



# PADDY RICE



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# I. PADDY RICE PRODUCTION STATISTICS



## Area, Yield and Production of Paddy Rice

PADDY RICE	YEARS						
	1998	1999	2000	2001	2002	2003	2004
SOWN AREA (ha)	60,000	65,000	58,000	59,000	60,000	65,000	70,000
PADDY RICE PRODUCTION (ton)	315,000	340,000	350,000	360,000	360,000	372,000	490,000
RICE PRODUCTION EQUIVALENT (ton)	189,000	204,000	210,000	216,000	216,000	223,200	294,000
PADDY RICE YIELD(ton/ha)	5.2	5.2	6.0	6.1	6.0	5.7	7.0

Source: TURKSTAT



## II. PADDY RICE CONSUMPTION STATISTICS



## Consumption of Rice (Tons)

YEARS	1998	1999	2000	2001	2002	2003	2004
CONSUMPTION (ton)	430,000	440,000	470,000	480,000	490,000	500,000	540,000

Source:TMO





## III.PADDY RICE FOREIGN TRADE



## **Import/Export Arrangements**

- **Import licences are only required under the tariff quotas resulting from bilateral agreements.**
- **These products are subject to the SPS controls by the Ministry of Agriculture and Rural Affairs.**

## **Export Refunds**

**Rice is not included in the export subsidy commitment schedule of Turkey**





## Preferential Trade

### EU COUNTRIES

- Turkey has ad valorem duty exemption for exports of rice.
- Turkey has preferential import arrangement for rice within 28,000 tonnes tariff quota with 0%.

### CANDIDATE COUNTRIES

- Under Turkey-Macedonia FTA, Turkey has preferential import possibility within tariff quota (8,000 tonnes, 0% duty).

### THIRD COUNTRIES

- Under Turkey- Bosnia and Herzegovina FTA, rice is reciprocally subject to a concession of 0% duty on unlimited basis.
- Under Turkey-EFTA FTA (Norway), Turkey has unlimited duty free export possibility.

Source:UFT



## Import Duties

<b>CN Code</b>	<b>Product Description</b>	<b>MFN %</b>	<b>Bound Rate</b>
1006 10	Rice in the husk	12-34	45
1006 20	Husked rice (brown)	36	45
1006 30	Semi-milled or wholly-milled rice	45	45
1006 40	Broken rice	45	45

Source:UFT



## **IV.PADDY RICE MARKET ACTORS**



## Paddy rice market is competitive

### Market Actors ;

- **Paddy rice producers:** approx. 25,000 holdings
- **Producer Unions:** 4 Producer Unions for Paddy Rice
- **Commodity Exchanges:** 5 commodity exchanges (Bandırma, Edirne, Tekirdağ, Samsun and Ankara)
- **Merchants**
- **Processors:** 104 Rice Mills (total capacity 2,280,000 tons)
- **Turkish Grain Board (TMO):** 1 Head Quarters (Ankara)  
27 Branches  
120 Sub branches  
56 Temporary equipped purchasing centres

Source: GDOS,NFRS,MIT,TMO



## PADDY RICE COMMODITY EXCHANGES

- 29 commodity exchanges work as registration offices. The number of commodity exchanges in which spot sales are executed does not exceed 5.
- The biggest commodity exchange for paddy rice is located in Edirne province where half of total paddy rice production is realized.





## TURKISH GRAIN BOARD (TMO)

- TMO was established in 1938 as a State Economic Enterprise
- Has legal personality and autonomy in its activities which depend on the provisions of the Decree Law No:233 on the State Economic Enterprises
- TMO declares its purchasing prices for cereals and paddy rice by the decisions of its Board of Directors.





## MAIN STATUS

The objects and scope of TMO are described as follows:

- To prevent the falling of grain (including paddy rice) prices below normal levels in view of the producers and extraordinary increase of grain prices in view of the interests of the consumers,
- To take regulative measures for the market of cereals and where necessary to execute the functions assigned by Decrees related to pulses and oil seeds other than grains,
- To impose the State monopoly on Opium and Narcotic Substances.



## Emergency Stock Reserves

In addition to the intervention stocks, TMO is assigned with keeping grain (including rice) stocks for emergency by the Council of Ministers. The storage and financial costs of emergency stock shall be provided from the budget.



# V. COMPARISON OF LEGISLATIONS



### **Turkish Legislations Corresponding to EU Regulation No: 1785/2003:**

- **Decree No:2005/8871 on the Purchasing and Selling of Grain Products**
- **Decree Law No.233 on the State Economic Enterprises**
- **TMO's Main Statu (Decision of High Planning Council No: 90/T-19)**
- **Decision of Board of Directors of TMO (No: 13/118-17) on tasks of Purchasing and Storage Department**
- **Decision of Board of Directors of TMO (No: 28/268-12) on tasks of Trade Department**
- **TMO's Purchasing and Storage Transactions Guidelines No:962051 dd 1.7.1990**
- **TMO's General Circular of Paddy Rice purchasing storage rules, dd 30.09.2005. No: 2005-3**
- **Law no:5300 on the Agricultural Products Licensed Warehouse**
- **Turkish Food Codex Rice Communique No. 2001/10**
- **Turkish Food Codex Paddy Rice Communique No. 2002/11**

***Legislations mentioned above are in general partially compatible with 1785/2003***



## **Turkish Legislations Corresponding to EU Regulation No: 1785/2003: (cont.)**

- **Import Regime Decree No: 95/7606**
- **By-Law on Quotas and Tariff Quotas” published in the Official Journal dated 8th June 2004**
- **Law no: 474 on customs tariff code**
- **Law No: 2976 on Regulating Foreign Trade**
- **Decree No 2004/7305 on Safeguard Measures for Imports**
- **Export regime decree no: 95/7623**
- **Decree on Inward Processing Scheme No 2005/8391 (Communiqué No 2005/1)**
- **Decree on Outward Processing scheme No 2000/674 (Communiqué No 2000/8)**





**THANK YOU FOR YOUR ATTENTION**