



GIEWS Country Brief the Republic of Türkiye

Reference Date: 01-March-2023

FOOD SECURITY SNAPSHOT

- Drought concerns prevail, particularly in central part of the country
- Currency depreciation increases input costs
- Above-average cereal harvest estimated in 2022
- Cereal imports forecast to decrease in 2022/23, while exports expected to remain stable
- Inflation increasing as Turkish lira depreciates

Drought concerns prevail, particularly in central part of the country

Planting of the 2023 winter wheat and barley crops was completed in November 2022 under relatively dry weather conditions, but adequate to carry out sowing operations. Despite above-average precipitation amounts in the first decade of February 2023, early season drought persists in the Anatolian Plateau, the main winter wheat producing area of the country. Lack of moisture, combined with above-average temperatures until February, amplified water evaporation and hampered dormancy of crops. Cumulative rainfall amounts between September 2022 and mid-February 2023 was about 40 percent below the average. While precipitation amounts elsewhere exceeded those in the Anatolian Plateau and western parts of the country benefited from ample rainfall in January, widespread drought concerns still remain.

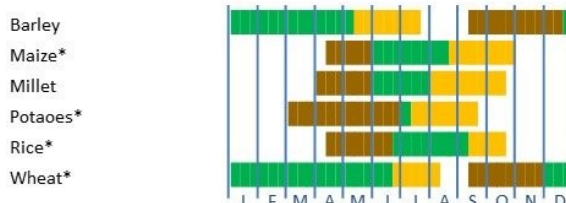
The Agricultural Input Price Index in December 2022 increased by 103 percent compared to December 2021. In particular, the highest year-on-year price increases were recorded for animal feed (118 percent), energy and lubricants (116 percent) and fertilizers (over 100 percent). The increases were mostly driven by currency devaluation and have been only reflected in increases in output prices.

On 6 February 2023, a vast earthquake caused losses of lives and significant material damages and destruction in the southern and central, mostly agricultural, parts of the country. While earthquakes tend not to lead to substantial damages on planted field crops, they result in loss of livestock as well as damages on agricultural and general infrastructure, which will complicate upcoming agricultural operations, including crop management, harvest and post-harvest activities.

Türkiye

Crop Calendar

(*major foodcrop)



Sowing
Growing
Harvesting

Türkiye

Cereal Production

	2017-2021 average	2021	2022 estimate	change 2022/2021
	000 tonnes			percent
Wheat	19 740	17 700	19 800	11.9
Barley	7 160	5 800	8 500	46.6
Maize	6 180	6 800	8 300	22.1
Others	1 738	1 680	1 832	9.0
Total	34 818	31 980	38 432	20.2

Note: Percentage change calculated from unrounded data.

Above-average 2022 harvest gathered

The final agricultural production estimates by the Turkish Statistical Institute, issued in December 2022, put the 2022 cereal output at 38.4 million tonnes, 10 percent above the five-year average and over 20 percent above the 2021 drought-affected harvest.

Every year, the intervention prices by the Turkish Grain Board (TMO) are announced in May/June for the purchases for the upcoming harvest. In the 2022 campaign, the intervention prices more than doubled compared to 2021: TRY 6 450/tonne of common (bread) wheat (up from TRY 2 250 in 2021), TRY 6 900/tonne of durum wheat (up from TRY 2 450), and TRY 5 700/tonne of barley (up from TRY 1 750). Additional premiums of TRY 1 000/tonne of wheat and TRY 500/tonne of barley were paid to farmers who sold to TMO prior to September 2022.

Part of the increase is attributed to the rapid depreciation of the national currency: at the beginning of the 2021 procurement period in June 2021, USD 1 was trading for about TRY 8.5, while it was over TRY 16 in June 2022. By the end of the procurement period in September 2022, USD 1 was selling for over USD 18.

Although the amounts purchased domestically by the TMO have not been reported, their increase would allow the TMO to reduce import amounts. TMO resells the wheat purchased domestically and internationally to millers at lower prices, who in turn sell flour to bakeries at discounted rates in an effort to mitigate food price inflation. In the summer of 2022, TMO was reselling common (bread) wheat to millers at about TRY 4 500/tonne, well below the purchasing price of TRY 6 450.

Cereal imports forecast to decrease in 2022/23, while exports expected to remain stable

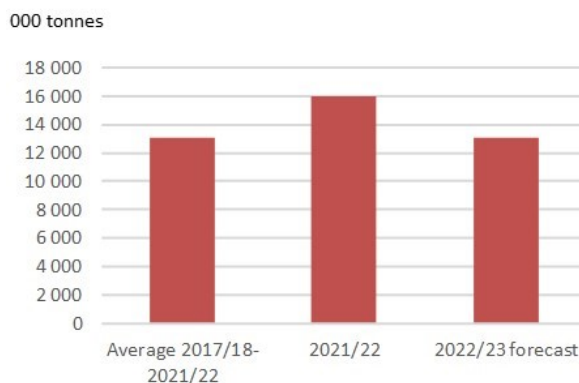
In the 2022/23 marketing year (July/June), aggregate cereal imports, the largest share of which is wheat grain for processing, are forecast at an average level of 13 million tonnes, almost 20 percent below the previous year accounting for the production recovery in 2022. The Russian Federation is historically the leading supplier of wheat.

Cereal exports, mainly wheat flour and wheat products, are forecast at 5 million tonnes, similar to the previous year and the average. The country remains one of the world's leading exporter of wheat flour, using an inward processing regime policy that allows duty free imports of wheat grains to be processed into food products for exports. Iraq, Somalia, the Syrian Arab Republic and Yemen are the main destinations of wheat products. Although the continuing currency depreciation makes exports more competitive, they are unlikely to increase substantially in the 2022/23 marketing year considering that the inputs used in the inward processing regime are imported. Approximately 15 percent of annual flour exports is purchased by humanitarian agencies for food assistance shipments.

In an effort to curb food inflation, in September 2021, the country suspended import taxes on wheat, barley, maize, rye, oats, pulses and sorghum, ranging from 19 to 130 percent, depending on the commodity. The decision was first extended until December 2022 and then until April 2023.

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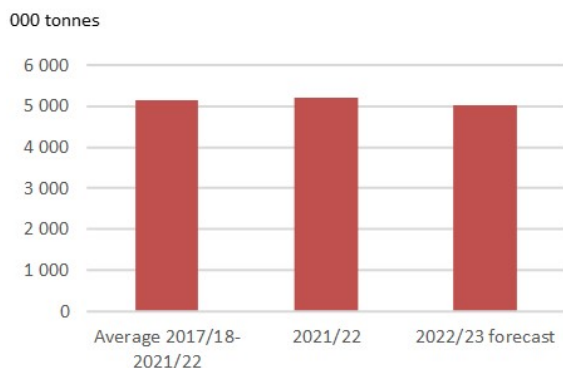
Cereals Imports



Notes: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).

Türkiye

Cereals Exports



Notes: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).

Elevated inflation persists as currency depreciates

The latest figures by the Turkish Statistical Institute indicate an annual food inflation rate of 71 percent in January 2023, down from the record-breaking levels between 90 and 100 percent between April and November 2022. The overall inflation index in January 2023 stood at 58 percent, gradually decreasing from levels between 70 and 85 percent between April and November 2022. The increase was supported by maintaining unconventional low interest rates and by currency depreciation, which was mainly attributed to political uncertainty and declining foreign exchange reserves. The currency depreciated from TRY 4.6/USD 1 in 2018 to TRY 18.80 in February 2023, losing about 30 percent of its value during 2022. Rebuilding and recovery efforts following the recent earthquake will further constrain macroeconomic fundamentals.

Stable number of Syrian Arab Republic refugees in country

The number of refugees from the Syrian Arab Republic in the country increased steadily from the end of 2013 until early 2016. As of February 2023, about 3.5 million Syrian refugees were registered in the country, relatively stable since early 2018. More than 90 percent of the refugees live in urban and peri-urban areas, outside the camps. About 70 percent of refugees are children and women. Syrians registered in the country have access to national services and can apply for working permits. However, due to difficulties in obtaining formal employment, many refugees work in informal sectors.

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This brief was prepared using the following data/tools:

FAO/GIEWS Country Cereal Balance Sheet (CCBS)

<https://www.fao.org/giews/data-tools/en/>.

FAO/GIEWS Food Price Monitoring and Analysis (FPMA) Tool

<https://foma.fao.org/>.

FAO/GIEWS Earth Observation for Crop Monitoring

<https://www.fao.org/giews/earthobservation/>.

Integrated Food Security Phase Classification (IPC) <https://www.ipcinfo.org/>.