

USSEC GLOBAL NEWS UPDATE

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USSEC Middle East Helps Struggling Turkish Poultry Industry

A sudden 30 percent devaluation in the Turkish Lira steeply increased costs for imported raw material such as soybeans, corn and DDGs. This vastly increased input costs for the poultry, dairy and fish producers with whom the USSEC Middle East program works.

The poultry industry, the largest consumer of soybeans in the country, took a particularly hard hit. Industry capacity declined 25-30 percent since the summer of 2008 and some poultry producers shut down operations entirely. Industry experts say that Banvit, the largest poultry producer in Turkey, may be the only poultry firm to survive the slowdown without resorting to reduced production or outright closure.

In 2008, Turkey produced one million tons of chicken with consumption averaging 15.2 kilograms per person. In the U.S., chicken consumption averages 41.1 kilograms. The State Planning Organization expected production to hit 1.5 million tons by 2013. This no longer appears likely.

The Turkish poultry industry employs approximately a half million workers and supports two million people. The total annual output for the industry is valued at over \$3 billion. Processing plants have been operating at 85% average capacity, though this is expected to decrease in 2009 due to a decline in demand due to higher prices.

USSEC MEA continues to work with the industry to promote high quality feed formulations and best management practices. Poultry industry contacts state that the industry fundamentals are strong and the long-term outlook for soy utilization is still good. Through continued efforts to assist poultry producers through this time, USSEC ensures that when the economy improves Turkey will increase use of U.S. soy.



The activities of the U.S. Soybean Export Council to expand international markets for U.S. soybeans and soy products are made possible by producer checkoff dollars invested by the United Soybean Board and various State Soybean Councils, support from cooperating industry, and through the American Soybean Association's investment of cost-share funding provided by USDA's Foreign Agricultural Service.