Turkish Oils/Oilseeds Balances & What Lies Ahead

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AgriPro Limited

Oils and Fats World Market Update 2011

20-21 June 2011

Main Topics

1. Turkey
2. Turkish Oils & Oilseeds Balances
3. What Lies Ahead
4. Conclusions

Turkey

Turkey Fact File

- Population* : 72.2 million
- Population Growth : 1.178%
- GDP PPP* : US$ 1,015.7 billion
- GDP per capita PPP* : US$ 13,464
- GDP Growth 2010 : 9.2% (-4.9% in 2009)
- Exchange rate : US$ 1 = 1.59 Turkish Lira

SOURCE : IMF/CIA WorldFactbook, June 2011

Turkey Fact File

- Annual inflation : 8.7% (consumer)
- Unemployment : 14%
- Age Structure : 0-14 ..... 26.6%
  15-64 ..... 67.1%
  65 & over ... 6.3%
- Meridian Age : 28.5

SOURCE : CIA WorldFactbook June, 2011

Turkey Fact File

- Fertility rate : 2.15/woman
- Urban Population: 70%
- Total Land : 783,563 sq km
- Arable Land : 29.81%
- Irrigated Land : 52,150 sq km

SOURCE : IMF/CIA WorldFactbook, June 2011

Turkey Major Crops

- Wheat : *c.* 20 million tonnes
- Sugar beat : *c.* 16 million tonnes
- Corn : *c.* 4 million tonnes
- Barley : *c.* 7.5 million tonnes
- Oilseeds : *c.* 1.85 million tonnes

SOURCE : AgriPro, June 2011

Turkey Oilseeds

- Sunflowerseeds : 950,000 tonnes
- Cottonseeds : 880,000 tonnes
- Rapeseeds : 55,000 tonnes
- Soybeans : 45,000 tonnes

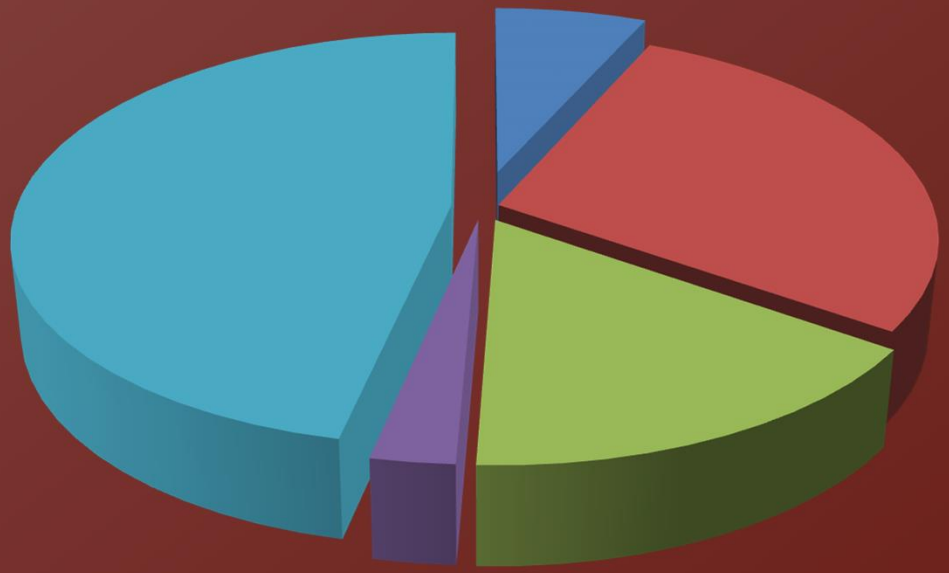
TOTAL : 1,930,000 tonnes

SOURCE : AgriPro , June 2011

Turkish Oils & Oilseeds Balances

Turkish Vegoil Market Size

per capita consumption: 20.89 kg/year

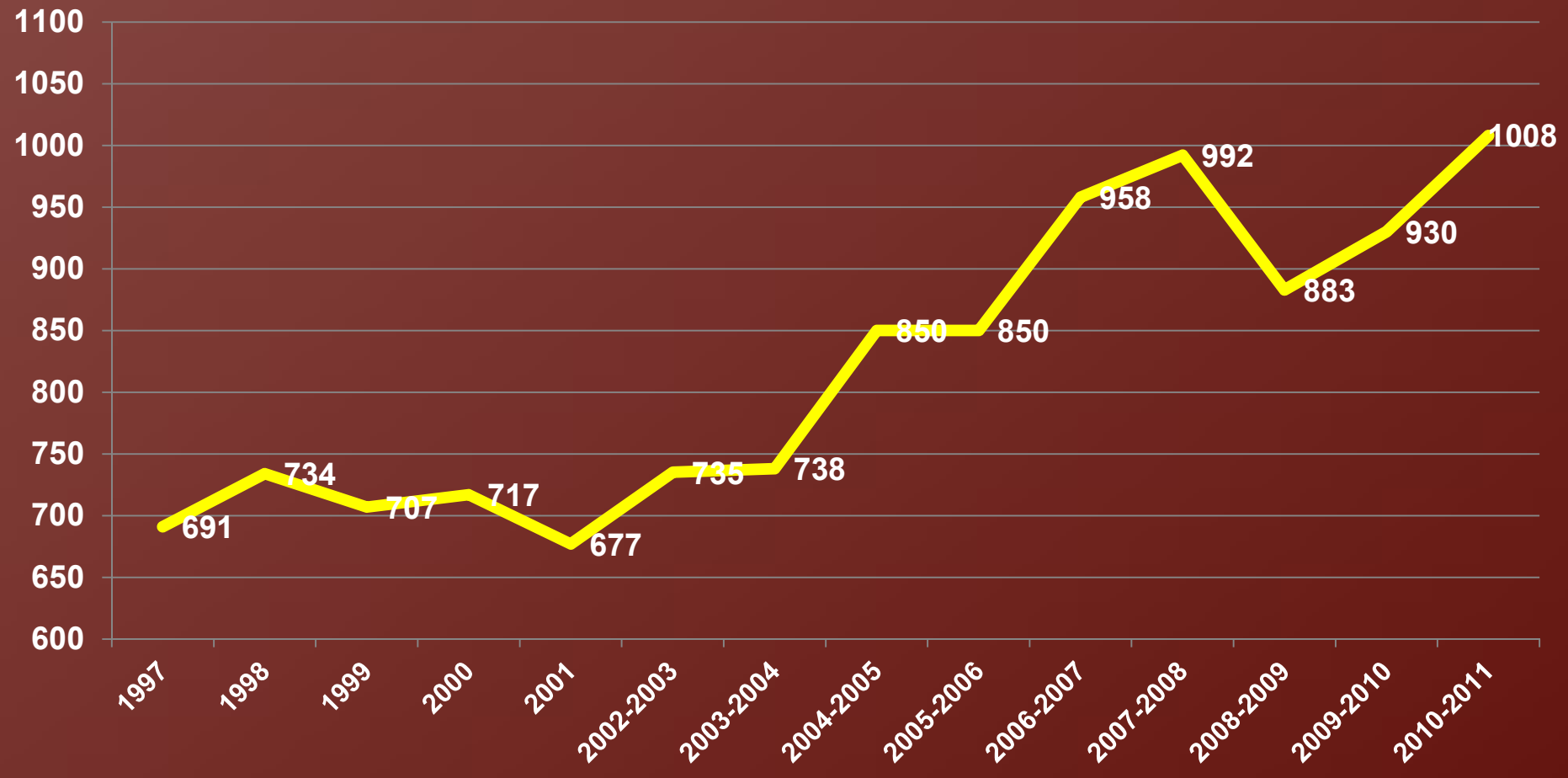


- Exports (Liquid/Margarine)
- Domestic Liquid
- Domestic Margarine
- Industrial (feed, paint etc.)

Liquid oils : 12.57 kg per capita - 930,000 tons/year
Margarine : 7.14 kg per capita - 528,000 tons/year

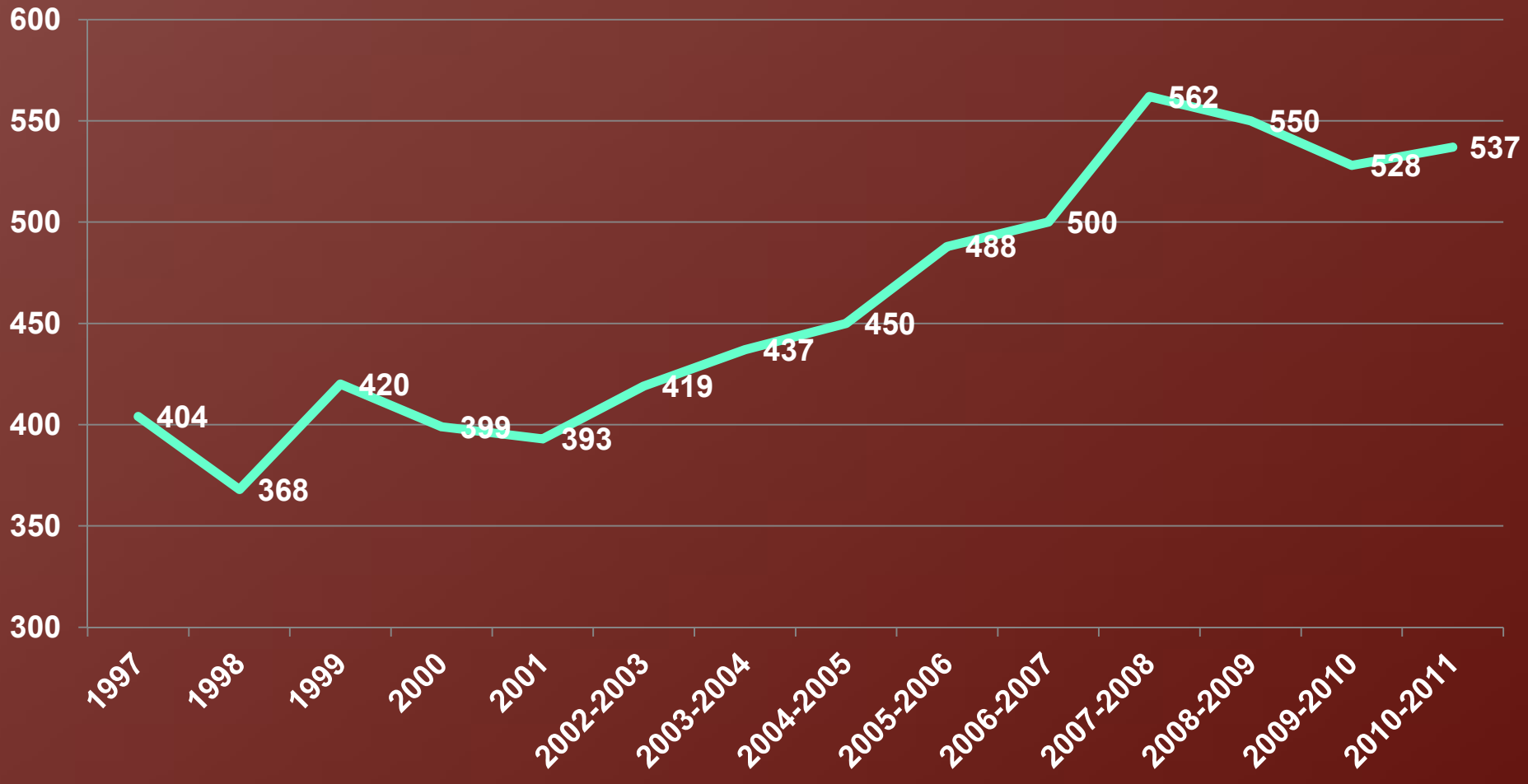
Liquid Oils Consumption

(thousand tonnes)



Source: AgriPro 2011

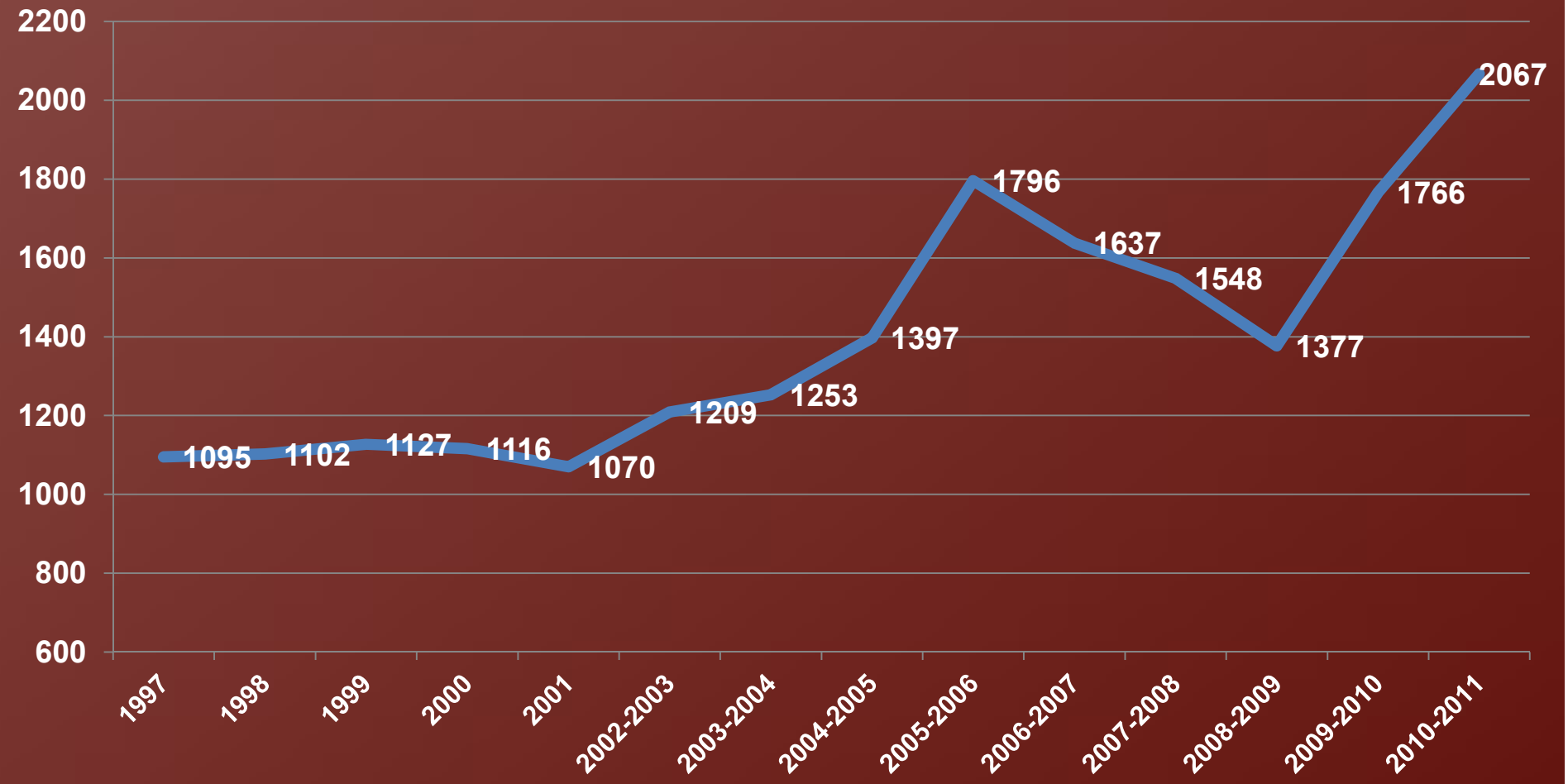
Margarine Consumption
(thousand tonnes)



Source: AgriPro 2011

Total Vegoil Oil Consumption

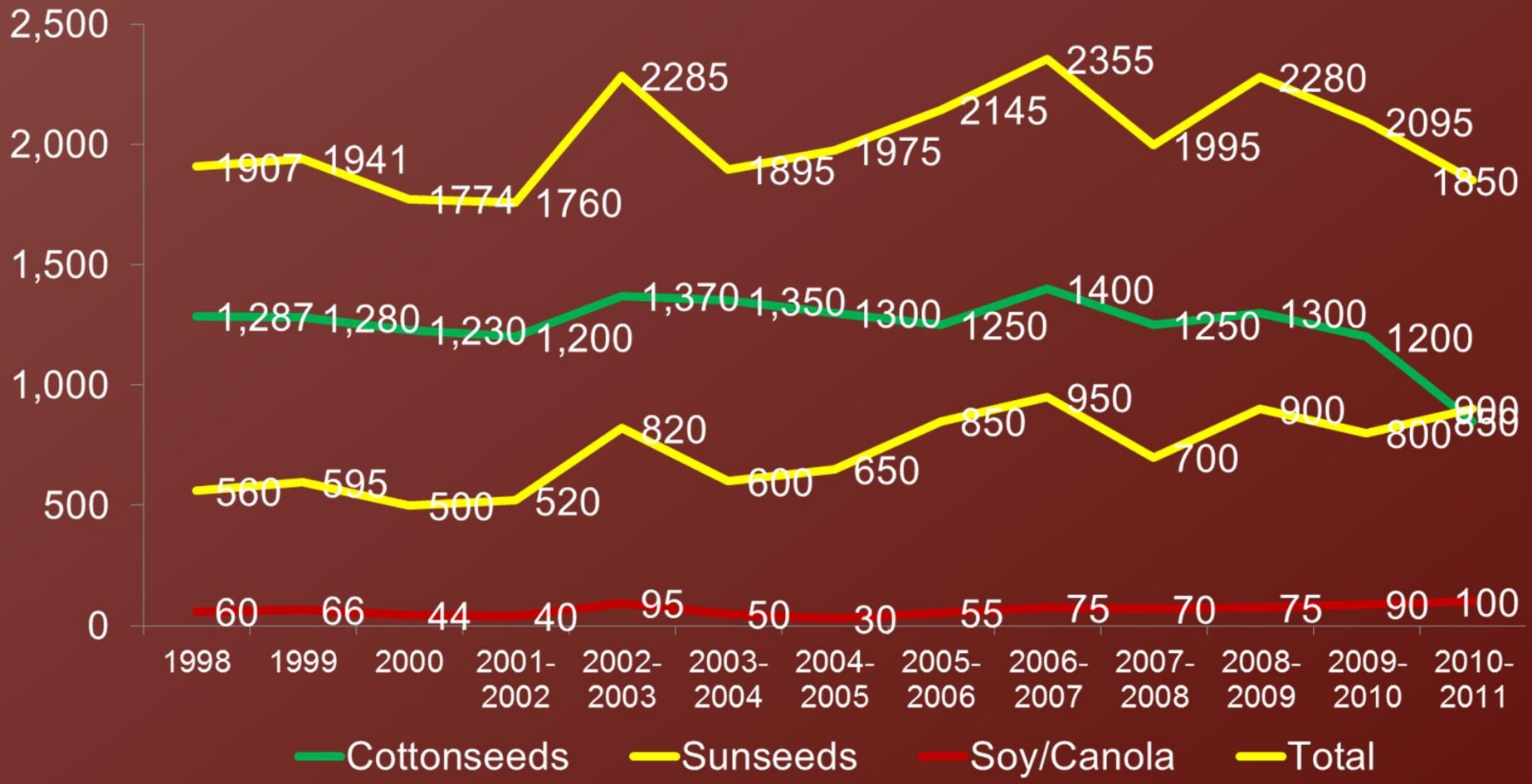
(thousand tonnes)



Source: AgriPro 2011

Oilseeds Production

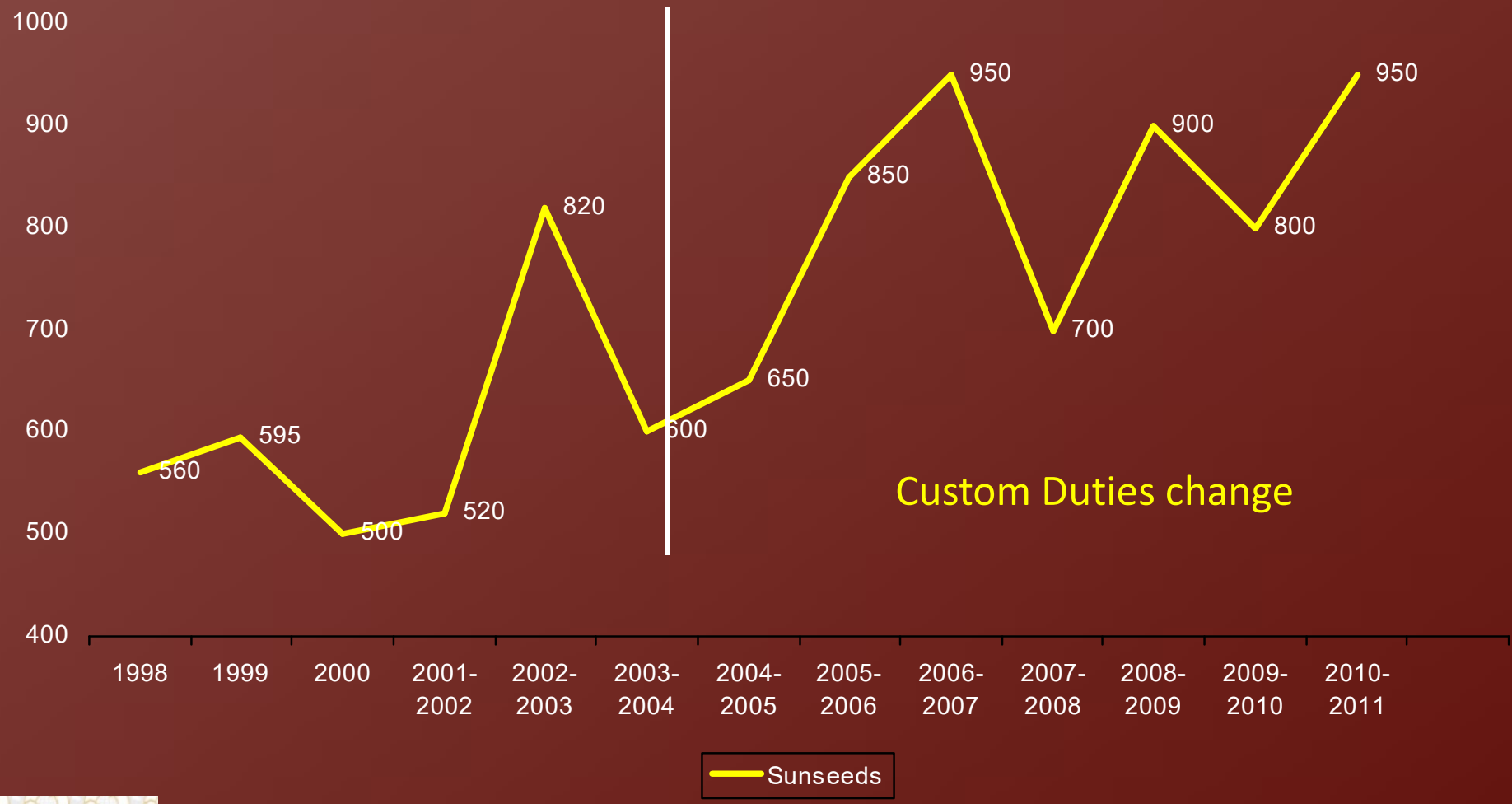
(thousand tonnes)



Source: AgriPro 2011

Sunseeds Production

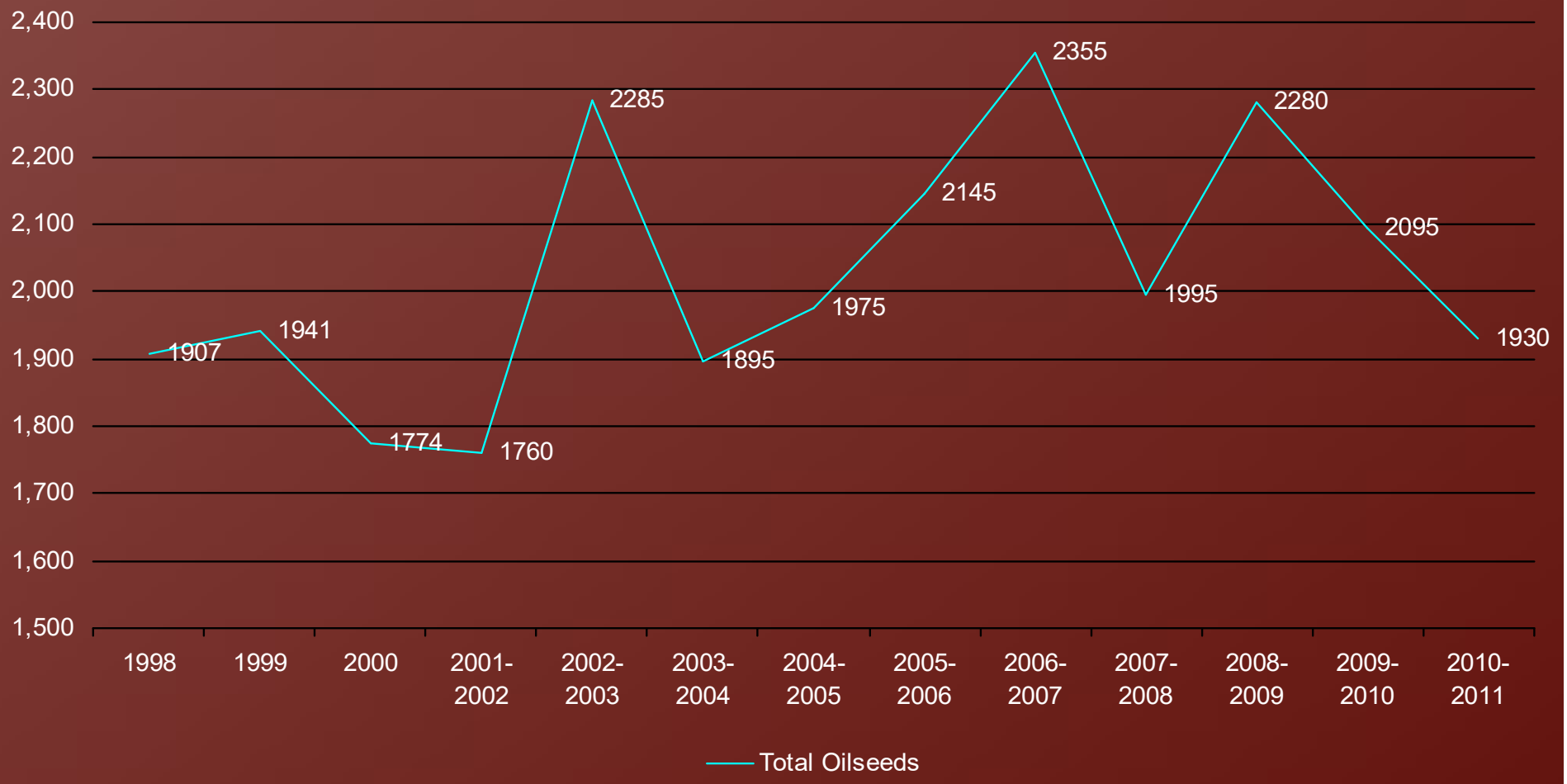
(thousand tonnes)



Source: AgriPro 2011

Total Oilseeds Production

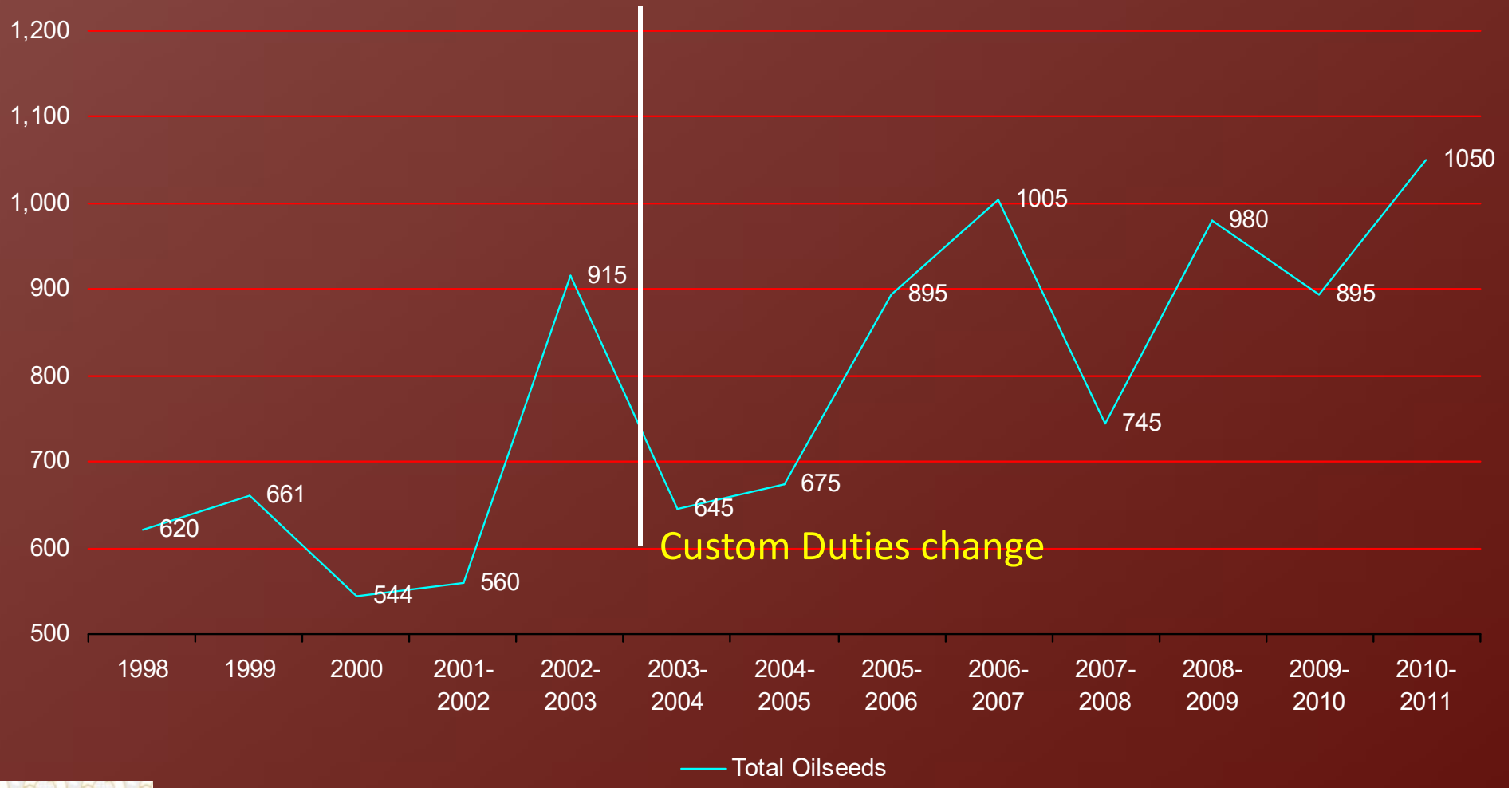
(thousand tonnes)



Source: AgriPro 2011

Turkish Oilseeds Production

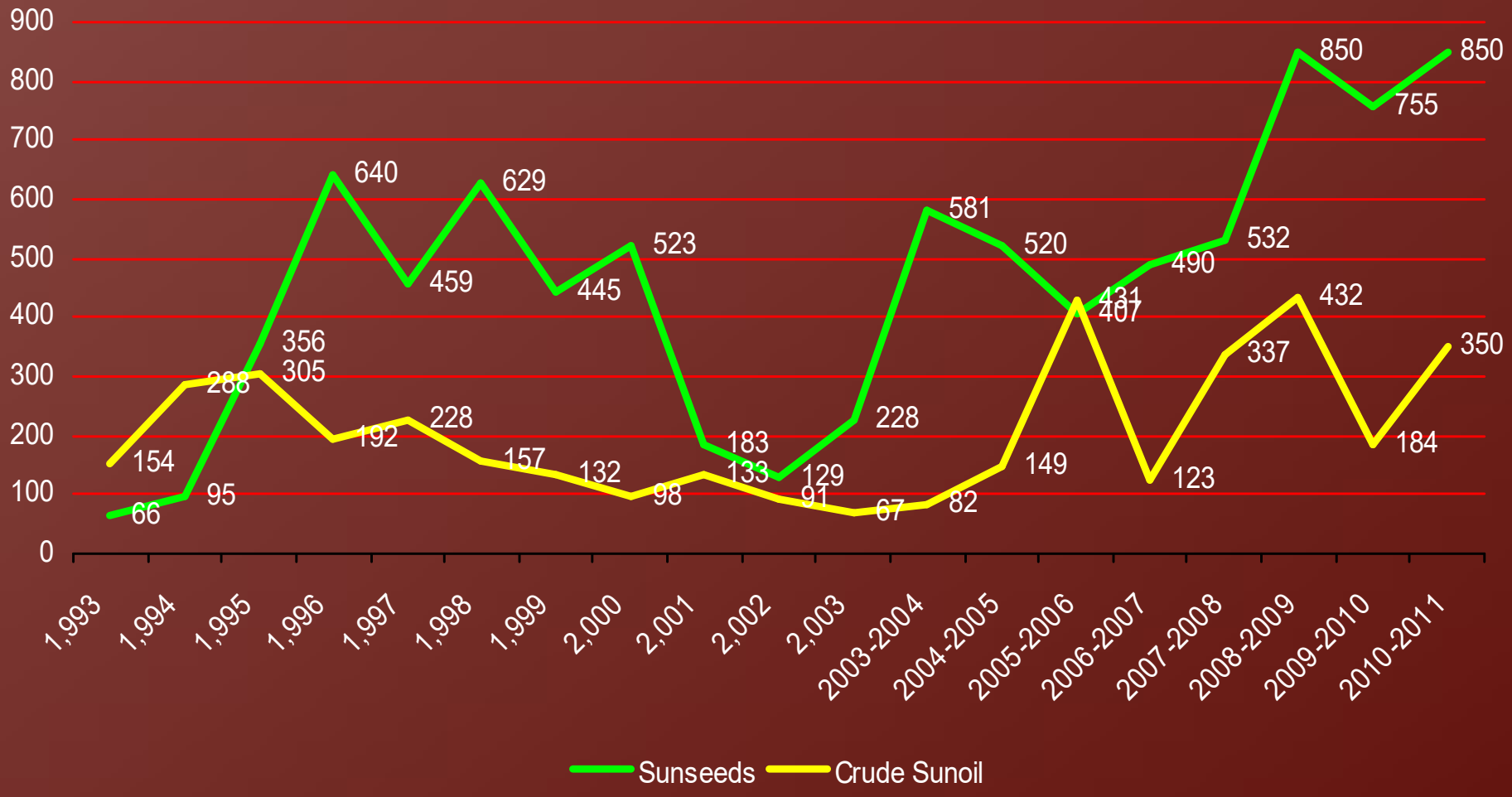
(without cottonseeds, 000 tonnes)



Source: AgriPro 2011

Sunseeds & Sunoil Imports

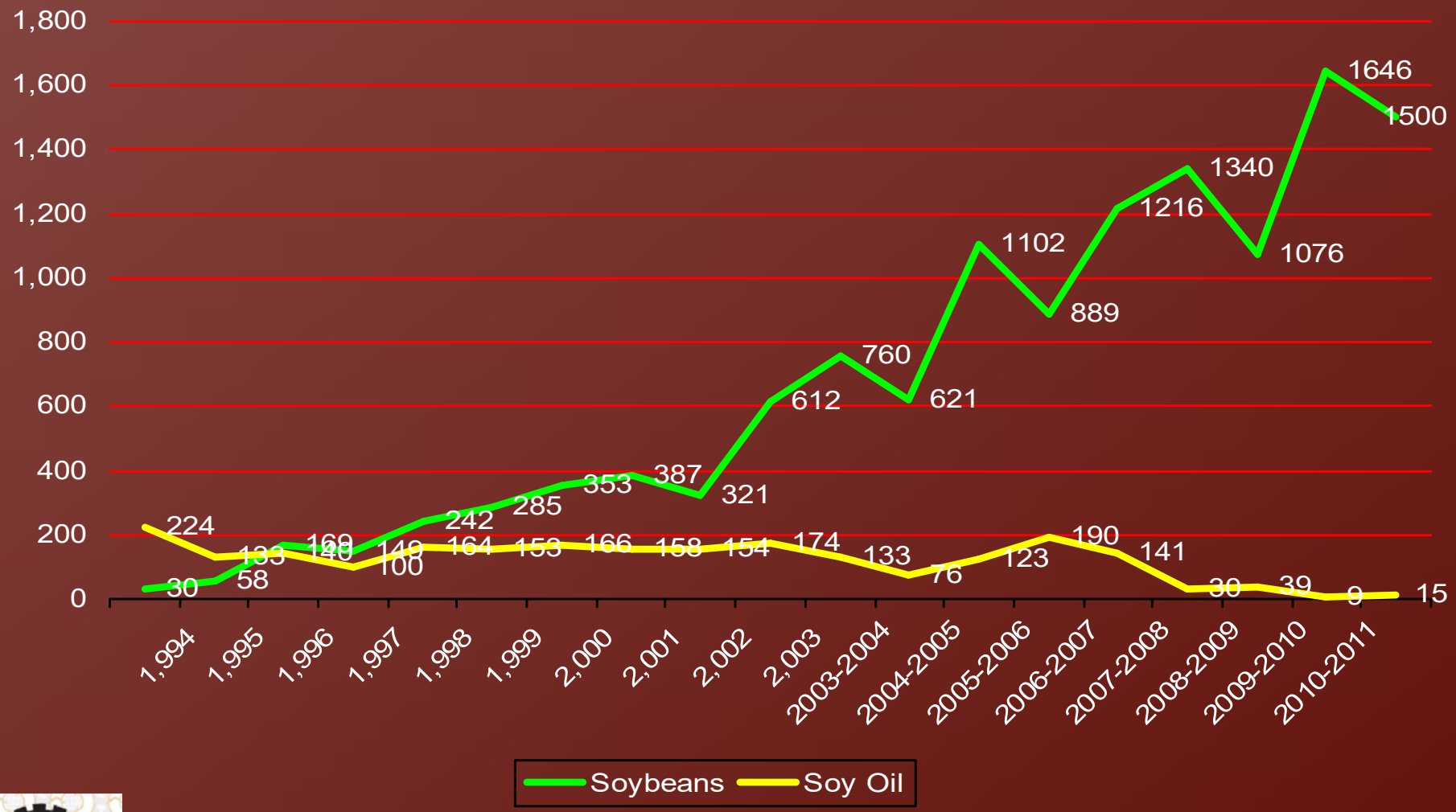
(thousand tonnes)



Source: DTM/Undersecretariat of Foreign Trade

Soybeans & Soy Oil Imports

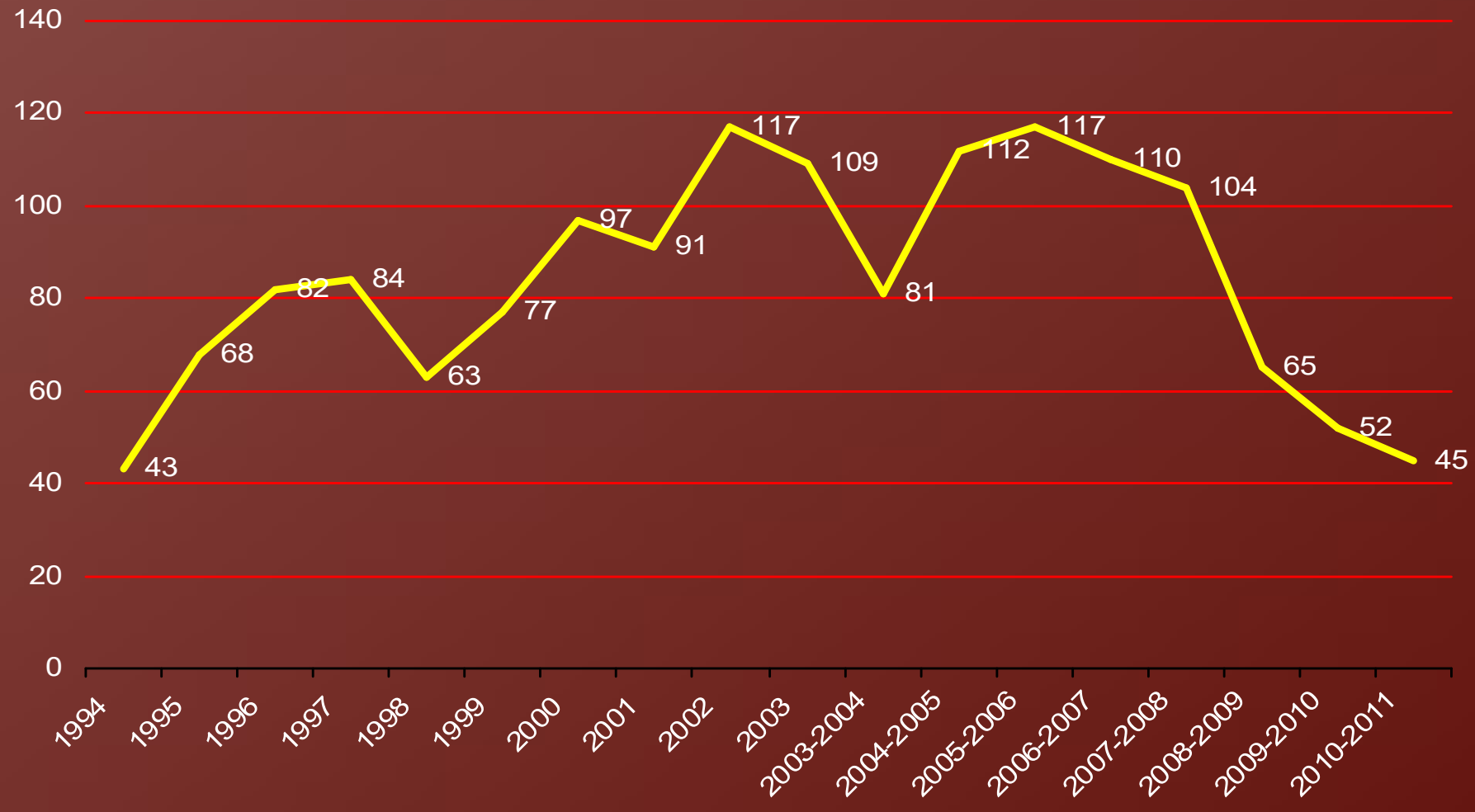
(thousand tonnes)



Source: DTM/Undersecretariat of Foreign Trade

Corn Oil Imports

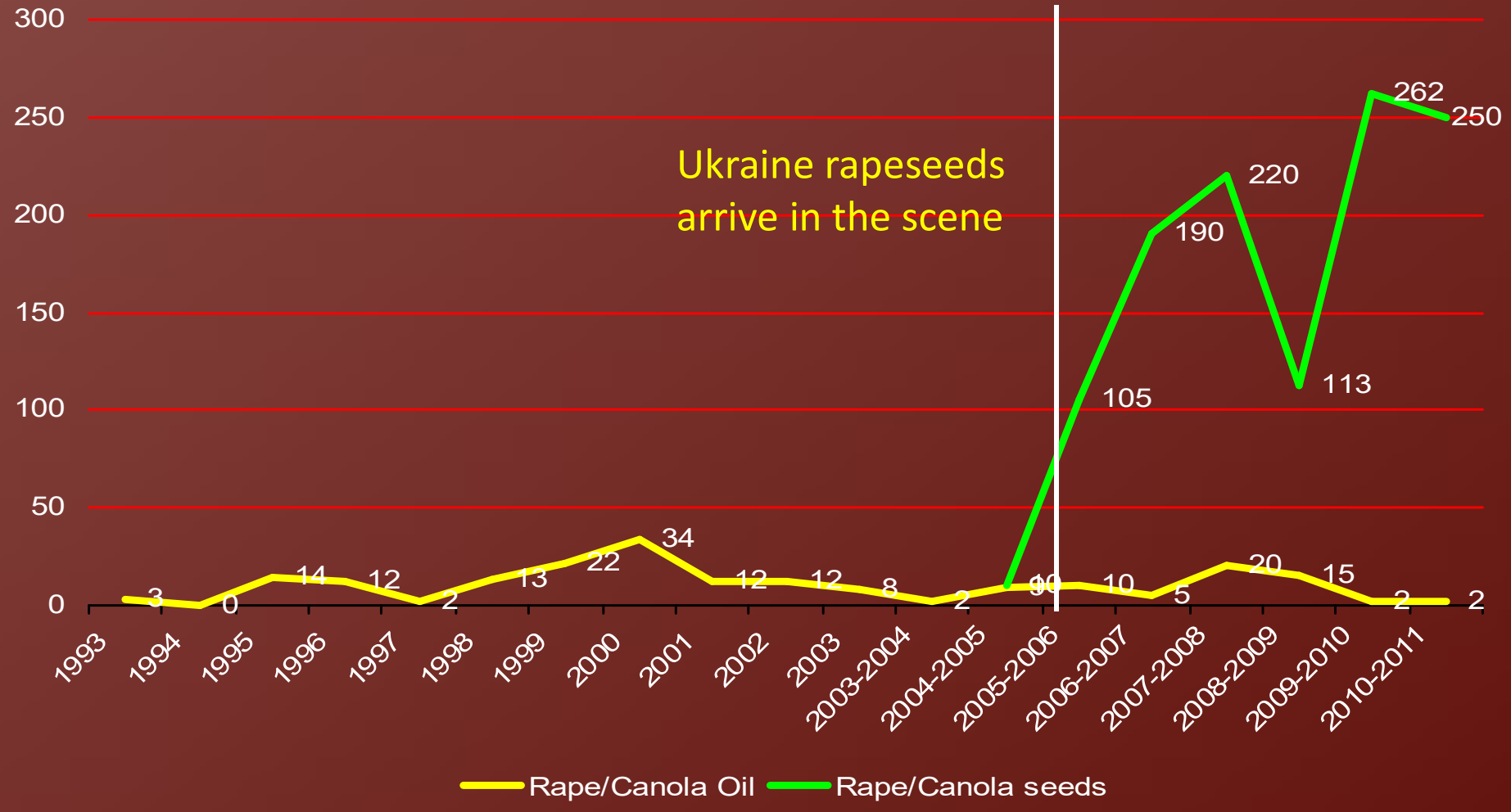
(thousand tonnes)



Source: DTM/Undersecretariat of Foreign Trade

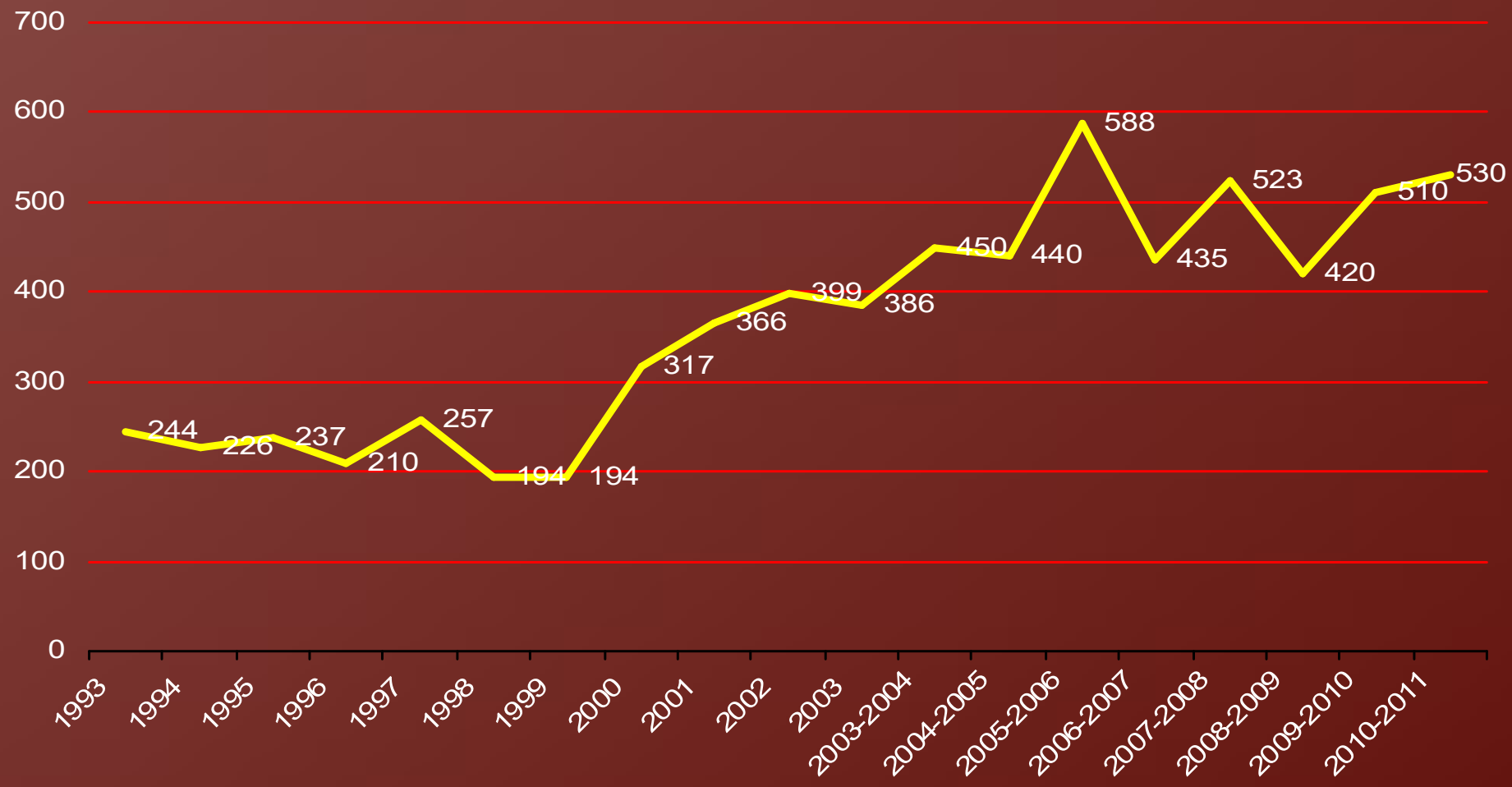
Rapeseeds & Rape Oil Imports

(thousand tonnes)



Source: DTM/Undersecretariat of Foreign Trade

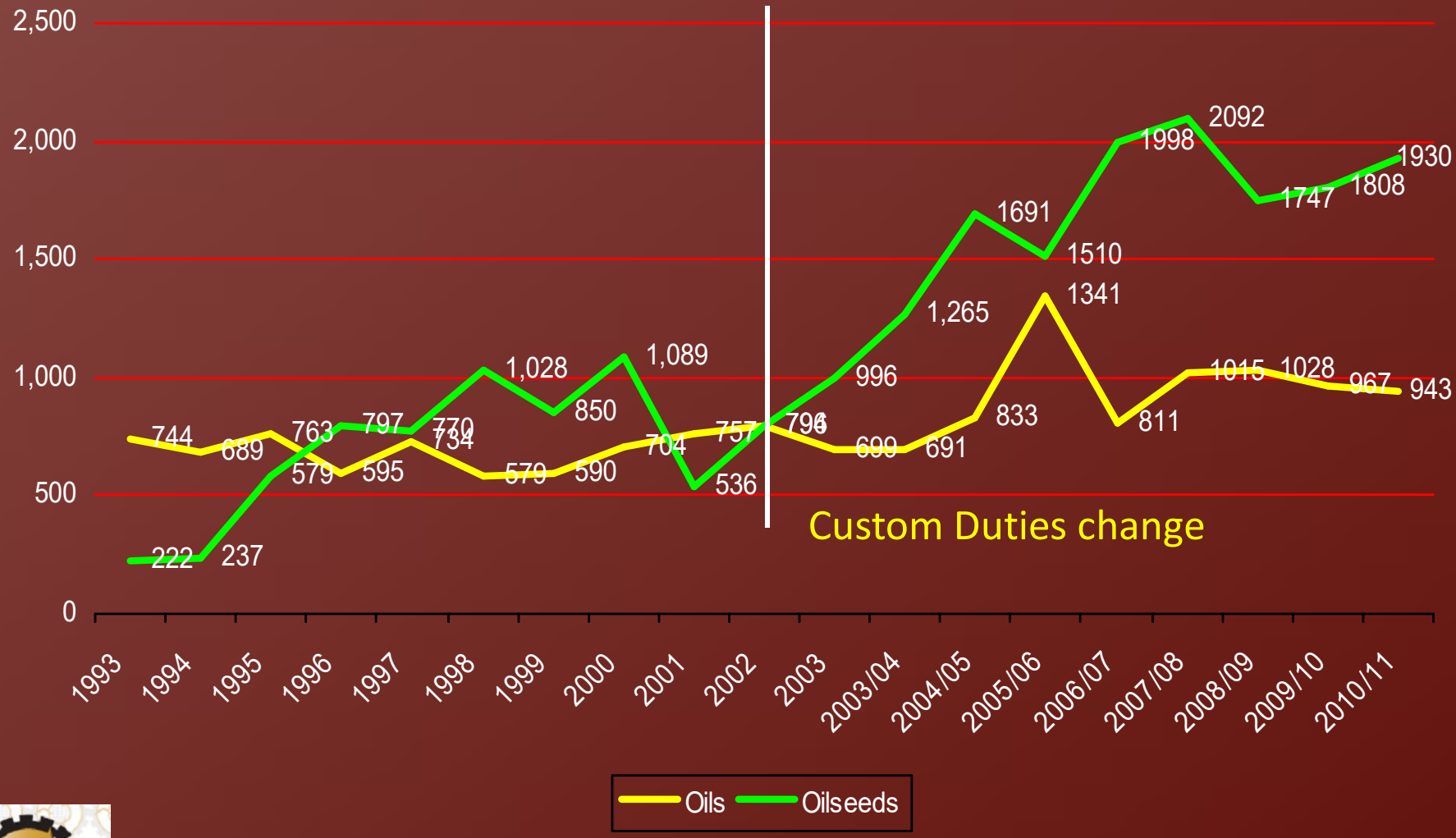
Palm Oil Imports (thousand tonnes)



Source: DTM/Undersecretariat of Foreign Trade

Total Oils & Oilseeds Imports

(thousand tonnes)

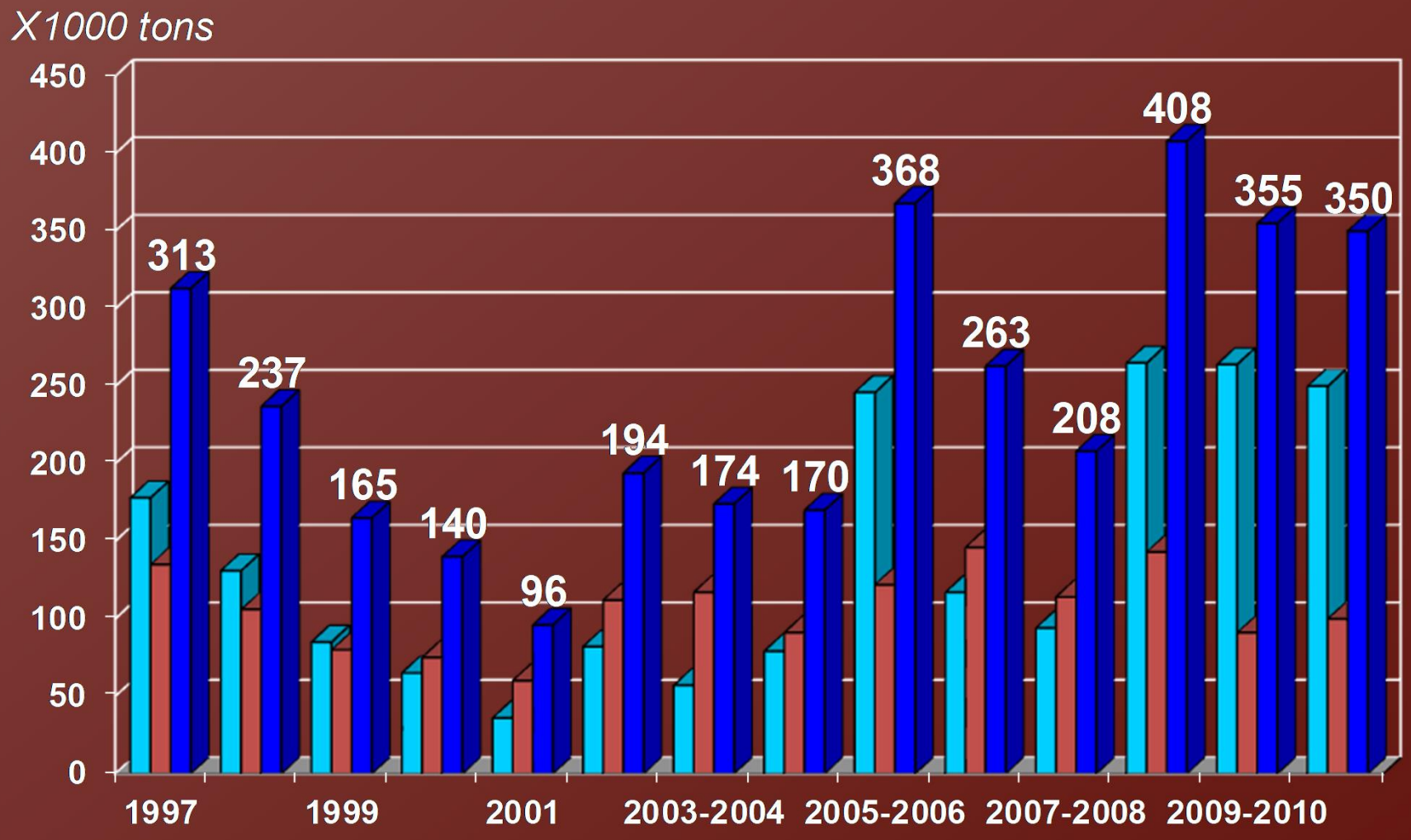


Source: DTM/Undersecretariat of Foreign Trade

Major Import Duties

Sunseeds	: 27% (0% with tariff quotas) ($141.75 min.)
Soybeans	: 8%
Rapeseed	: 10% (min. $52.5/mt)
Crude Sunoil	: 36%
Refined Sunoil	: 50%
Other Vegoils	: 31.2%
Major Grains	: 130%
Protein Meals	: 13.5%

Turkish Vegoil Exports



Main Destinations : Iraq, Syria, Algeria, Iran, EU-27, UAE

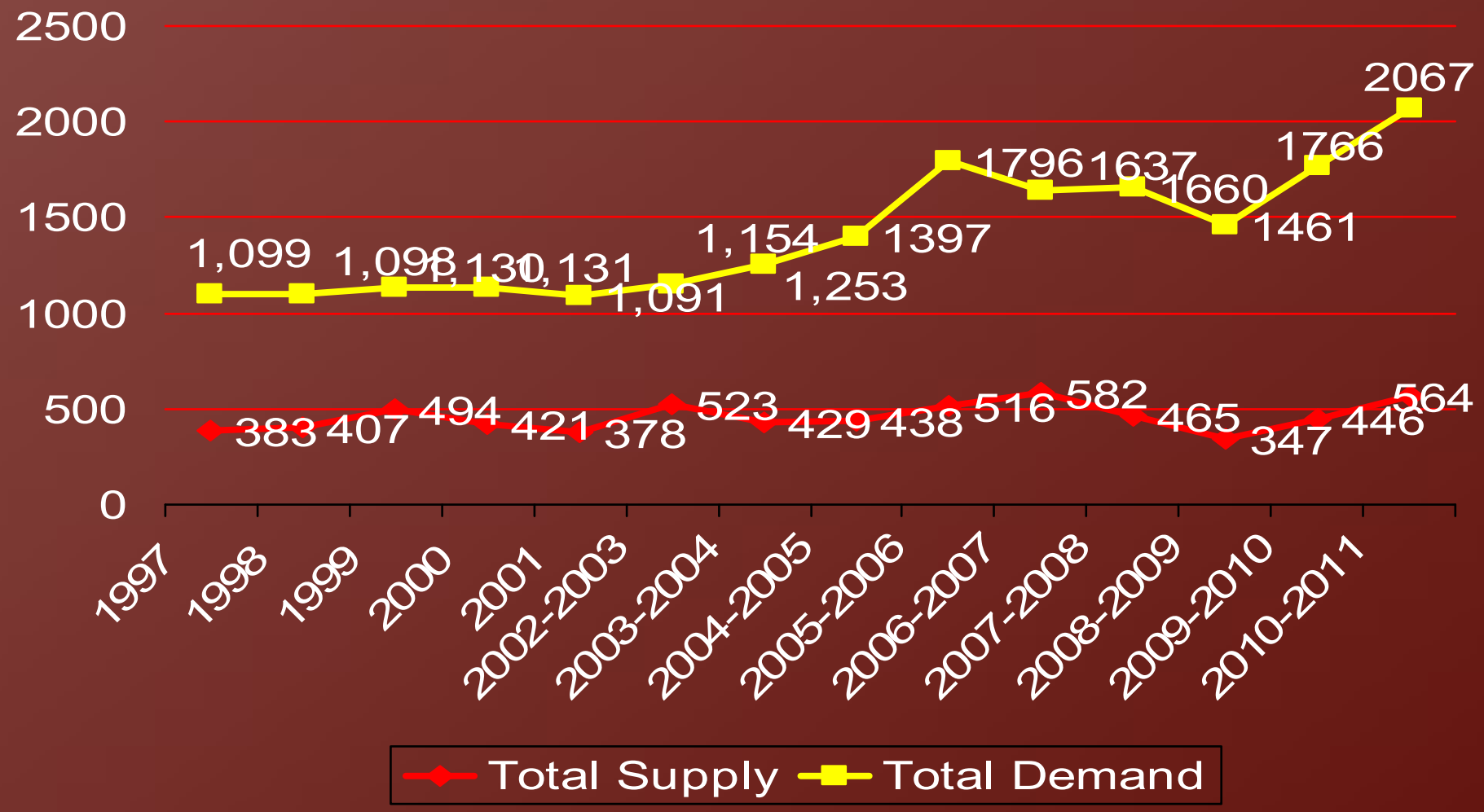
Sorce : DTM (Undersecretariat of Foreign Trade

Total Turkish Oil Demand
(2010-2011)

Liquid oils	:	1,008,000 tons
Margarine	:	537,000 tons
Exports	:	355,000 tons
Industrial	:	177,000 tons
TOTAL	:	2,067,000 tons

* Olive Oil excluded

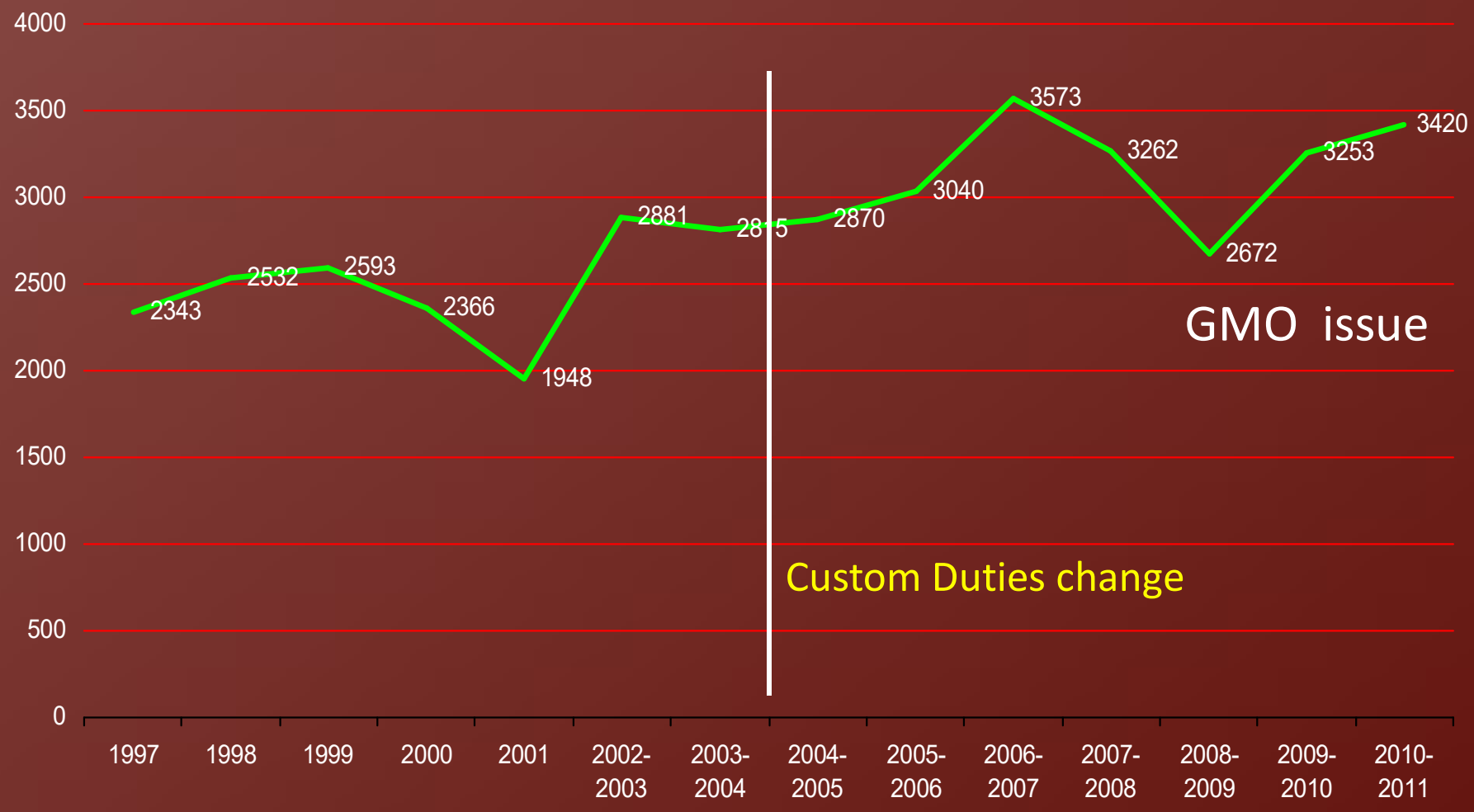
Vegoils Suppy & Demand



Turkish Vegoil Production Capacity

- **Crushing capacity:** **5.0 mn tons**
  - **Utilisation : *c.* 75%**
- **Liquid Refining capacity:** **2.0 mn tons**
  - **Utilisation : *c.* 70%**
- **Margarine capacity:** **0.85 mn tons**
  - **Utilisation : *c.* 70%**

Turkey Oilseeds Crush (thousand tonnes)



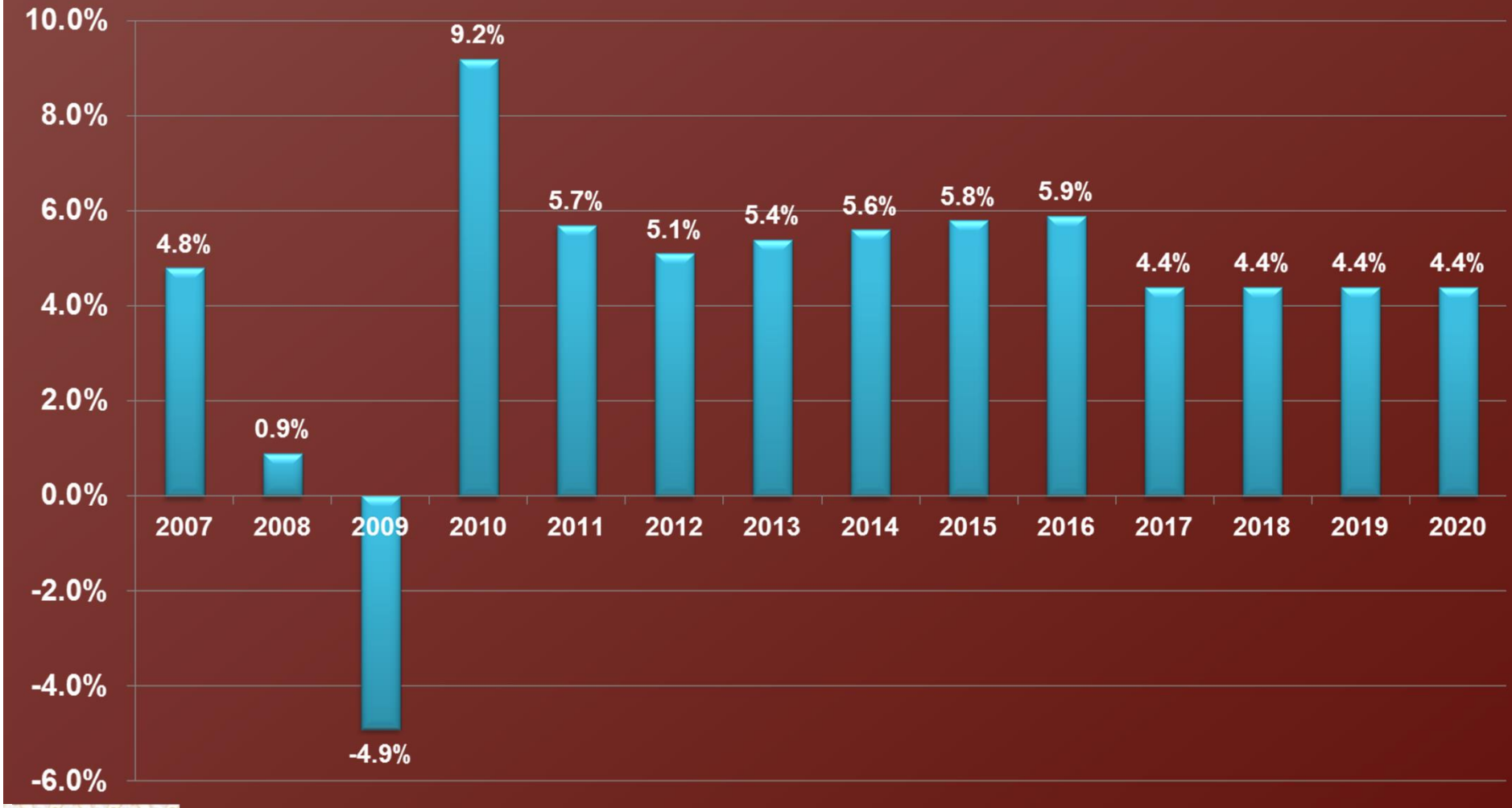
Turkish Fats/Oils Trade Balance 2010-11*

SUPPLY / CONSUMPTION	OILSEEDS SUPPLY		OILSEED DISAPPEARANCE	OILSEEDS CRUSHED	OIL SUPPLY				DISAPPEARANCE					
	Domestic Production	Import Oilseeds	Fullfat, Feed, Hybrid	CRUSH	Domestic Oilseed Equivalent	Import Oilseed Equivalent	Import Crude Oils	TOTAL CRUDE OIL SUPPLY	OTHER	EXPORTS		DOMESTIC DISAPPEARANCE		TOTAL OIL DISAPPEARANCE
									Feed, Paint, Soap	Liquid Oils	Margarine	Margarine	Liquid Oils	
SUNFLOWER	950	850		1,800	390	366	350	1,105	40	250			815	1,105
SOYBEANS	45	1,500	1,000	500	8	88	15	110	75		15	10	10	110
CORN OIL				0	40		45	85		5			80	85
COTTON OIL	880	10	75	815	105	2	1	107	5		25	62	15	107
PALM OILS							530	530	50		50	430		530
RAPE OIL	55	250		305	22	106	2	130	7			35	88	130
TOTAL	1,930	2,610	1,075	3,420	564	561	943	2,068	177	255	90	537	1,008	2,067

Source: AgriPro 2011

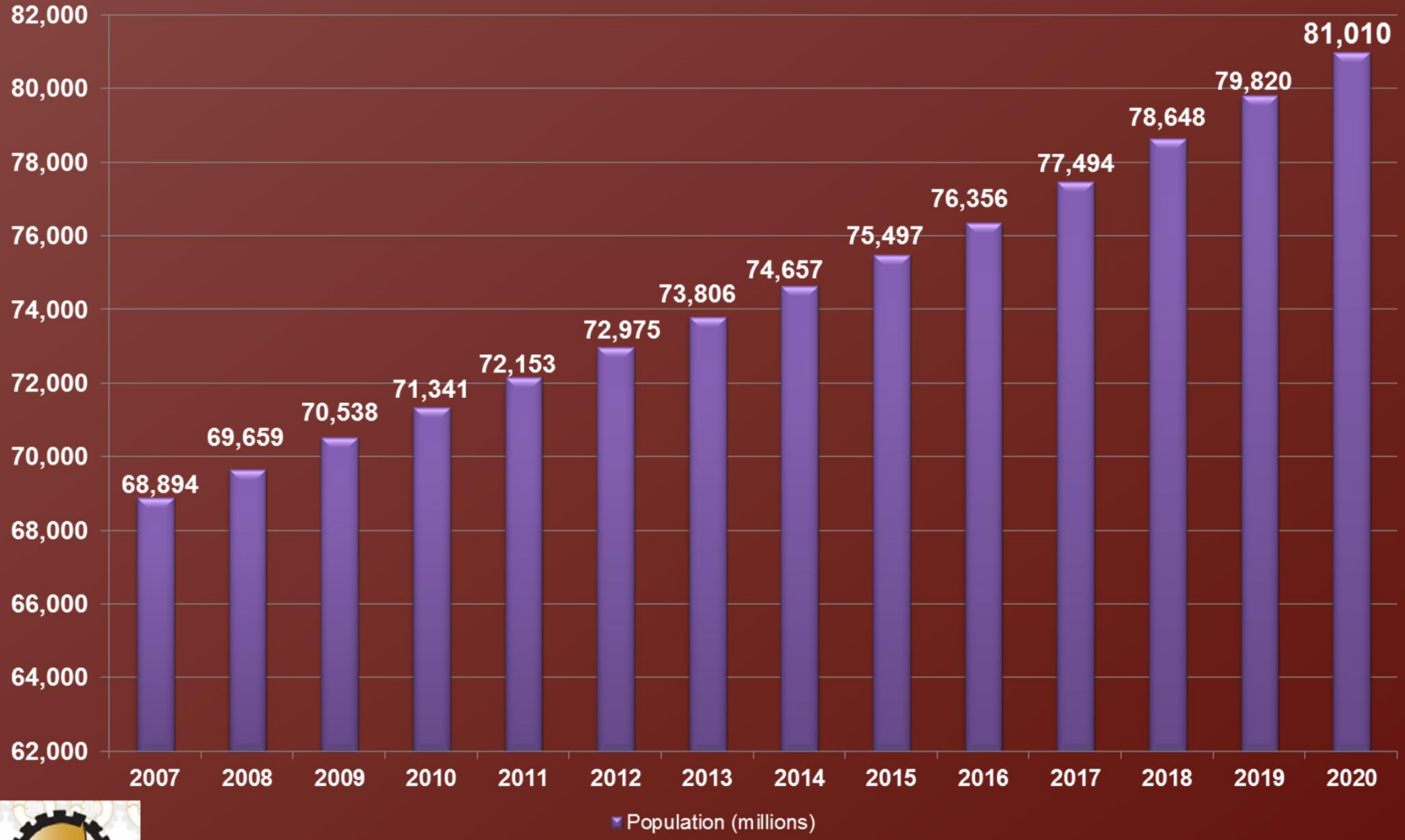
What Lies Ahead

Turkey GDP PPP Growth Projection



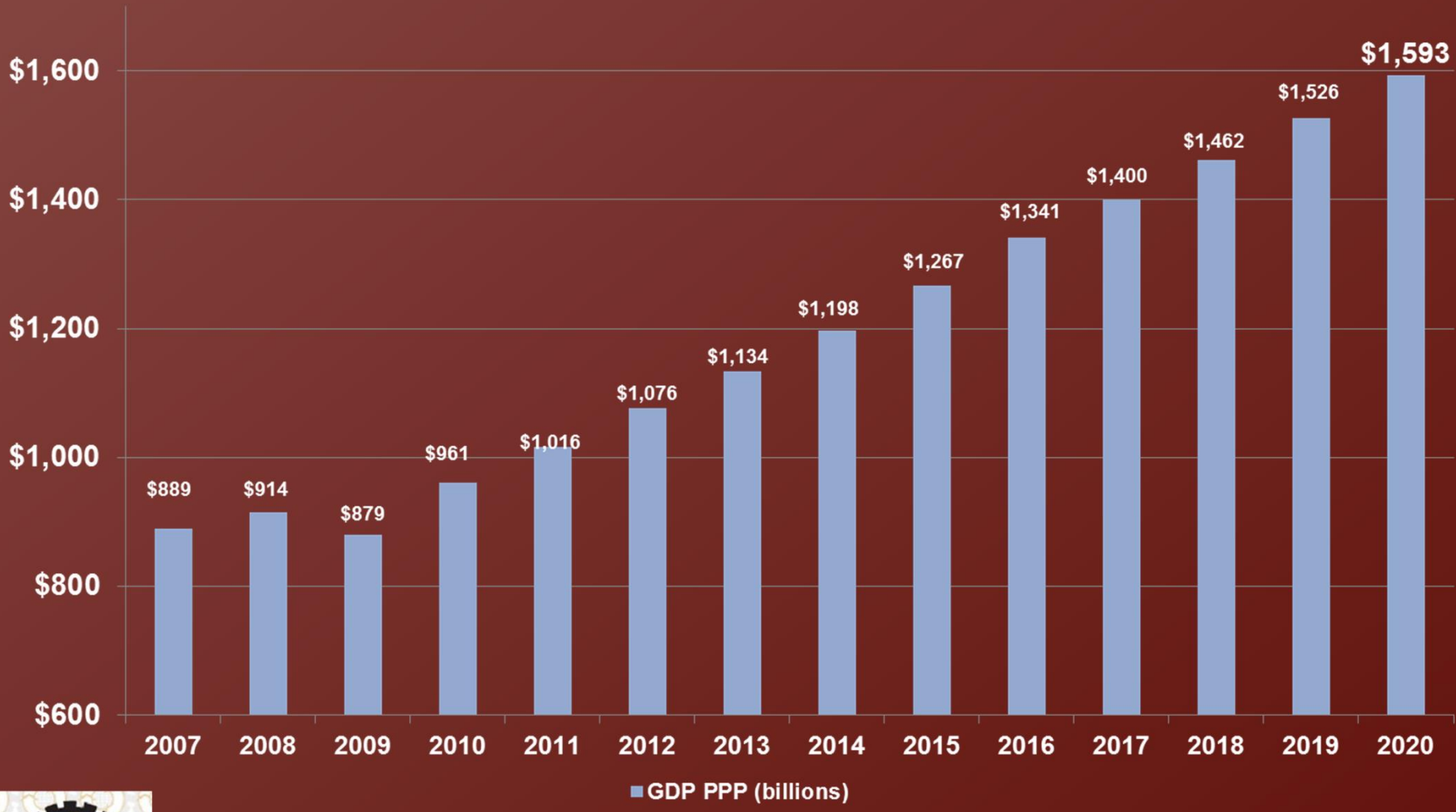
Source: IMF April 2011/AgriPro

Turkey Population Growth Projection



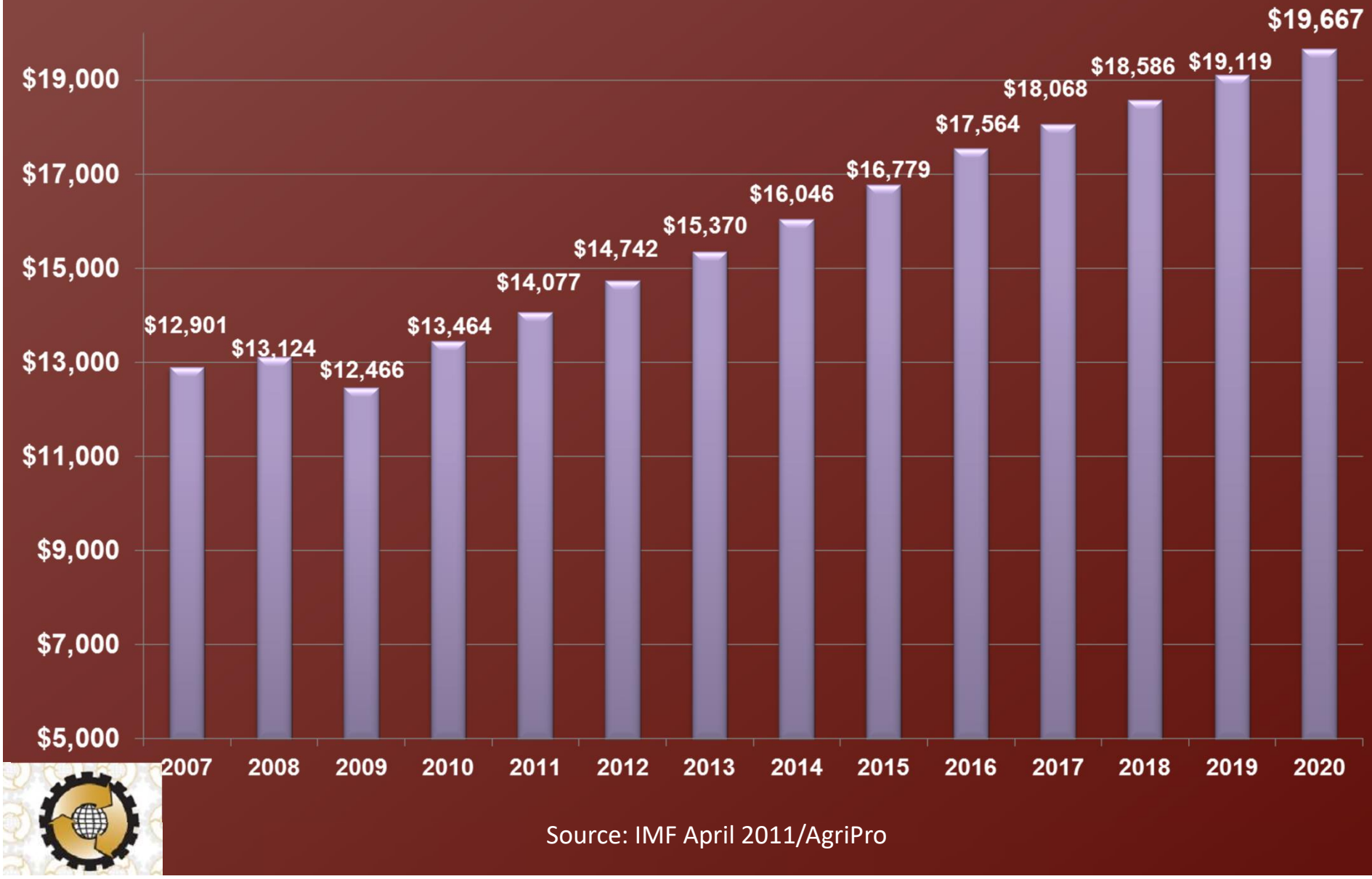
Source: IMF April 2011/AgriPro

Turkey GDP PPP Projection



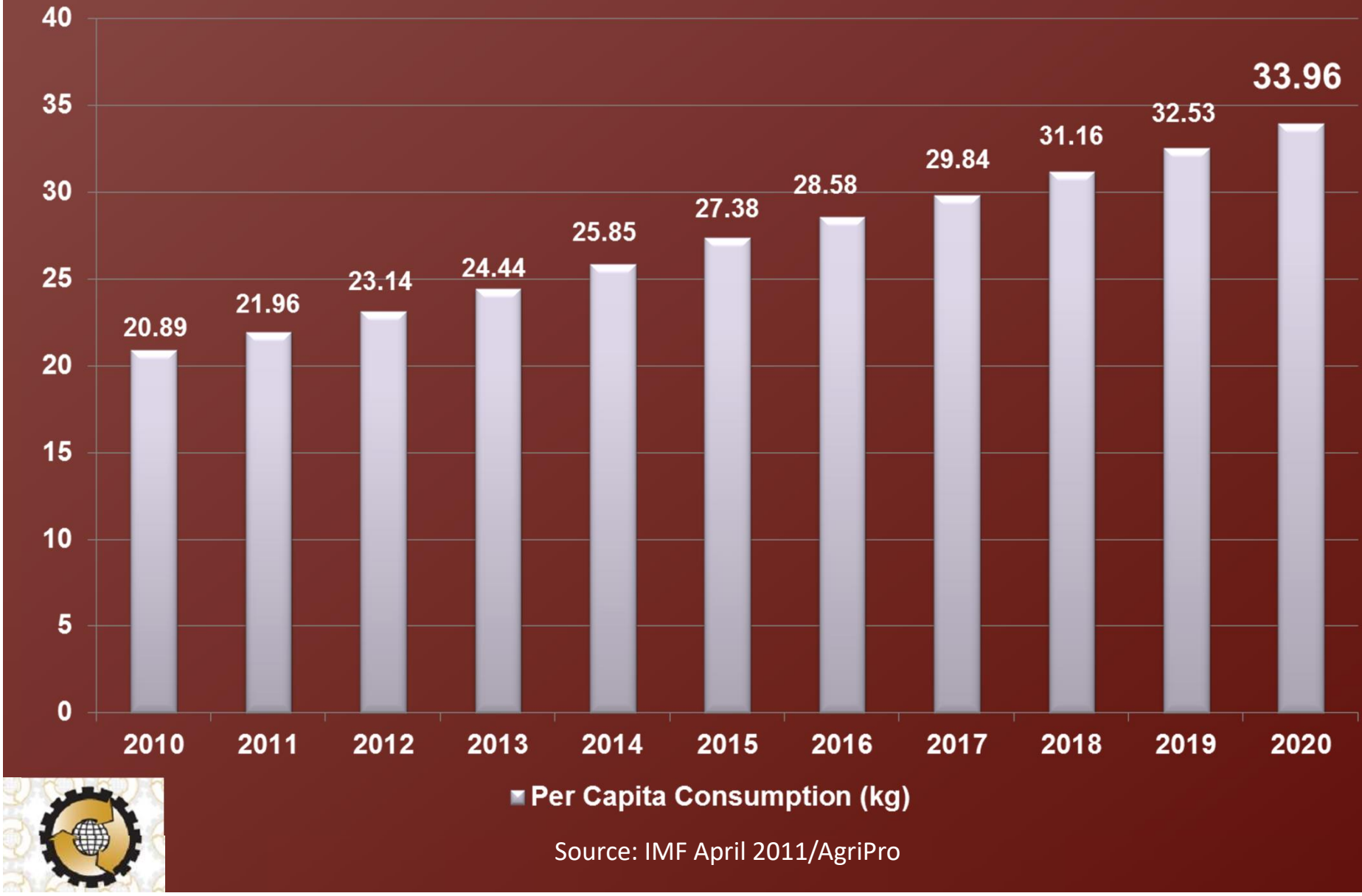
Source: IMF April 2011/AgriPro

Turkey GDP PPP per Capita Projection



Source: IMF April 2011/AgriPro

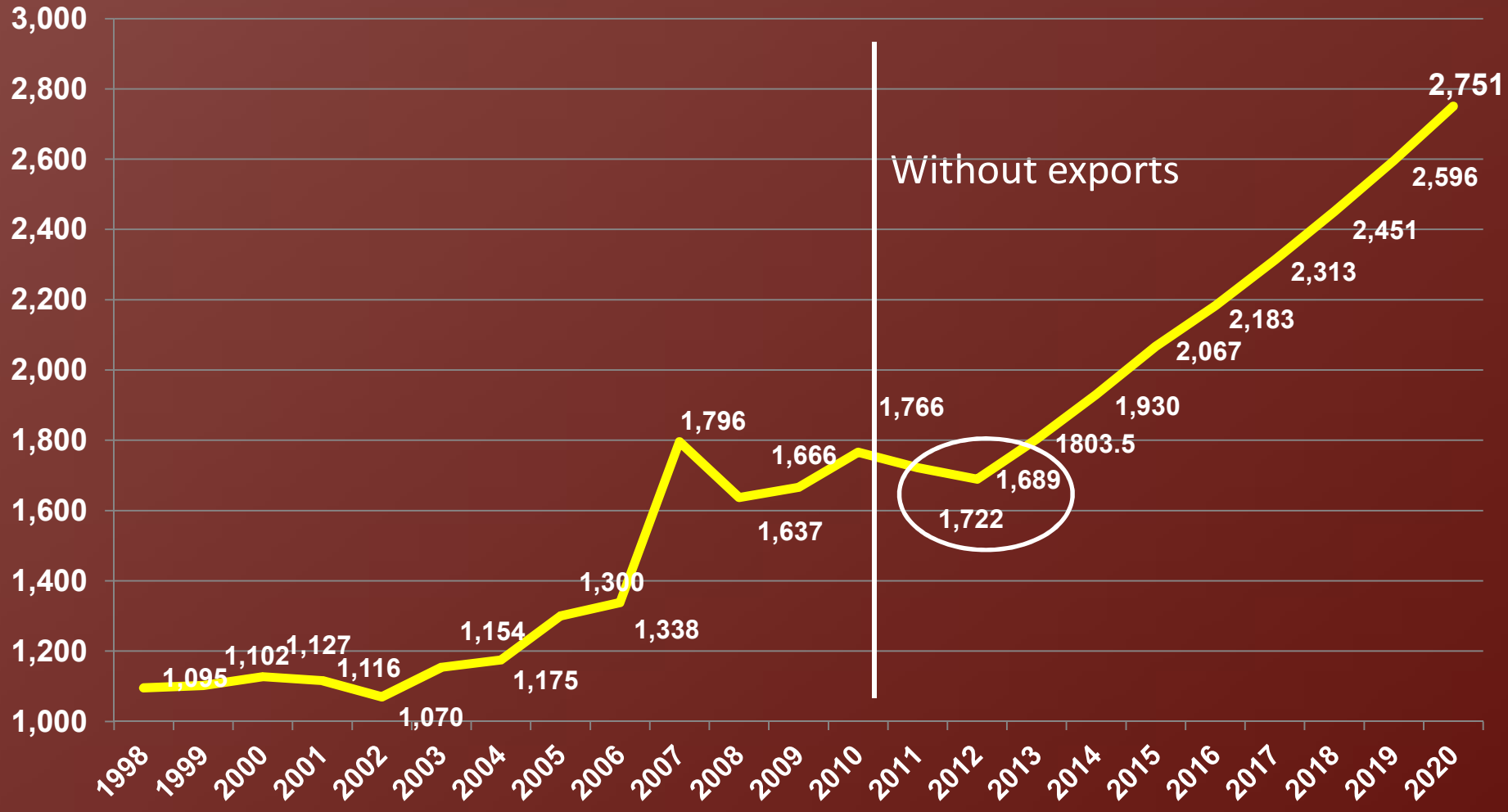
Fats/Oils per Capita Consumption



Source: IMF April 2011/AgriPro

Fats/Oils Market Size Projection

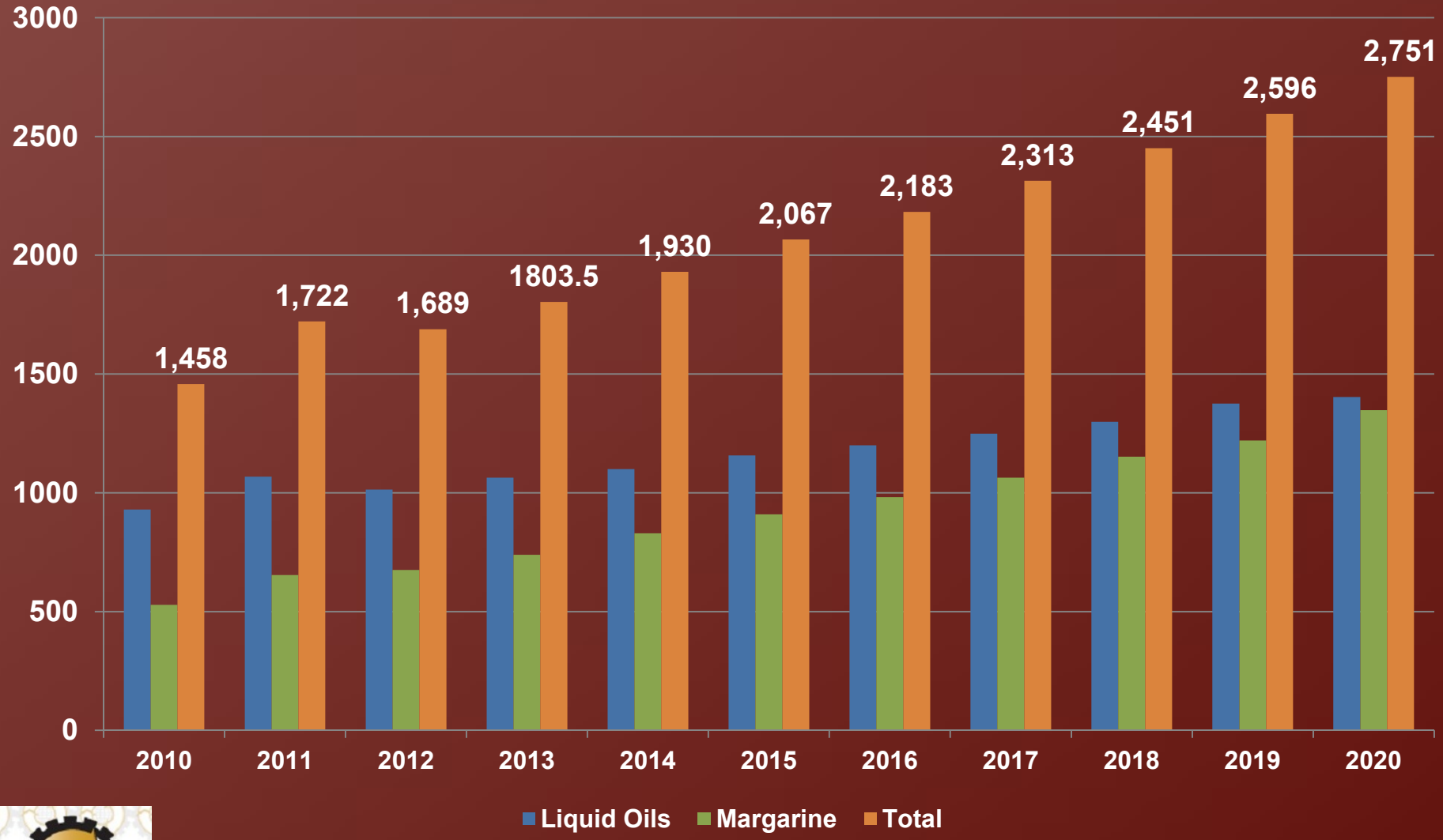
(thousand tonnes)



Source: AgriPro 2011

Fats/Oils Market Size Projection

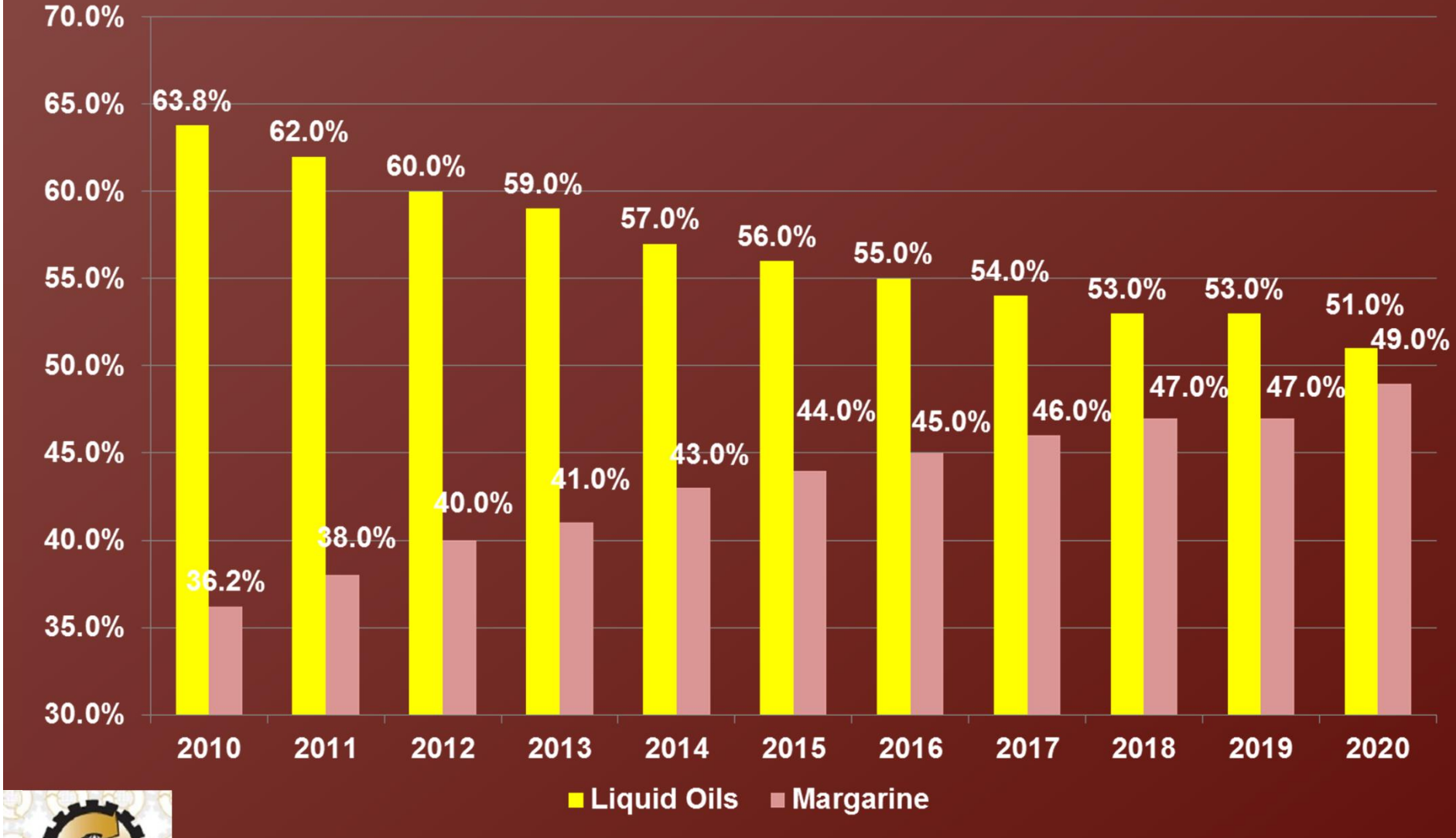
(thousand tonnes)



Source: AgriPro 2011

Liquid Oils/Margarine Projection

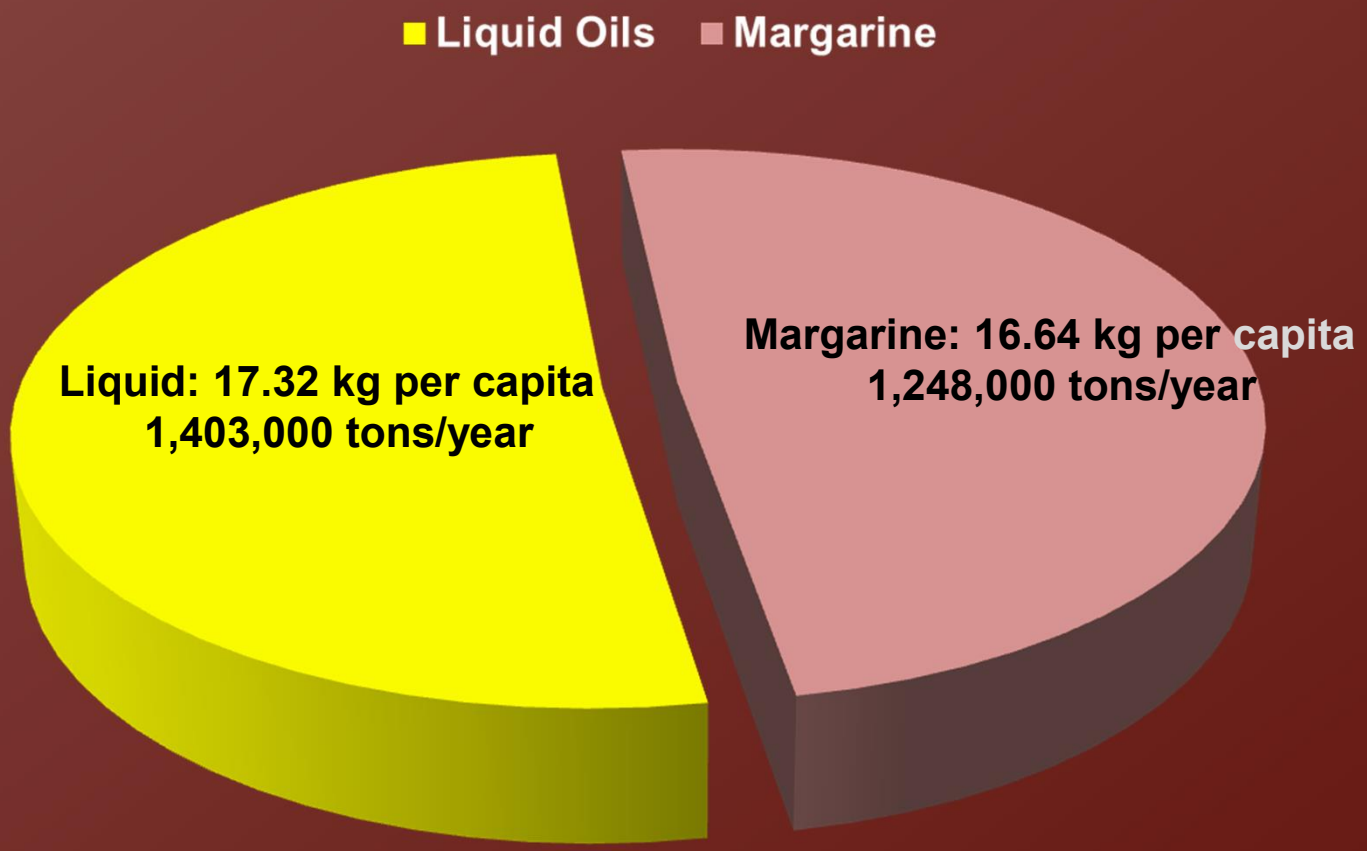
(thousand tonnes)



Source: AgriPro 2011

Turkish Vegoil Market Size 2020

per capita consumption: 33.96 kg/year



Source: AgriPro 2011

Conclusions

- Turkish vegetable oil consumption will increase by 62.6% in the next 10 years.
- Turkish vegoil consumption (without exports) will reach 2.75m tons by year 2020.
- Turkish per capita vegoil consumption will reach to 33.9 kg in 2020 (EU at 31 kg in 2010).
- Turkish oilseeds production will reach ??? million tonnes by 2020.
- In 10 years time, Turkish edible oil deficit will grow by ??? fold to ??? million tonnes.

Conclusions

- «Out Of Home» use will grow as general food consumption will swing from home, to out of home.
- Margarine (palm derivatives) usage will continue to grow and slowly converge to 50% of total Turkish vegoil market size. This is due to growing industrial use on Out Of Home side of the business.
- The next step for the industry is large size plants with vertical integration, mergers and acquisitions in view of growing numbers.
- «The key» will be to increase domestic oilseed production, otherwise national industry will not be viable.

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Thank you!

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