



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 8/27/2004

GAIN Report Number: TU4031

Turkey

Grain and Feed

Rice Policy Update

2004

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Report Highlights:

On August 27 the Government of Turkey announced a new import regime for the 2004 marketing year for rice. The new regime increases opportunities for rice imports, however, imports remain conditional on domestic purchases that are documented with the Turkish Grain Board (TMO). The import regime goes into effect November 1, 2004 and ends July 31, 2005. The regime also gives special permission to TMO to import up to 50,000 MT of milled rice.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Ankara [TU1]
[TU]

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The import regime allows for imports up to the following amounts and tariff levels:

Product	Tariff Contingent Amount	Applied Duty	Tariff Contingent Period
Rough Rice	500,000 MT	32	11/1/2004-07/31/2005
Brown Rice	400,000 MT	34	11/1/2004-07/31/2005
Milled Rice	300,000 MT	43	11/1/2004-07/31/2005

Imports of rice in the current marketing year (See TU 4029) are expected to be 150,000 MT milled equivalent to do the increase in domestic production. Thus, imports of the levels indicated above are not expected to be realized. Note: The maximum that can be imported under this regime is 300,000 MT milled equivalent. For example, if rough rice is imported, that quantity, multiplied by a factor of 0.75 will be deducted from the tariff contingent amount for milled rice.

This import regime is only available to rice producers and those who purchase rice from producers and producer associations (notably TMO) with confirmation made by documentation from TMO. The purpose of the regime is to increase domestic procurement of rice by the private sector while protecting producers from foreign competition. It is expected TMO will procure less rice under this regime. In an interesting twist, this import regime assigns TMO permission to import 50,000 MT of milled rice (not rough or paddy). This comes after TMO has spent the past year developing and implementing policies to restrict imports. TMO is likely assigning itself this quantity so that it will be able to act as a market stabilizer if prices rise in the near future. There is also the possibility that TMO will not import this rice.

As described in TU 4029, traders estimate that 50,000 to 130,000 MT of rice (as milled equivalent) is still in the warehouses. It is likely that traders will use the new import regime to clear these stocks beginning on November 1. TMO still has about 15,000 MT in stocks. Some local production estimates are as high as 650,000 MT. If production levels are this high, imports will be hard pressed to reach 150,000 MT.