



Turkish Fats & Oils Trade Balances 2015/16

FOI  **Fats & Oils Istanbul**
2016 1 December 2016

FGI  **Feeds & Grains Istanbul**
2016 2 December 2016

1 December 2016

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AgriPro Limited

Main Topics

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



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\$ 9,261 (2015)
GDP Growth:	3.0% (2016 gov. est. 3.2%)
Exchange rate:	US\$ 1 = 3.44 Turkish Lira
Unemployment:	11.3% (2016 est.)
Annual inflation:	7.8% (consumer, 2016 govern. est.)



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

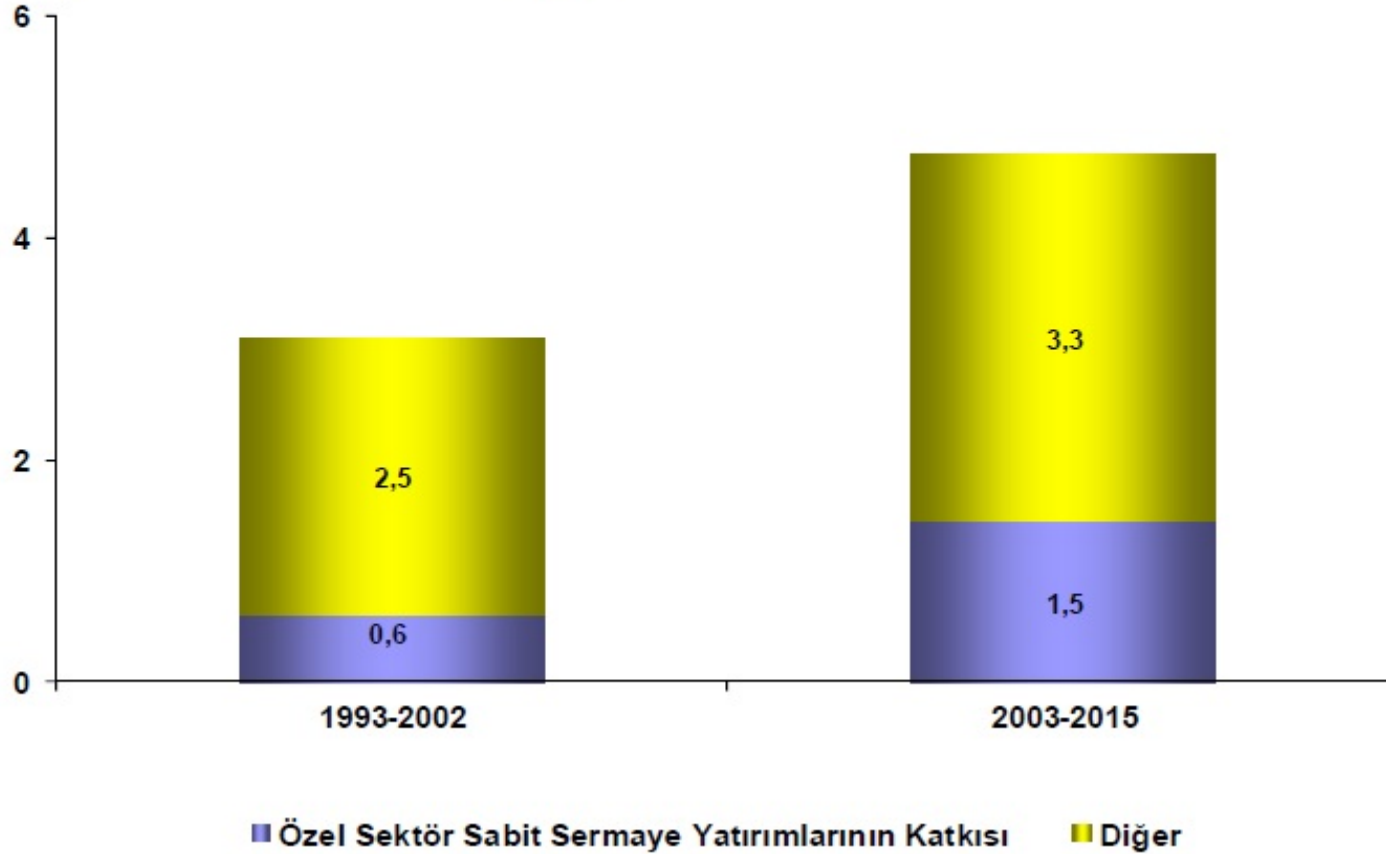
Fertility Rate*: 2.03 born/woman*

Urban Population*: 73.4%

Rate of urbanisation*: 1.97%

From Treasury presentation Nov 2016

Özel Sektör Sabit Sermaye Yatırımlarının GSYH Büyümesine Katkısı (%)



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)



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

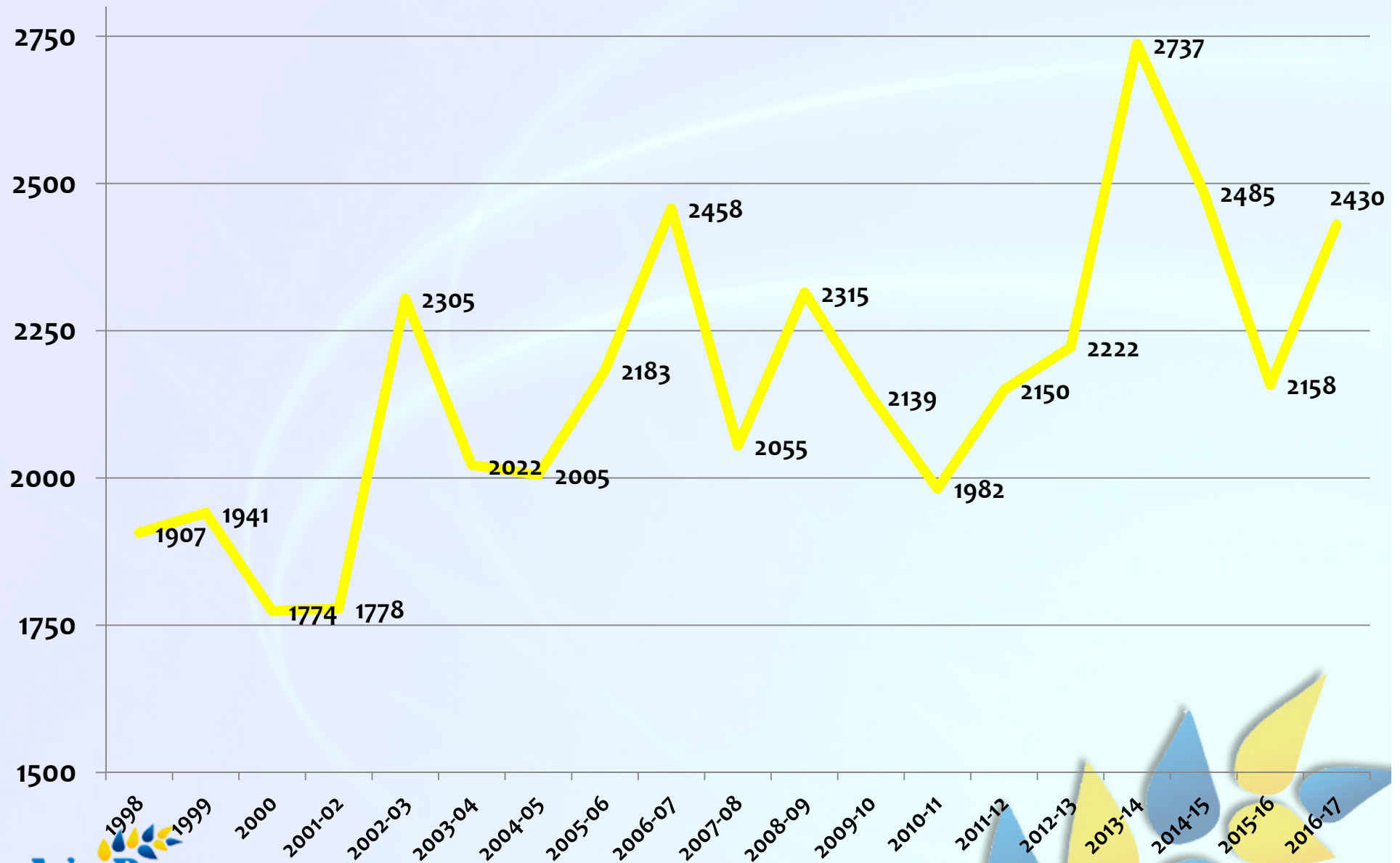
Oilseeds: c. 2.3 million tonnes



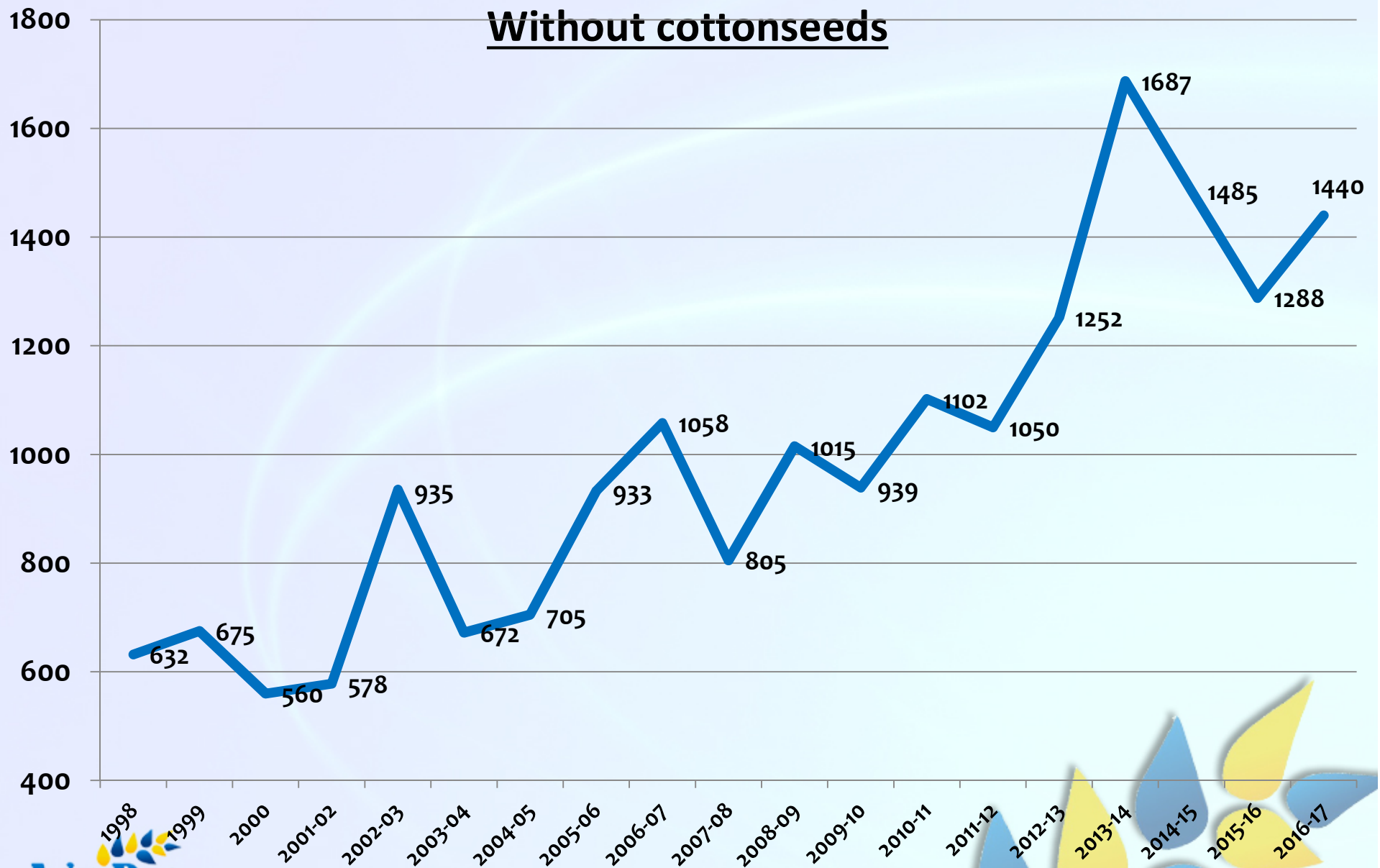
Oils/Oilseeds Supply & Demand



Turkish Oilseeds Production (bin ton)



Turkish Oilseeds Production (th tonnes)



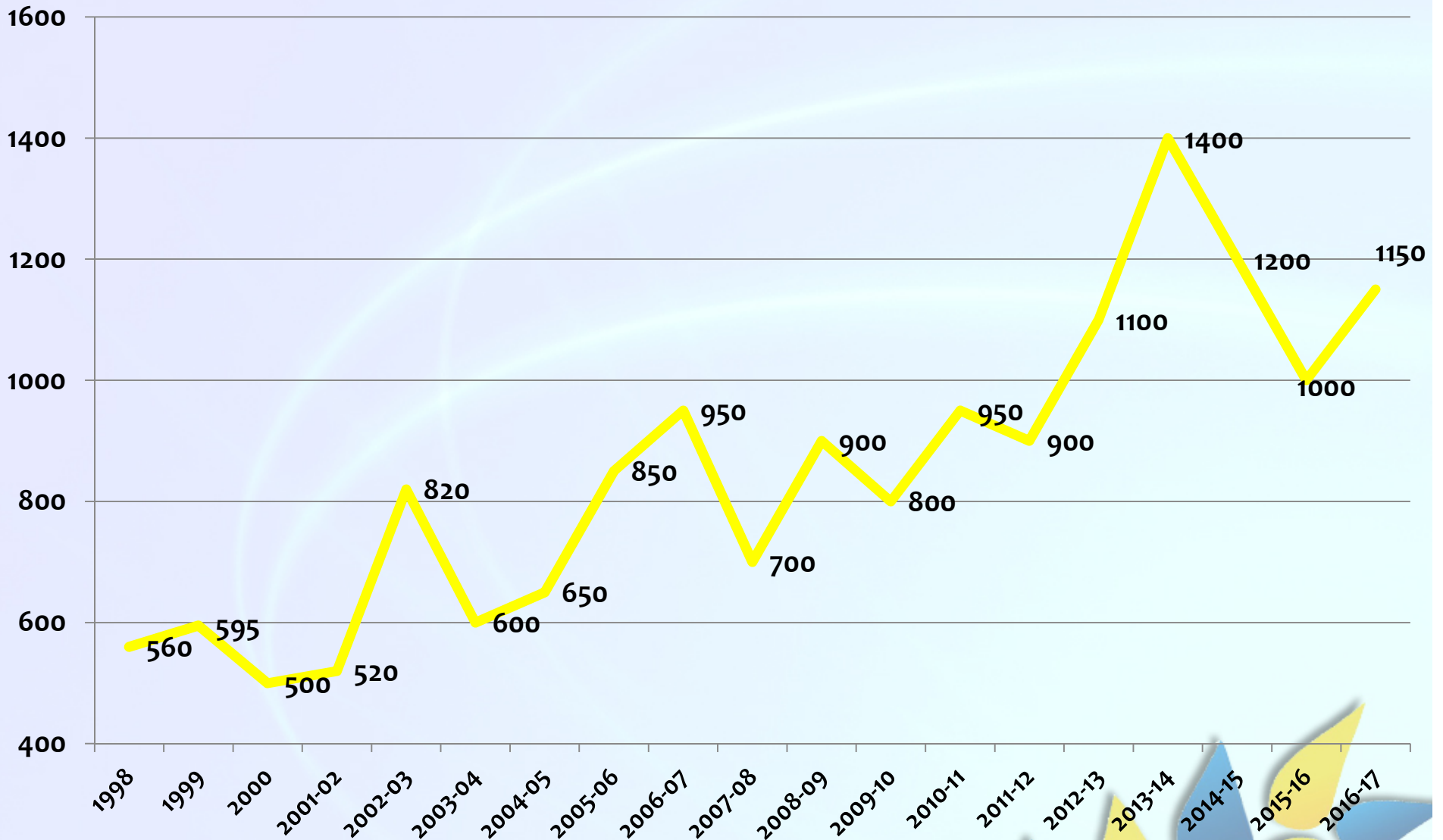
Turkish Oilseeds Production 2016/17

(thousand tonnes)

- Sunflowerseeds : 1,150,000 tonnes
 - Cottonseeds : 960,000 tonnes
 - Rapeseeds : 85,000 tonnes
 - Corn germs : 85,000 tonnes
 - Safflower : 30,000 tonnes
 - Soybeans : 120,000 tonnes
- TOTAL : 2,430,000 tonnes**



Sunseeds Production (thousand tonnes)



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% for EU origin soymeal)
Other protein meals:	13.5%

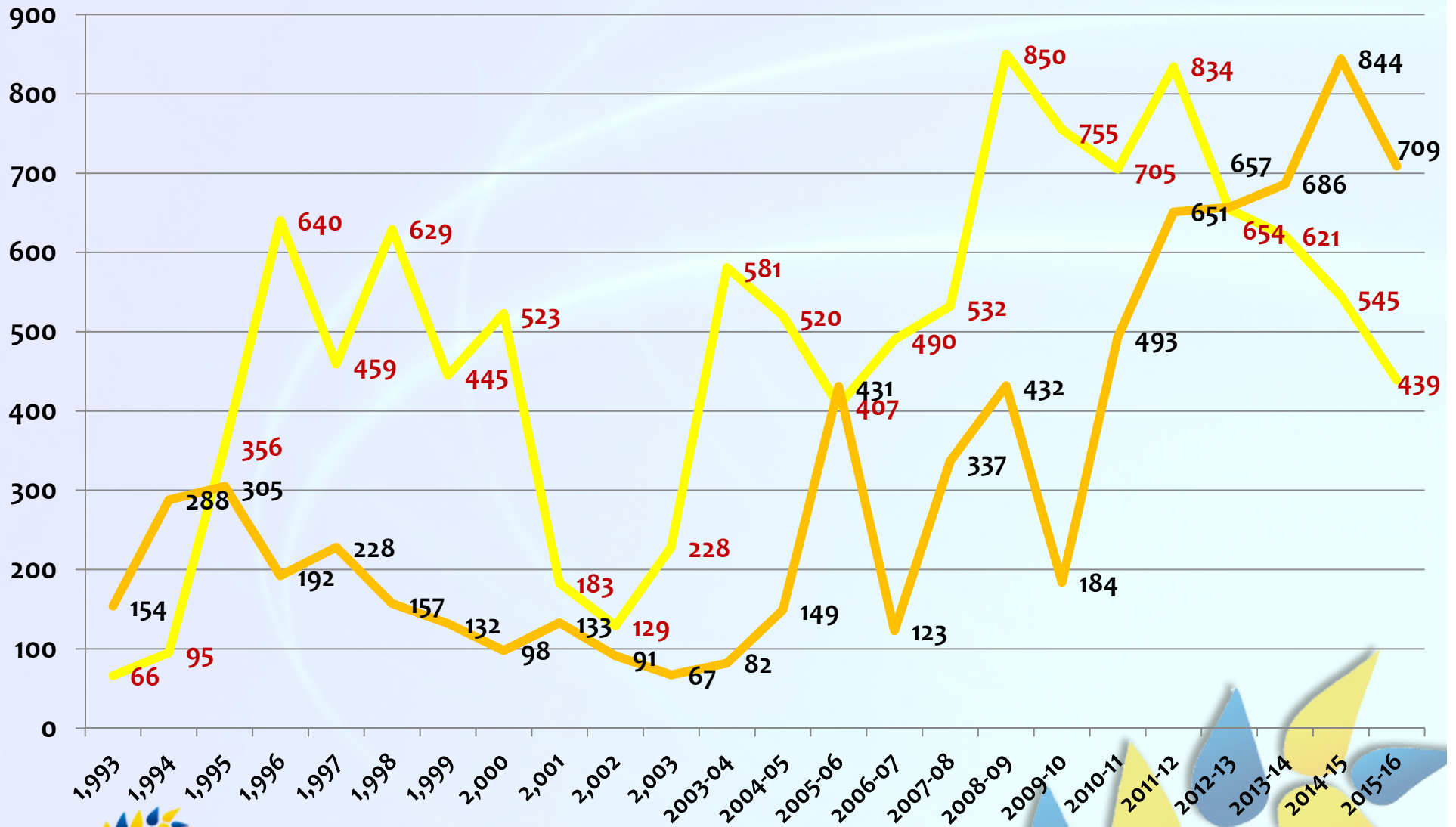


Turkish Oils & Oilseeds Balances



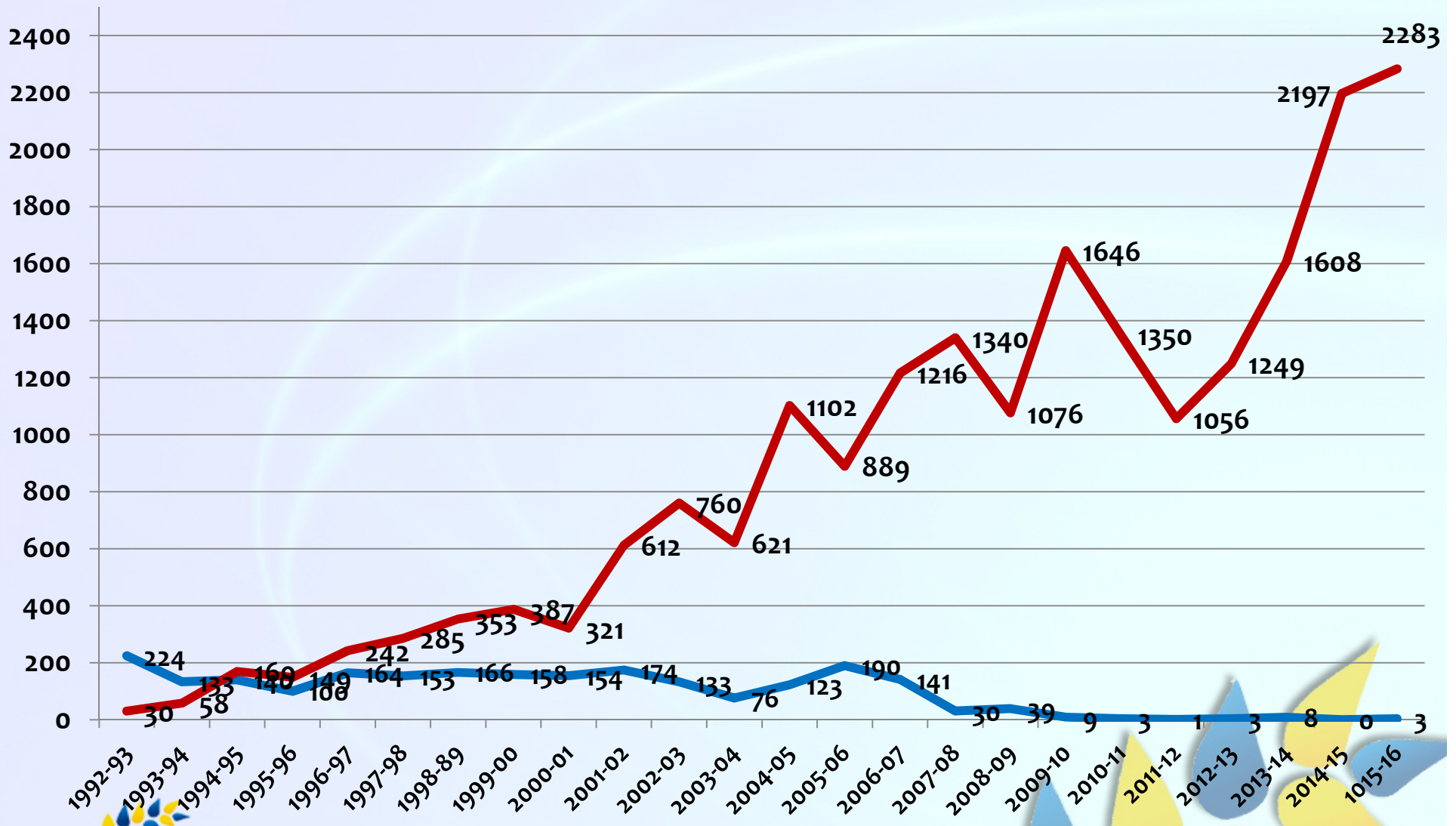
Sunseeds & Sunoil Imports (th tonnes)

Sunseeds Crude Sunoil

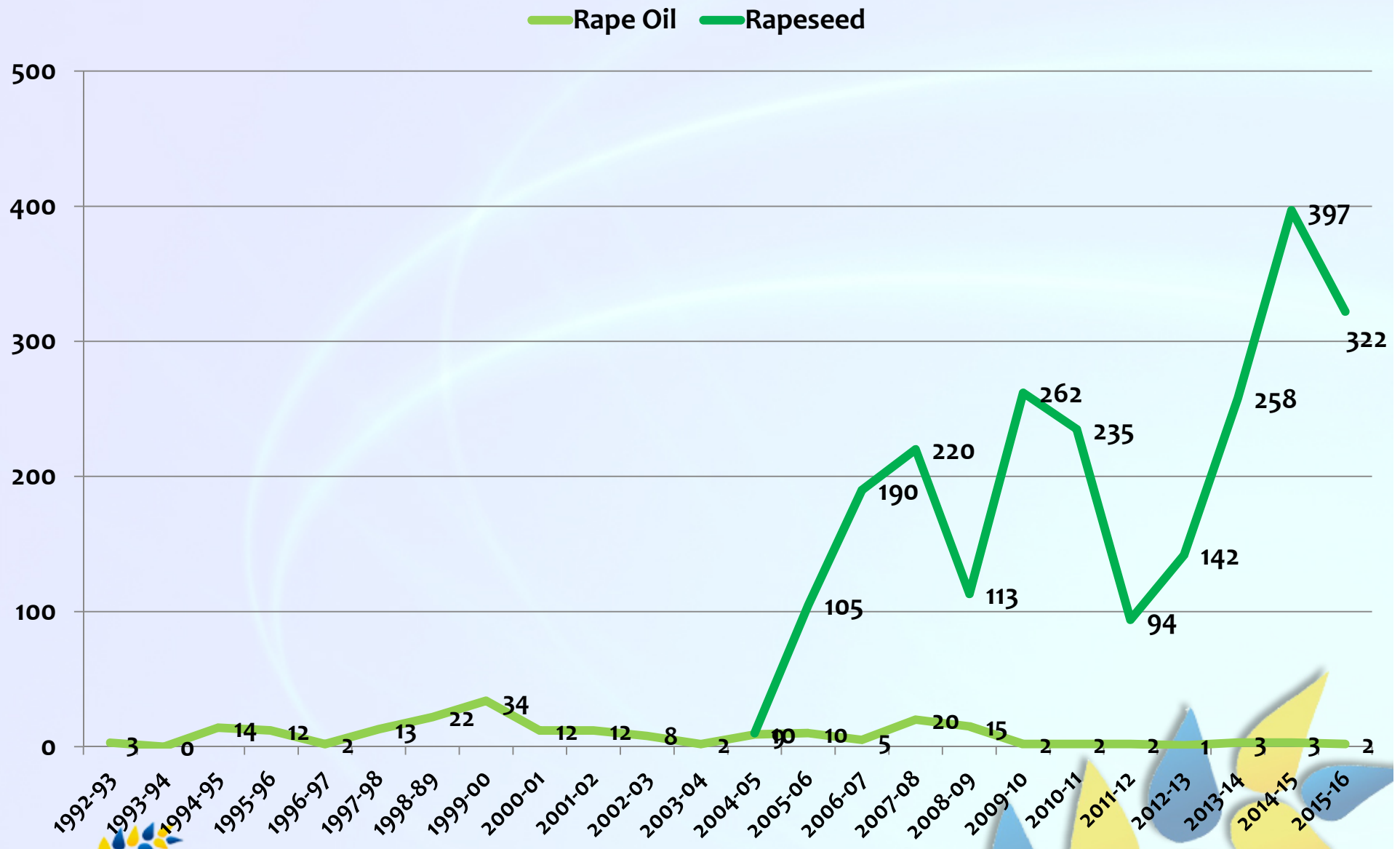


Soybeans & Soy Oil Imports (th tonnes)

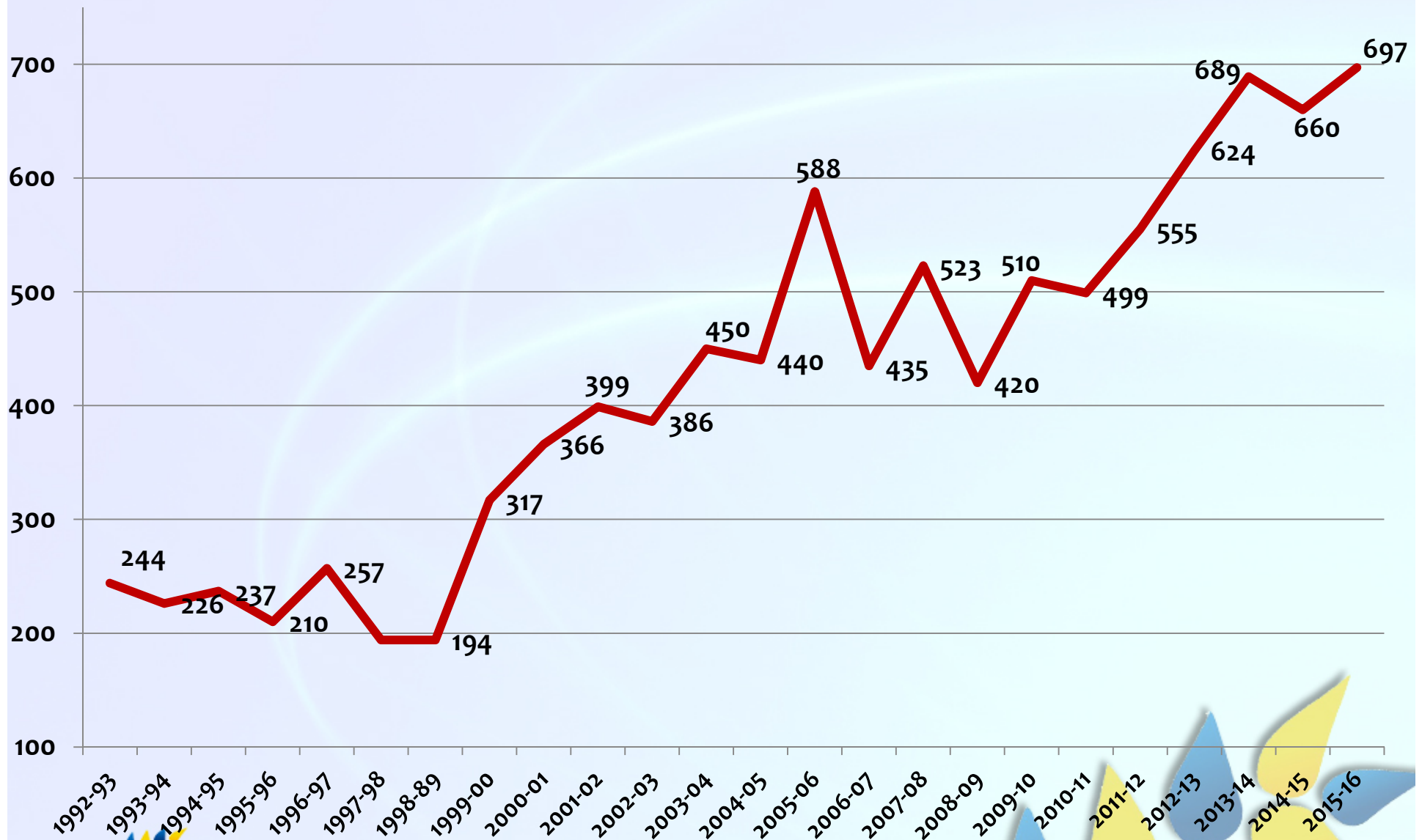
— Soy Oil — Soybeans



Rapeseeds & Rape Oil Imports (th tonnes)



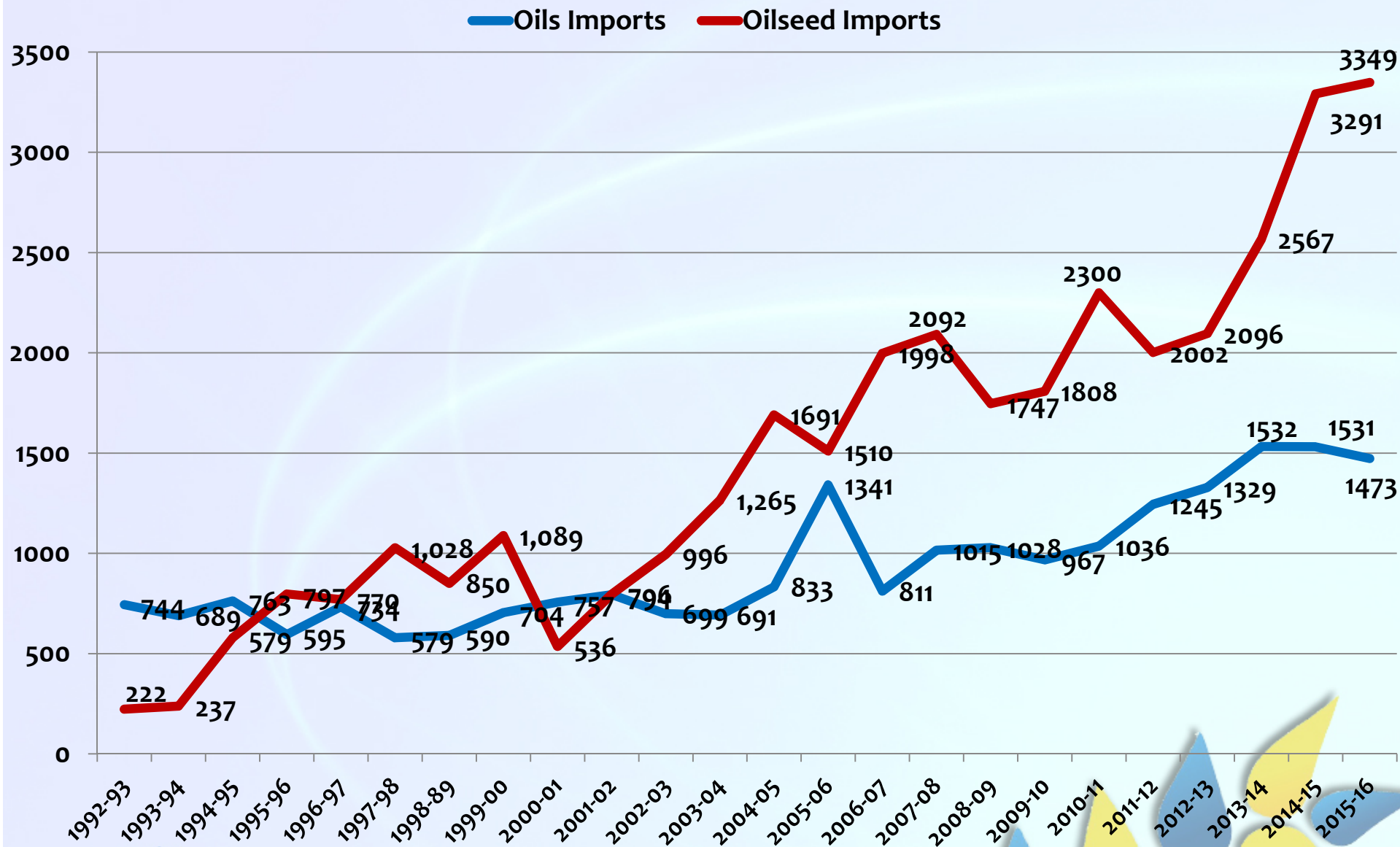
Palm Oil Imports (thousand tonnes)



Corn Oil Imports (thousand tonnes)

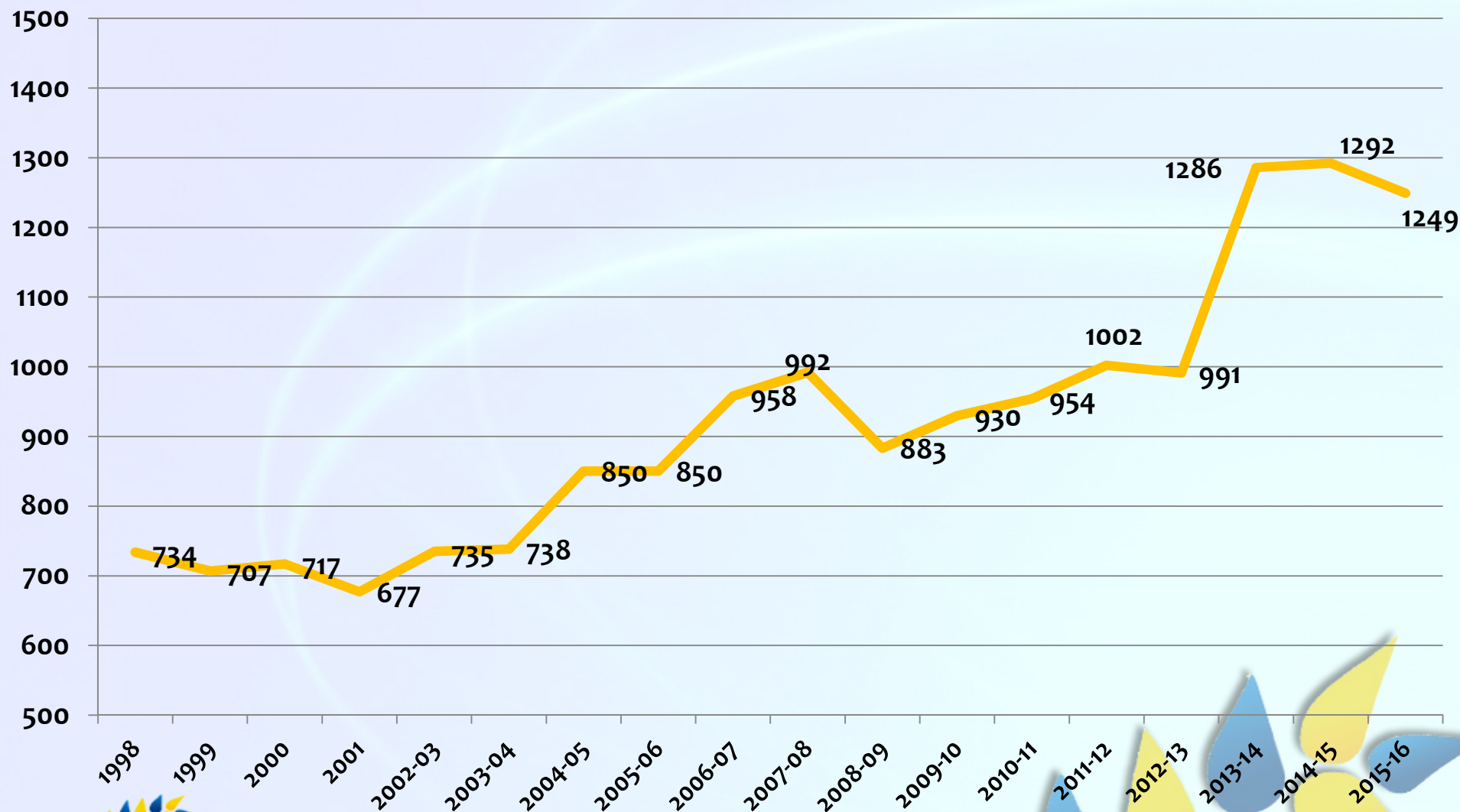


Total Oils & Oilseeds Imports (th tonnes)

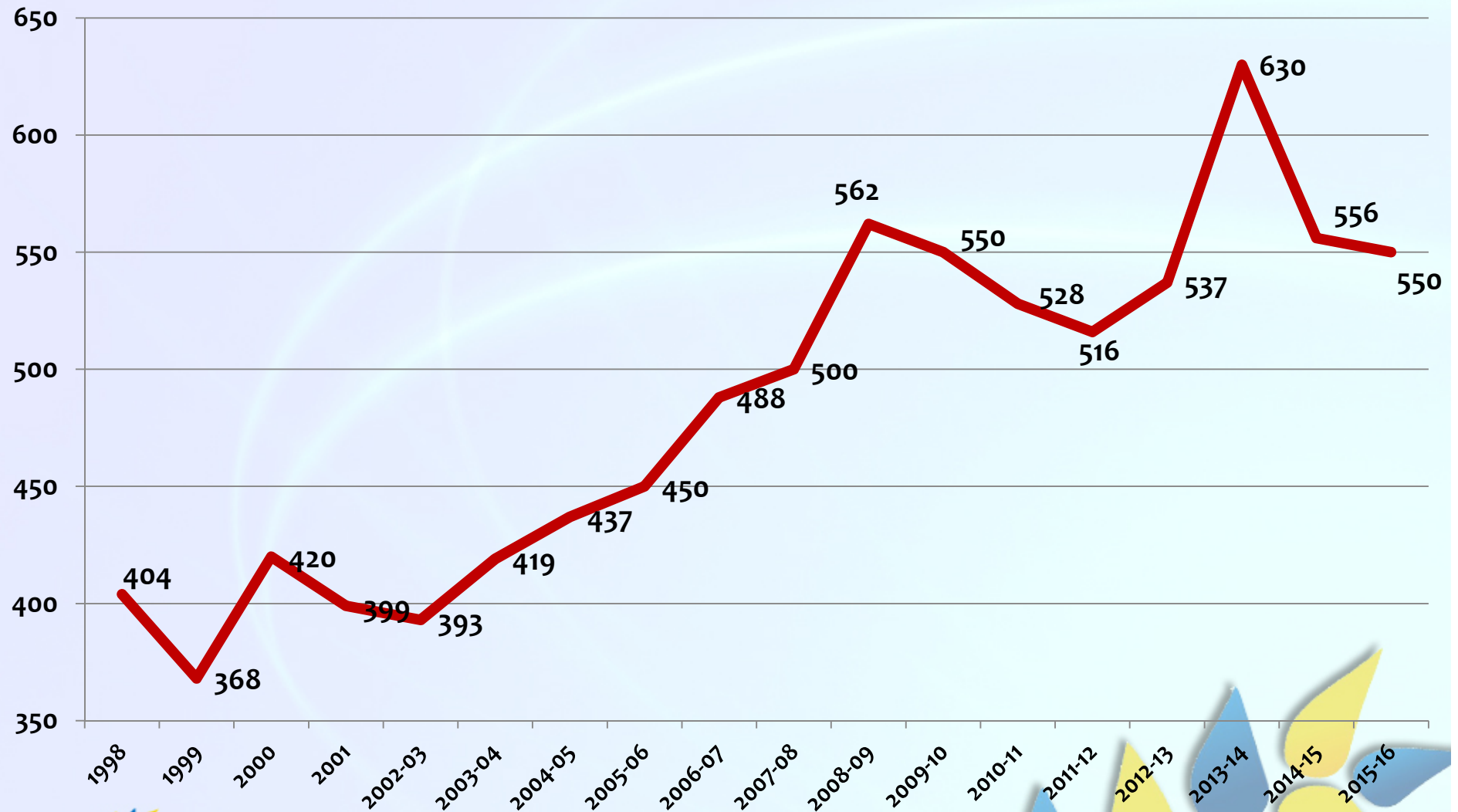


Liquid Oils Consumption (thousand tonnes)

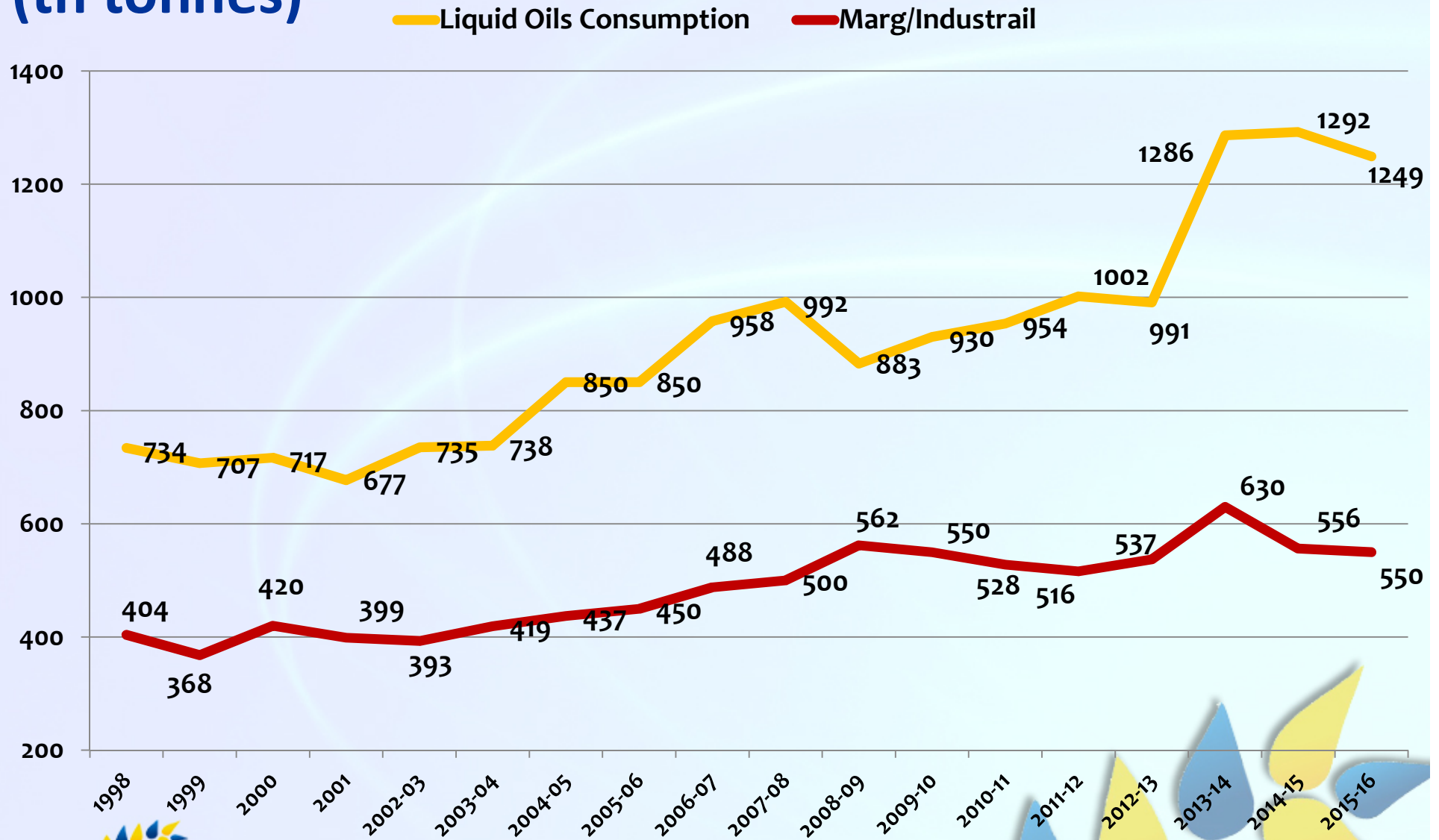
Liquid Oils Consumption



Margarine/Industrial Fats Consumption (th tonnes)



Liquid Oils vs Margarine Consumption (th tonnes)



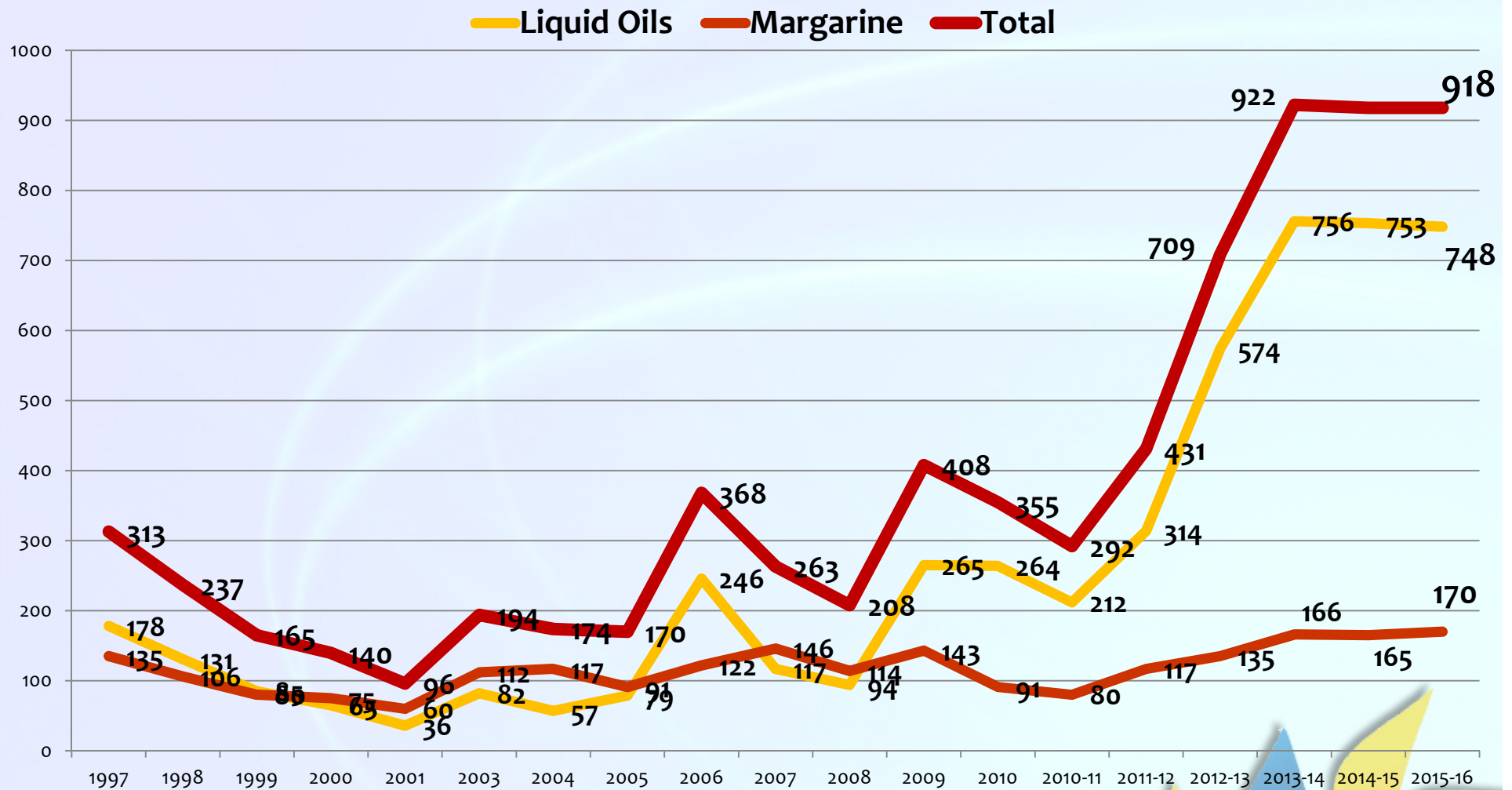
Source: Agripro 2016

Total Vegoil Oil Consumption (th tonnes) exports excluded



Source: Agripro 2016

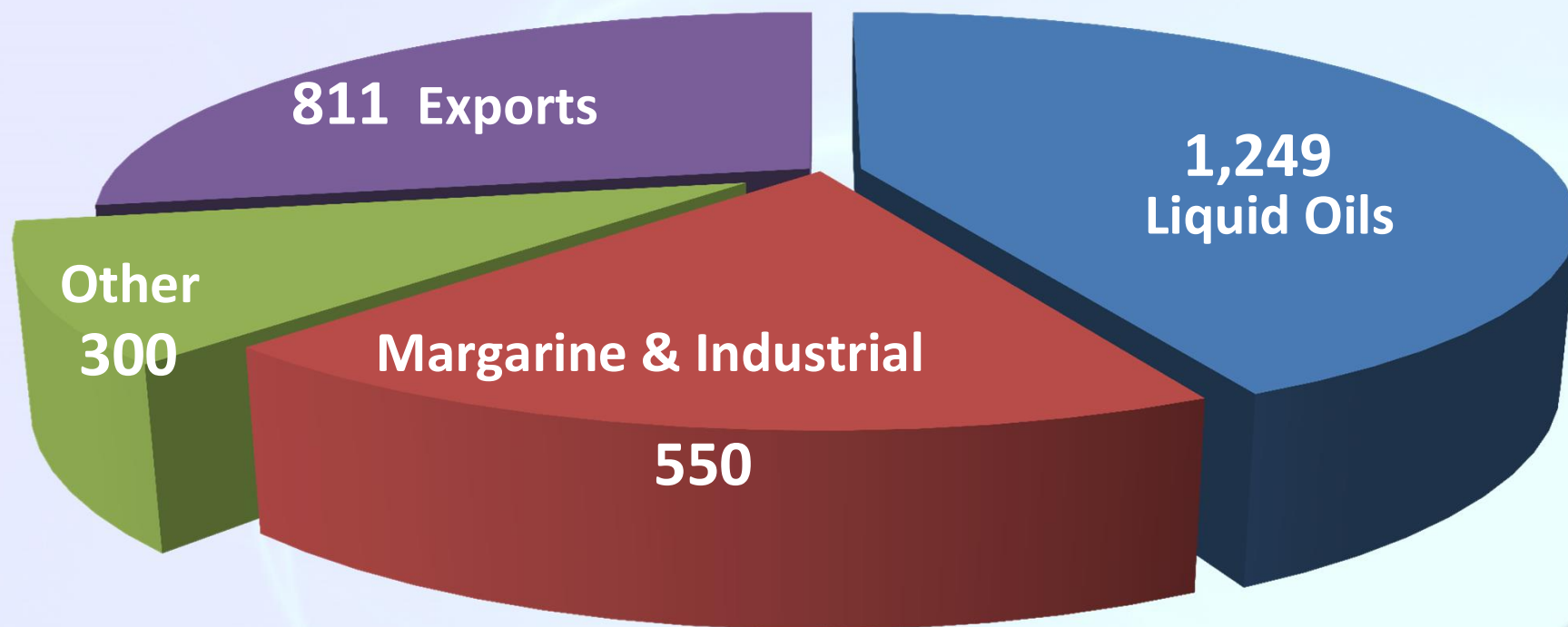
Turkish Vegoil Exports (thousand tonnes)



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

2,910,000 tonnes

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



Total Turkish Vegoil Demand 2015/16

Liquid oils (incl. Olive Oil)	: 1,249,000 tonnes
Margarine & Industrial	: 550,000 tonnes
Exports	: 811,000 tonnes
<u>Other (paint/feed etc.)</u>	<u>: 300,000 tonnes</u>

TOTAL : 2,910,000 tonnes

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

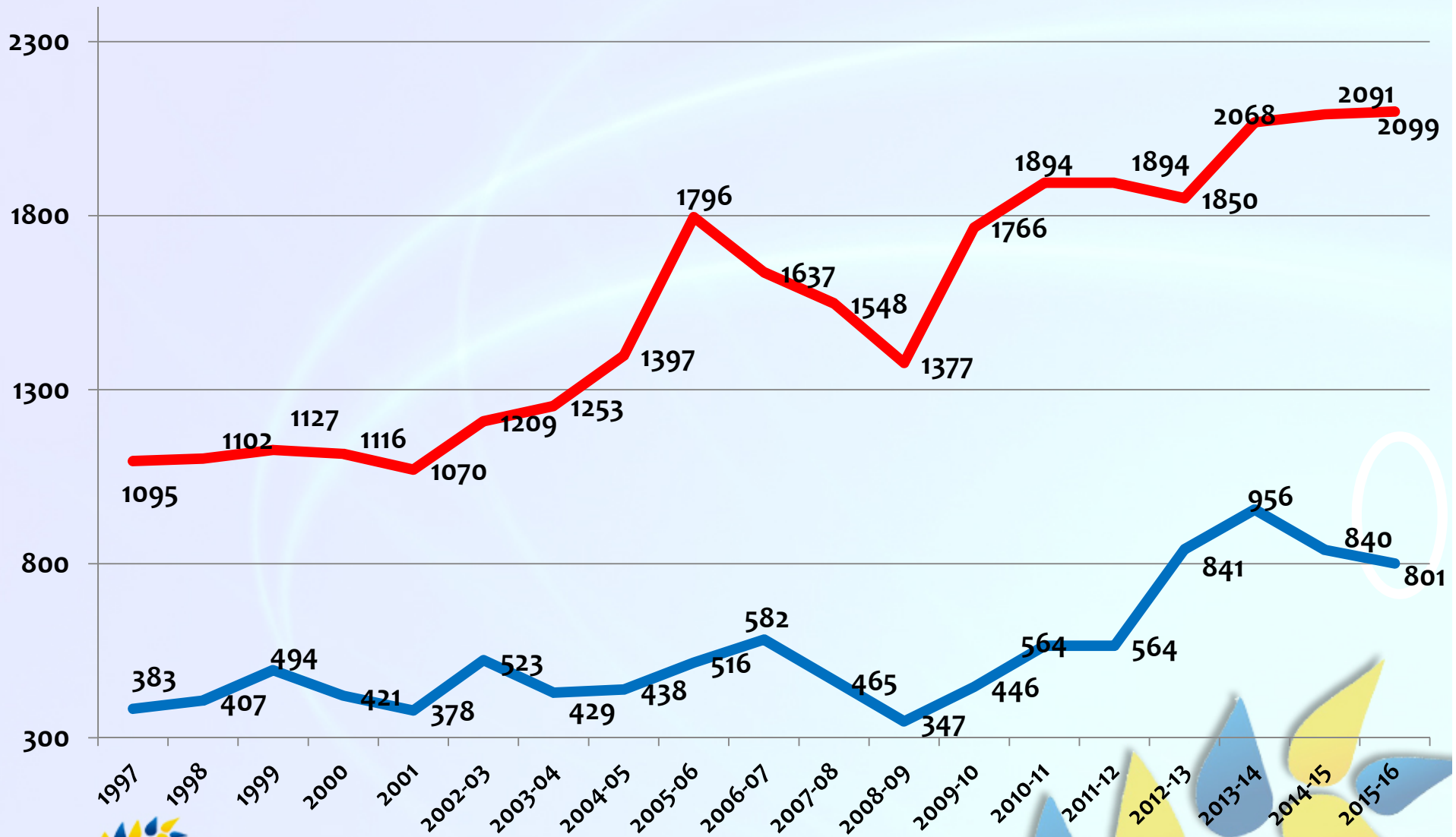
-3.22% growth in «Market Size» last 12 months

0.5% growth in «Consumption» last 12 months



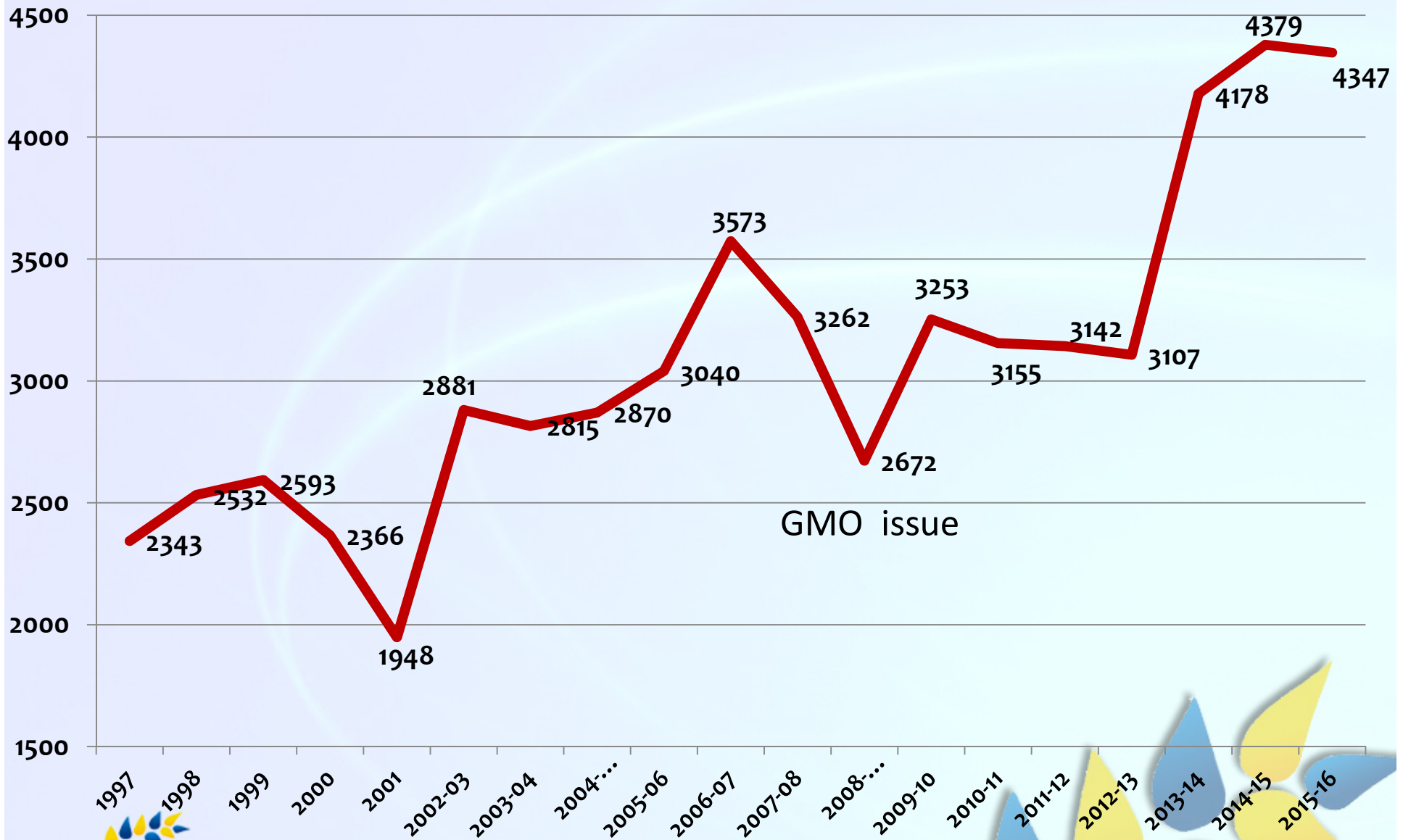
Vegoils Supply & Demand (th tonnes)

— Total Supply — Total Demand

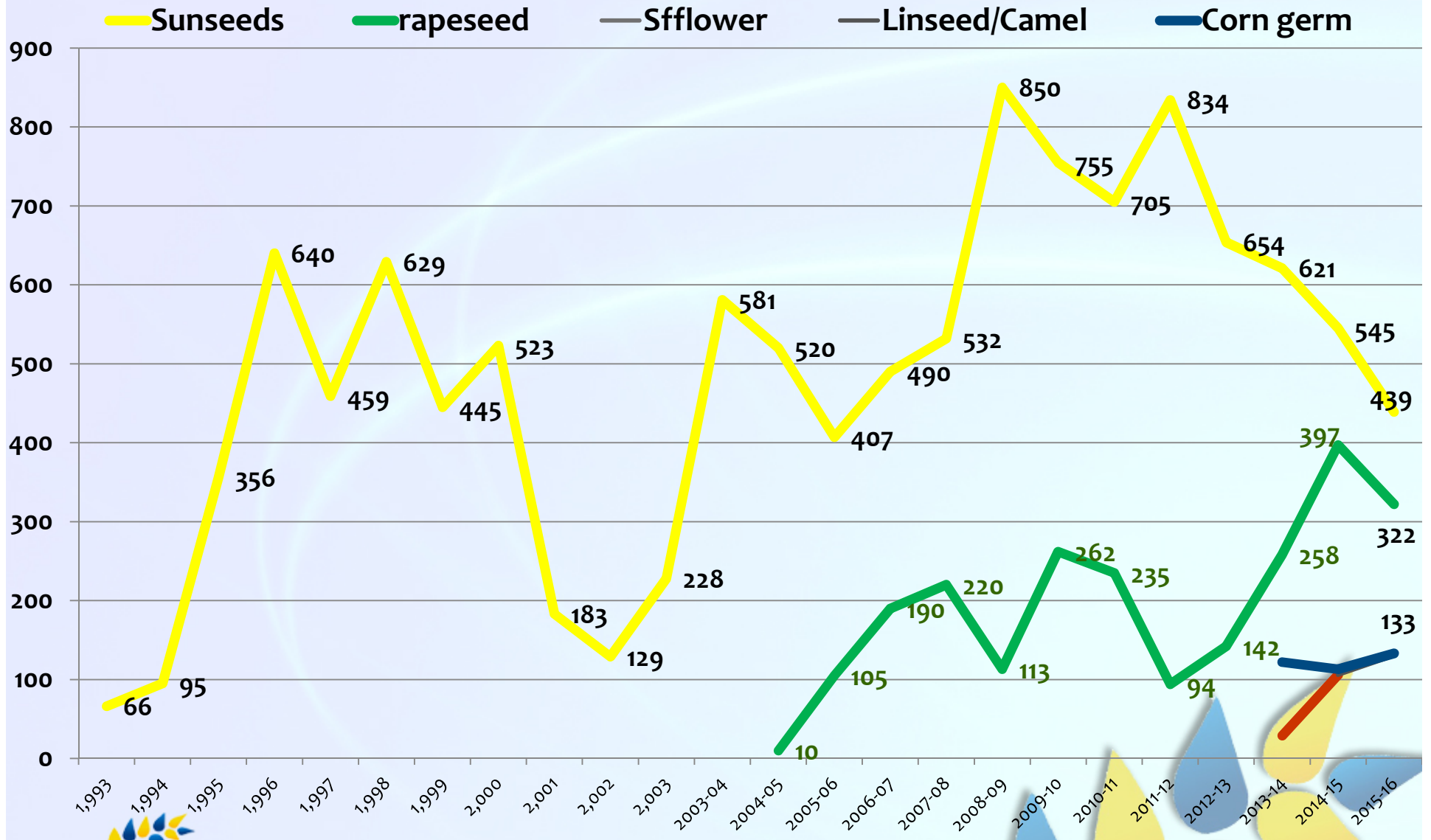


Source: Agripro 2016

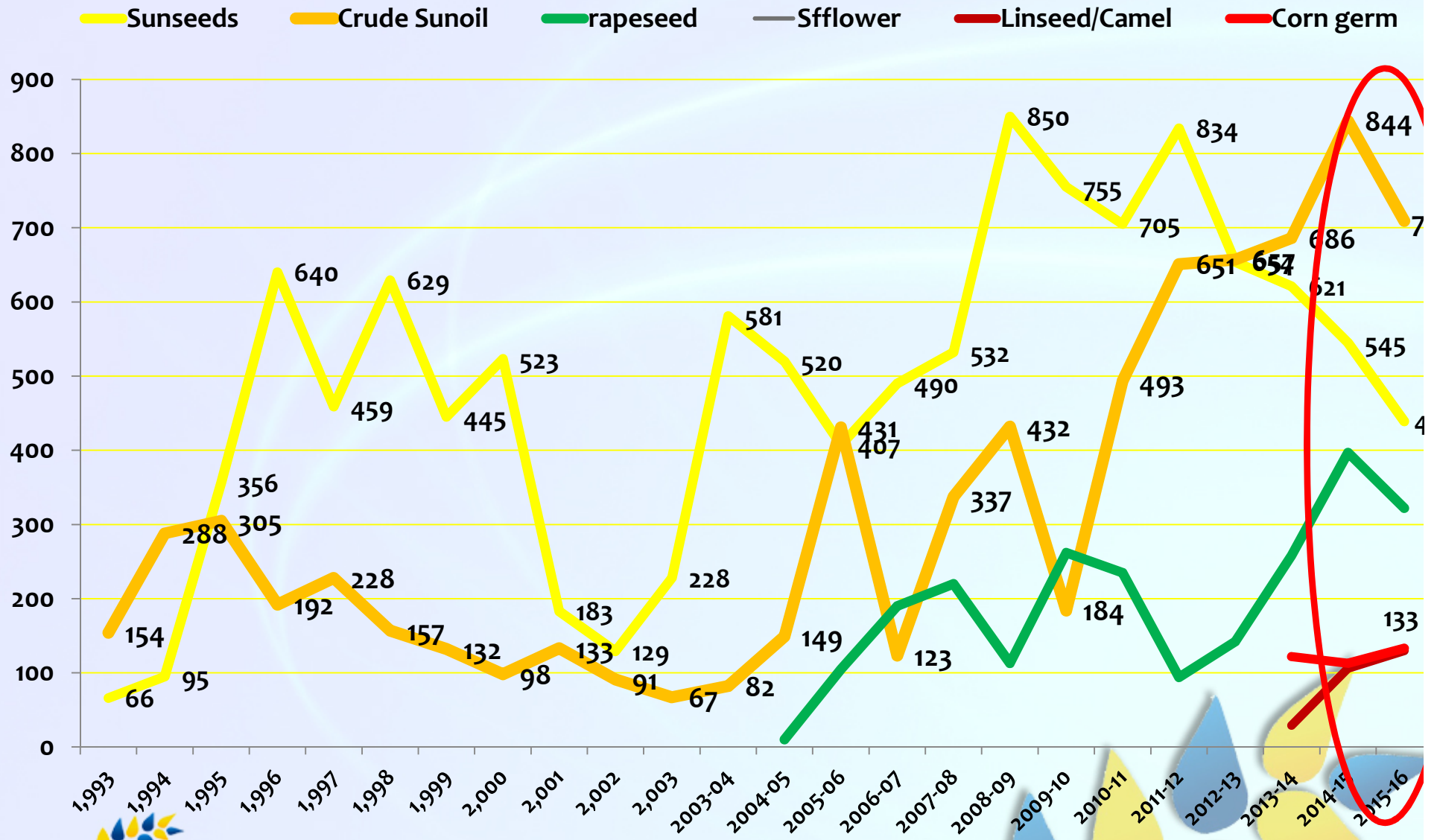
Turkey Oilseeds Crush (th tonnes)



Import Softseeds Crush (th tonnes)



Import Softseeds Crush vs Import Sunoil (tmt)



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)*

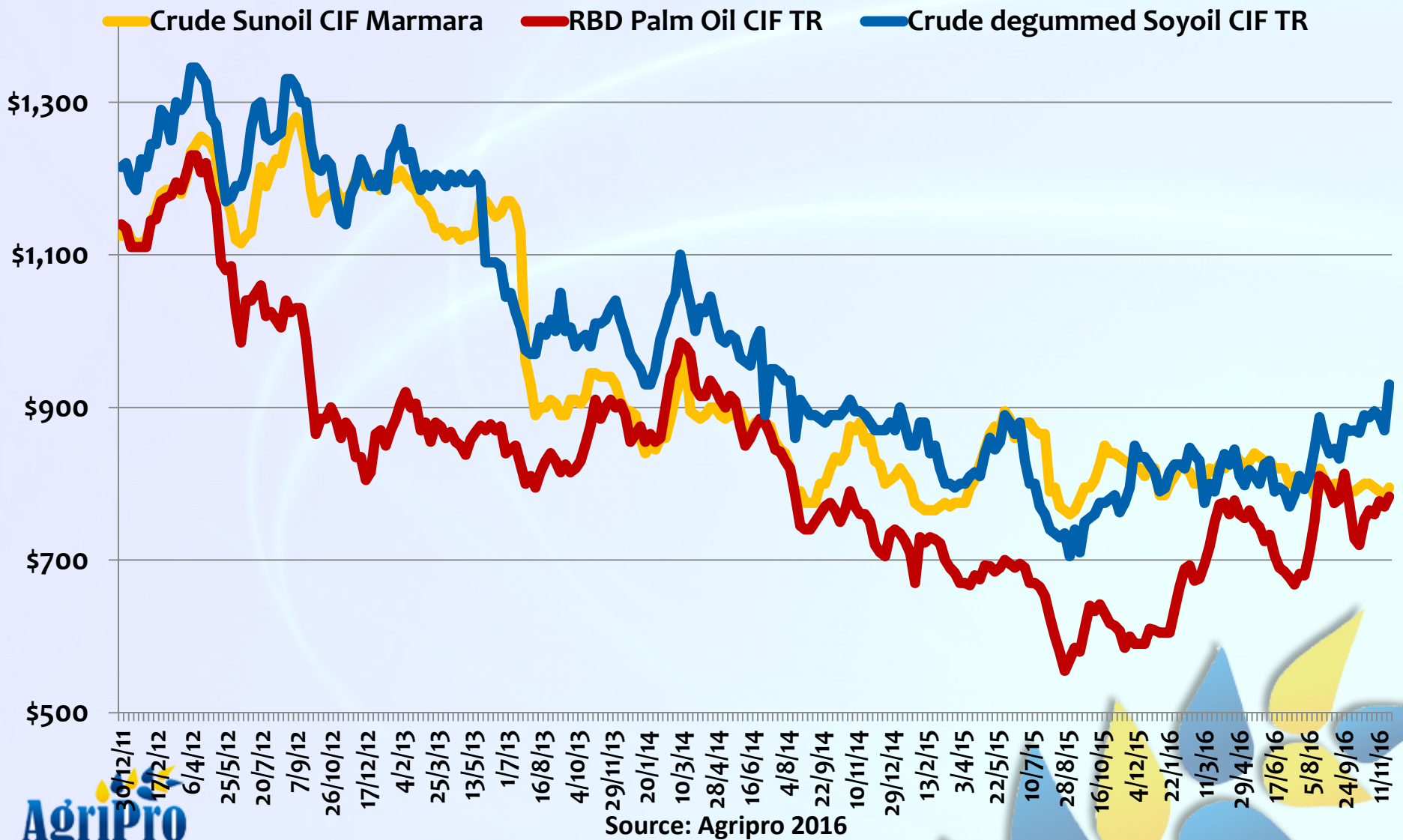
Turkish Fats/Oils Trade Balance 2015/16

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

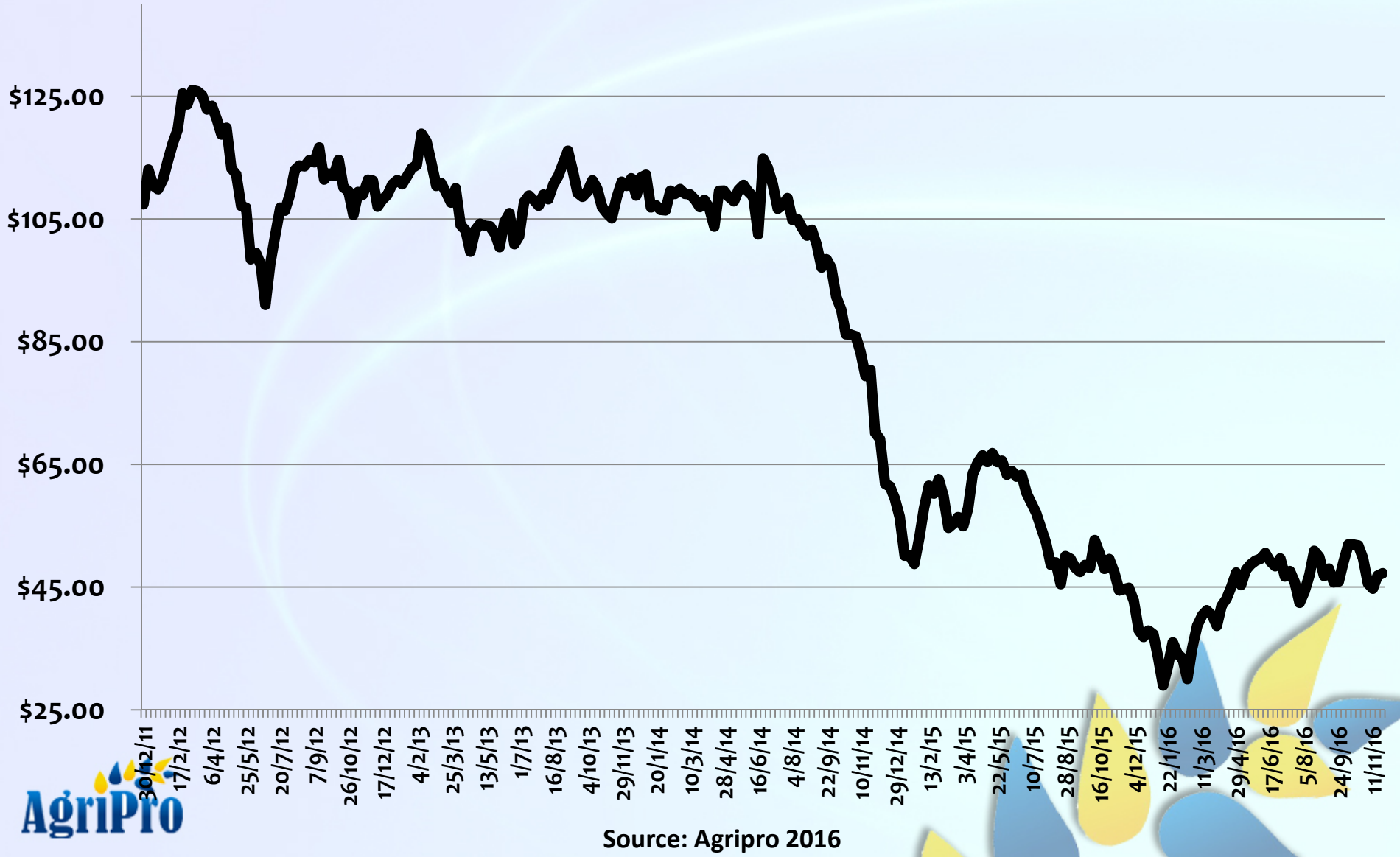
Price Moves: January 2012 to Date



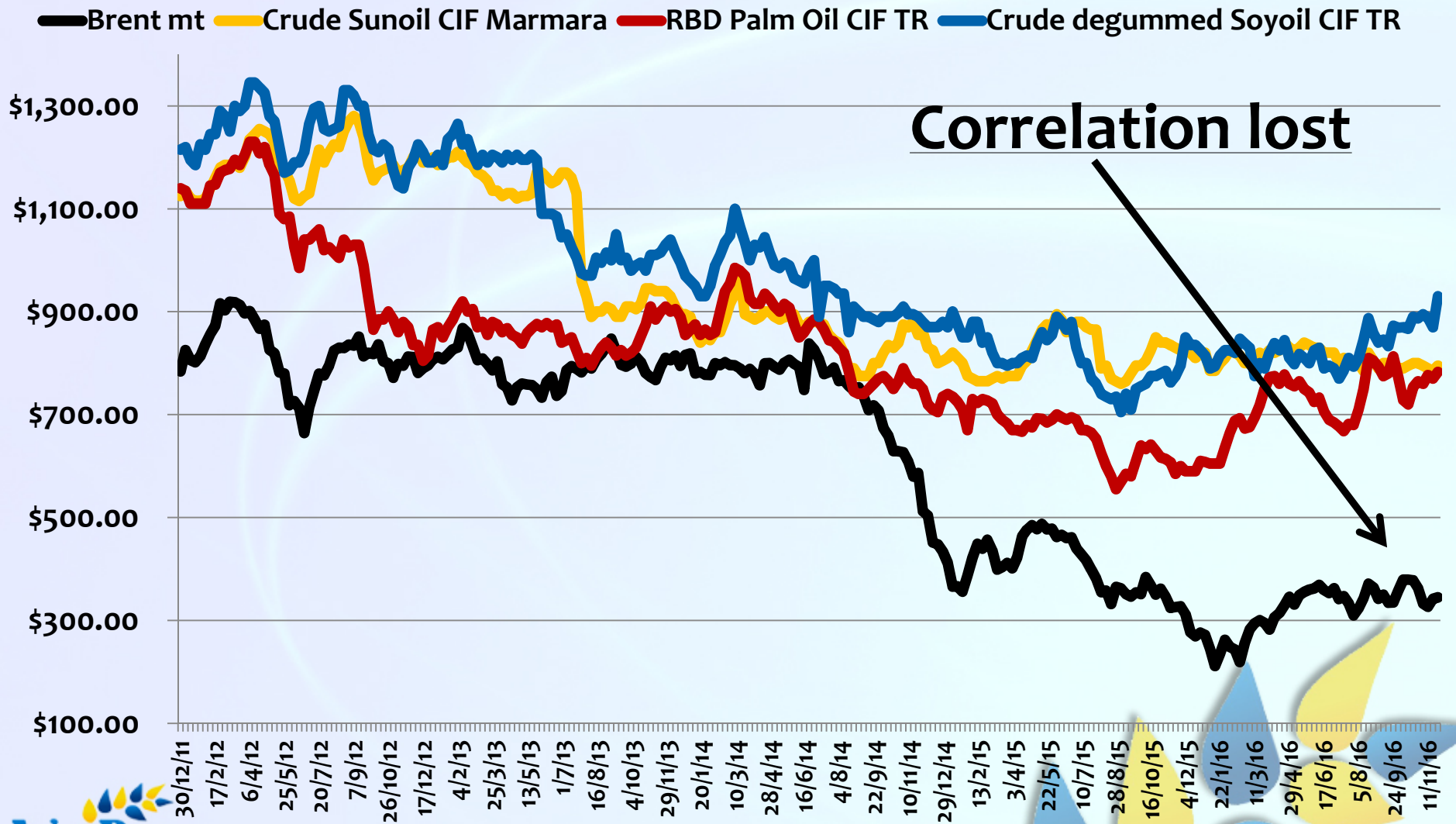
CIF TR Crude Sun/Soy/Palm Oil Prices (mt) 2012-to date (4 yrs)



Brent Crude Prices (barrel) 2012-to date (4 yrs)

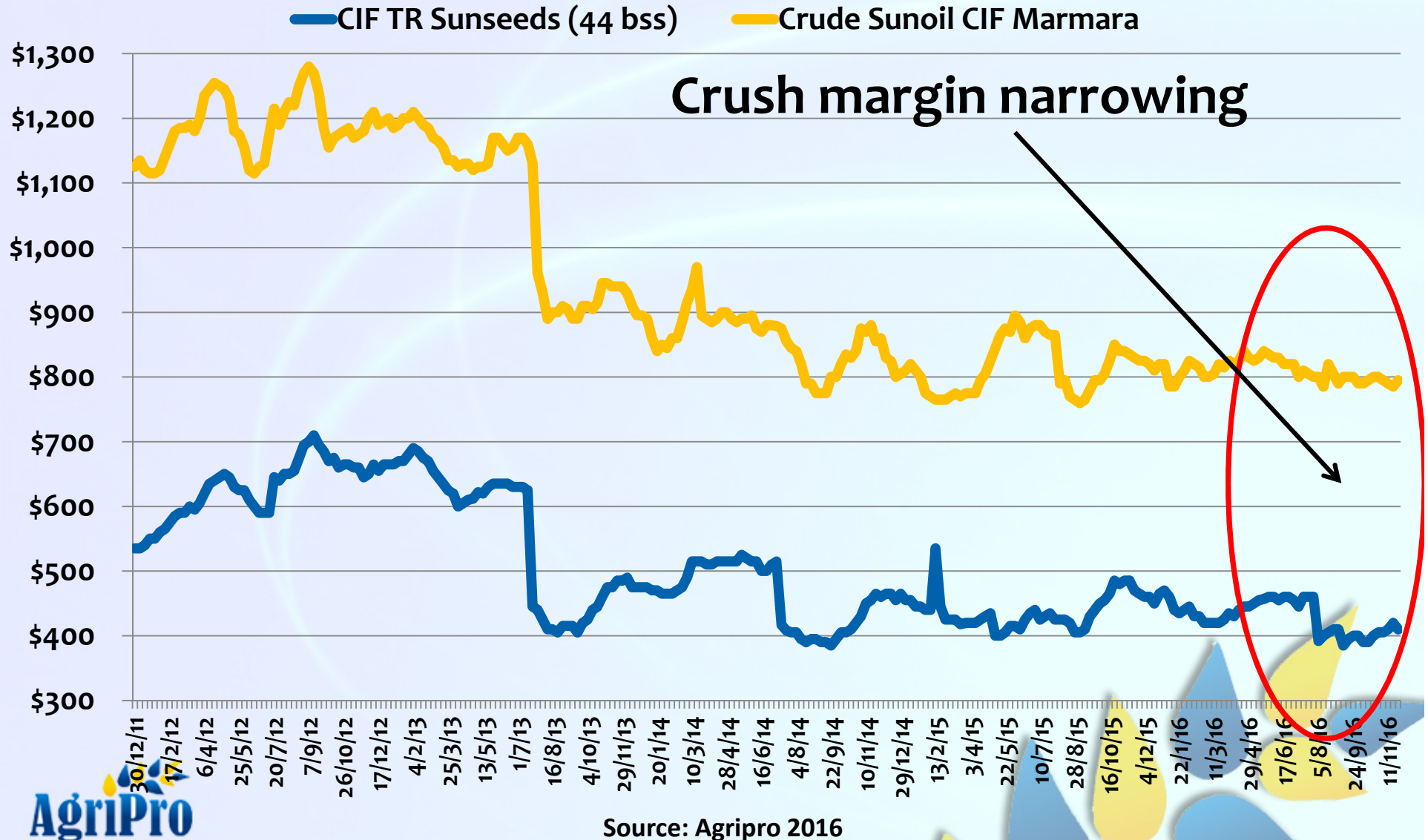


CIF TR Crude Sun/Soy/Palm vs. Brent Prices (mt) 2012-to date (4 yrs)



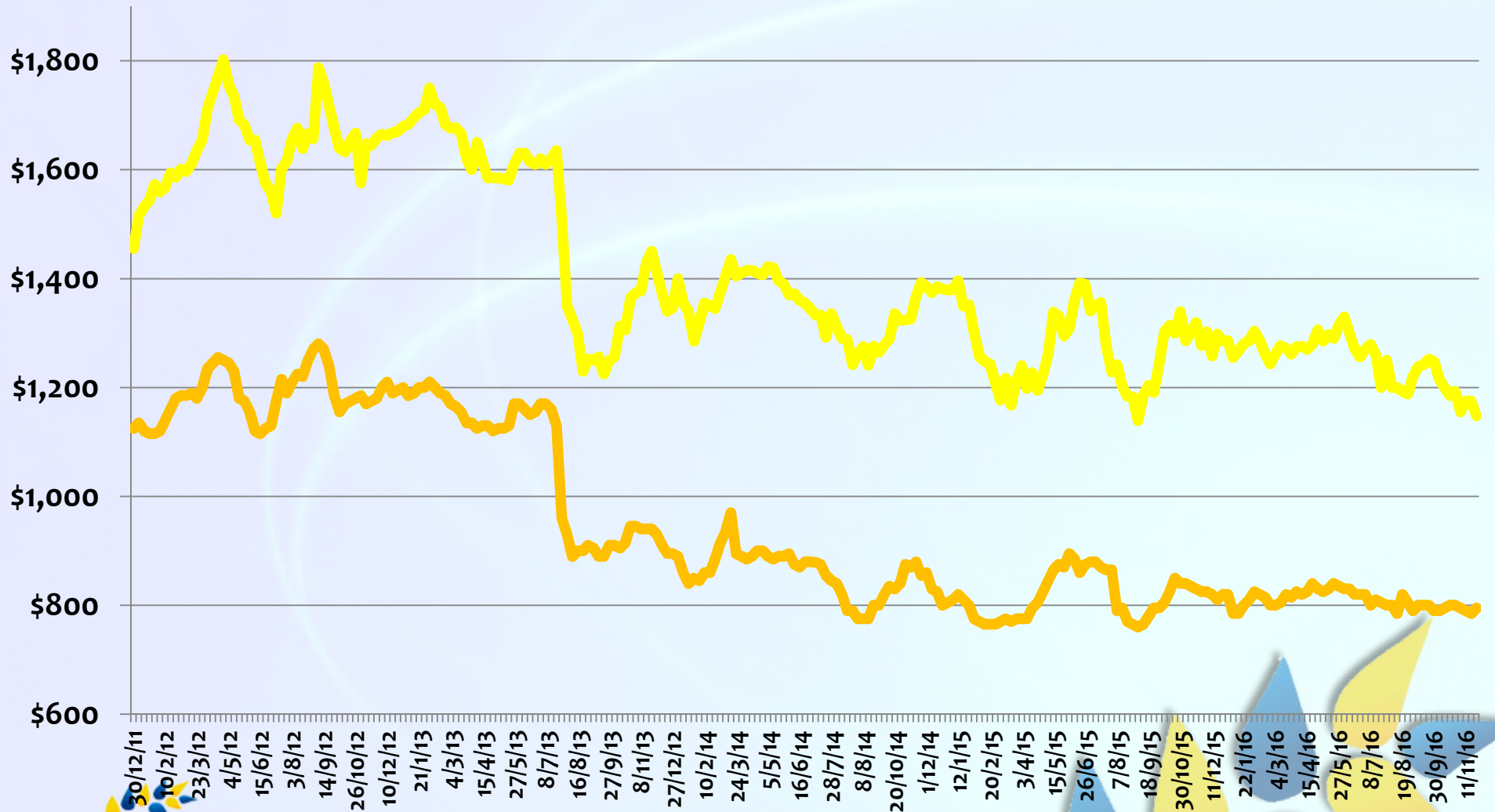
Source: Agripro 2016

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



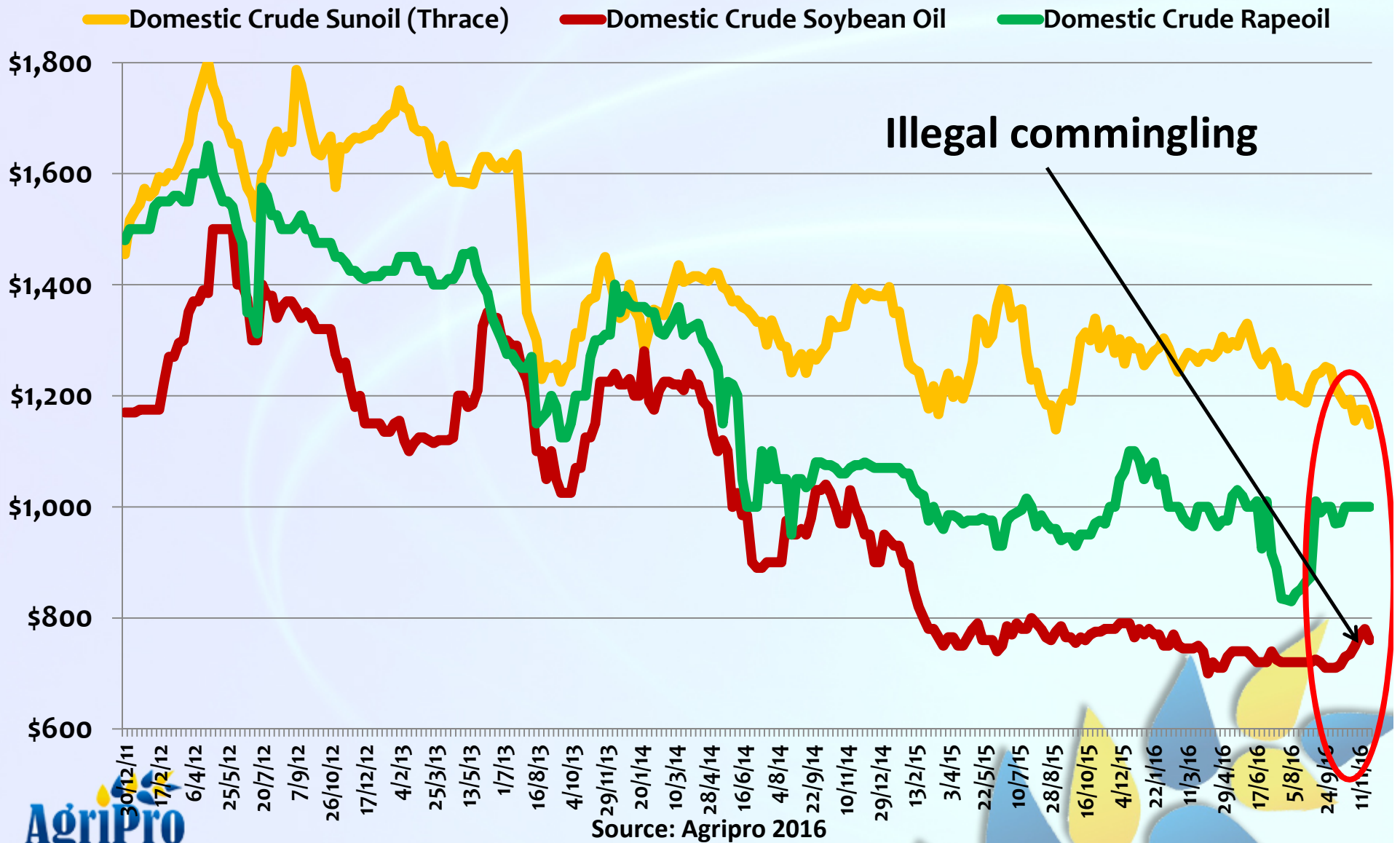
CIF TR Crude Sunoil vs. Domestic Crude (mt) 2012-to date (4 yrs)

Crude Sunoil CIF Marmara Domestic Crude Sunoil (Thrace)



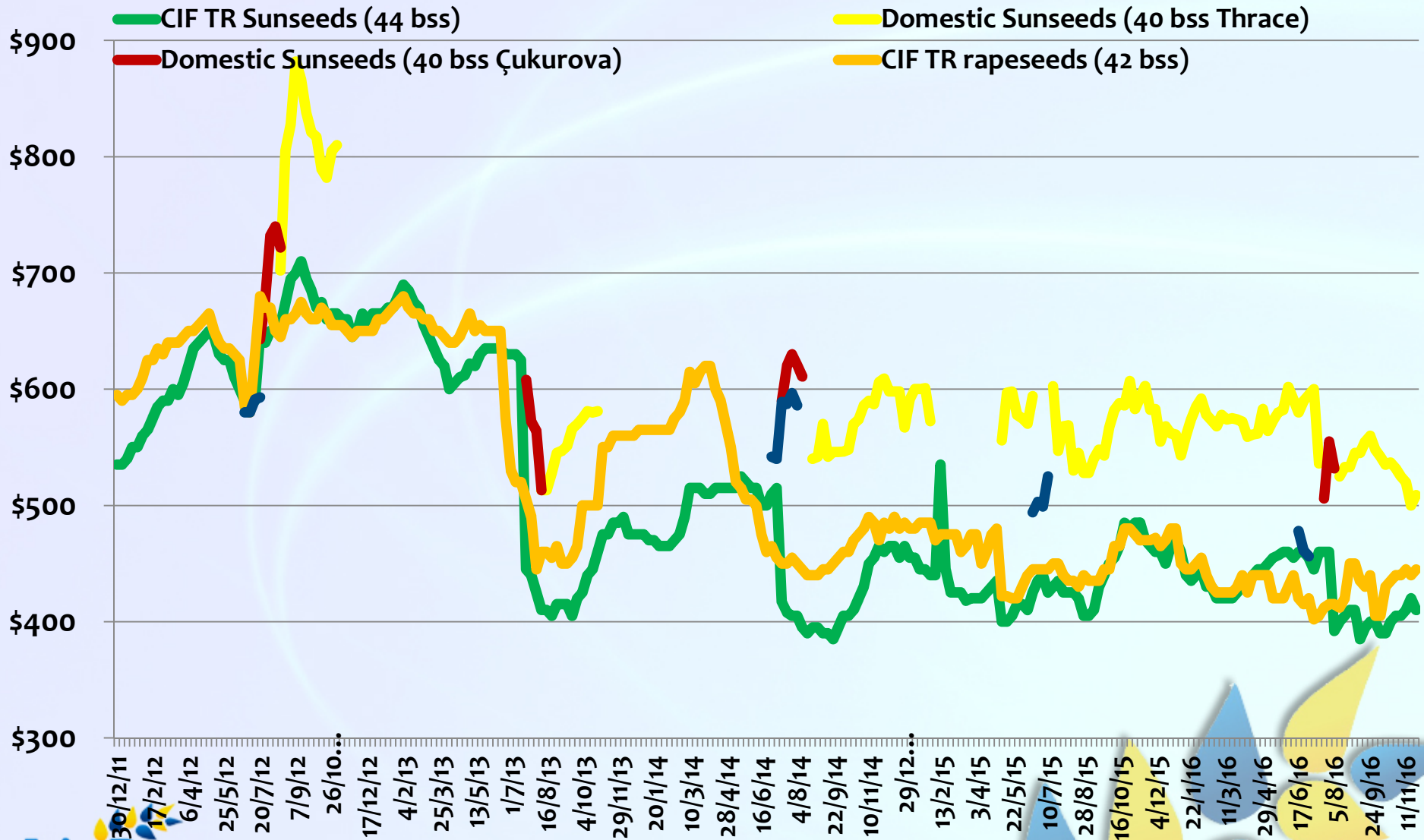
Domestic Crude Oils (mt)

2012-to date (4 yrs)



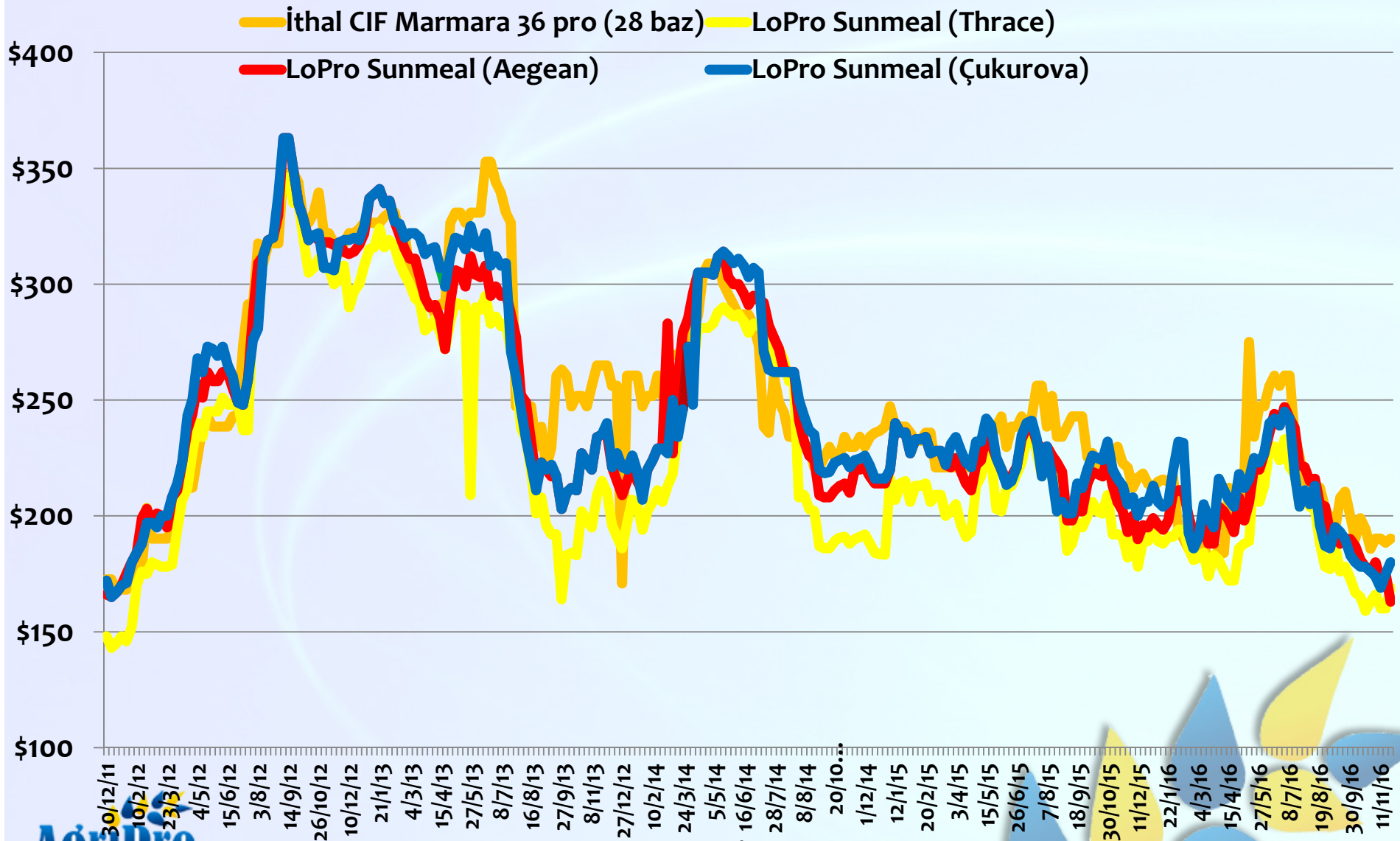
CIF TR vs. Domestic Oilseed Prices (mt)

2012-to date (4 yrs)



Domestic LowPro Sunmeal Prices (mt)

2012-to date (4 yrs)



TL Performance (US\$/TL) 2012-to date (4 yrs)



Conclusions

Turkish vegoil consumption stands at **2.099** million tonnes 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 local crushers.

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

Conclusions

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

All resulting in less out-of-home usage as locals avoiding mall food-halls over terrorism worries.

2017 does not look any better for fats & oils industry. **No demand!**



Thank you



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