



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

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## Turkey

### Poultry and Products

### Poultry Sector Still Suffering

### 2006

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**Report Highlights:**

The AI outbreak continues in Turkey albeit at a reduced pace. To date AI has been confirmed in 151 locations in 28 provinces. A total of about 2.3 million birds have been culled due to the outbreak. Poultry meat and egg consumption is currently 30 - 40 percent down from a year ago. The poultry industry is hoping that consumption will increase at the start of the picnic season in May or June, depending on weather conditions. The GOT recently raised the import duty on soybeans and soybean meal, which will increase the cost of poultry products and create an additional burden on the industry.

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

The AI outbreak continues in Turkey at a reduced pace. AI has been confirmed in 151 locations in 28 provinces throughout Turkey, according to the most recent report from the Ministry of Agriculture and Rural Affairs. Until now, only one outbreak has occurred in a commercial poultry unit and that was in a small-scale commercial (broiler) poultry flock. All other outbreaks occurred in backyard (village) poultry flocks. The GOT implemented strict quarantine measures and were successful in eliminating the virus in 64 of the 151 locations. As of March 15, 2006, there are six additional suspected cases of AI in backyard flocks. There are also 24 positive cases and eight suspected cases of AI in wild birds. As of March 15, 2006, a total of over 8,000 birds have died from the disease and almost 2.3 million birds have been culled since the first outbreak in October 2005.

The GOT announced several programs to assist the poultry industry. The GOT compensated the poultry sector for losses incurred due to the culling of 13.5 million spent hens. According to the industry, the GOT may allow spent-hens to be sent to rendering facilities. Producers and rendering facilities will be paid YTL 0.30 and YTL 0.10 per chicken, respectively. In Turkey, there were a total of about 40 million layers before the outbreak. It is estimated that there are now about 26.5 million layers after the slaughtering of spent hens.

Consumption of poultry products, which decreased significantly as a result of the first outbreak, is beginning to recover. However, it is currently estimated that poultry meat and egg consumption is still 30 - 40 percent below last year's levels. Poultry meat and egg prices are now about equal to the cost of production and are expected to increase during the next couple of weeks. Industry sources are expecting a major recovery of the poultry sector after the picnic season starts, typically in May, since most Turks prefer to eat chicken at this time.

Poultry meat stocks are estimated at about 100,000 MT at this point. Producers currently are not making significant changes to stock quantities.

On March 11, 2006, the GOT increased the import duty on soybeans from zero percent to 10 percent and on soybean meal from eight percent to 13.5 percent. The duty increase will significantly increase the cost of poultry and egg production. Any hopes of a recovery in the sector have been dashed by the duty increases. Since Turkey grows only very small quantities of soybeans (ranging between 30,000 and 50,000 MT in recent years) with no domestic substitute the duty will immediately affect production costs. Industry sources are projecting that the total additional cost to the industry will be around USD 40 million. They are also concerned that the GOT might cancel support previously pledged to the poultry sector as a cost savings measure.