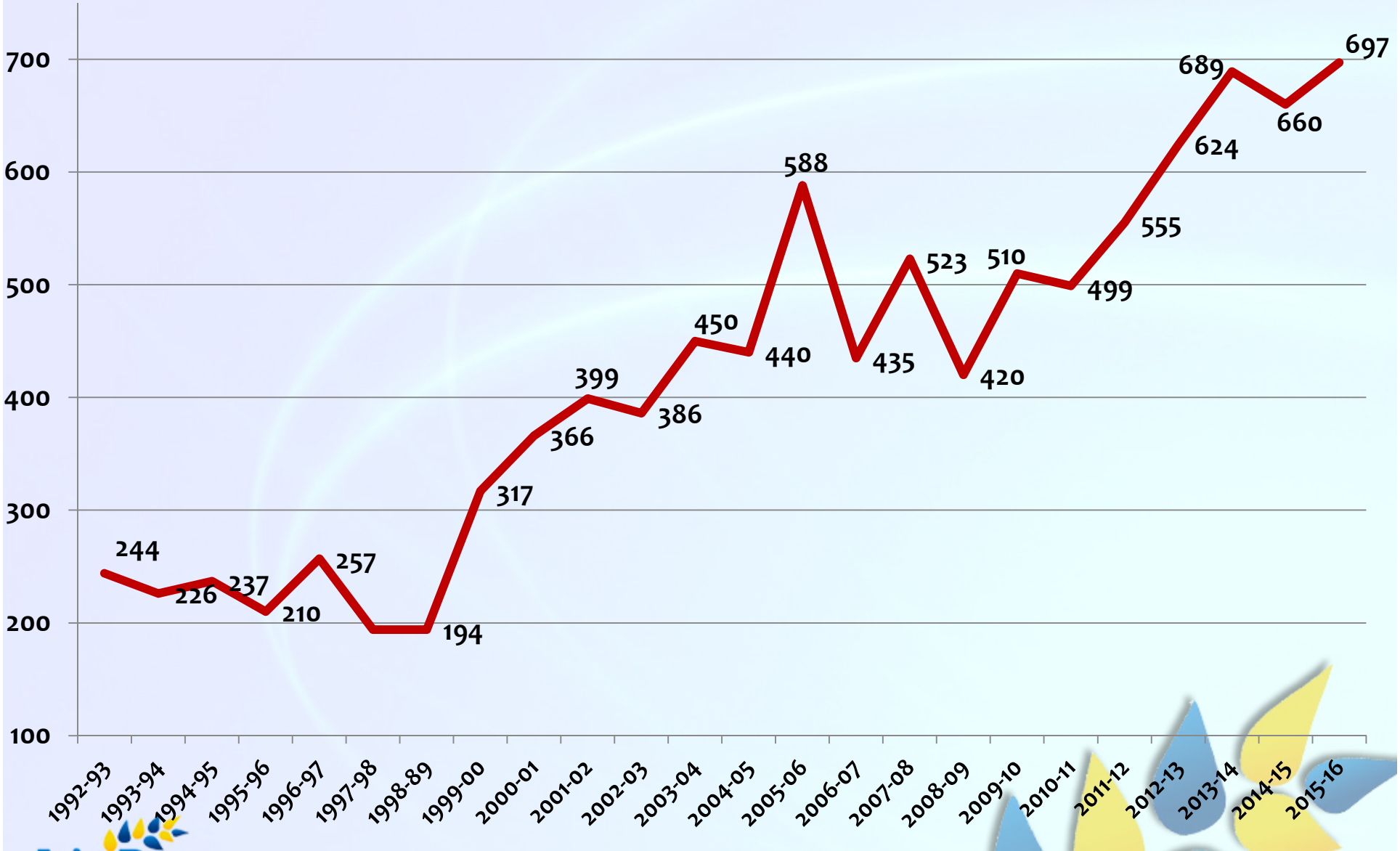
Source: Ministry of Economy 2016

Rapeseeds & Rape Oil Imports (th tonnes)



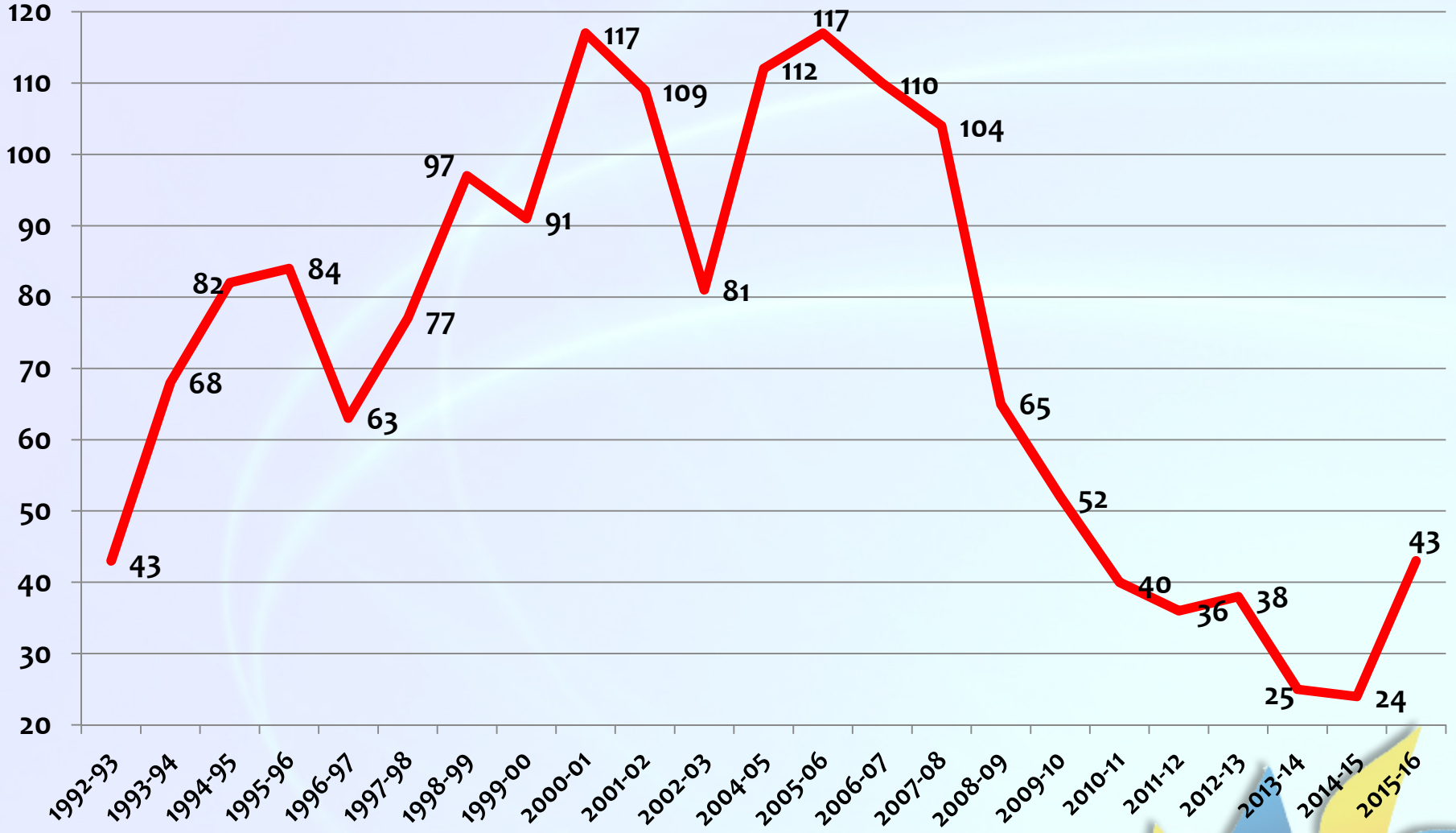
Source: Ministry of Economy 2016

Palm Oil Imports (thousand tonnes)



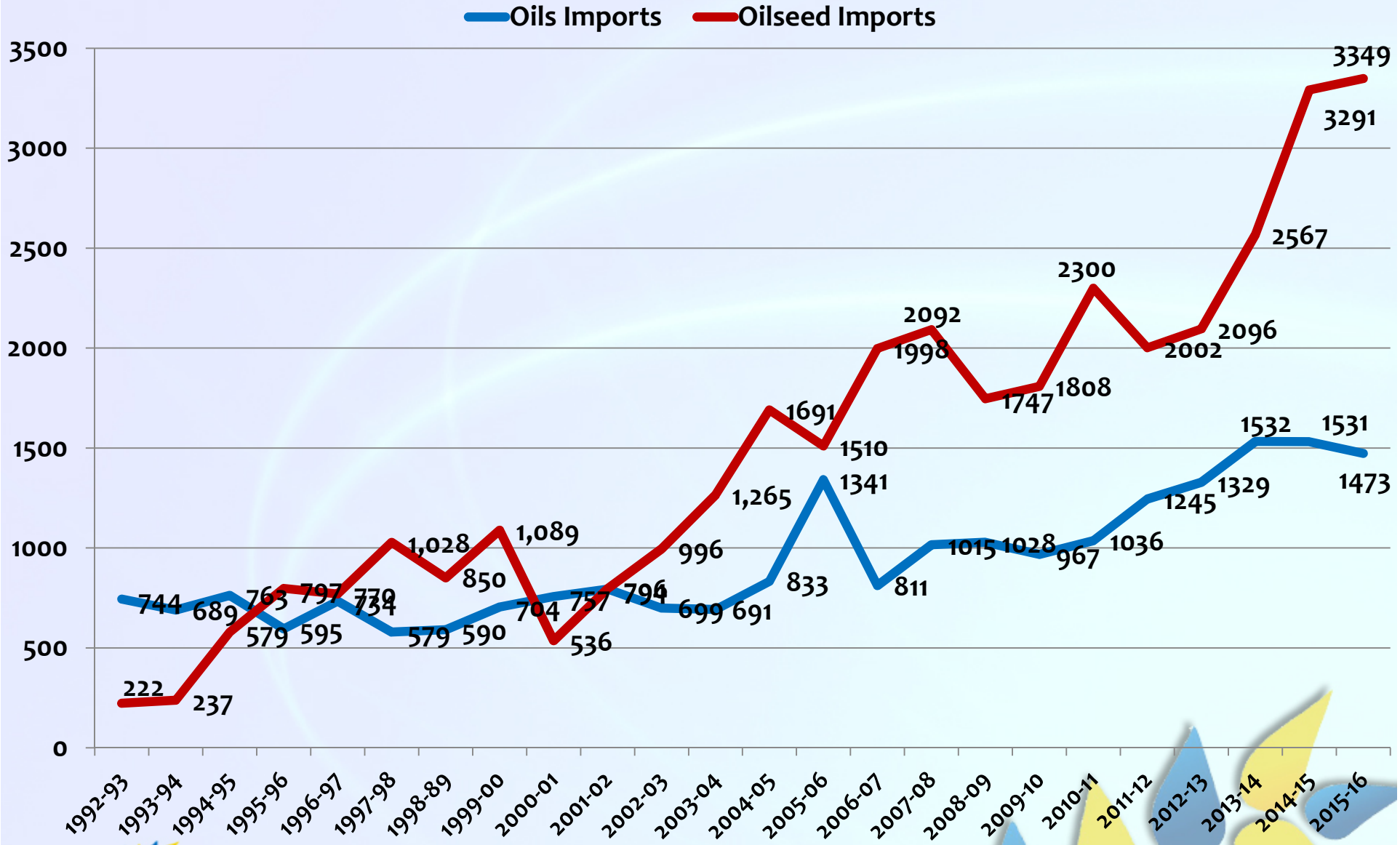
Source: Ministry of Economy 2016

Corn Oil Imports (thousand tonnes)



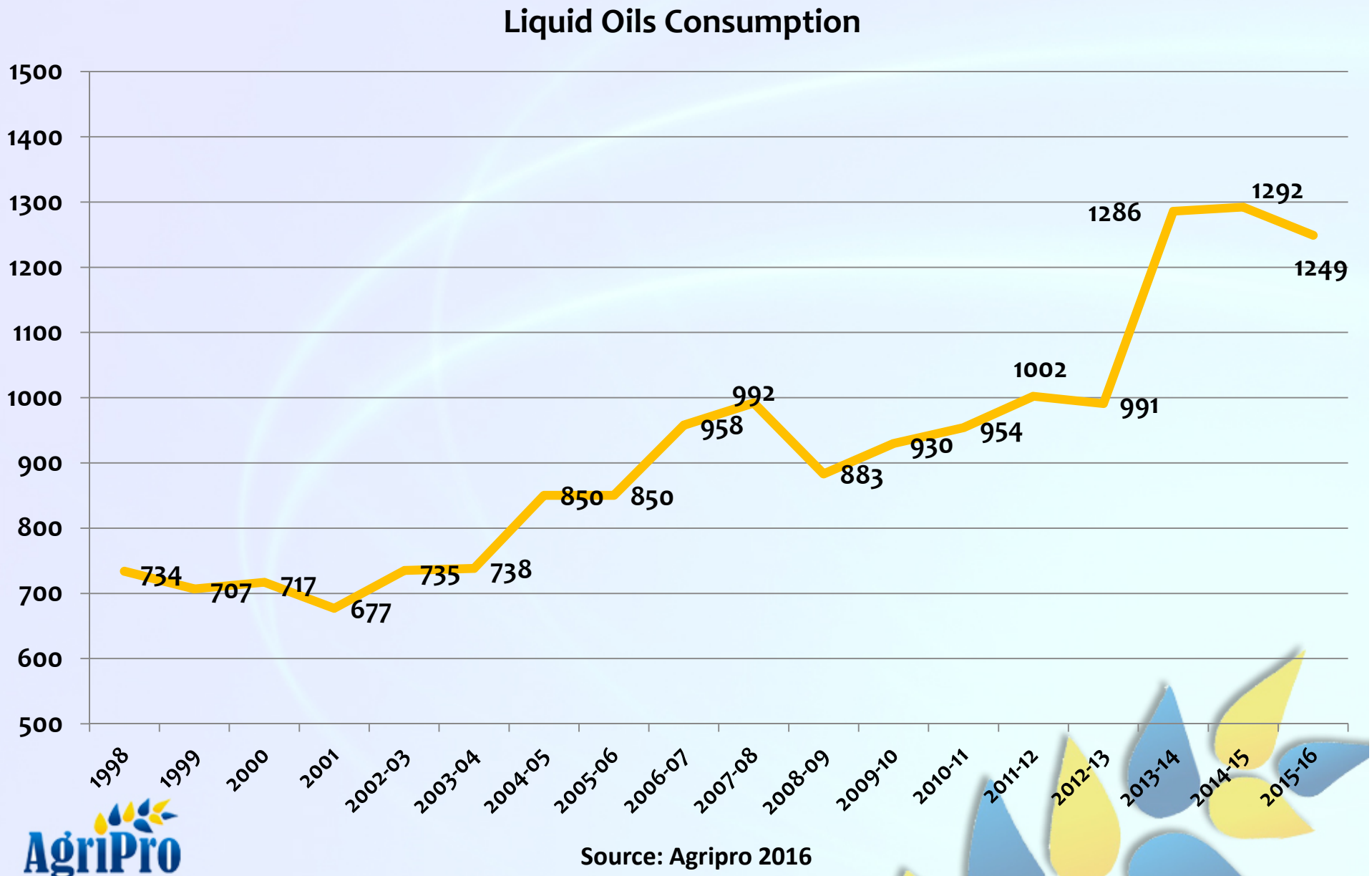
Source: Ministry of Economy 2016

Total Oils & Oilseeds Imports (th tonnes)



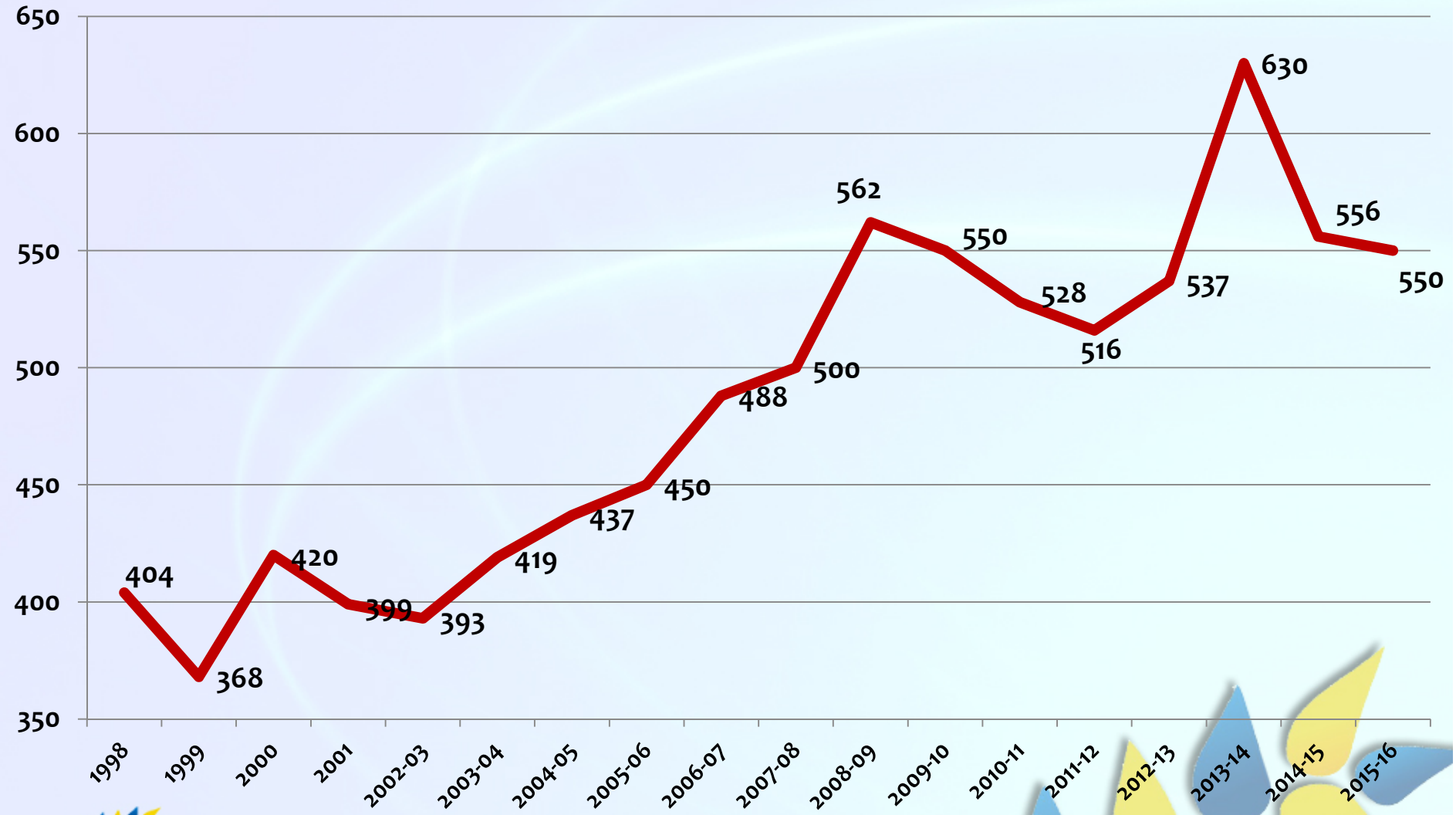
Source: Ministry of Economy 2016

Liquid Oils Consumption (thousand tonnes)



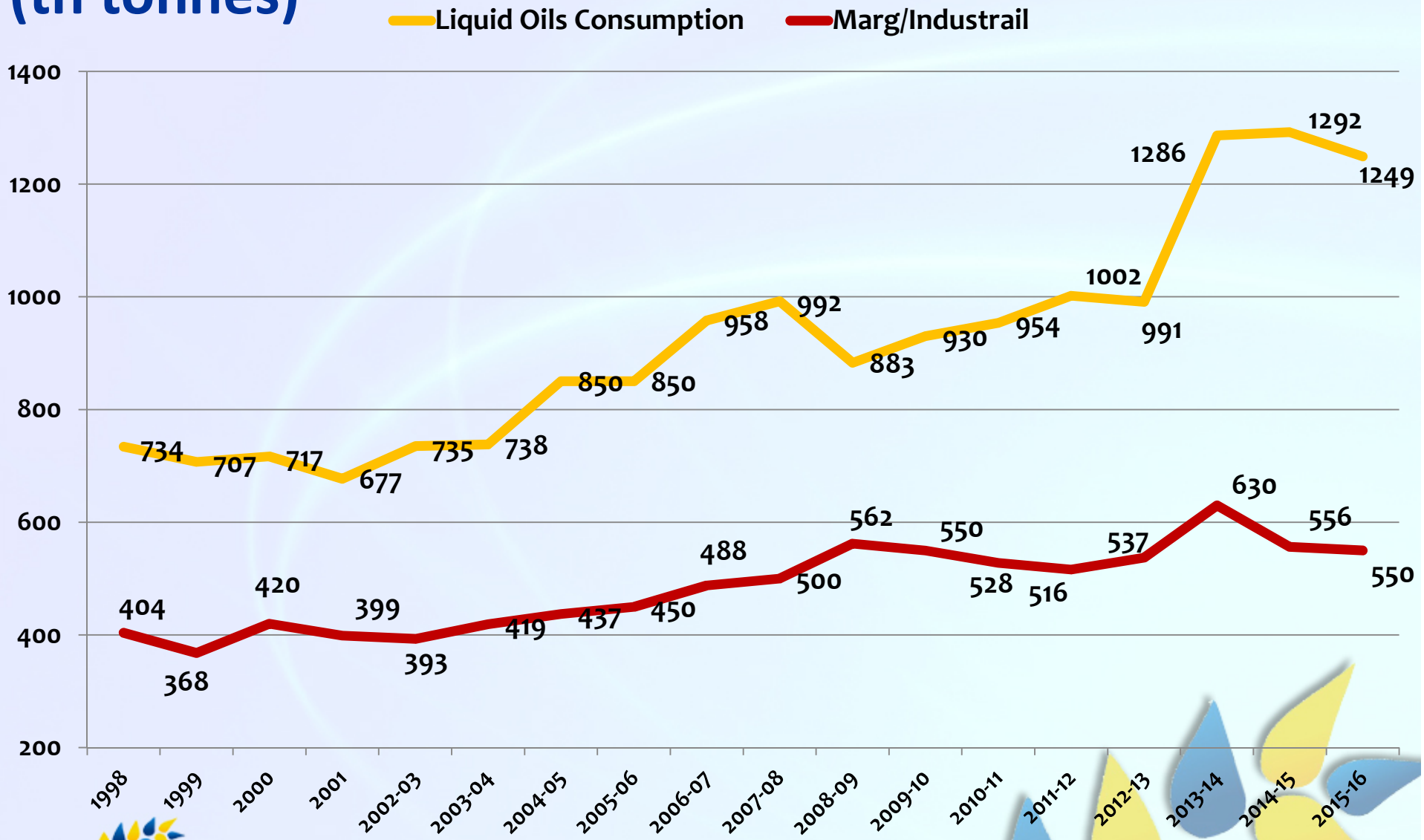
Source: Agripro 2016

Margarine/Industrial Fats Consumption
(th tonnes)



Source: Agripro 2016

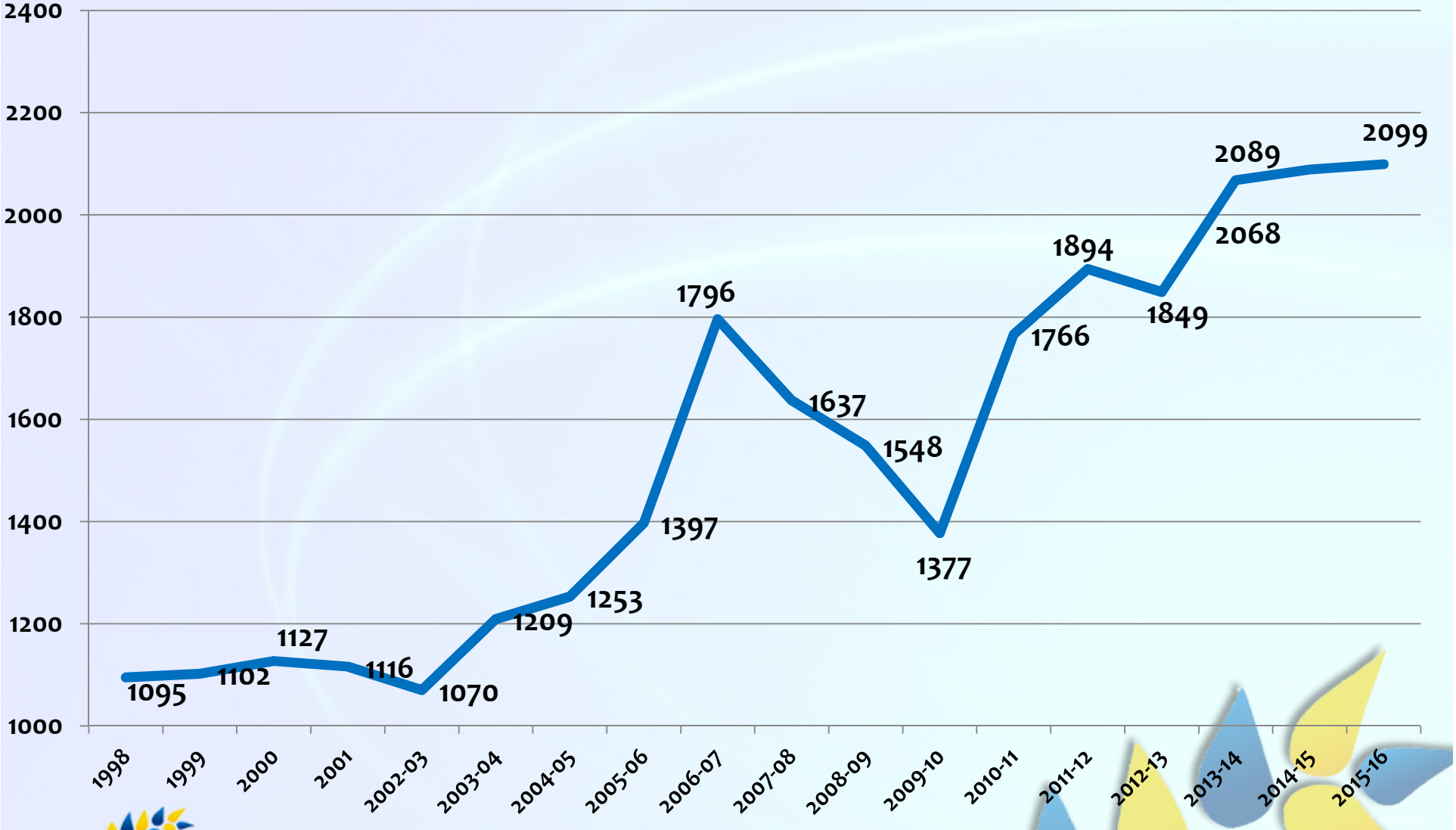
Liquid Oils vs Margarine Consumption (th tonnes)



Source: Agripro 2016

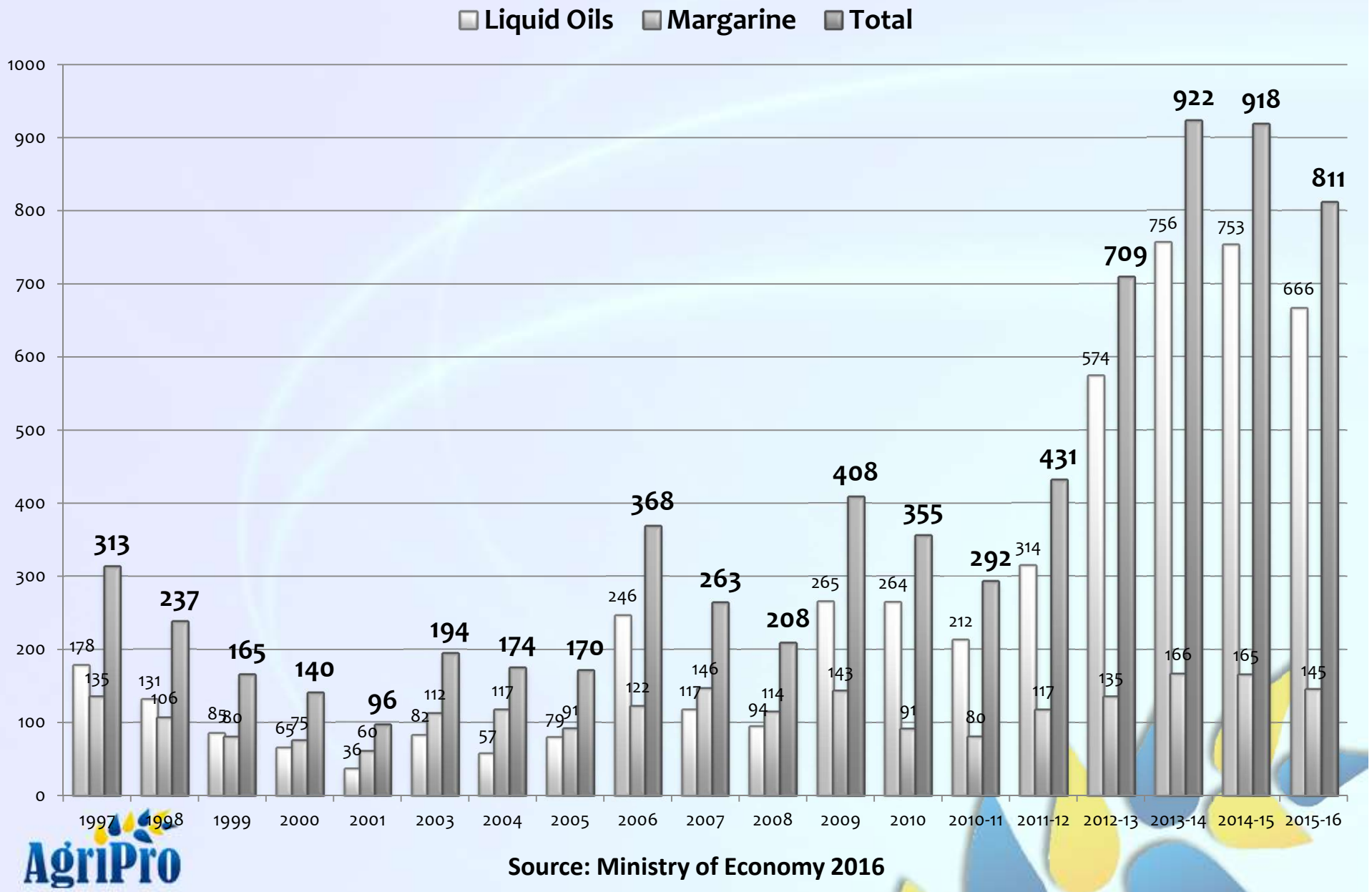
Total Vegoil Oil Consumption

(th tonnes) exports excluded



Source: Agripro 2016

Turkish Vegoil Exports (thousand tonnes)

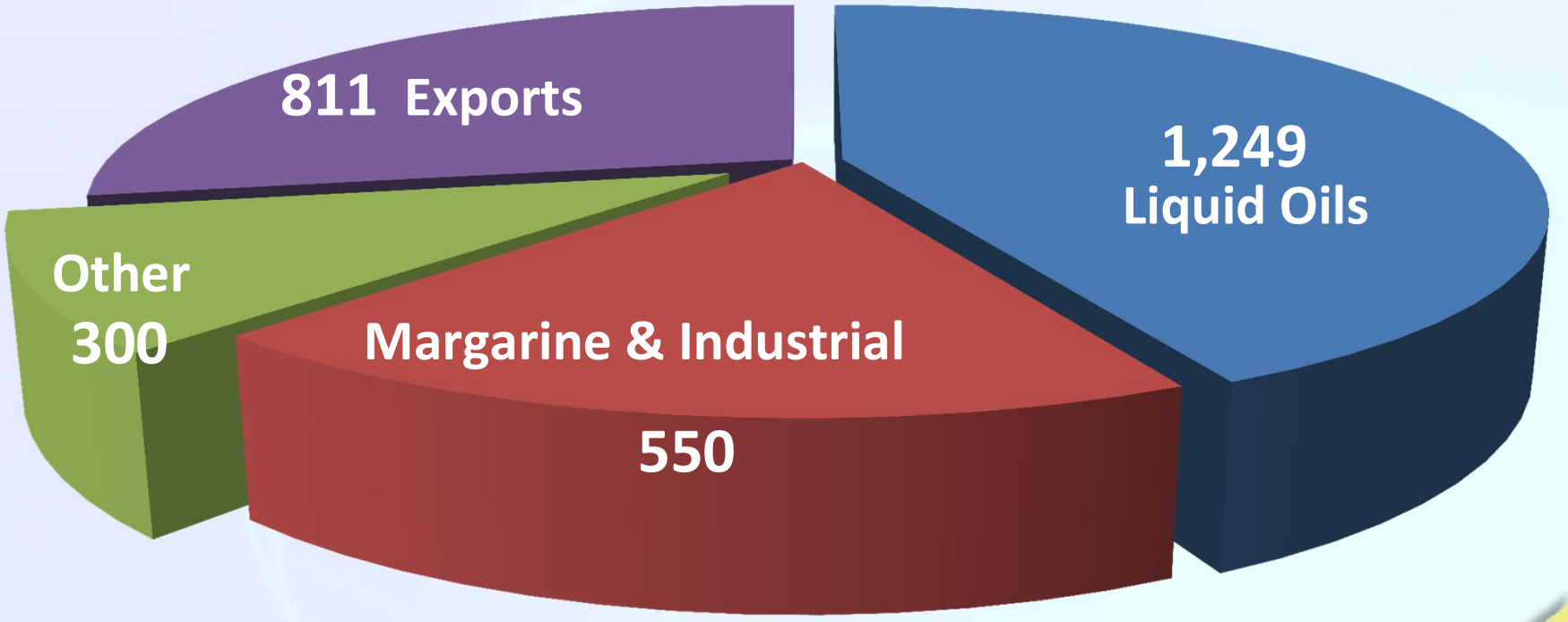


Source: Ministry of Economy 2016

Turkish Vegoil Market Size 2015/16 (incl exp.)

2,910,000 tonnes

per capita consumption : 26.56 kg/ (excl. Exports)



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Source: Agripro 2016

Total Turkish Vegoil Demand 2015/16

Liquid oils (incl. Olive Oil)	**:**	**1,249,000 tonnes**
Margarine & Industrial	**:**	**550,000 tonnes**
Exports	**:**	**811,000 tonnes**
Other (paint/feed etc.)	**:**	**300,000 tonnes**
TOTAL	**:**	**2,910,000 tonnes**

(2,089,000 tons in 2014/15)

0.5% growth in the last 12 months and %1.1 in last 2 years.

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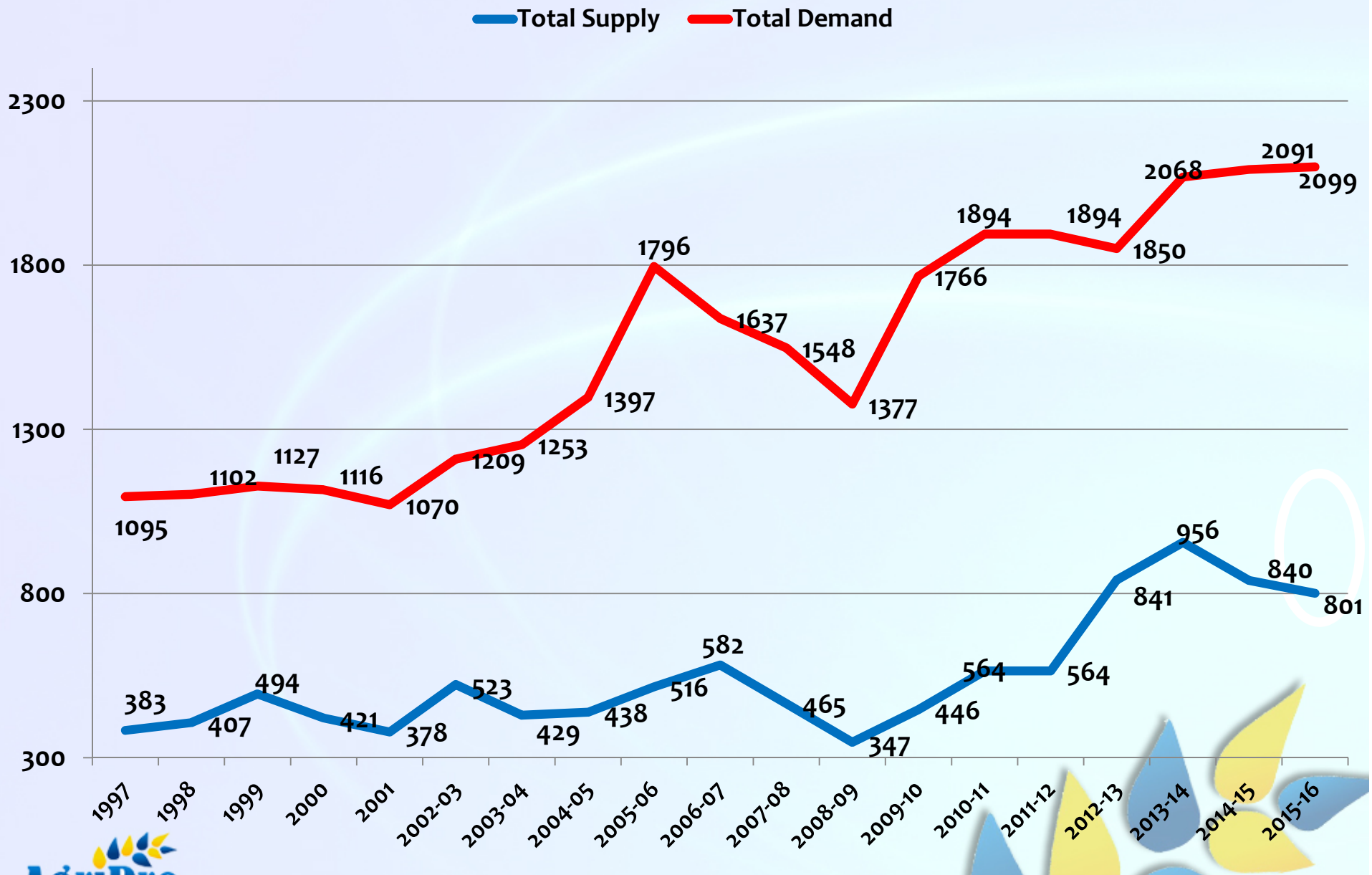
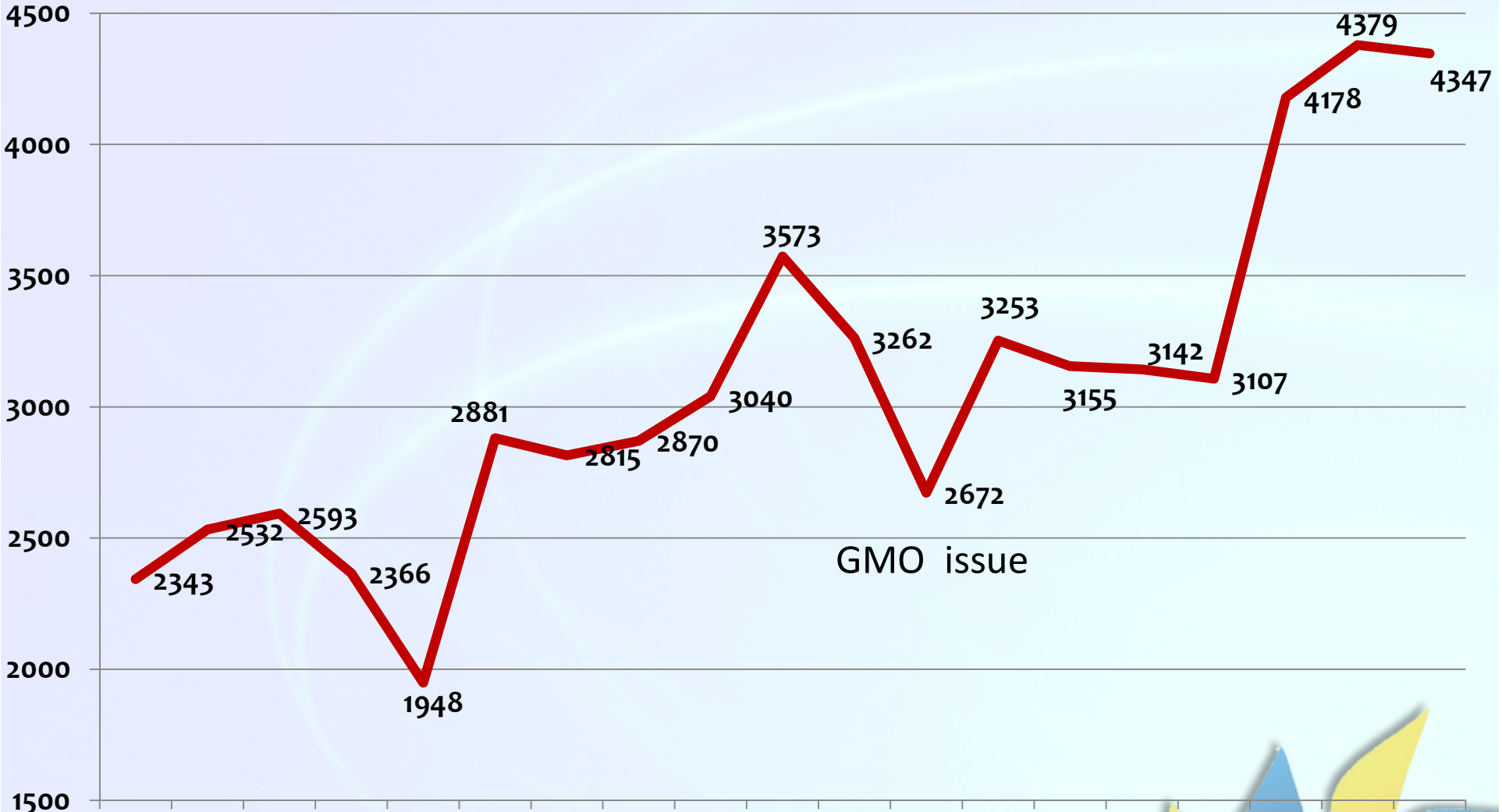
Source: Agripro 2016

Vegoils Supply & Demand (thousand tonnes)



Source: Agripro 2016

Turkey Oilseeds Crush (thousand tonnes)



Source: Agripro 2016

Turkish Vegoil Production Capacity

- **Crushing capacity : 9.65 mn tons**
- **Viable crushing capacity: 8.75 mn tons**
- ***Utilisation (2015/16) : 49,7%***

- **Liquid Refining capacity: 4.88 mn tons**
- **Viable Refining capacity: 4.29 mn tons**
- ***Utilisation (2015/16) : 68% (incl. export)***

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Source: Agripro 2016

Turkish Fats/Oils Trade Balance 2015/16

SUPPLY / DEMAND 2015/16	OILSEEDS SUPPLY		OILSEED USE	OILSEED CRUSH	OILS				CONSUMPTION					
	Domesic 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	1,100	439		1,539	462	192	709	1,363		587			776	1,363
SOYA	100	2,283	1,150	1,233	18	198	23	239	165	13			61	239
LINS/CAM'NA		130		130	0	49		49	34	6			8	48
SAFFLOWER	30	115		115	9	35		44					44	44
CORN GERM	73	60		133	32	25	43	100		43			57	100
OLIVE OIL					143			143		12			131	143
COTTONSEED	880		90	790	103			103		3		90	10	103
PALM OILS							697	697	88	2	145	450	12	697
RAPESEED	85	322		407	35	137	1	173	13			10	150	173
TOTAL	2,268	3,349	1,240	4,347	801	636	1,473	2,910	300	666	145	550	1,249	2,910

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Source: Agripro 2016

Sun Complex

Conclusions

Turkish vegoil consumption stands at **2.099** million tonness for **2015/16** season.

Total **market size** together with exports stands at **2.9** million tonnes.

Consumption in Turkey grew just **0.5%** in the last **12** months (0.6% in 14/15). This is a disaster for the industry.

The market size has shrunk **3.2%** in the last 12 months as exports fell **11.7**%.

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Conclusions

Bomb attacks in major cities (4 in Istanbul, 3 in Ankara, 4 in Diyarbakır and 2 in Gaziantep)

Turco-Russian **jet downing** crisis affecting tourism (Russian tourist number down by 60% in 2016)

Worldwide worries over **global terrorist attacks** resulting in fewer people travelling.

- Out-of-home usage has **stagnated** as tourism suffered and locals avoiding mall food-halls over terrorism worries.

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Facts

- World sunflowerseeds production will increase by at least **3.5 million tons** in **2016/17** season. Increase to come from Ukraine, Russia & Turkey.
- The **premium** of sunoil over soyoil on FOB basis came down, in the last 4 months. Currently **premium** is at **$10/mt** on origins FOB.
- EU-27 with **1.45 million tons**, constitutes **15%** of all sunoil imports. But EU will buy more in 2017 with poor EU rapeseed production.
- Indian imports of sunoil is growing, some **1.9 million tonnes** in 2016/17, overtaking EU and growing.
- China imports in 2016/17 will reach **1 million tonnes**, and growing.

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Facts

Argentina with export of around **650,000 tonnes** will **not** be a significant player in the sunflower world trade.

Turkey imports **5%** of all world sunseeds imports (**439K** mtons) and **7.8%** of all world crude sunoil imports (**709K** mtons).

Ukraine exports around **5m** tonnes and Russia exports **1.8 million tonnes**, min. **%35** of which is destined for **Turkey**.

Egypt & **Turkey** are the sole dedicated sunoil importers / users in the world. However, Egypt opts for soyoil when price spread is over $80-100/mt with sunoil.

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Facts

- Turkey is the sole **dedicated** sunseeds/sunoil importer in the world, **regardless of price**.
- Turkey each year, imports around **400-600,000** tons of sunflowerseeds and around **600-700,000** tons of crude sunoil and growing...
- Turkey imports, over 2 **million tonnes** of soybeans and growing...

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Assumptions

Syrian situation & US elections are **largely priced.**

Provided that there will not be a **fresh** financial meltdown in the global markets.

Global growth of world economy to keep up with the rate of **3%, minimum**.

There is no **further** problems with EU economies such as **Brexit** i.e. **Denmark** & **Netherlands** are not to follow.

Petroleum oil prices remaining in **$45-55** range.

US to adopt **producers'** biodiesel credit instead of **blenders'**.

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Price Predictions

Price Predictions

- FOB **crude palm oil** price to settle at around **$700** Nov-Dec, then fall back to **$600-650** band in spring as stocks build up.

- FOB Argentina **soyoil** to trade between **$760-800** until March 17.

- FOB **Black Sea sunoil** to hold between **$770-800**, for Nov 16-Feb 17, then rise to **$820-850** in March-April 17.

- EU rapeseed oil to move between **$810-850** FOB Nov-Dec 16, going up to **$880-900** in March-April 17.

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Thank you

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