



# CEREALS



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# I. CEREALS PRODUCTION STATISTICS



## Area, Yield and Production of Cereals

CROPS	AREA (000 ha)				YIELD (TONS/ha)				PRODUCTION (000 TONS)			
	YEARS				YEARS				YEARS			
	2001	2002	2003	2004	2001	2002	2003	2004	2001	2002	2003	2004
Wheat	9,350	9,300	9,100	9,300	2.03	2.10	2.09	2.25	19,000	19,500	19,000	21,000
Barley	3,640	3,600	3,400	3,600	2.06	2.30	2.38	2.50	7,500	8,300	8,100	9,000
Rye	141	150	140	143	1.57	1.70	1.71	1.88	220	255	240	270
Oat	150	155	130	129	1.77	1.87	2.08	2.13	265	290	270	275
Maize	550	500	560	570	4.00	4.20	5.00	5.26	2,200	2,100	2,800	3,000

Source: TURKSTAT



## II. CEREALS FOREIGN TRADE



## Import/Export Arrangements

- **No import/export licences. Import licenses are required only under the tariff quotas resulting from bilateral agreements.**
- **These products are subject to the SPS controls by the Ministry of Agriculture and Rural Affairs.**



## Preferential Trade

### EU COUNTRIES

- Turkey has preferential import arrangement for wheat, rye, barley, oats and corn within tariff quotas (0% or reduced duty).
- Turkey has ad valorem duty exemption for exports of rye.

### CANDIDATE COUNTRIES

- Under FTA's with Romania, Bulgaria and Croatia, Turkey has preferential import possibility for wheat, barley, rye, millet and corn within tariff quotas (0% or reduced duty).

### THIRD COUNTRIES

- Under Turkey- Bosnia and Herzegovina FTA all cereals are reciprocally subject to a concession of 0% duty on unlimited basis.

Source: UFT



SCREENING CHAPTER 11  
AGRICULTURE AND RURAL DEVELOPMENT  
AGENDA ITEM 16a: CEREALS



## Export Refunds

CN Code	Final Outlay Commitment Level US\$	Final Quantity Commit. Level (t)	Current Situation	
			Refund Amt.	Eligible Quantity
0709 90 60	-	-		
0712 90 19	465,665	981	370\$/t	20%
1001 90 91	27,419,520	493,812		
1001 10				
1001 90 99			-	-
1002 00 00	-	-	-	-
1003 00	4,737,650	113,090	-	-
1004 00	-	-	-	-
1005 10 90	0	0	-	-
1005 90 00	0	0	-	-
1007 00 90	-	-	-	-
1008	-	-	-	-
1101 00 00	1,439,711	56,178	-	-
1102 10 00	-	-	-	-
1103 11	1,544,586	58,260	-	-
1107	1,678,080	35,571	-	-

Source: UFT





## Import Duties

CN Code	Product Description	MFN %	Bound Rate %
0709 90 60	Sweet corn	19.5	19.5
0712 90 19	Dried sweet corn	11.7	11.7
1001 90 91	Common wheat and meslin seed	0	180
1001 90 99	Spelt, common wheat and meslin	130	180
1001 10	Durum wheat	0-100	180
1002 00 00	Rye	130	180
1003 00	Barley	0-100	180
1004 00	Oats	0-60	180
1005 10 90	Maize seed	0	180
1005 90 00	Maize other than seed	130	180
1007 00 90	Grain sorghum	130	180
1008	Buckwheat, millet	40-130	180
1101 00 00	Wheat or meslin flour	82	102.6
1102 10 00	Rye flour	40.5	40.5
1103 11	Groats and meal of wheat	54	54
1107	Malt, whether or not roasted	10-23.1	23.1

Source: UFT



## **III.CEREALS MARKET ACTORS**



## Cereals Market is competitive

### Market Actors ;

- **Cereal Producers:** approx. 2,100,000 holdings
- **Producer Unions:** 3 Producer Associations for Cereals
- **Commodity Exchanges:** 64
- **Merchants**
- **Processors:**
  - 1100 Wheat Flour Mills,
  - 321 Feed Factory,
  - 24 Macaroni Factory,
  - 72 Cracked Wheat (Boulgour) Mills,
  - 22 Biscuit Factory,
  - 5 Semolina Mills
- **Turkish Grain Board (TMO):**
  - 1 Headquarters (Ankara)
  - 27 Branches
  - 120 Sub branches
  - 56 Temporary equipped purchasing centres

Source: GDOS,NFRS,MIT,TMO



## CEREALS COMMODITY EXCHANGES

- 64 commodity exchanges work as registration offices. The number of commodity exchange in which spot sales are executed is around 10.
- The purchasing and sales of wheat contracts are only executed in Izmir forward and future option commodity exchange.
- Agricultural Products Licenced Warehouse Law no:5300 has been put into force on 10.02.2005.

Source: MIT



## TURKISH GRAIN BOARD (TMO)

- TMO was established in 1938 as a State Economic Enterprise
- Has legal personality and autonomy in its activities which depend on the provisions of the Decree Law No: 233 on State Economic Enterprises
- TMO declares its purchasing prices for cereals and paddy rice by its Board of Directors.



## MAIN STATUS

- The objects and scope of TMO are described as follows by Article No. 4 of TMO Main Status which is decision of High Planning Council no: 90/T-19;
- To prevent the falling of grain prices below normal levels in view of the producers and extraordinary increase of grain prices in view of the interests of the consumers,
- To take regulative measures for the market of cereals and where necessary to execute the functions assigned by Decree in respect of pulses and oil seeds other than grains,
- To impose the State monopoly on Opium and Narcotic Substances.



## Emergency Stock Reserves

In the event that, in addition to the intervention stocks, TMO is assigned with keeping grain stocks for emergency by the Council of Ministers, the storage and financial costs of emergency stock shall be provided from the budget.



## Food Aid

TMO can be authorized by the decision of Council of Ministers for the supply of food aid to the countries which are in need. In this case all costs are paid by the Treasury. (Example; The last Decree no 2005/8871 for the granting wheat for bread making to Pakistan because of earthquake)





## **IV.COMPARISION WITH EU ACQUIS**



## **Turkish Legislations Corresponding to EU Regulation No: 1784/2003:**

- Decree No:2005/8871 on the Purchasing and Selling of Grain Products
- Decree Law No:233 on the State Economic Enterprises
- TMO's Main Statute (Decision of High Planning Council No: 90/T-19)
- Decision of Board of Directors of TMO (No: 13/118-17) on tasks of Purchasing and Storage Department
- Decision of Board of Directors of TMO (No: 28/268-12) on tasks of Trade Department
- TMO's Purchasing and Storage Transactions Guidelines No:962051 dd 1.7.1990
- TMO's General Circular of cereals purchasing storage rules, dd. 01.06.2005 No: 2005-1
- Law no:5300 on the Agricultural Products Licensed Warehouse

**Generally, legislations mentioned above are partially compatible with 1784/2003**



## **Turkish Legislations Corresponding to EU Regulation No: 1784/2003 :**

**(cont.)**

- **Import Regime Decree No: 95/7606**
- **By- law on Quotas and Tariff Quotas” published in the O.G. 2004**
- **Law No: 474 on customs tariff code**
- **Law No: 2976 on Regulating Foreign Trade**
- **Decree No: 2004/7305 on Safeguard Measures for Imports**
- **Export Regime Decree No: 95/7623**
- **Decree on Inward Processing Scheme No: 2005/8391 (Communiqué No 2005/1)**
- **Decree on Outward Processing scheme No: 2000/674 (Communiqué No 2000/8)**



**THANK YOU FOR YOUR ATTENTION**