

TURKEY

The agricultural policy in Turkey has been characterized by *ad hoc* changes in policy under an environment of high inflation. Agricultural policy has moved from market price support and input payments to income support payments. However, the direct support program which started in March 2000 and was funded by the World Bank was discontinued after MY 2007. The budget of direct support payments was then diverted to deficiency payments, chemical fertilizer payments and diesel support payments. While the government has not released official support budget for the grain sector, available information shows no direct support payments in MY 2009 but that the budget for chemical fertilizer and diesel support will increase. In 2008, 7 YTL/ha (\$5.4/ha) was paid in the form of direct support payment, 3.25 YTL/ha (\$2.5/ha) in diesel support, 5 YTL/ha (\$3.8/ha) in seed support, 4.25 YTL/ha (\$3.3/ha) in chemical fertilizer support, and 1.7 YTL/ha (\$1.3/ha) in irrigation energy support.

As a result of IMF negotiations, in January 2009 the government decreased the amount of agricultural support from 5.5 billion TRL (\$3 B) to 4.96 billion TRL (\$2.7 B).

CORN AND SORGHUM

- Tariff rates for corn imports is 130% for 2008/09.
- Premium payments for corn are made on per kilogram of production basis.
- The diesel and chemical fertilizer support for corn are \$18.83/ha (\$7.62/ac) for diesel fuel support and \$12.51/ha (\$5.06/ac) for chemical fertilizer support.
- Although there is no report of sorghum production, exports, or imports, an import tariff of 130% is in place in 2008/09.

COTTON

- The support mechanisms for the cotton sector are in three categories: (1) Premium support, (2) Direct support, and (3) Diesel and Chemical fertilizer support. The premium support is a payment based on production, given directly to the farmer per kilogram of unginned cotton production, which is approximately \$0.17/kg for the producer using certified seeds and about \$0.14 /kg for producers using non-certified seed (\$0.24/lb and \$0.18/lb lint equivalent).
- In April 2008, the government announced that payments (“production bonuses”) for 2007/08 seed cotton would be YTL 0.348 (approximately \$ 0.28) per kilogram, which will continue until 2011.
- The diesel and chemical fertilizer support payments are made on per hectare basis. For cotton, these payments are \$35.43/ha for diesel fuel support (\$14.34/ac) and \$23.57/ha for chemical fertilizer support (\$9.54/ac).

RICE

- Since 2003, Turkey has applied a TRQ on rice imports. There is a dispute between Turkey and the U.S., in which the U.S. claims that Turkey has required licenses in order to import rice both at the in-quota and over-quota rates, which is a non-transparent and discretionary process.
- Rice tariff rates are between 12% and 45% in 2008/09.
- In 2008, the Turkey Marketing Organization paid prices varying from YTL 720 for short grain to 960 (\$630) per MT for Baldo rice varieties (16-20% higher than in 2007). In addition to the intervention price, an additional 100 YTL (\$59)/MT premium was paid to producers.

SOYBEANS

- Production bonuses of TL 240,000/kg (\$5/bu) are paid on soybeans as well in order to support local production.
- The import tariff rate on soybeans is 10%.

SUGAR

- Turkey has a production quota for sugar to discourage production.
- Sugar produced under the quota receives a procurement price announced by the state-owned Turkish sugar corporation.
- The import tariff for sugar is 135% in 2008/09 from all origins other than those countries with which Turkey has trade agreements.

WHEAT

- The support premium established in 2005 for wheat is 0.017 euros/kg (approximately \$0.60/bu).
- Turkey has an import quota of approximately 200,000 MT (7.3 million bu) for milling wheat and 100,000 MT (3.7 million bu) for durum wheat. However, wheat imported from the EU countries has zero duty.
- Wheat tariff rates were increased from 50% to 80% in 2008/09. It is expected to increase to the maximum bound rate of 130% on May 15, 2009.
- For 2004 the diesel and chemical fertilizer supports for wheat are \$18.83/ha (\$7.62/ac) and \$12.51/ha (\$5.06/ac).