Turkish Fats & Oils Trade Balances 2015/16 & 2016-17*

МАСЛОЖИРОВАЯ КОНФЕРЕНЦИЯ

Рынки масличных и продуктов их переработки: рекорды и перспективы

2017

3 АПРЕЛЯ / МОСКВА / РЭДИССОН СЛАВЯНСКАЯ

3 April 2017

Faik Genç

AgriPro Limited

Main Topics

1. Turkey
2. Oils/Oilseeds Supply & Demand
3. Turkish Oils & Oilseeds Balances
4. Price Moves
5. Conclusions

AgriPro

Turkey

Turkey Fact File

Population:	**79 million (80.3m/CIA - 78.8m/IMF)**
Population Growth*:	**0.9%**
GDP PPPx:	**US$ 1,665 billion (17th globally)**
GDP per capita:	**US$ 9,261 (2016)**
GDP Growth:	**2.9% (2016), 2.75% (2017 est.)**
Exchange rate:	**US$ 1 = 3.66 Turkish Lira**
Unemployment:	**11.1% (2016) 12% (2017 est.)**
Annual inflation:	**8.53% (2016 consumer)**
	2017 est. %10

AgriPro

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%

AgriPro

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)

AgriPro

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.* 2.3 million tonnes**

Source: AgriPro 2016

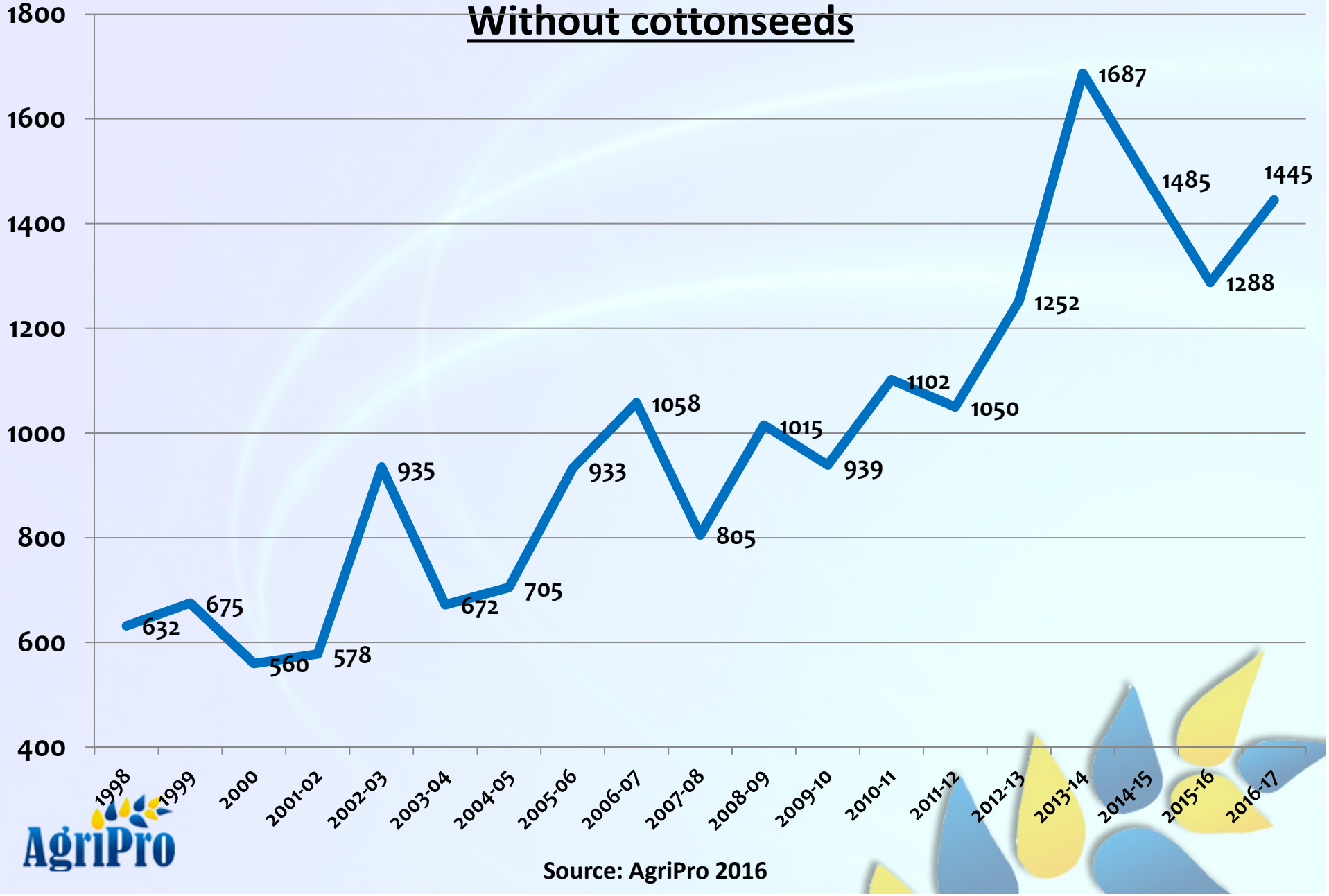
Oils/Oilseeds Supply & Demand

AgriPro

Turkish Oilseeds Production (bin ton)

Source: AgriPro 2016

Turkish Oilseeds Production (th tonnes)



Source: AgriPro 2016

Turkish Oilseeds Production 2016/17
(thousand tonnes)

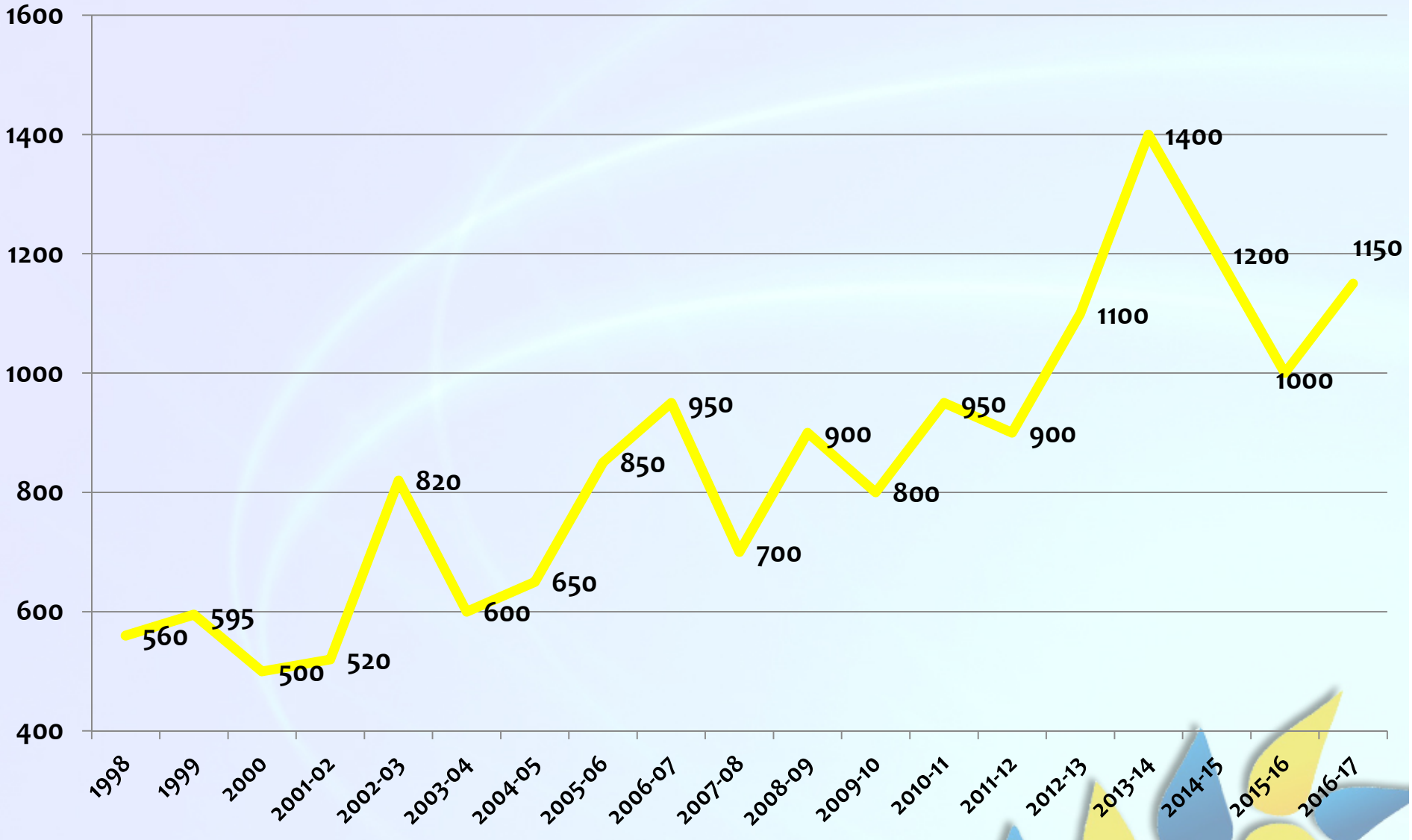
- **Sunflowerseeds : 1,150,000 tonnes**
- **Cottonseeds : 960,000 tonnes**
- **Rapeseeds : 85,000 tonnes**
- **Corn germs : 90,000 tonnes**
- **Safflower : 30,000 tonnes**
- **Soybeans : 120,000 tonnes**

TOTAL : 2,435,000 tonnes

AgriPro

Source: AgriPro 2016

Sunseeds Production (thousand tonnes)



Source: AgriPro 2016

Major Import Duties

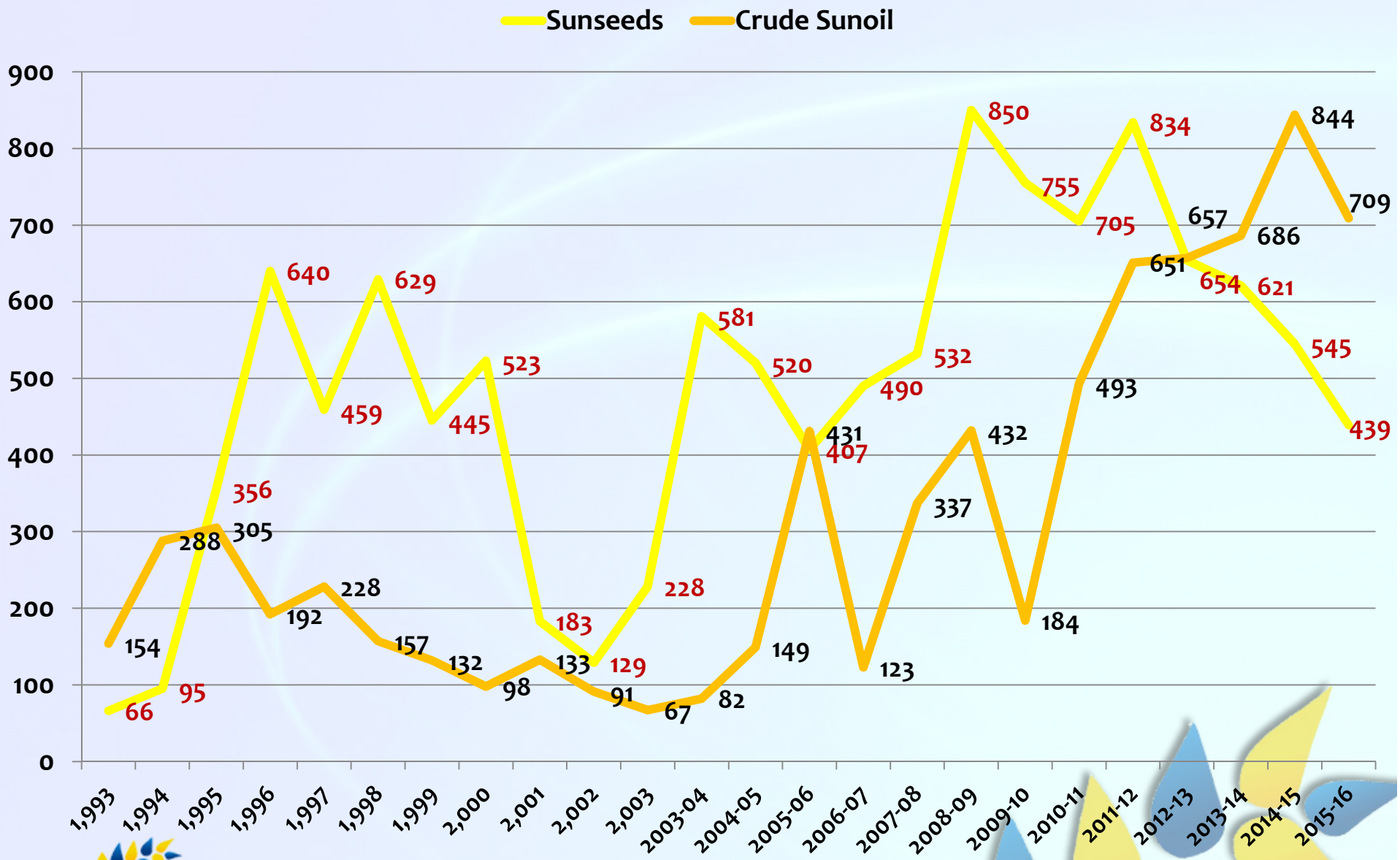
Sunseeds	: 27% (or $202.50/mt minimum)
Safflower	: 23.4% (or $175.50/mt minimum)
Soybeans	: 0%
Linseeds	: 0%
Rapeseed	: 10% (or $160/mt min.)
Crude Sunoil	: 36% (or $540/mt min.)
Refined Sunoil	: 50%
RBD Palm Oils	: 31.2% (21.8% for Malaysia origin)
Other Vegoils	: 31.2%
Soymeal	: 5.0% (0% for EU origin soymeal)
Other meals	: 13.5%

Source: Ministry of Economy, November 2016

Turkish Oils & Oilseeds Balances

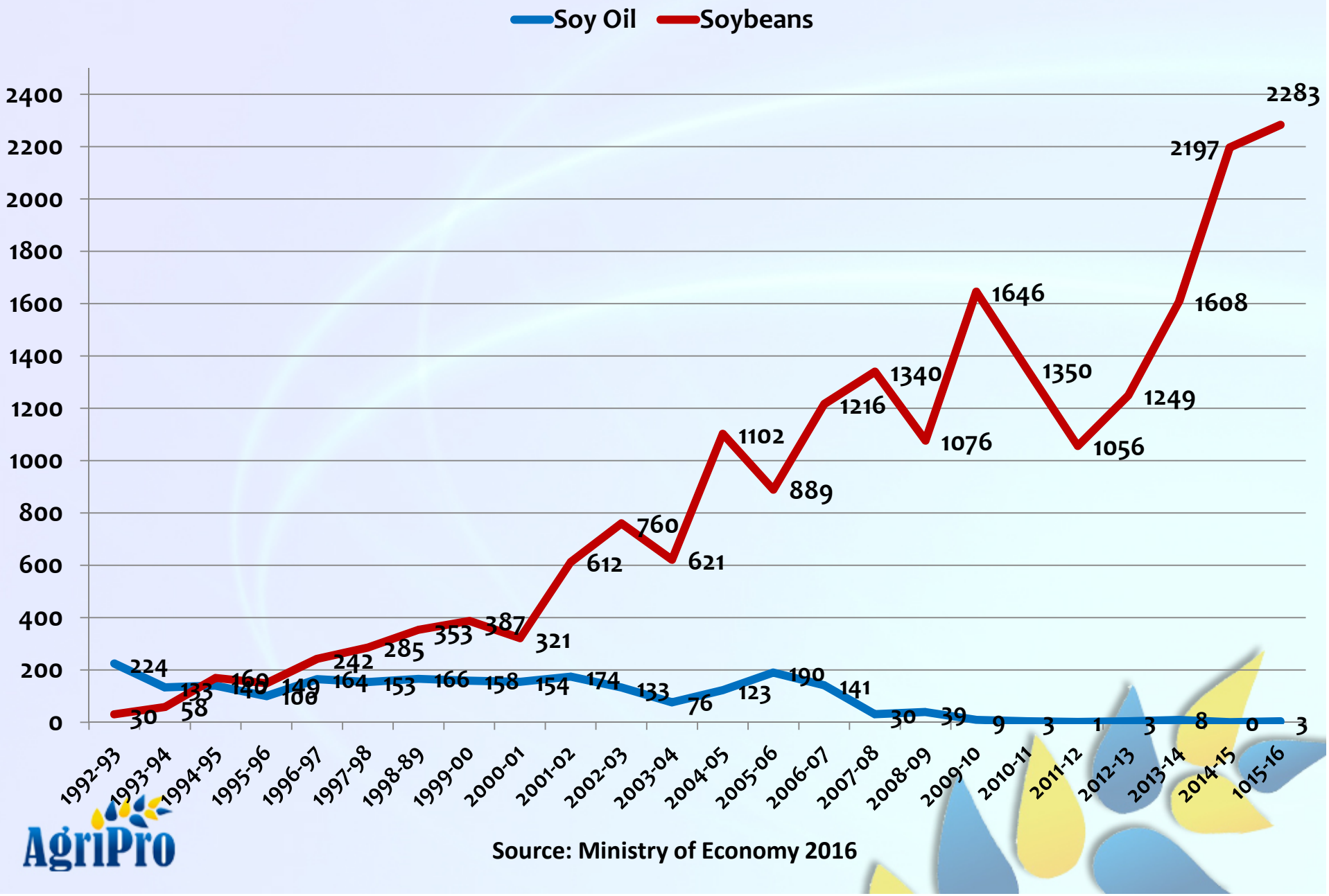
AgriPro

Sunseeds & Sunoil Imports (th tonnes)



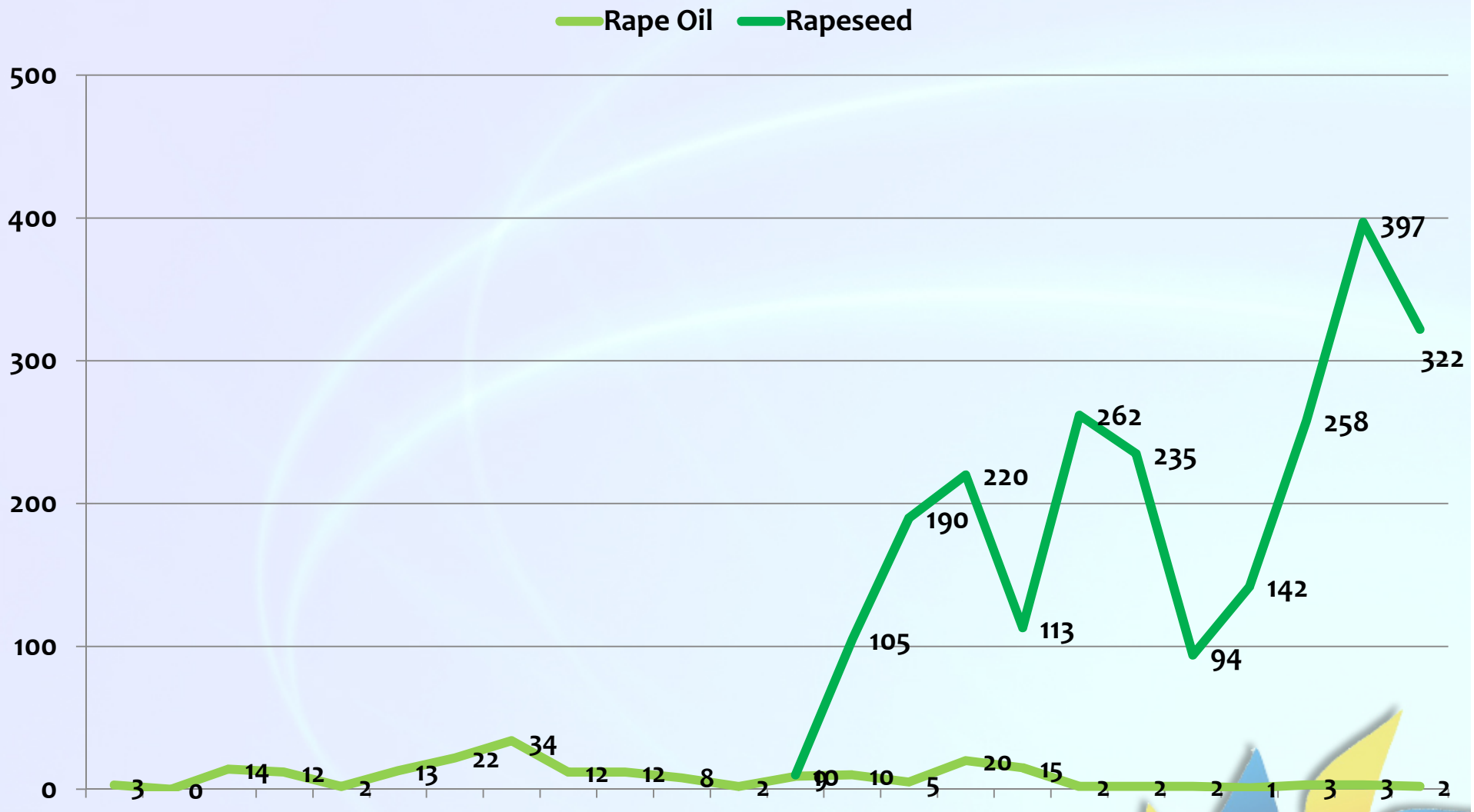
Source: Ministry of Economy 2016

Soybeans & Soy Oil Imports (th tonnes)



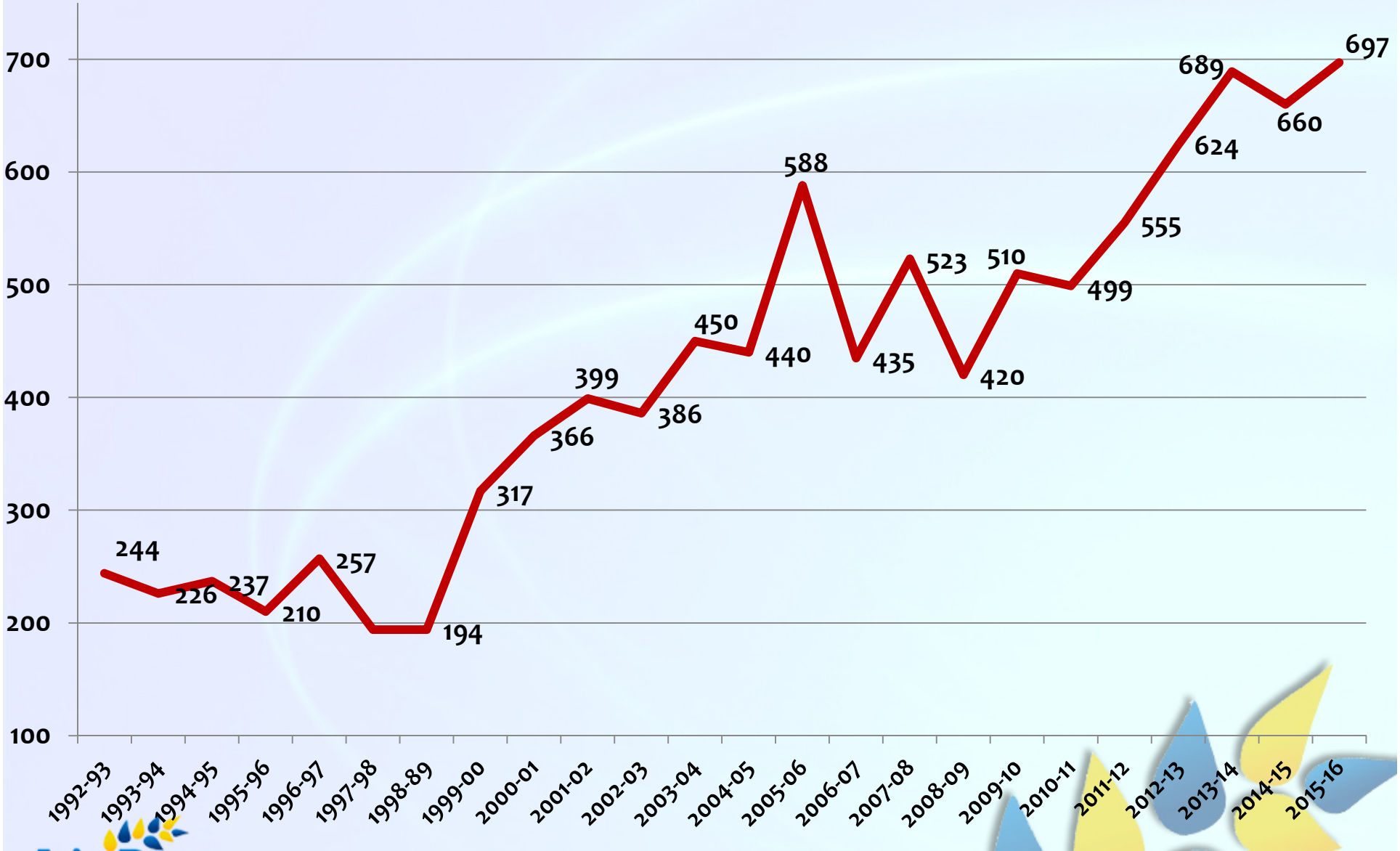
Source: Ministry of Economy 2016

Rapeseeds & Rape Oil Imports (th tonnes)



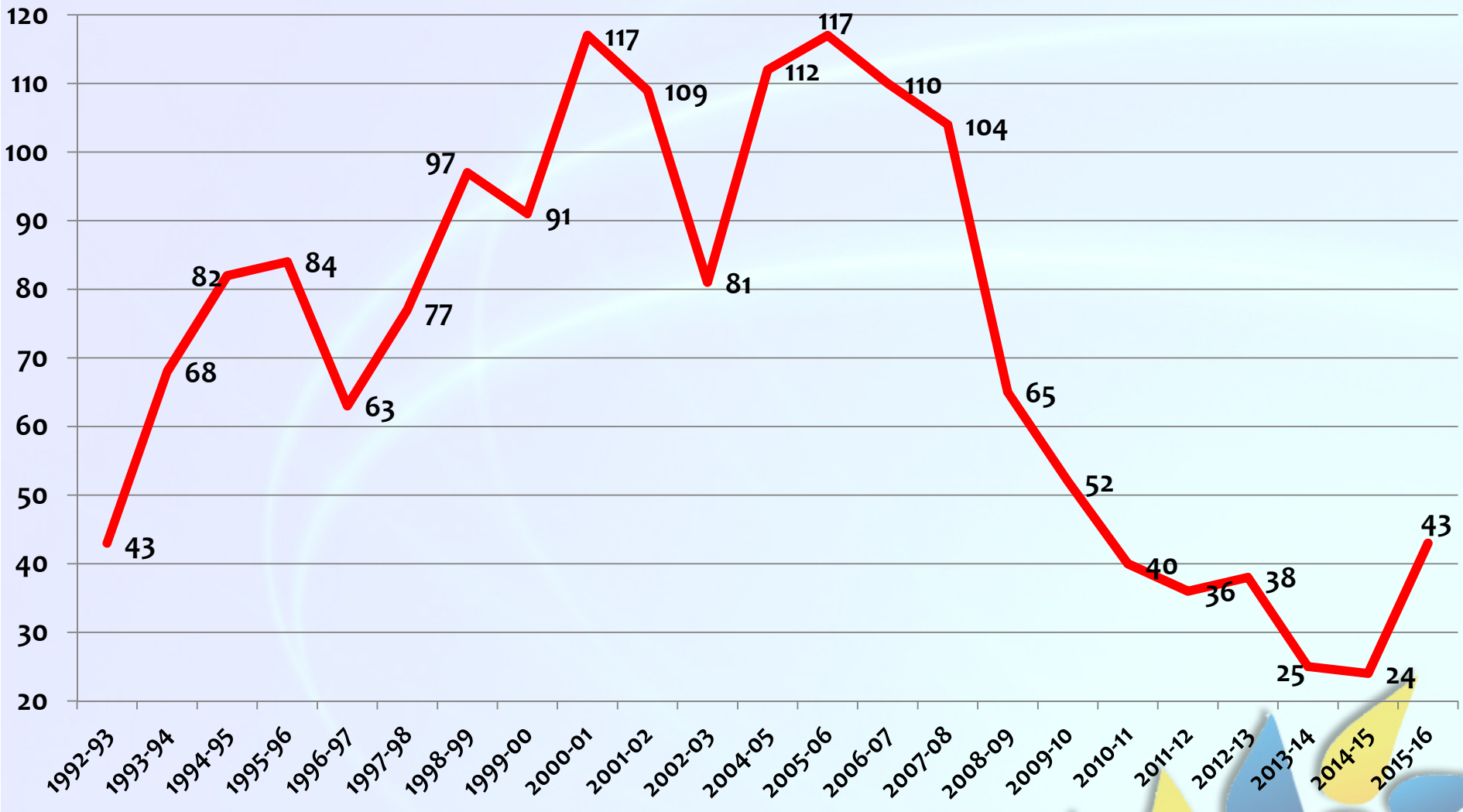
Source: Ministry of Economy 2016

Palm Oil Imports (thousand tonnes)



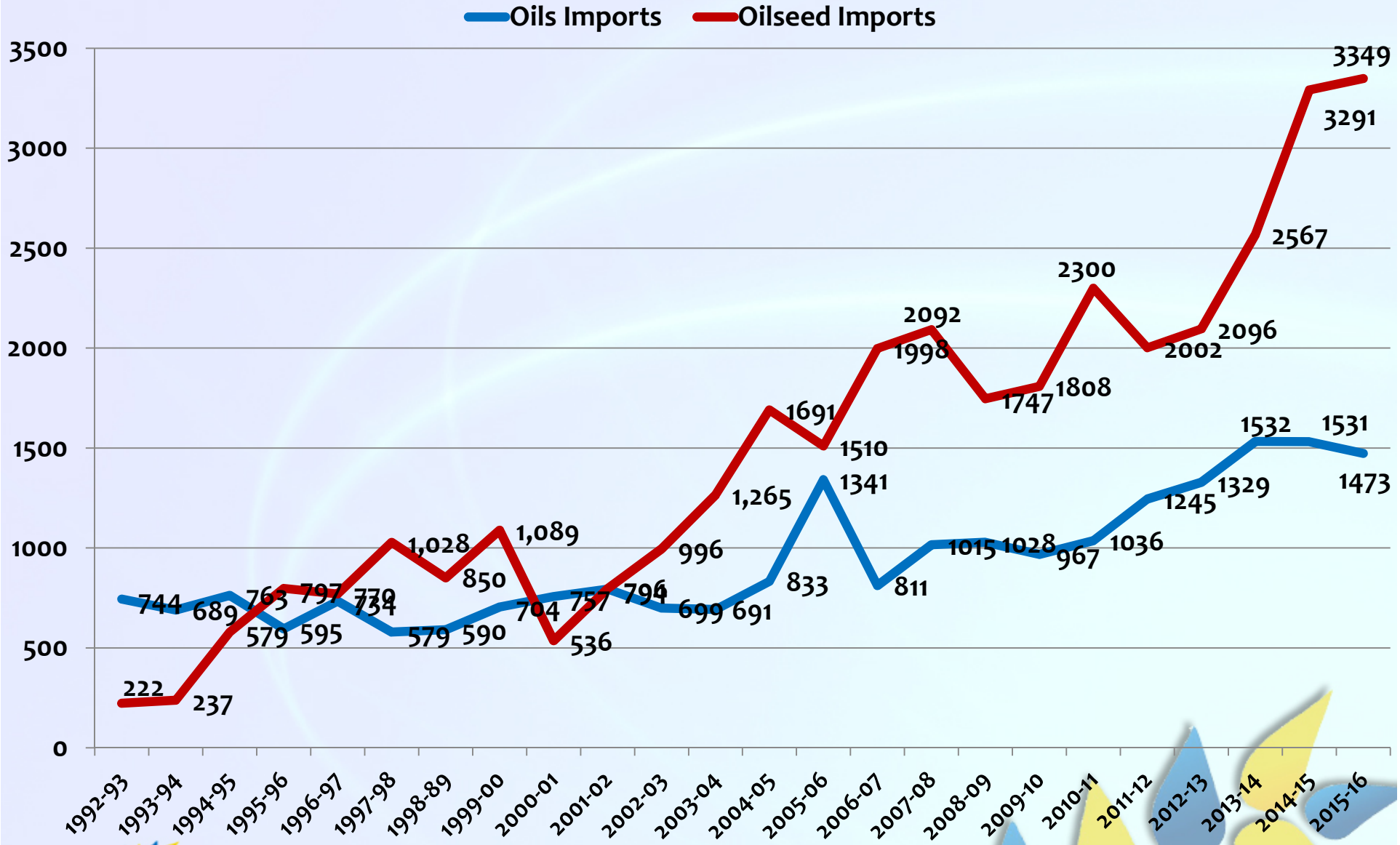
Source: Ministry of Economy 2016

Corn Oil Imports (thousand tonnes)



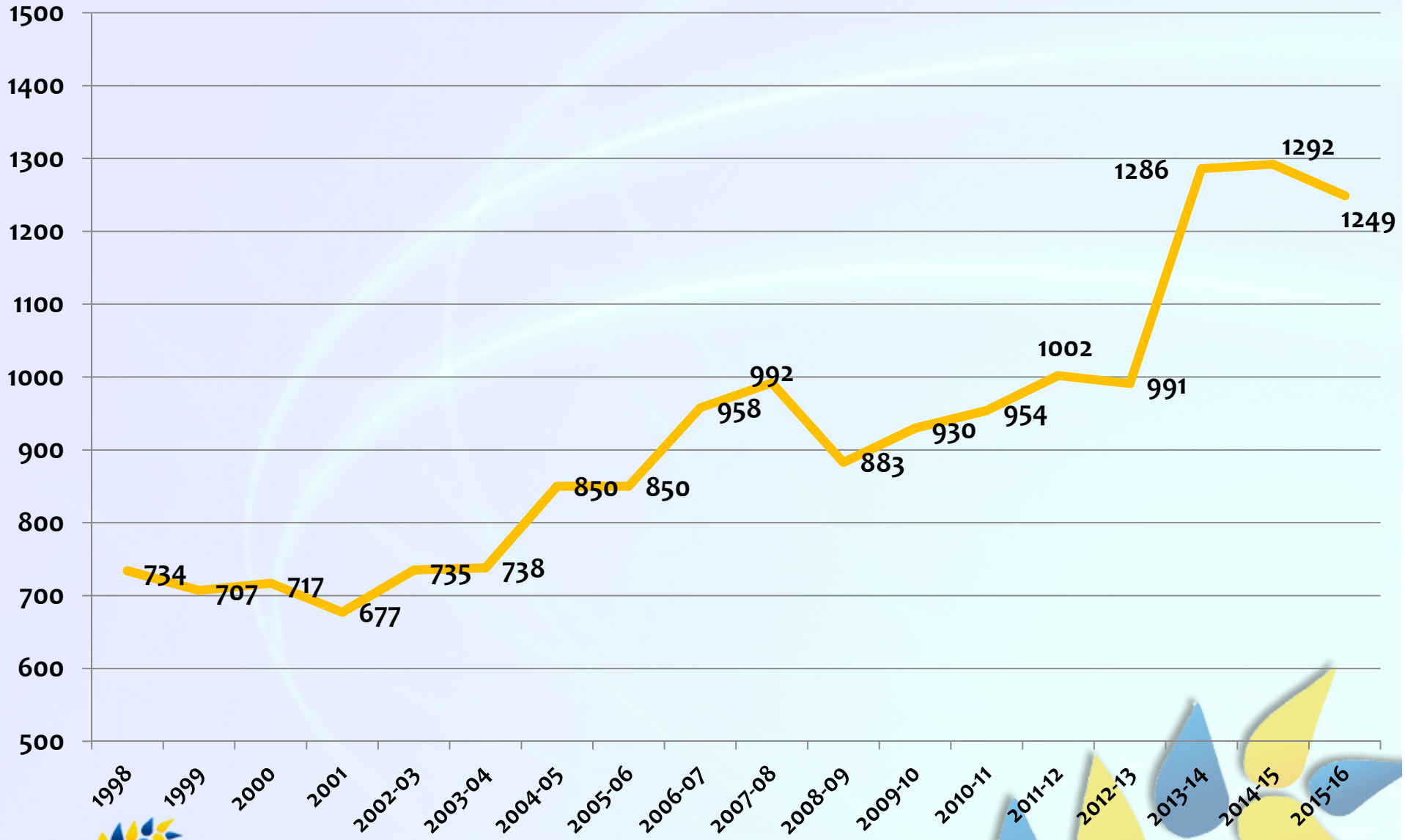
Source: Ministry of Economy 2016

Total Oils & Oilseeds Imports (th tonnes)



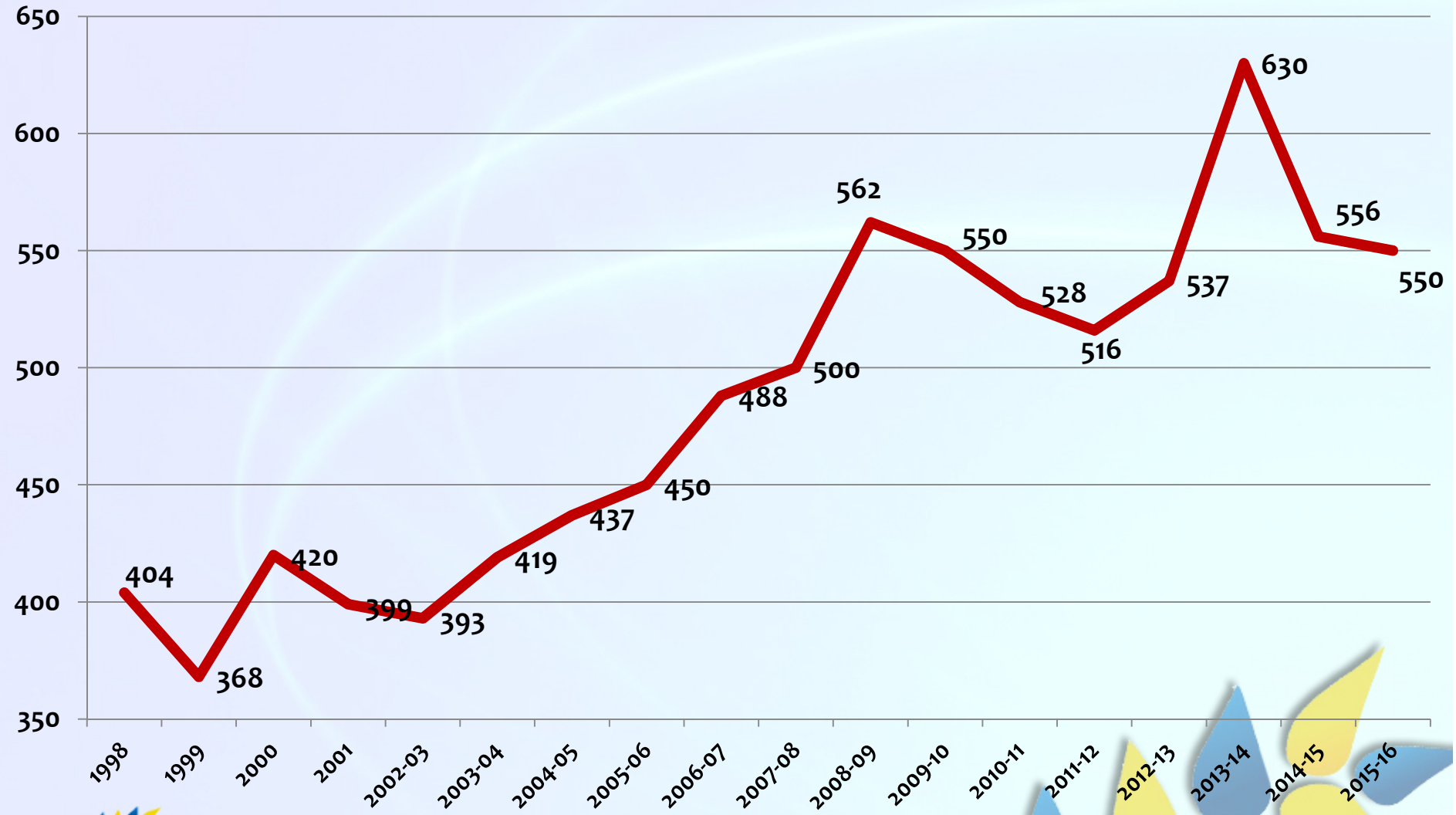
Source: Ministry of Economy 2016

Liquid Oils Consumption (thousand tonnes)



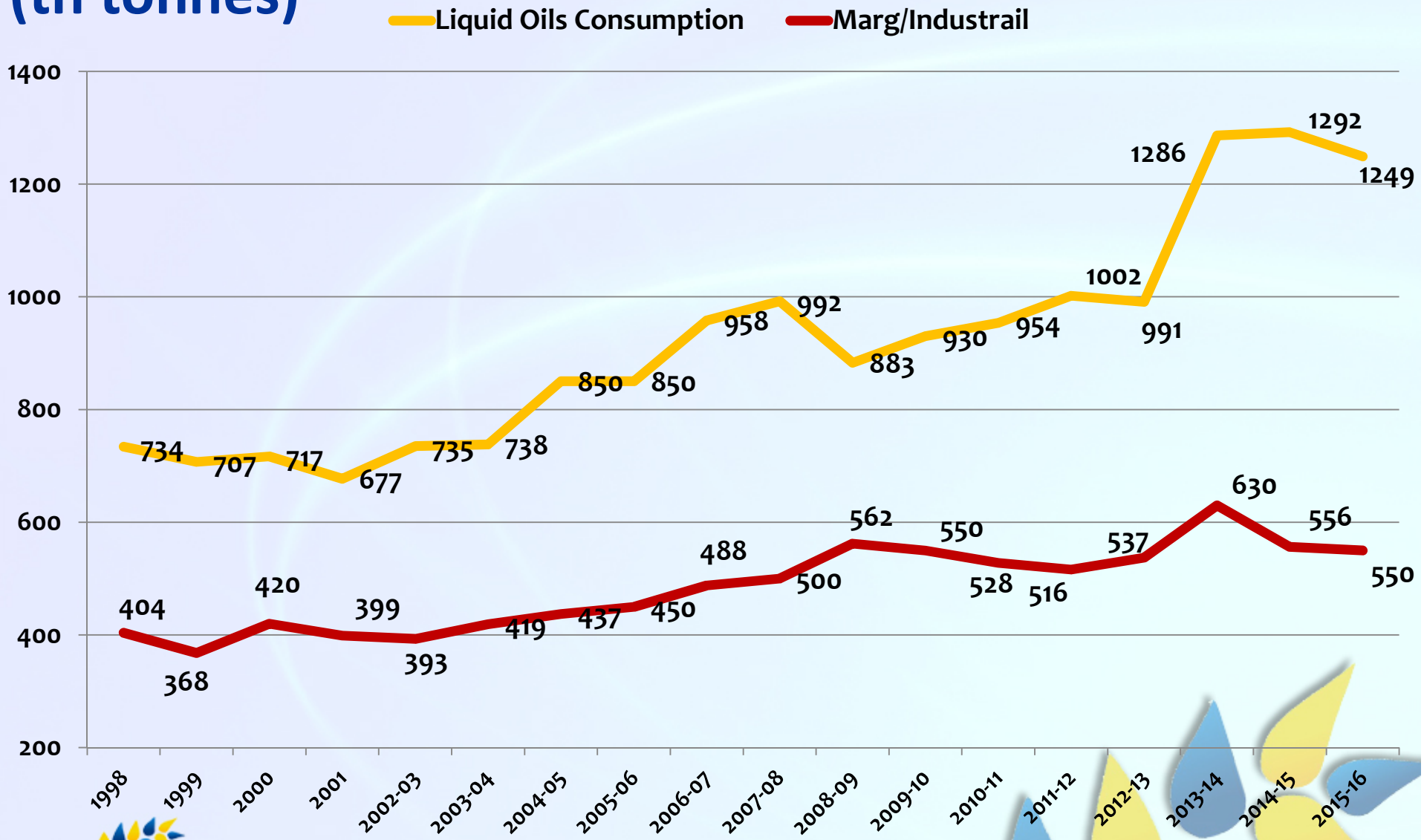
Source: Agripro 2016

Margarine/Industrial Fats Consumption
(th tonnes)



Source: Agripro 2016

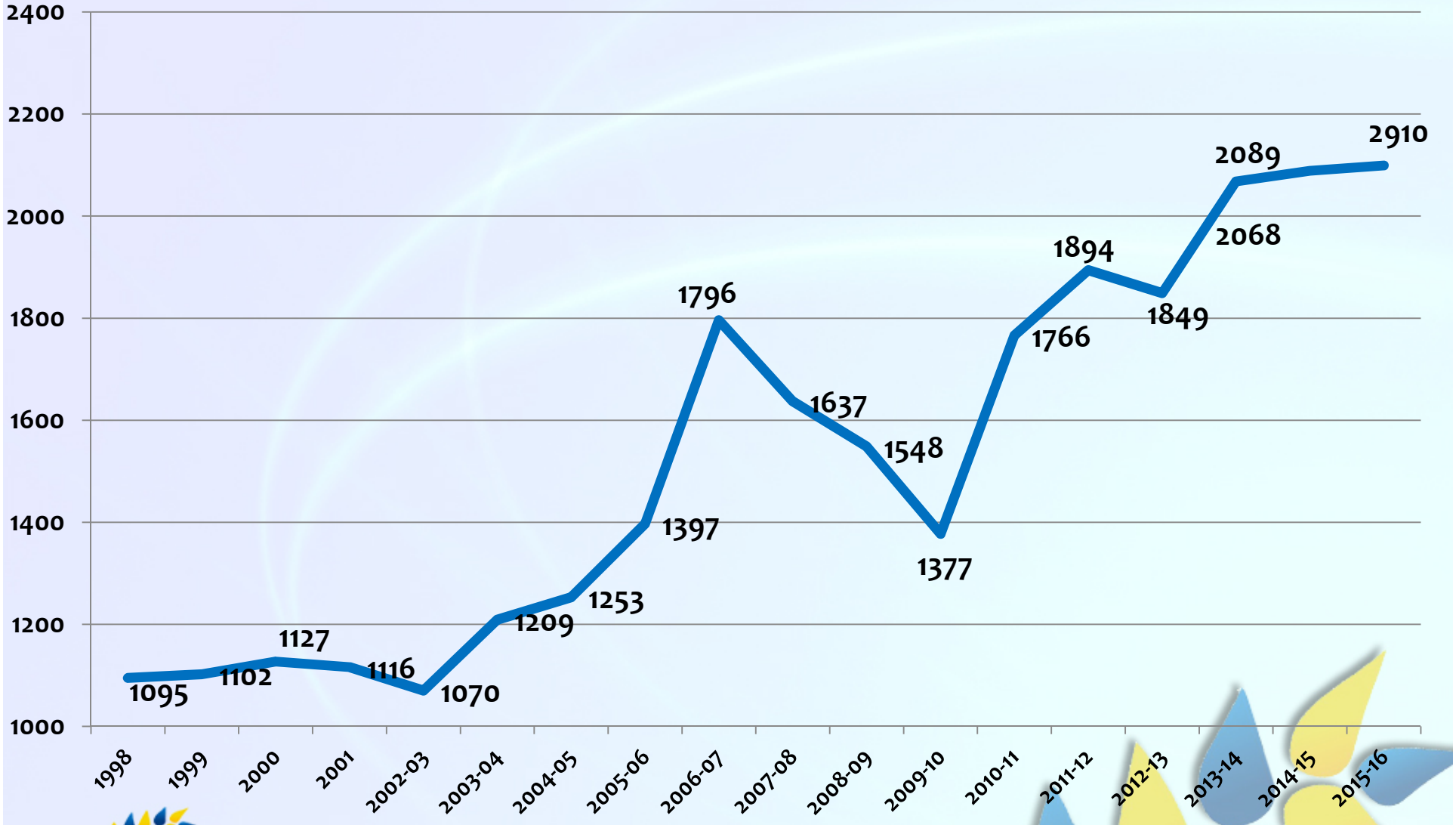
Liquid Oils vs Margarine Consumption (th tonnes)



Source: Agripro 2016

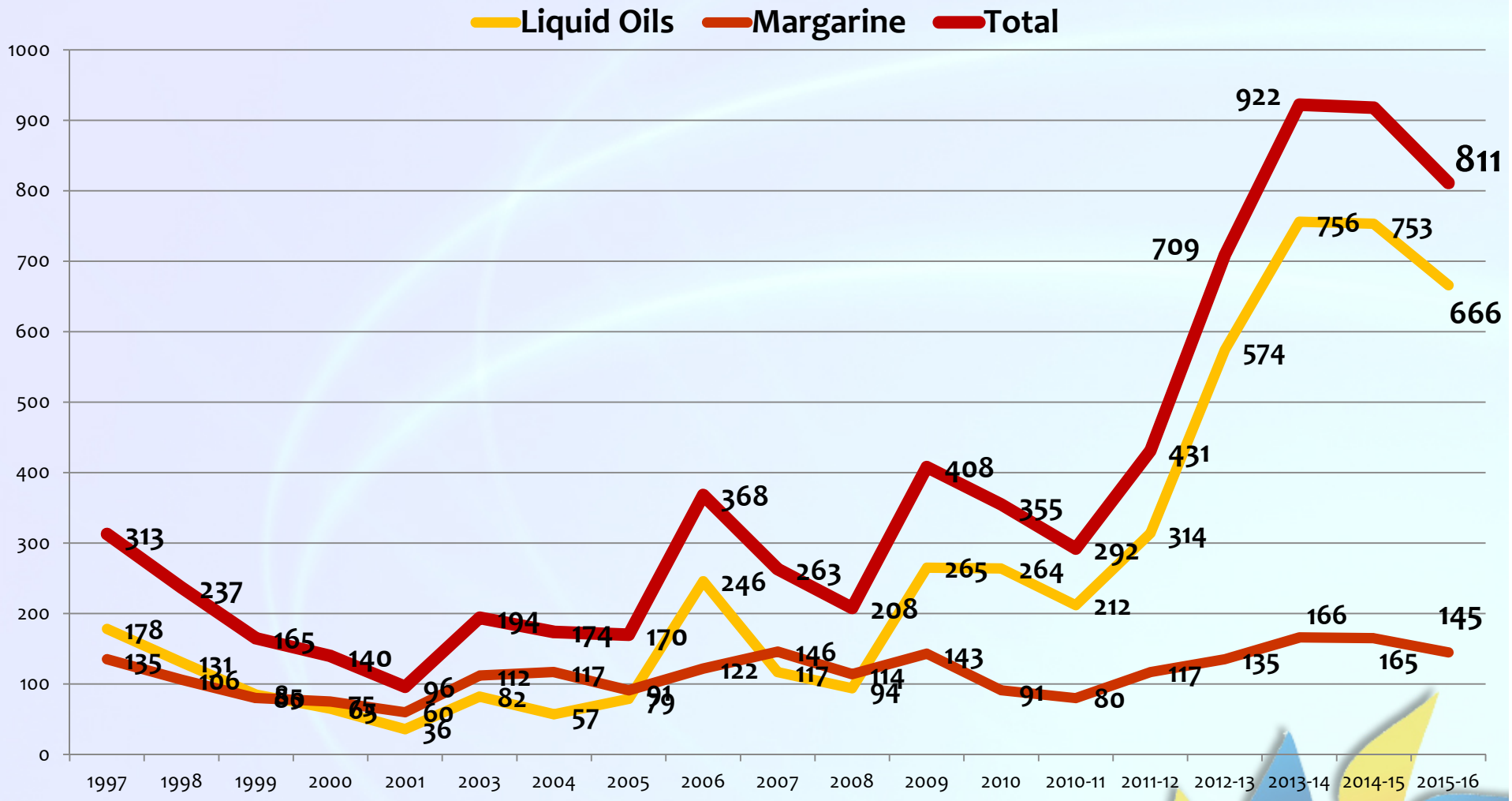
Total Vegoil Oil Consumption

(th tonnes) exports excluded



Source: Agripro 2016

Turkish Vegoil Exports (thousand tonnes)

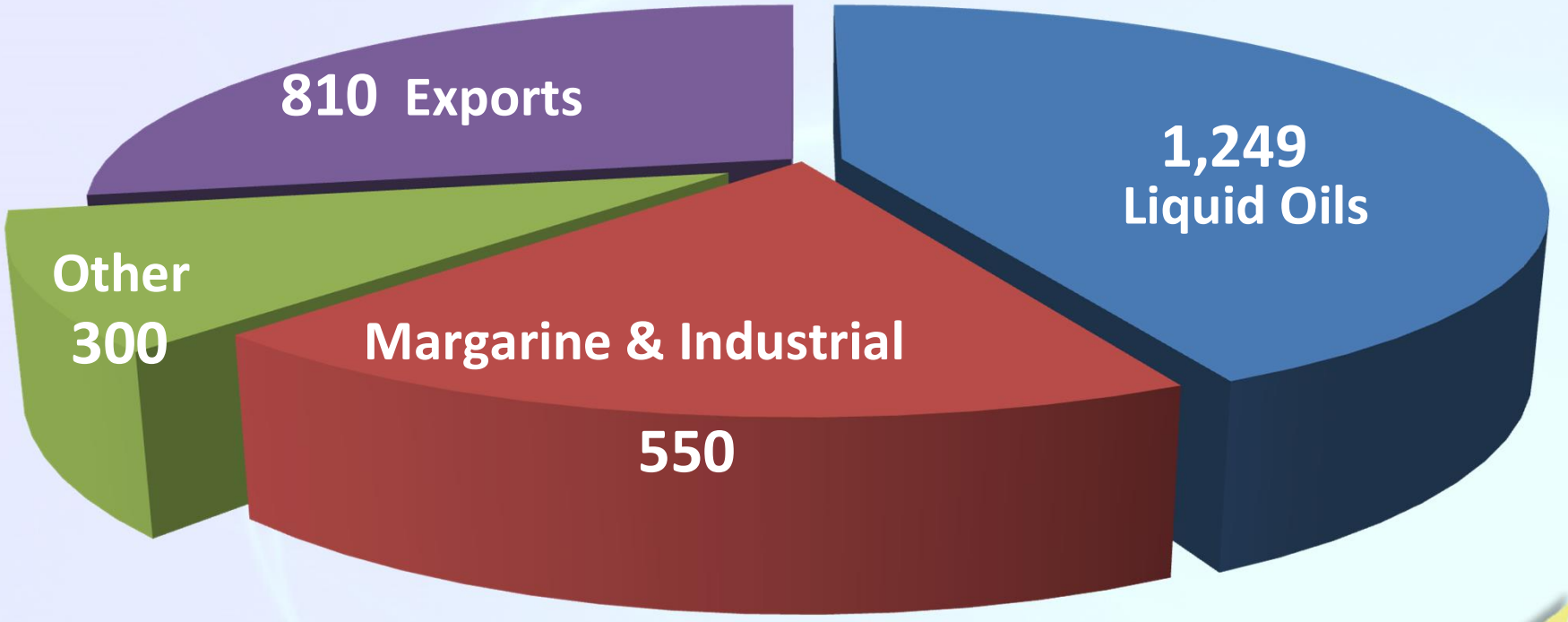


Source: Ministry of Economy 2016

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

2,910,000 tonnes

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



AgriPro

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**

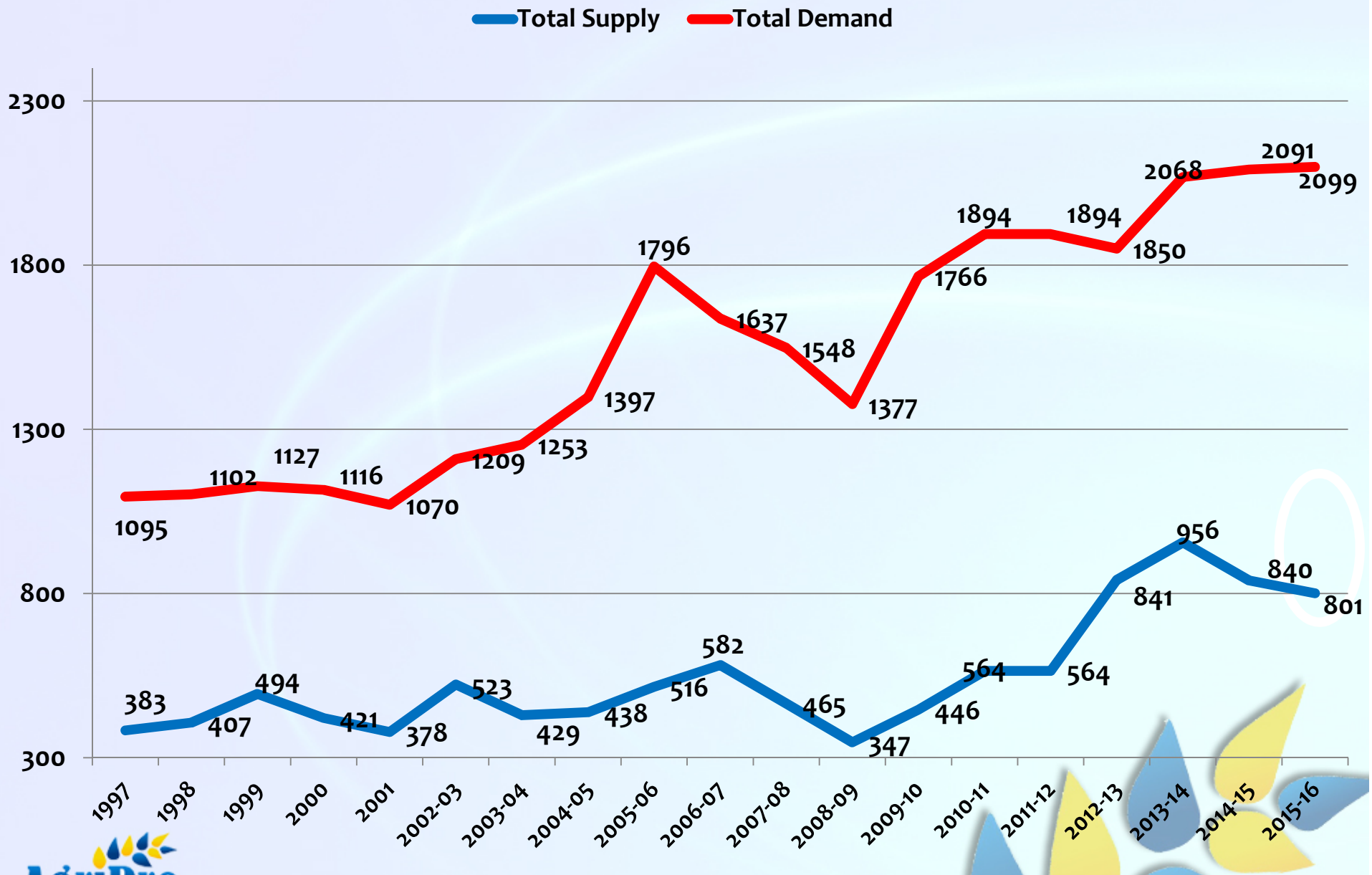
(2,089,000 tons in 2014/15)

-3.22% growth in «Market Size» last 12 months

0.5% growth in «Consumption» last 12 months

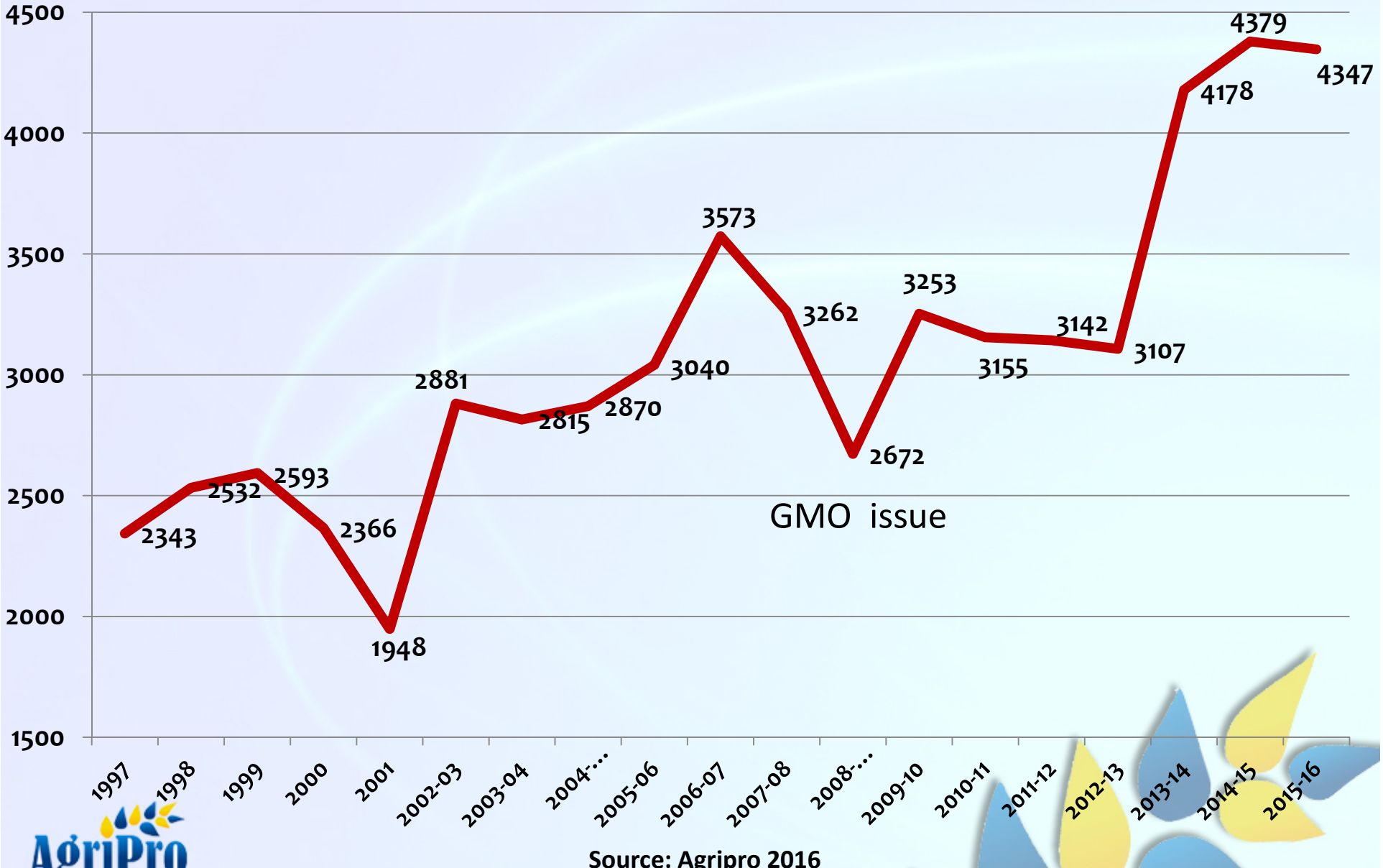
Source: Agripro 2016

Vegoils Supply & Demand (th tonnes)



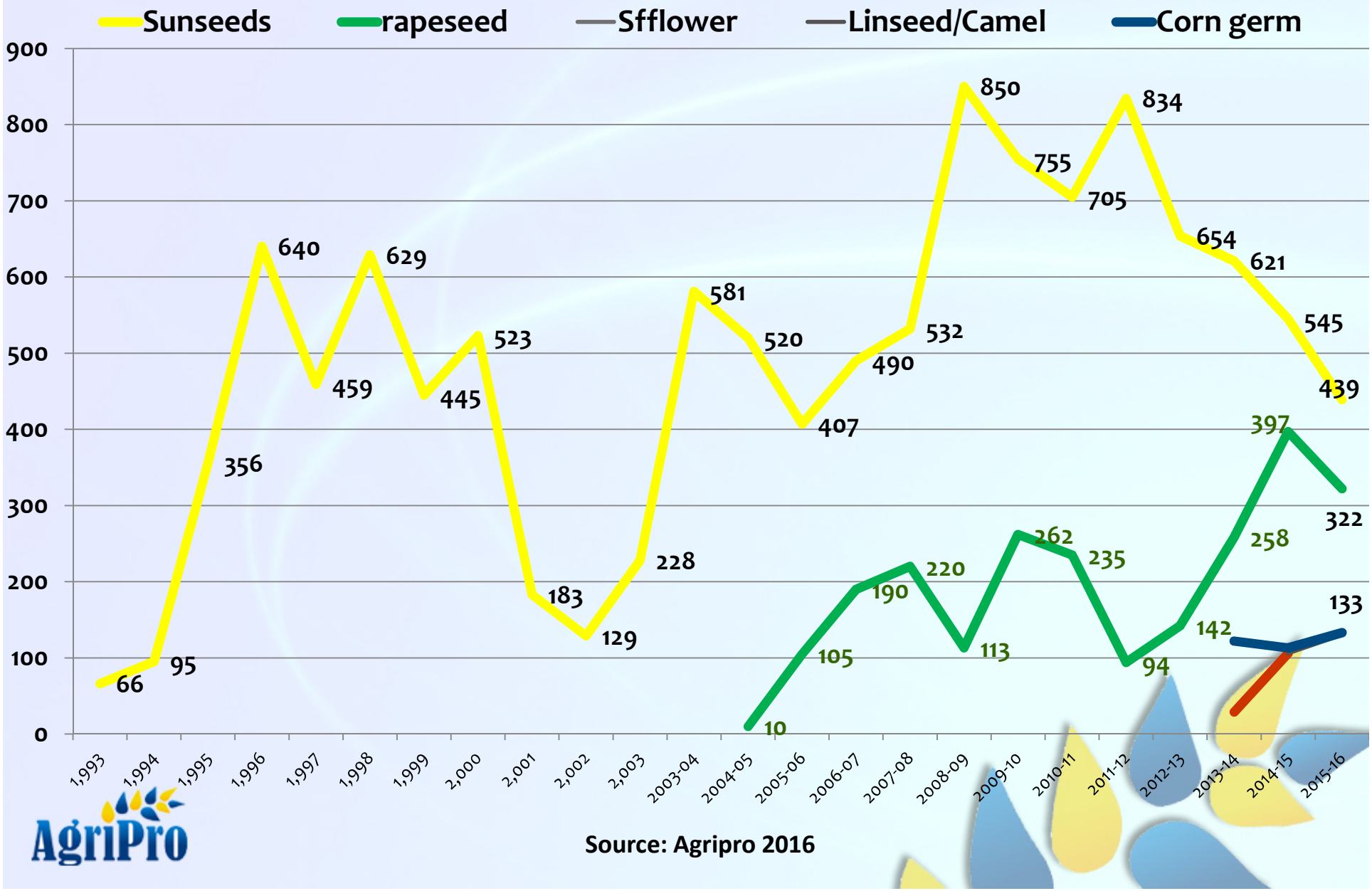
Source: Agripro 2016

Turkey Oilseeds Crush (th tonnes)



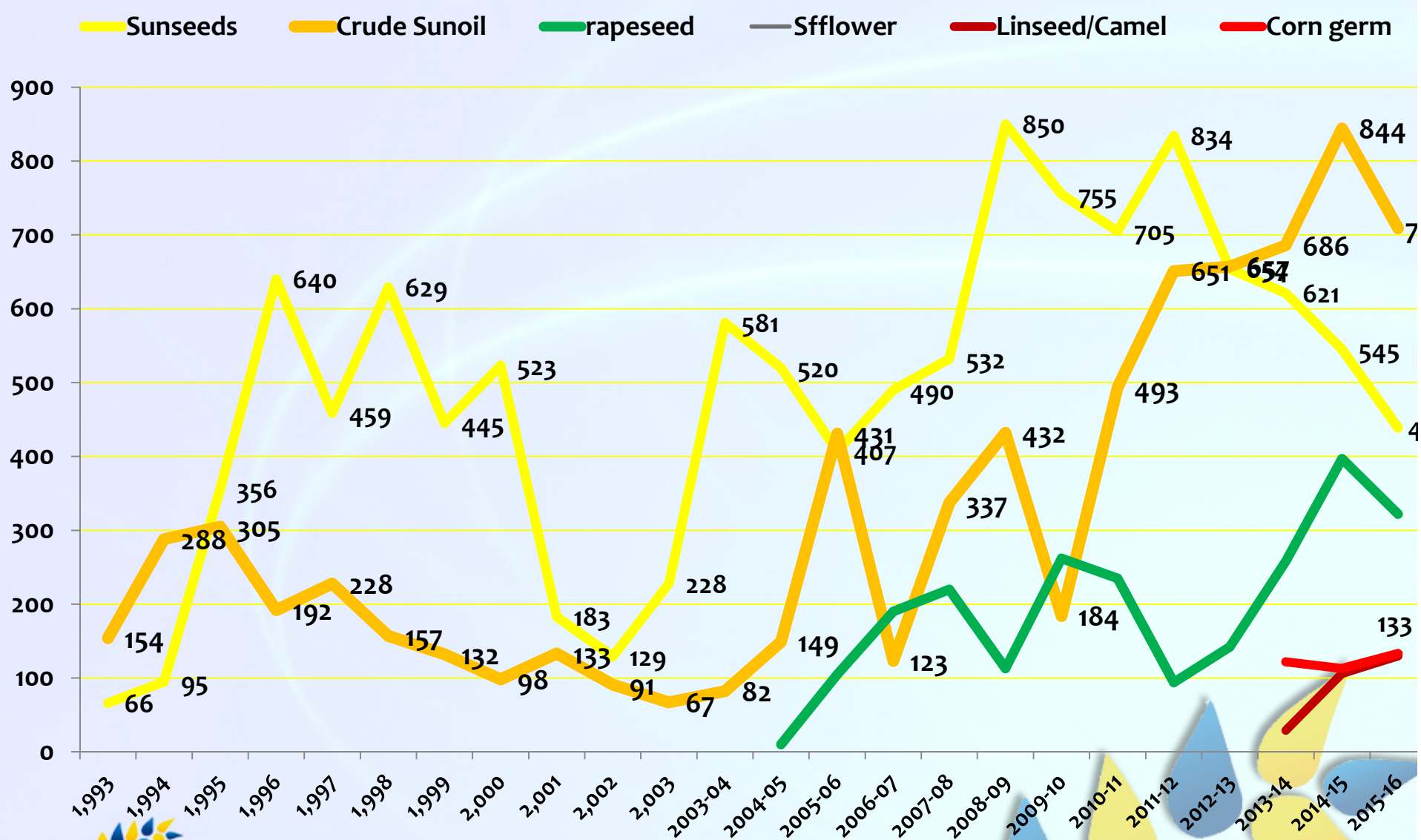
Source: Agripro 2016

Import Softseeds Crush (th tonnes)



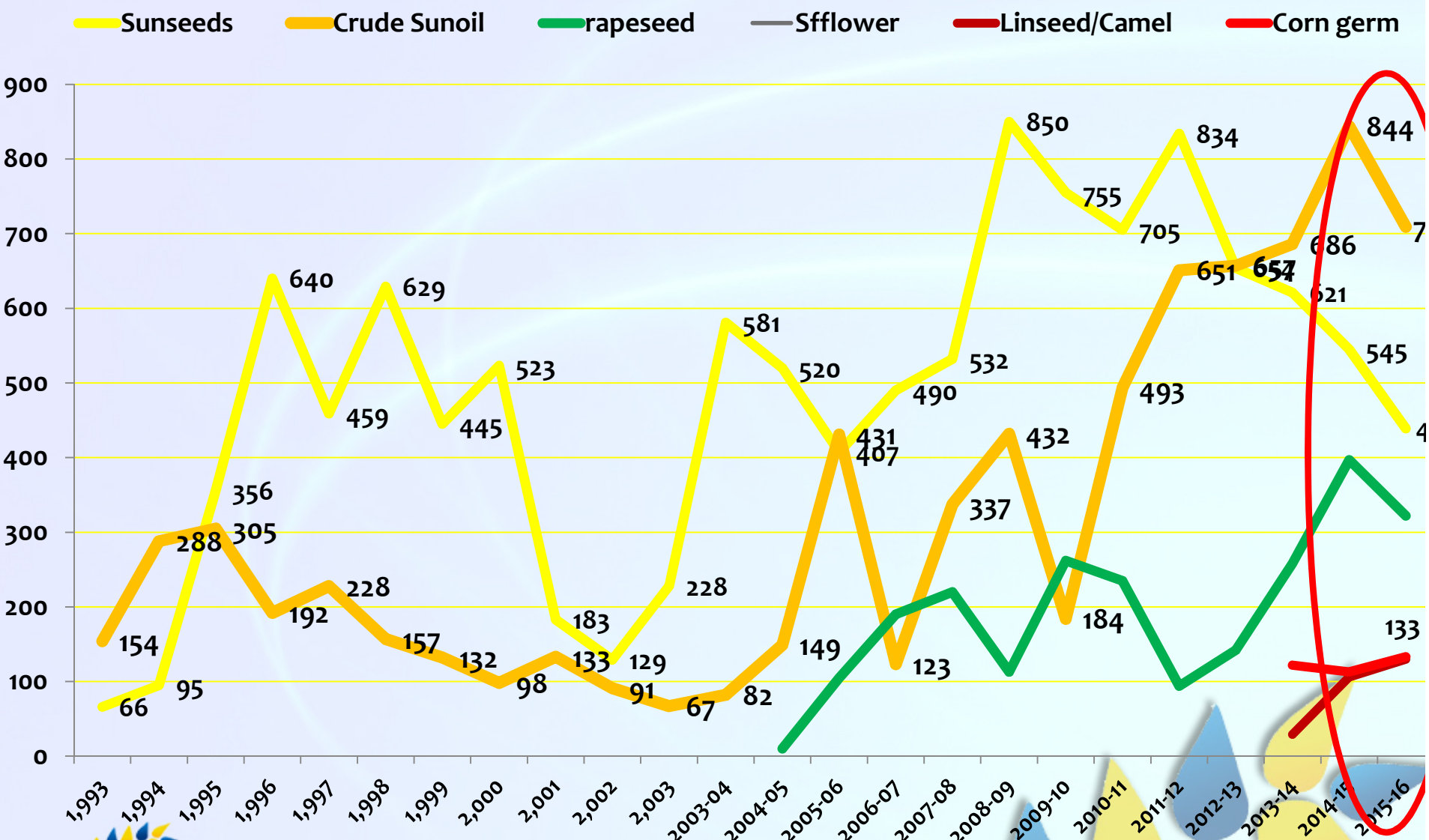
Source: Agripro 2016

Import Softseeds Crush vs Import Sunoil (tht)



Source: Agripro 2016

Import Softseeds Crush vs Import Sunoil (tht)



AgriPro

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)***

AgriPro

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		48	35	6			8	48
SAFFLOWER	30	115		145	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	4,377	801	636	1,473	2,910	301	666	145	550	1,249	2,910

AgriPro

Source: Agripro 2016

Turkish Fats/Oils Trade Balance 2016/17

projection

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	550		1,700	483	242	880	1,605		620			985	1,605
SOYA	120	2,000	1,150	970	21	149	3	173	135	3			35	173
LINS/CAM'NA		140		140	0	53	0	53	43	10				53
SAFFLOWER	35	125		160	11	38		49					49	49
CORN GERM	90	70		160	40	31	45	116		46			70	116
OLIVE OIL					177			177		25			152	177
COTTONSEED	960		50	910	118			118				70	48	118
PALM OILS							720	720	80	2	150	488		720
RAPESEED	85	25		110	35	11	3	49	2	3	6	3	34	49
TOTAL	2,440	2,910	1,200	4,150	884	523	1,651	3,060	260	709	156	561	1,373	3,060

AgriPro

Source: Agripro 2017

Turkish P. Meals Trade Balance 2015/16

SUPPLY / DEMAND 2015/16	OILSEEDS SUPPLY		OILSEED USE	OILSEED CRUSH	PROTEIN MEALS				MEAL CONSUMPTION				
	Domestic Productn	Imports	Fullfat Feed Hybrid	CRUSH	Domestic Meal Equivalent	Import Meal Equivalent	Import Meals	TOTAL MEAL SUPPLY	MEAL EXPORTS		DOMESTIC CONSUMPTION		TOTAL MEAL CONSUMP.
SUNFLOWER	1,100	439		1,539	550	220	800	1,570		4		1,566	1,570
SOYA	100	2,283	1,150	1,233	75	850	600	1,525		42		1,483	1,525
LINS/CAM'NA		130		130	0	78	0	78				78	78
SAFFLOWER	30	115		145	20	78		99				99	99
CORN GERM	73	60		133	39	32		72				72	72
COTTONSEED	880		90	790	484	0		484				484	484
PALM MEAL							90	90				90	90
RAPESEED	85	322		407	48	180	25	254				254	254
OTHER MEAL								34				34	34
TOTAL	2,268	3,349	1,240	4,377	1,217	1,438	1,515	4,204		46	0	4,158	4,204

AgriPro

Source: Agripro 2016

Turkish P. Meals Trade Balance 2016/17

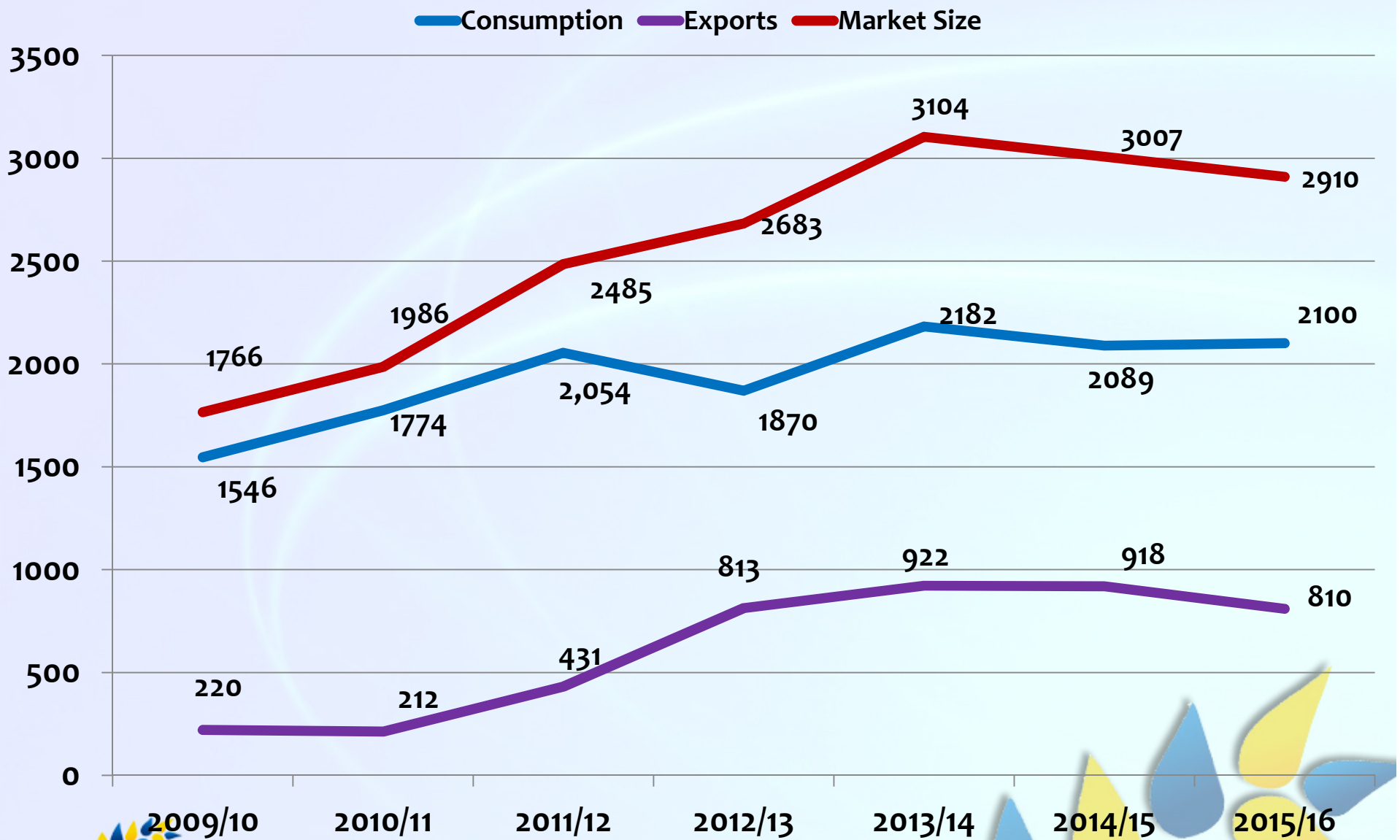
projection

SUPPLY / DEMAND 2016/17	OILSEEDS SUPPLY		OILSEED USE	OILSEED CRUSH	PROTEIN MEALS				MEAL CONSUMPTION				
	Domestic Productn	Imports	Fullfat Feed Hybrid	CRUSH	Domestic Meal Equivalent	Import Meal Equivalent	Import Meals	TOTAL MEAL SUPPLY	MEAL EXPORTS		DOMESTIC CONSUMPTION		TOTAL MEAL CONSUMP.
SUNFLOWER	1,150	550		1,700	575	275	950	1,800		4		1,796	1,800
SOYA	120	2,000	1,150	970	90	638	770	1,498		42		1,456	1,498
LINS/CAM'NA		140		140	0	84	0	84				84	84
SAFFLOWER	35	125		160	24	85		109				109	109
CORN GERM	90	70		160	49	38		86				86	86
COTTONSEED	960		50	910	528	0		528				528	528
PALM MEAL							90	50				50	50
RAPESEED	85	25		110	48	14	40	102				102	102
OTHER MEAL							60					60	60
TOTAL	2,440	2,910	1,200	4,150	1,314	1,133	1,910	4,257		46	0	4,211	4,257

AgriPro

Source: Agripro 2017

Turkish Vegoil Market Growth (th tonnes)

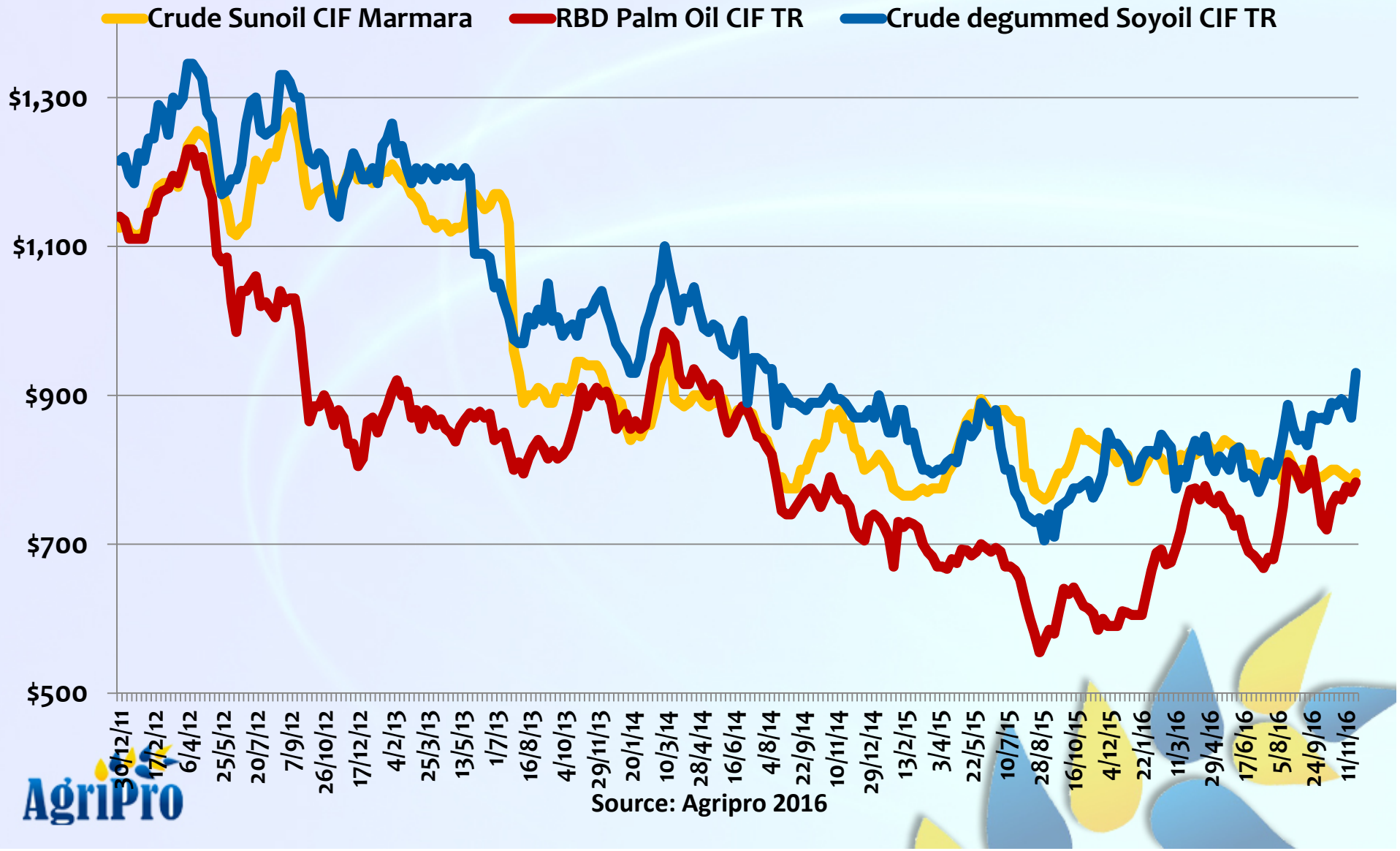


AgriPro

Source: AgriPro 2016

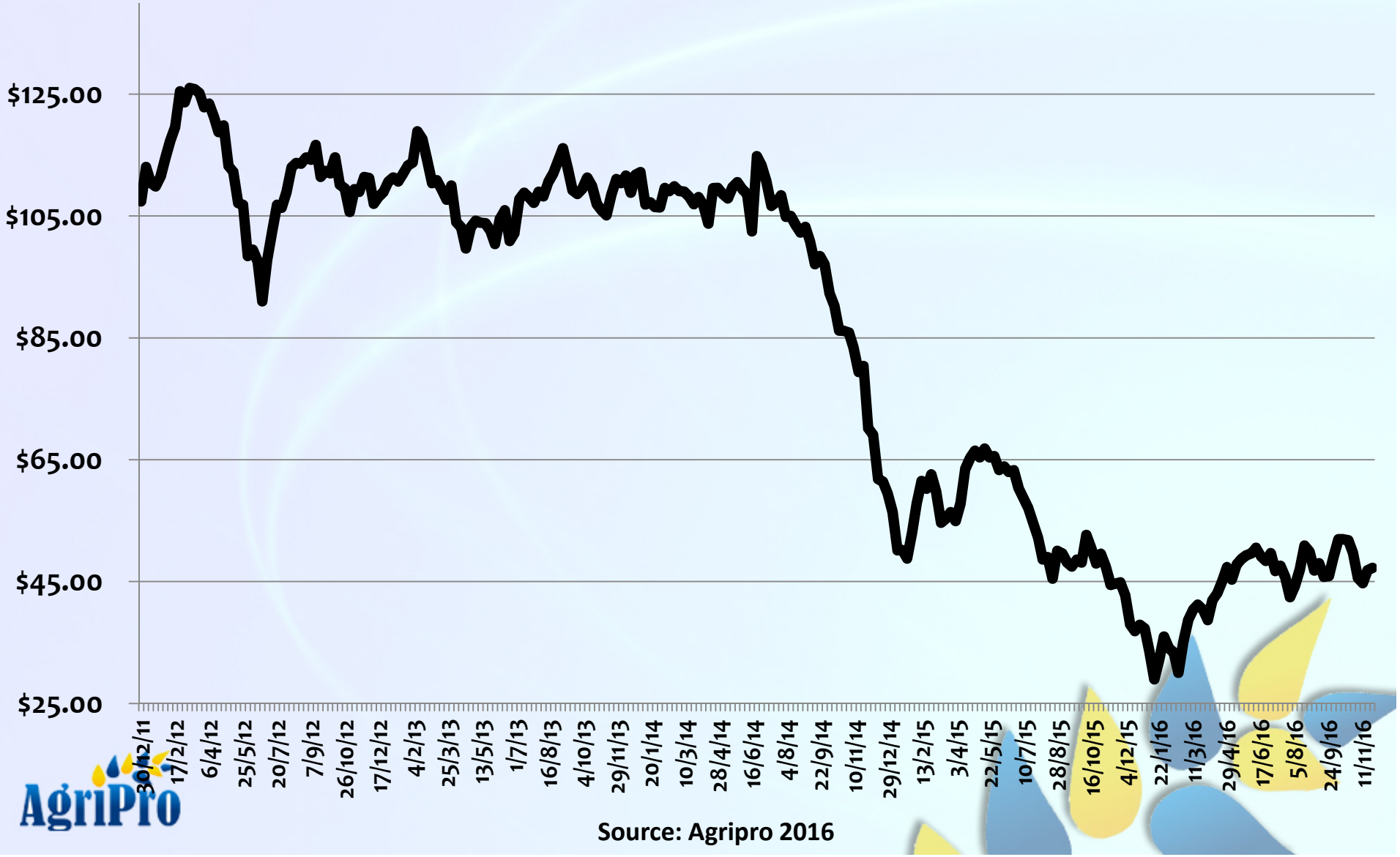
Price Moves: January 2012 to Dec 2016

CIF TR Crude Sun/Soy/Palm Oil Prices (mt) 2012-2016 (4 yrs)



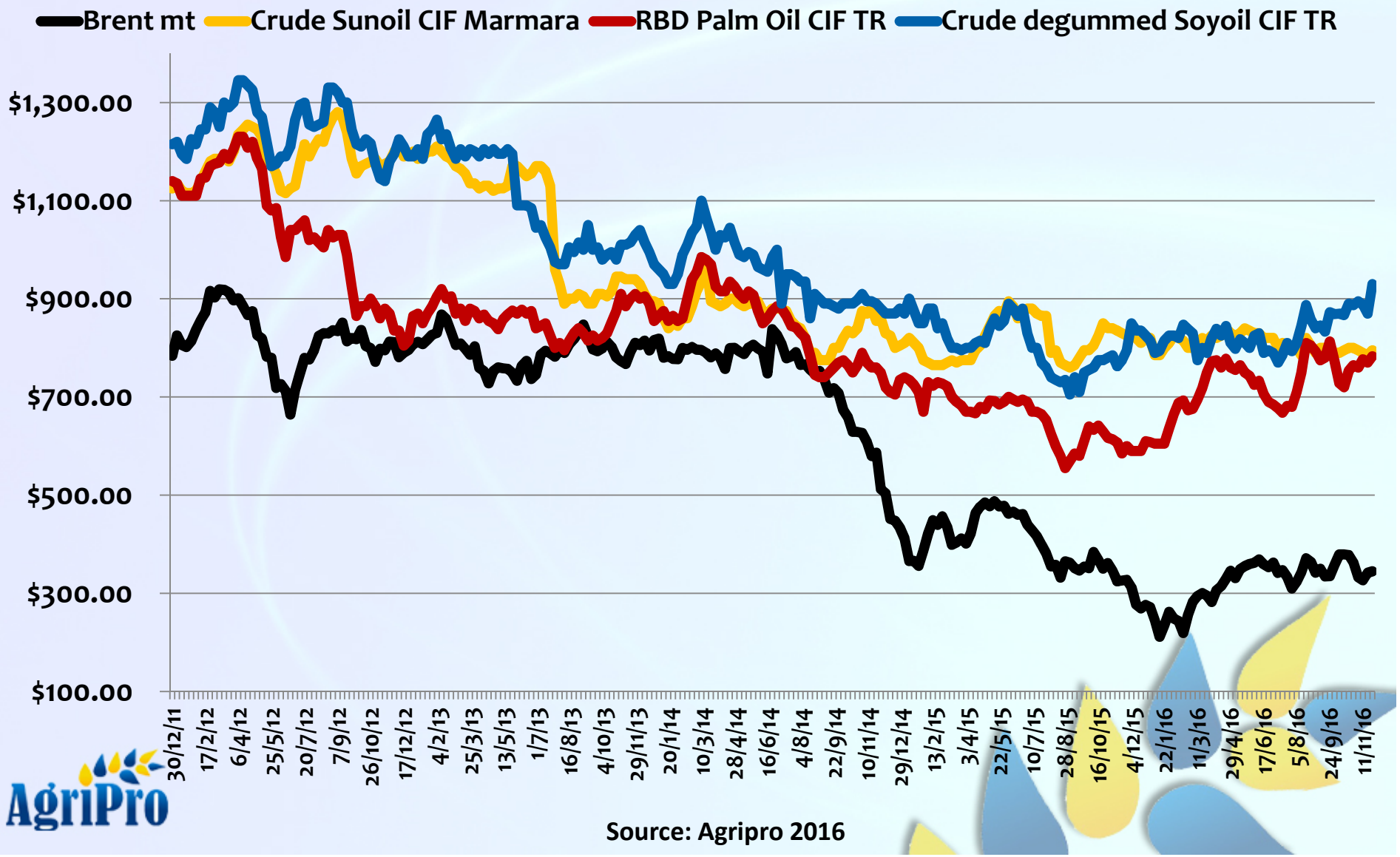
Source: Agripro 2016

Brent Crude Prices (barrel)
2012- 2016 (4 yrs)



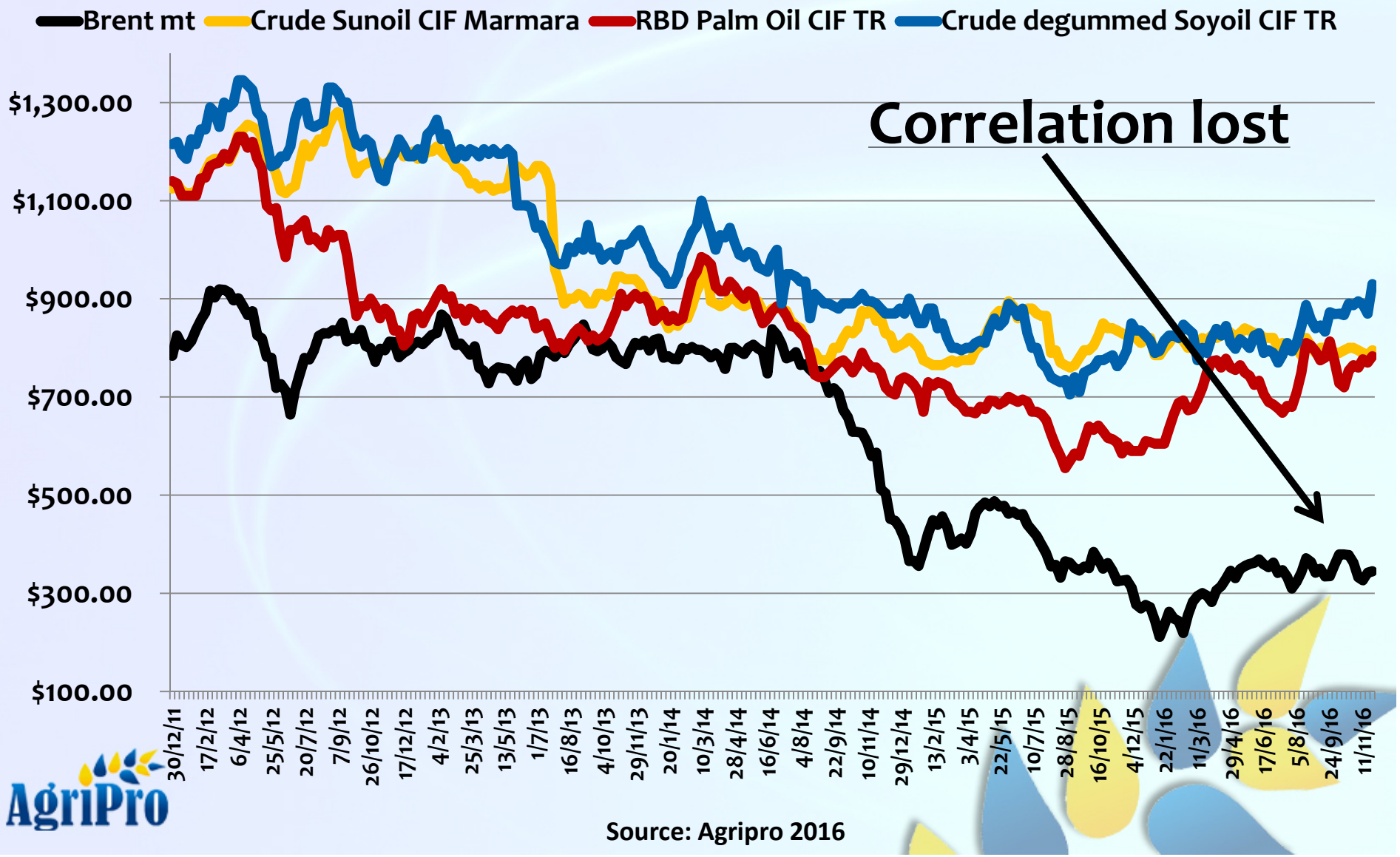
Source: Agripro 2016

CIF TR Crude Sun/Soy/Palm vs. Brent Prices (mt) 2012- 2016 (4 yrs)



Source: Agripro 2016

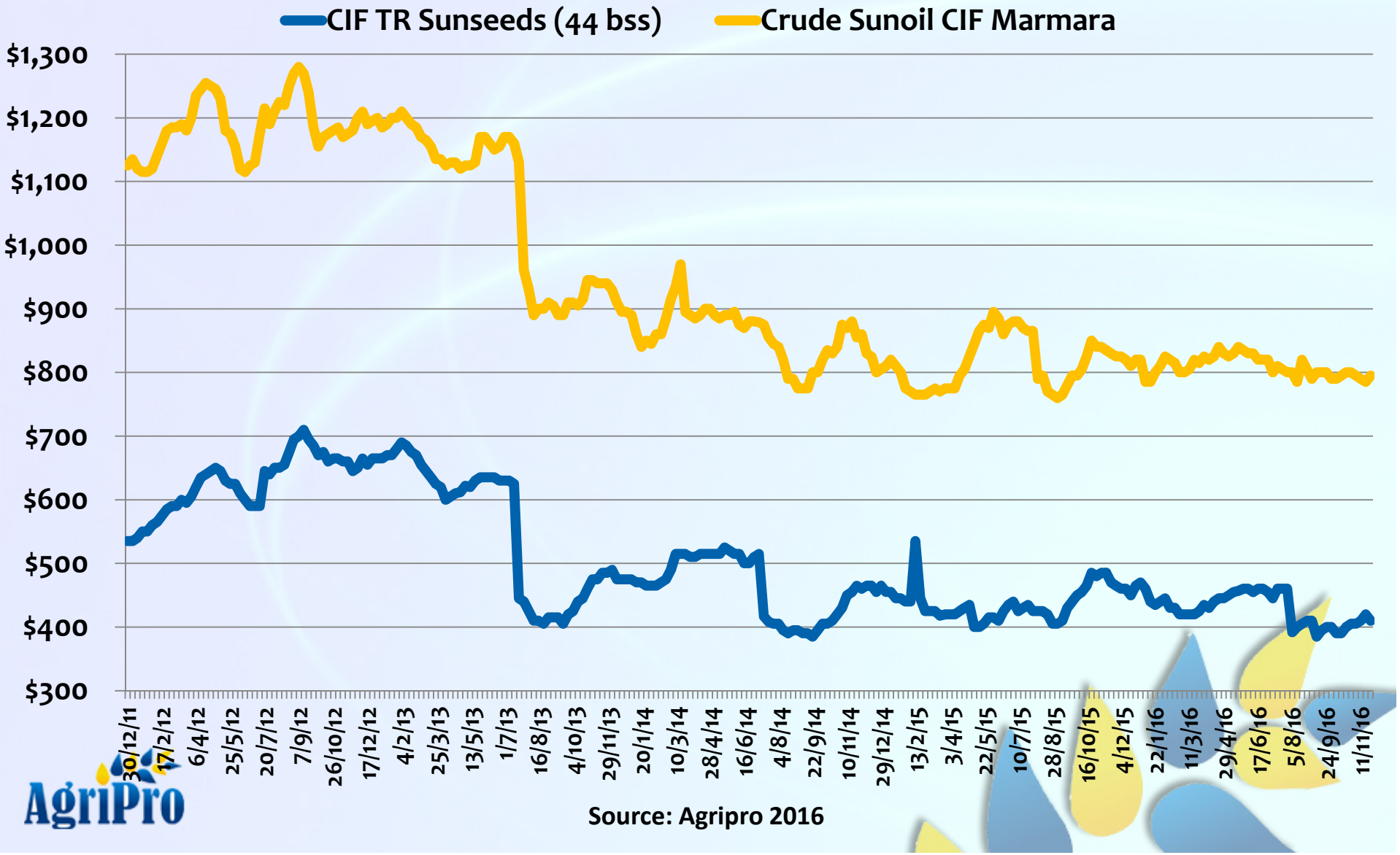
CIF TR Crude Sun/Soy/Palm vs. Brent Prices (mt) 2012-2016 (4 yrs)



AgriPro

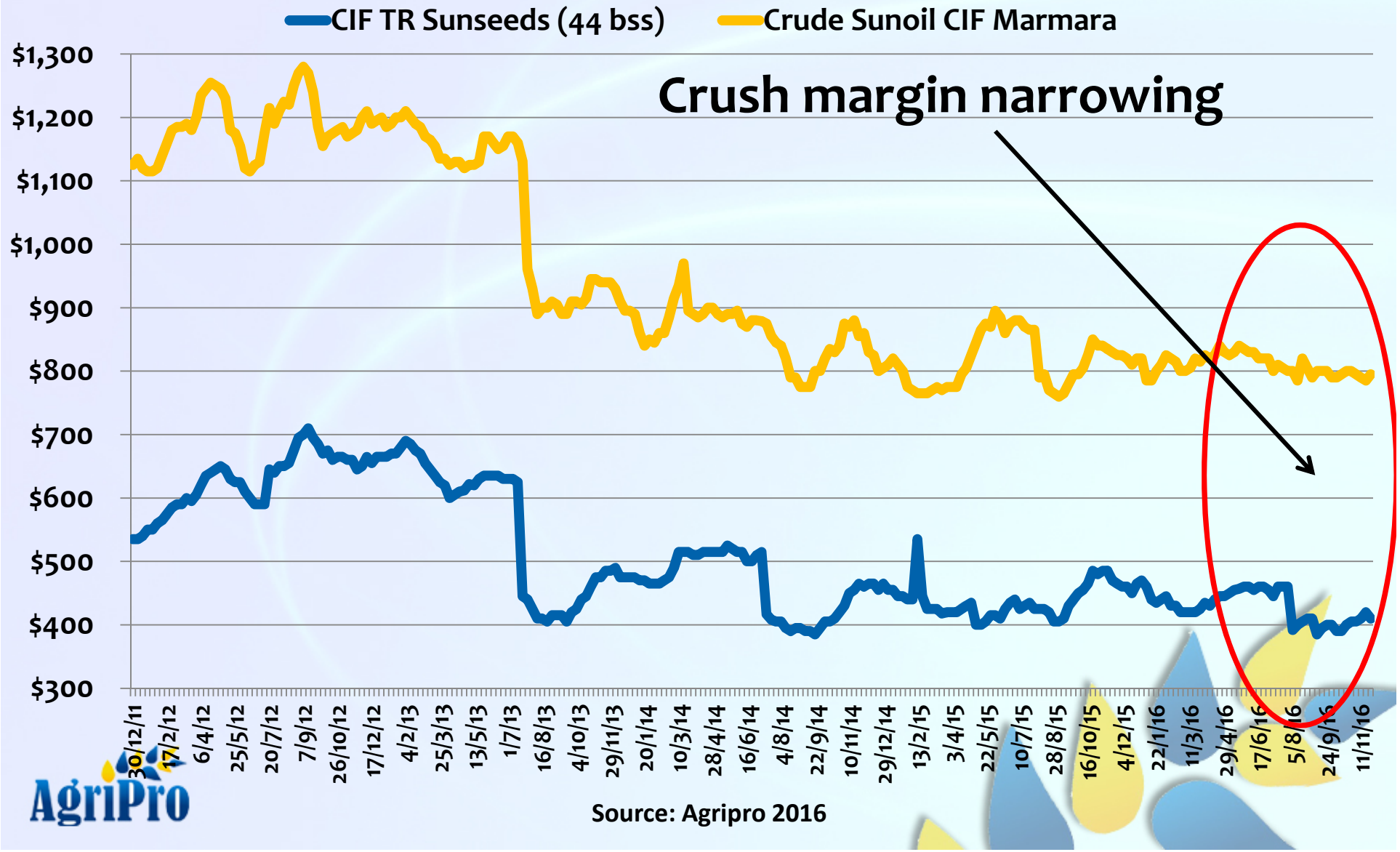
Source: Agripro 2016

CIF TR Crude Sunoil vs. Sunseed Prices (mt) 2012-2016 (4 yrs)



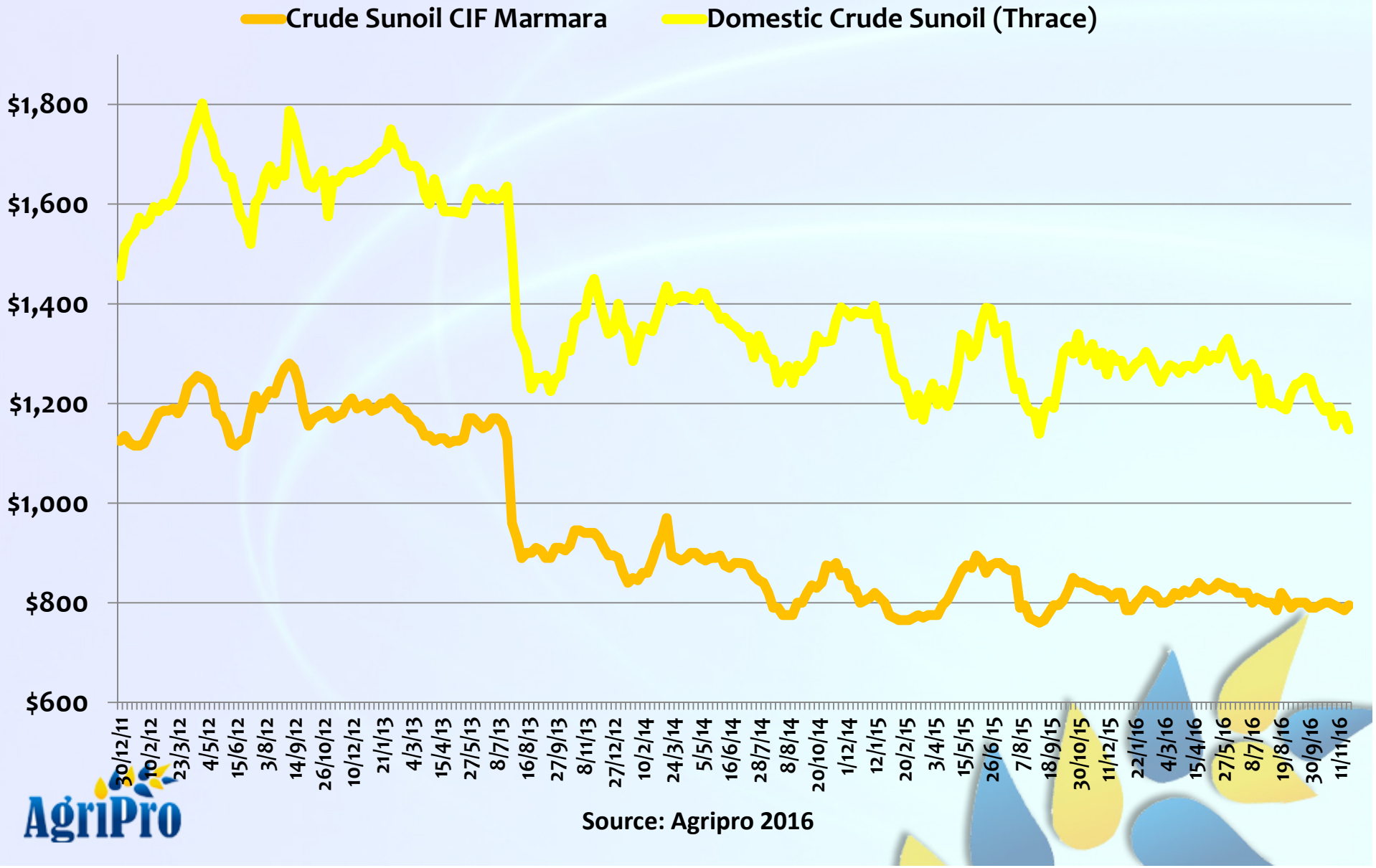
Source: Agripro 2016

CIF TR Crude Sunoil vs. Sunseed Prices (mt) 2012-2016 (4 yrs)



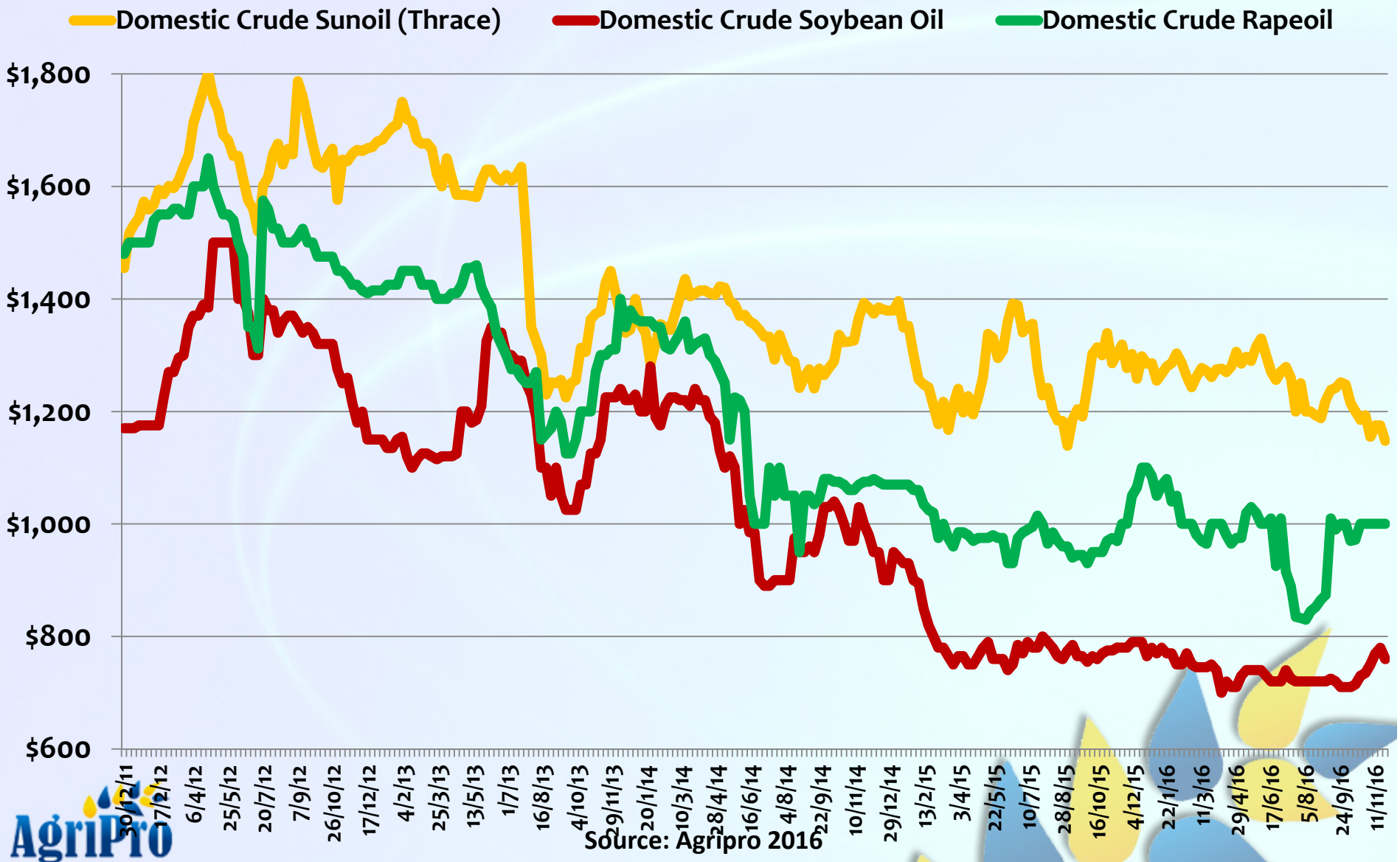
Source: Agripro 2016

CIF TR Crude Sunoil vs. Domestic Crude (mt) 2012-2016 (4 yrs)



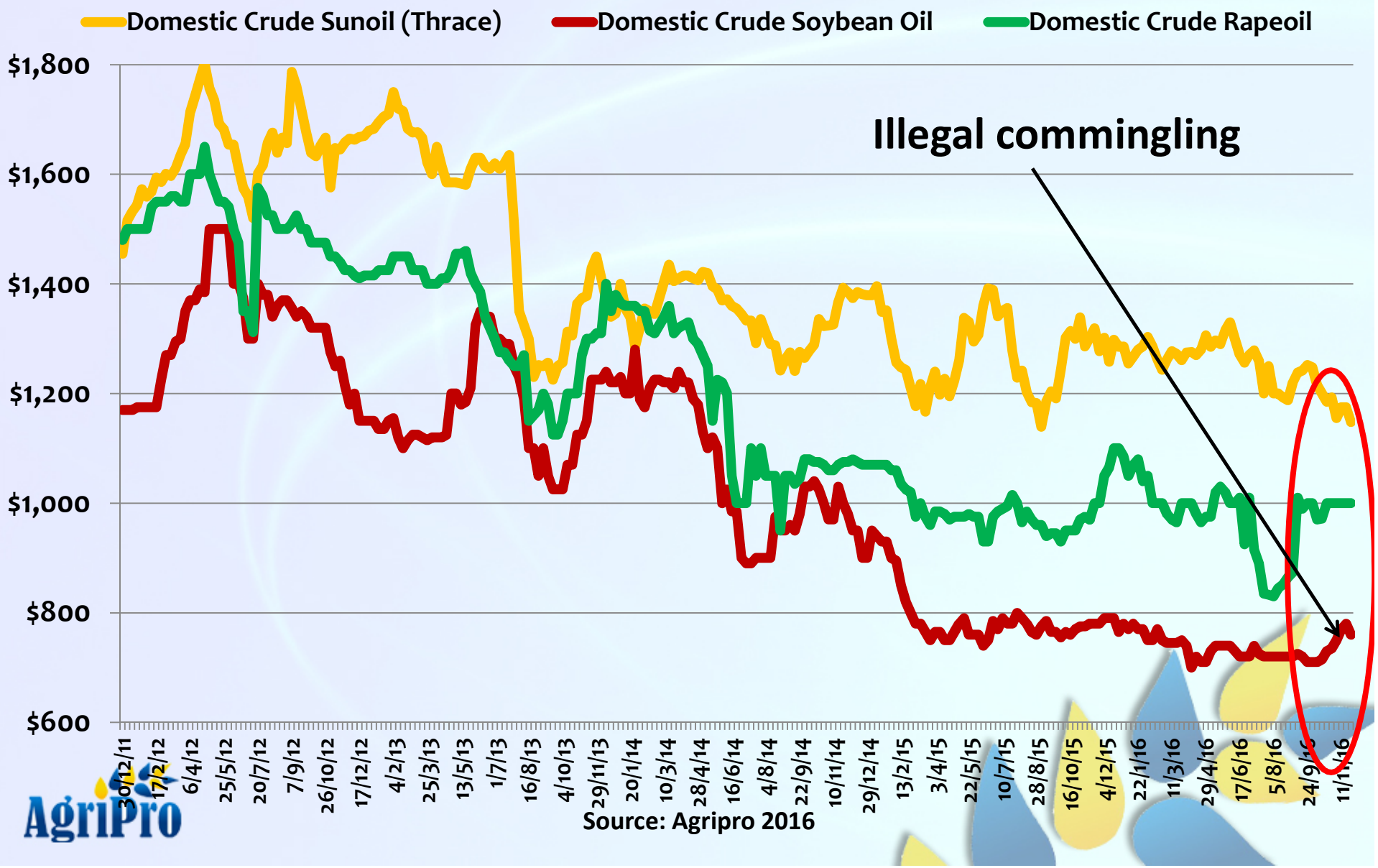
Source: Agripro 2016

Domestic Crude Oils (mt)
2012-2016 (4 yrs)



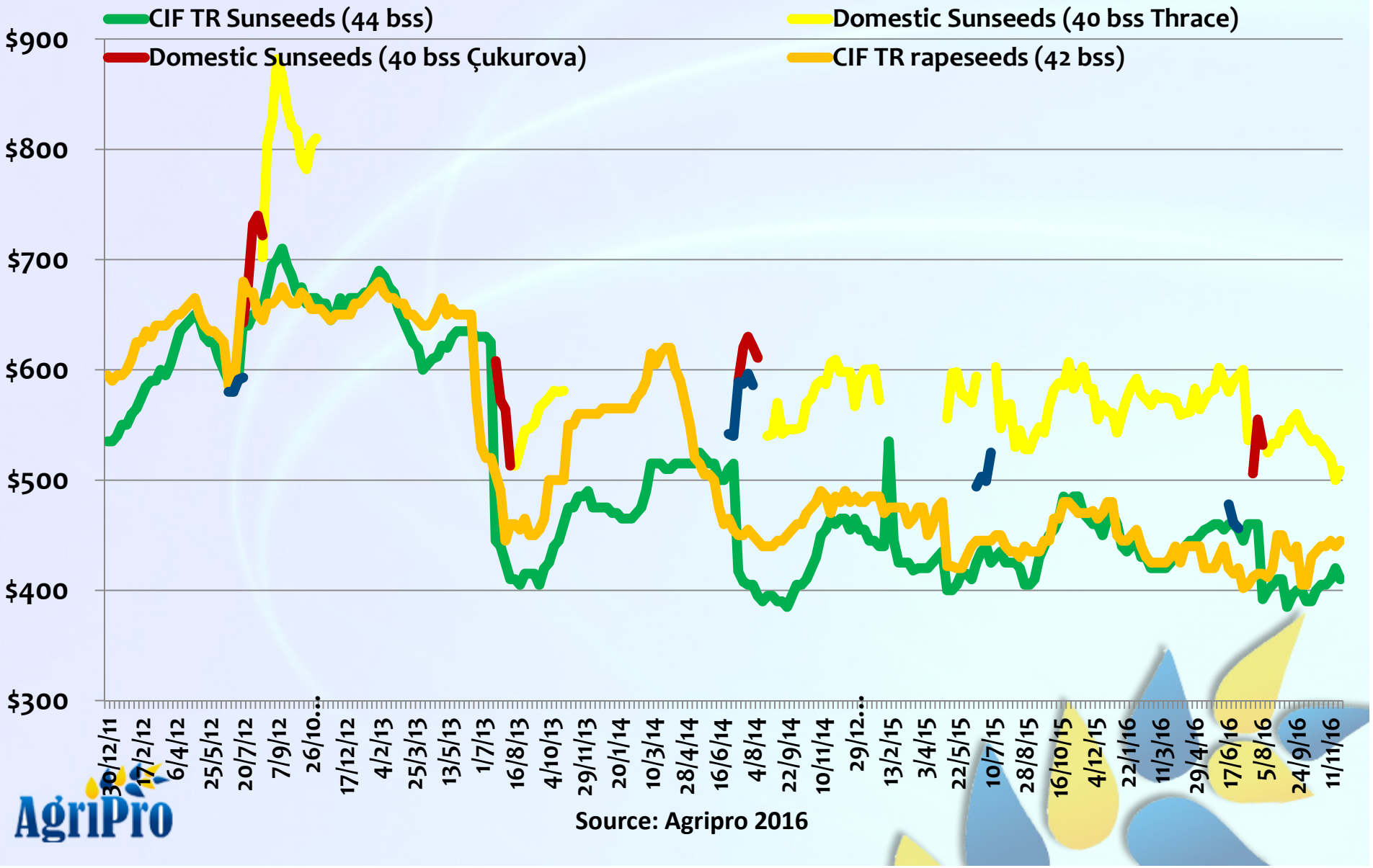
Source: Agripro 2016

Domestic Crude Oils (mt)
2012-2016 (4 yrs)



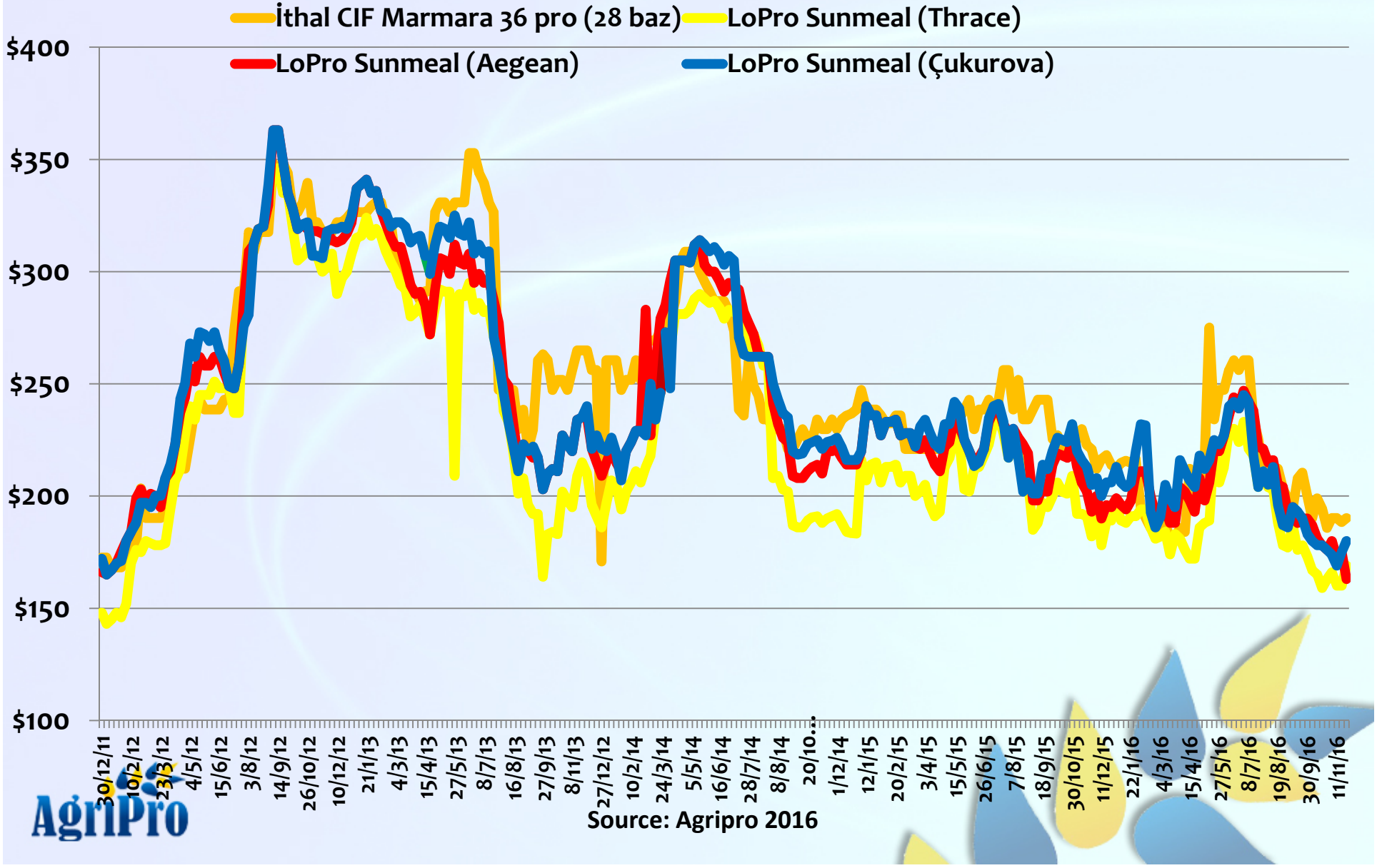
Source: Agripro 2016

CIF TR vs. Domestic Oilseed Prices (mt)
2012-2016 (4 yrs)



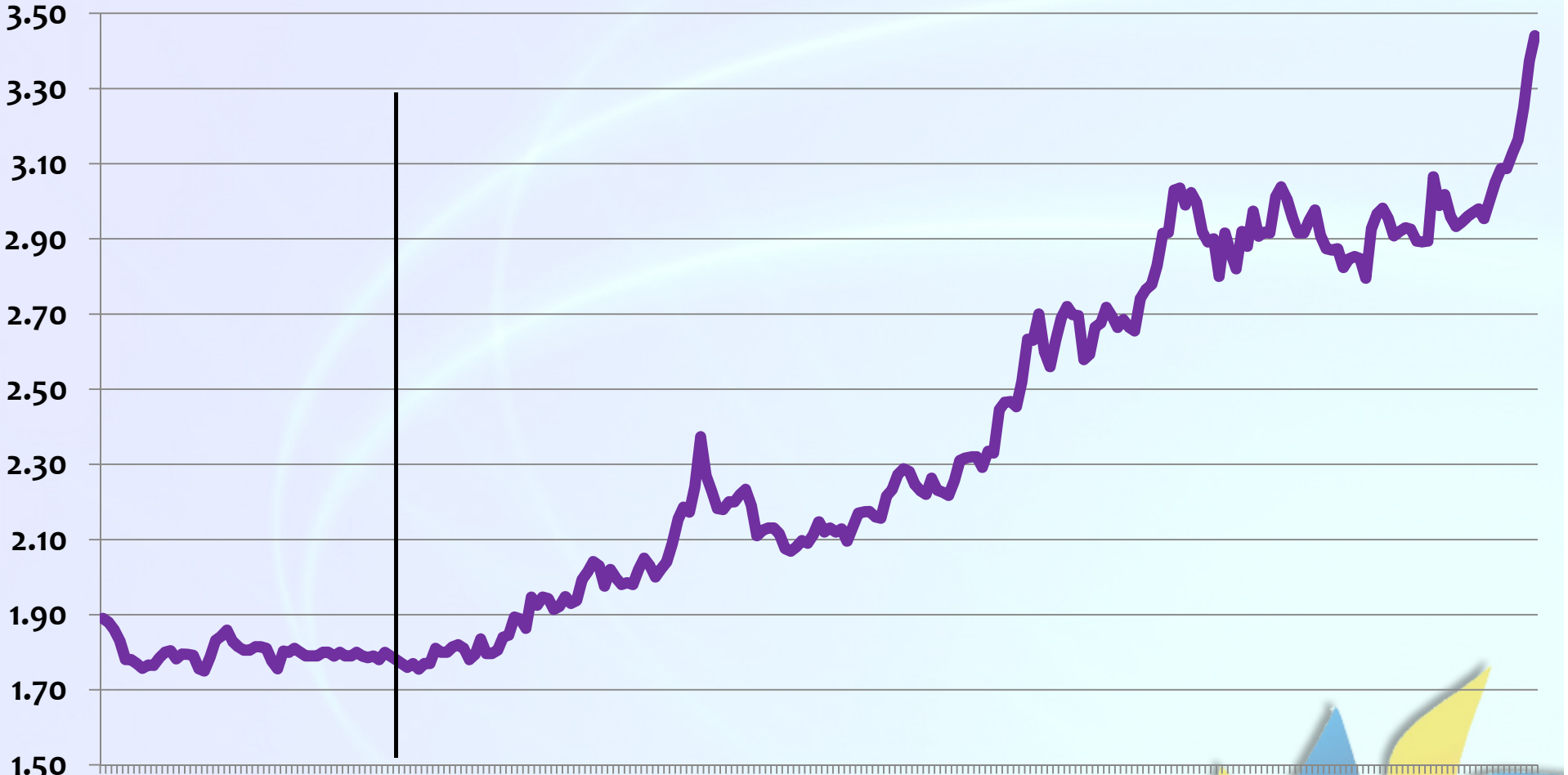
Source: Agripro 2016

Domestic LowPro Sunmeal Prices (mt)
2012-2016 (4 yrs)



Source: Agripro 2016

TL Performance (US$/TL) 2012-2016 (4 yrs)



Source: Agripro 2016

Conclusions

Turkish vegoil consumption was **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%**.

Crushing industry is **suffering** because of government policies. Recent increase of **levy** on **rapeseeds**, added **levy** on **safflower** imports, all cornering Turkish crushers.

Sunmeal prices are below $200/mt with 13.5% duty, **No margin!**

AgriPro

Conclusions

Bomb attacks in major cities (4 in Istanbul, 3 in Ankara, 5 in Diyarbakır, 2 in Gaziantep and 1 in Adana)

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

Worldwide worries over **global terrorist attacks.** People are not travelling!

And **military coup attempt** in **July 2016**

Turkey is slowly recovering from the tourism fall and the terror attacks. Vegoil market growth is back on track in the last **5** months.

For **2016/17** season we project the total consumption to go up to **1.935** million tonnes. Market size with exports to reach **3.06** million tonnes.

AgriPro

See you all at...

FOI 2017 Fats & Oils Istanbul
7 December 2017

FGI 2017 Feeds & Grains Istanbul
8 December 2017

AgriPro

Thank you

AgriPro Limited
Tel +90 212 236 0345
Fax +90 212 236 0385
e-mail info@agripro.com.tr
www.agripro.com.tr