

## TABLE OF CONTENTS

Executive Summary	v
Introduction	1
1. Oilseed Policies in Turkey	3
1.1. Support Policies and Intervention Purchases	5
1.2. Input Price Subsidies	3
1.3. Foreign Trade Policies	6
2. Oilseed Crush Demand and Imports	14
2.1. Oilseed Crush Demand Data	14
2.2. Oilseed Crush	14
2.3. Domestic Oilseed Supply	23
2.4. Stock Demand for Oilseeds	23
2.5. Oilseeds Import Demand	23
3. Vegetable Oil Demand, Domestic Supply and Import	27
3.1. Consumption and Data for Demand Estimation	27
3.2. Vegetable Oil Demand System Specification and Estimation.	27
3.3. Crude Oil Supply	34
3.4. Crude Oil Import	35
4. Oilseed Meal Supply, Demand and Trade	38
4.1. Soybean Meal Demand	39
4.2. Demand for Cottonseed and Sunflower Seed Meal	39
4.3. Domestic Oilseeds Meal Supply	39
4.4. Import Supply of Oilseeds Meal	40
5. Oilseed Domestic Supply Estimation	42
5.1. Field Crops Area Allocation Model	42
5.2. Soybean Area Estimation	46
5.3. Fallow Land and Yield Estimation	47
6. Macroeconomic Assumption, International Prices, Oilseeds, Other Major Crops and Livestock	
Baseline Projections	53
6.1. Model Linkages	53
6.2. Macroeconomic Data and International Price Projections	55
6.3. Oilseeds Supply and Use Baseline Projections	55
7. The Impact of Policy Changes on Oilseeds Supply and Use	64
Scenario 1: Returns of Tariffs on Oilseeds and Crude Oils Imports to 1999 Levels	64
Scenario 2: The Impact of the Wheat and Barley Price Change on the Oilseeds Market	70
Scenario 3. The Impact of the Price Adjustment of Major Crops on Oilseed Market	74
Scenario 3. The Implications of the Removing of the Corn Import Tariff	74
Conclusions and Policy Implications	82
References	84
Appendix	86
LIST OF TABLES	
Table 1.1. Sunflower Seed Purchases and Purchase Prices Applied by the Unions	4
Table 1.2. Cotton Purchases and Purchase Prices Applied by the Unions	5
Table 1.3. Tariffs and Taxes in the Imports of Sunflower Seed and Meal	8
Table 1.4. Tariffs and Taxes in the Imports of Sunflower Seed Oil	9
Table 1.5. Tariffs and Taxes in the Imports of Cottonseed and Meal	10
Table 1.6. Tariffs and Taxes in the Imports of Cottonseed Oil.	11

Table 1.7. Tariffs and Taxes in the Imports of Soybean and Soybean Meal	12
Table 1.8. Tariffs and Taxes in the Imports of Soybean Oil.	13
Table 2.1. Crushing Demand for Major Oilseeds	15
Table 2.2. Price Transmission Estimates from Sunflower Oil Price to Refined Cottonseed Oil Price	17
Table 2.3. Price Transmission Estimates from Cottonseed Oil Price to Cottonseed Price	18
Table 2.4. Price Transmission Estimates from Cottonseed Oil Price to Cottonseed Meal Price	19
Table 2.5. Crush Demand Model Estimates for Sunflower Seeds	20
Table 2.6. Crush Demand Model Estimates for Cottonseeds	21
Table 2.7. Crush Demand Model Estimates for Soybeans	22
Table 2.8. Oilseed Sown Area (Thousand Hectares)	24
Table 2.9. Oilseed Production in Turkey	25
Table 2.10. Oilseeds Imports.	26
Table 3.1. Vegetables Oil Consumption in Turkey, 1995/96-1998/99	28
Table 3.2. 1994 Household Vegetables Oil, Olive Oil, and Butter Consumption by Income Quintile	29
Table 3.3. Domestic Disappearance of Major Vegetables crude Oils	30
Table 3.4. Per Capita Disappearance (refined Oil Equivalent) of Major Vegetable Oils	31
Table 3.5. Parameter Estimates of Oil Demand System	33
Table 3.6. Conditional Marshallian prices and Expenditure Elasticities.	34
Table 3.7. Conditional Hicksian Price Elasticities	34
Table 3.8. Unconditional Marshallian Prices and Expenditure Elasticities	35
Table 3.9. Different Price and Income Elasticity of Oilseeds or Vegetable Oils	35
Table 3.10. Production of Major Vegetable Crude Oils	36
Table 3.11. Imports of Major Vegetable Crude Oils	37
Table 4.1. Domestic Disappearance of Major Oilseed Meal	38
Table 4.2. Production of Major Oilseed Meal	40
Table 4.3. Imports of Major Oilseed Meal	41
Table 5.1. Parameter Estimates of the Area Planted Share of Crops, 1970 to 1996	45
Table 5.2. Long-Run Area Response Elasticity of Crops with Respect to Gross Returns	47
Table 5.3. Parameter Estimates of the Area Planted to Soybean, 1982 to 1997	48
Table 5.4. Parameter Estimates of the Area Planted to Field Crops, 1976 to 1997	49
Table 5.5. Parameter Estimates of the Fallow Land, 1976 to 1996	49
Table 5.6. Parameter Estimates of the Soybean Yield, 1982 to 1997	50
Table 5.7. Parameter Estimates of the Wheat Yield, 1980 to 1997	50
Table 5.8. Parameter Estimates of the Cotton Yield, 1980 to 1997	51
Table 5.9. Parameter Estimates of the Sunflower Yield, 1980 to 1997	51
Table 5.10. Parameter Estimates of the Barley Yield, 1980 to 1997	52
Table 5.11. Parameter Estimates of the Chickpea Yield, 1980 to 1997	52
Table 6.1. Population, Macroeconomic Variables and International Prices	56
Table 6.2. Domestic Prices Baseline Projections	57
Table 6.3. Oilseeds Supply and Use Baseline Projections	58
Table 6.4. Oilseed Meals Supply and Use Baseline Projections	59
Table 6.5. Baseline Projections for Major Field Crops	62
Table 6.6. Livestock Product Baseline Projections	63
Table 7.1. The Impact of the Scenario 1 on Oilseed and Product Prices	66
Table 7.2. The Impact of the Scenario 1 on Cottonseed Product Prices in Domestic Markets.	67
Table 7.3. The Impact of the Scenario 1 on Sunflower Seed Supply and Use	68
Table 7.4. The Impact of the Scenario 1 on Cottonseed Supply and Use	69
Table 7.5. The Impact of the Scenario 1 on Soybean Oil Supply and Use	71
Table 7.6. The Impact of the Scenario 1 on Sunflower Seed and Cottonseed Meal Supply and Use	72
Table 7.7. The Impact of the Scenario 1 on Wheat, Barley and Cotton Supply	73
Table 7.8. The Impact of the Scenario 2 on Producer Wheat and Barley Prices	74
Table 7.9. The Impact of the Scenario 2 on Producer Wheat and Barley Production	75
Table 7.10. The Impact of the Scenario 2 on Sunflower Seed and Cottonseed Supply and Import	76
Table 7.11. The Impact of the Scenario 3 on Producer Prices	77
Table 7.12. The Impact of the Scenario 3 on Wheat, Barley, Corn and Cotton Production	78
Table 7.13. The Impact of the Scenario 3 on Sunflower Seed and Cottonseed Production and Import	79
Table 7.14. The Impact of the Scenario 3 on Oilseed Meal Consumption and Import	80
Table 7.15. The Impact of the Scenario 4 Corn and Soybean Production and Import	81