



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 6/2/2006

GAIN Report Number: TU6027

Turkey

Poultry and Products

An Update on AI in Turkey-Correction

2006

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Report Highlights:

This report is a revised report, which corrects the price of eggs after all of the stocks were eliminated. After April 15, 2006, egg prices bounced back at around YTL 0.08 and producers started to make some profit. Egg prices, however, decreased slightly since then and are currently fluctuating around YTL 0.07 and 0.075.

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

General Avian Influenza I situation:

The last reported case of Avian Influenza (AI) in the poultry population was in Yozgat province on March 31, 2006. There have not been any new AI cases (as of May 16, 2006) reported in Turkey. The Ministry of Agriculture and Rural Affairs (MARA) extinguished (finished culling) throughout the country on April 24th and, as a result, all quarantines and surveillance had been announced to be lifted as of May 16, 2006. According to Turkish regulations, three weeks after the last case is extinguished, the Ministry of Agriculture can remove all quarantines and related restrictions, once all culling has been completed. However, the restrictions related to banning of live bird markets, selling of live birds, and hunting of wild birds will continue indefinitely. Field surveillance is also continuing with random blood samples taken for at least three additional months and monitoring the results. MARA's General Directorate for Protection and Control issued its latest report to the OIE and EU on May 17, 2006.

A total of 163 samples, 136 samples from backyard poultry and 27 samples from wild birds, were submitted to the regional laboratories for testing between April 12 and May 12. A total of 134 (118 poultry and 16 wild birds) tests were negative. Out of the same total, 7 (1 poultry and 6 wild bird) samples could not be processed. A total of 22 (17 poultry and 5 wild bird) samples are still under investigation.

Screening of poultry in villages has ceased. However, the periodic screening of industrial poultry operations still continues. This testing will continue indefinitely since Turkey is on bird migratory routes.

The Ministry of Environment and Forestry and the Wildlife Society jointly carried out surveillance on migrating birds during the outbreak with support from the Dutch Embassy. Any suspicious cases were reported to the Ministry of Agriculture. The Ministry of Environment and Forestry has been working on a project to observe bird migrating routes and develop a National Bird Observation System. They will complete this project and present to the State Planning Organization for its finding during the next couple of months. They hope the program will be funded in the 2007 budget.

The European Union has approved Turkey's residual control program, as a result, Turkey should be able to export poultry to the EU at any time. However, due to the AI outbreaks the Turkish poultry will have to wait six months after the last outbreak before it is able to resume exporting. Additionally, the poultry industry representatives doubt that the EU will actually permit poultry exports to resume until Turkey's bans on EU live animal and meat are also lifted.

Broiler Sector:

Turkey's broiler sector has been hard hit from AI since last October. Demand for poultry meat declined nearly 90 percent shortly after the December outbreak and, as a result, stocks increased to 100,000 MT, which is quite unusual for this fresh/chilled meat market. Prices were as low as YTL 1.50 per kilogram for whole birds during the height of the crisis.

Demand started to rebound in March and production started to increase. The price of fresh meat increased to YTL 2.60 per kilogram of whole bird. The cost of producing one kilogram of whole chicken is about YTL 2.00. Thus, producers started to make some profits. This encouraged producers to increase their production and, as a result, prices again decreased because of excess production. Current prices are around YTL 1.60 per kilogram for whole birds. Broiler stocks have not been totally eliminated and are currently estimated at around 70,000 MT with stock prices at about YTL 1.50 per kilogram. Producers with well-known

brand names increased their sales more than others. Sales of chicken parts without proper packaging are forbidden.

Weekly broiler production and consumption are currently estimated at about 19,000 MT, which is slightly lower than it was a year ago (about 21,000 MT). Industry representatives expect consumption to increase shortly since the picnic season, which was delayed due to rainy and cooler than normal weather, has just started.

Turkey produced about 940,000 MT of broilers in 2004 and 960,000 MT in 2005. Some sector representatives are projecting and hoping that broiler production in 2006 will be at similar levels to the year before or even slightly better. On the other hand, others are not so optimistic believing that broiler production in 2006 will be about ten percent lower than the previous year. Turkey is estimated to produce about 50,000 MT of turkeys and 55,000 MT of spent hens and other poultry.

Casual observations by traveling Embassy officers seemed to indicate that culling in quarantined areas was inconsistent. From Trabzon on the Black Sea to Erzurum, the site of a major outbreak, no backyard poultry was observed. One village farmer indicated that the government had confiscated and culled all their backyard birds. On the other hand, in Cappadocia and in Adana backyard birds were seen throughout the countryside.

Layer Sector:

Turkey had about 43 million layers (including layer chicks of about 14 million) in 2005. The GOT issued a decree on January 24, 2006 to cull all spent hens. A total of 13.5 million industrial birds were culled in one month. The GOT paid nearly a total of YTL 15 million (YTL 1.10 for each culled bird) or about USD 1.1 million. The payments were made in March and April. The GOT also culled an additional 2.5 million birds in areas where quarantine and surveillance programs were implemented. It is estimated that there are a total of 20 million birds owned by villagers in Turkey. Villagers outside of quarantine and surveillance zones continue to keep their birds, but they were asked to keep them in the cages. Those villagers whose birds were culled are mostly buying meat and eggs from the markets. This naturally caused a reduction in their consumption since some of these villagers do not have easy access to the markets and most of them do not have the financial ability to buy as much as they consumed before.

The GOT also announced a support program on March 30, 2006 for slaughtering spent hens, which will be in effect for three months. The GOT will provide YTL 0.30 per bird slaughtered for producers and YTL 0.10 per bird for slaughterhouses. It is estimated that about four million spent hens will be slaughtered in a three-month period. Total payments are expected to be about YTL 1.6 million (or amount USD 1.1 million) once the program is completed in July.

The Turkish egg sector suffered from the AI crises longer than the broiler sector since large stocks cannot be maintained. The sector had stocks of about 500 million eggs during the crisis. Egg prices decreased from YTL 0.07 per egg to YTL 0.03 at the peak of the crisis (all prices are those received by the producers). Producers expected to lose YTL 1 million daily. Egg prices increased gradually to about YTL 0.06 per egg until mid April. Producers continued to lose money since the cost of an egg was about YTL 0.07. After April 15, 2006 (after all of the stocks were eliminated) egg prices bounced back at around YTL 0.08 and producers started to make some profit. Egg prices, however, decreased slightly since then and are currently fluctuating around YTL 0.07 and 0.075.

The total number of industrial layers is currently estimated to be around 34 million (including 8 million layer chicks). Since a total of 13.5 million layers were culled earlier, this number assumes that 4.5 million of layers were added to the total stocks after the outbreak ($43 - 13.5 + 4.5 = 34$).

Current domestic demand for eggs is estimated on the average at around 140 million a week and 7.3 billion a year compared to 160 million a week and 8.3 billion a year a year ago. Production and consumption varies considerably with the seasonality effects. Egg prices also vary significantly with the seasonality effects and cost of production.

The effect of AI on Red Meat and Fish Sectors:

The AI outbreak occurred in the middle of the fishing season. Turkish fishermen caught more than normal levels of fish especially bonitos and anchovies last winter. This has reduced the problems related to the protein availability for the consumers. Fish consumption went up, and as a result, fish prices were doubled. However, fish was still the cheapest source of protein for most of the population since anchovies, bonitos, and similar fish are usually inexpensive compared to red meat during the winter months in Turkey.

Red meat prices varied a lot during the crisis. Red meat prices have been very high in Turkey in recent years. The bovine meat prices went up as high as YTL 9.60 per kilogram of carcass weight during earlier stages of the crisis, but dropped to the current levels of around YTL 7.80 – 8.20 per kilogram of carcass weight, which was about the same price prior to the outbreak. Red meat prices have been rather stable since last April.

International Assistance Programs

The World Bank, EU and FAO prepared some assistance programs related to the AI crisis in Turkey.

The World Bank approved a USD 34.4 million loan to minimize the threat posed to humans by AI in Turkey. The loan will support prevention, preparedness and planning as well as response and containment of the disease. This is World Bank's third AI operation in the Europe and Central Asia region. The loan has a 15-year maturity and a 5-year grace period. The loan will help finance activities under three components: animal health, human health and public awareness. USAID is contributing a total of USD 1 million to the loan. Of this total, USD 750,000 will be spent on restructuring the backyard poultry sector and USD 250,000 will be spent on public awareness and training for those in the backyard poultry sector.

The European Union has also provided a support program for a total of Euro 10.4 million to strengthen laboratory infrastructure and disease control. Of this total, Euro 6 million will be spent on supply materials for the Ministry of Health, Euro 2.2 million will be spend on supply materials for the Ministry of Agriculture (on buying laboratory equipments, test kits, etc.) and Euro 2.2 million will be spent on technical assistance for both Ministries. Of this total, the EU is providing a grant for Euro 8.35 million and Turkey is providing Euro 2.05 million (25 percent of the investment sections).

FAO also has a technical assistance project. One international expert (epidemiologist from Northern Ireland, UK) and one local expert (veterinarian from Ankara) were hired for six months (March – September, 2006) for emergency assistance for the control and prevention of AI. The allocated budget of the project is USD 93,500.