



## The Past and Present of the Turkish Grain Board (TMO)

### INSTITUTIONAL IDENTITY & HISTORY



Turkish Grain Board, founded in 1938, is a limited liability and autonomous state economic enterprise running on state capital in accordance with the provisions under Decree Law No 233 of 08/06/1984 on State Economic Enterprises.

TMO Articles of Association enacted through publishing at Official Journal Issue No 18602 of 11/12/1984 constitutes the legal basis for Turkish Grain Board (TMO).

The purpose and scope of TMO can be altered and modified by the decision of Higher Planning Council.

Headquartered in Ankara, Turkish Grain Board (TMO) is a subsidiary organization of Ministry of Food, Agriculture and Livestock.

The paid capital of TMO is TL 2.050.000.000.

The Afyon Alkaloid Plant in Bolvadin also belongs to the Turkish Grain Board. Rural structure of Turkish Grain Board has been organized as branch offices and agencies under them. In addition, TMO provides its services in agriculture industry with its facility teams and temporary receiving centres throughout the country which become operational during peak procurement periods.

Turkish Grain Board has a share of 48 % in TMO-TOBB(The Union of Chambers and Commodity Exchanges of Turkey) Tarım Ürünleri Lisanslı Depoculuk Sanayi ve Ticaret Anonim Şirketi /TMO- TOBB Agricultural Products Licensed Warehousing Industry and Trade Inc, founded on 26/02/2010 in cooperation with The Union of Chambers and Commodity Exchanges of Turkey in order to lead licensed warehousing operations in the country.

### HISTORY

Devastation of industrial facilities after First World War necessitated many countries heading towards the agriculture and the wheat stocks increased in many countries in parallel with expeditious increase in agricultural production. The increase in wheat stocks caused competition, price decrease and this led to a big crisis in external markets and many countries experienced rapid decrease in wheat prices especially after 1928. As a result of these developments in global market, the government assigned Agricultural Bank (Ziraat Bank) responsible for procurement of wheat under Law No 2056 enacted on 10/ 07/ 1932. For the purposes of meeting the requirement for storage areas and warehouses, Agricultural Bank (Ziraat Bank) was also authorized and mandated to establish wheat storage facilities under Law No 2303 enacted on 11/ 06/ 1933 governing principles and conditions for construction of silos and warehouses.

Agricultural Bank (Ziraat Bankası) opened procurement offices mostly in Middle Anatolia during 1932/1933 period.

The increase of wheat production along with the symptoms of the Second World War necessitated transferring the transactions implemented by the Wheat Desk Unit in the Agricultural Bank (Ziraat Bankası) to another enterprise that would be dedicated for these transactions.

Therefore, Turkish Grain Board was formed as a state economic enterprise to deal with wheat affairs under Law No 3491 of 24/ 06/ 1938 published in Official Journal on 13/ 07/ 1938. This Law mandated Turkish Grain Board to prevent abnormal decrease or abnormal increase of the wheat prices against producers and consumers, respectively, to protect and regulate the wheat industry, to import or export wheat when necessary, to monitor wheat production trends and market movements in the world, to establishing milling facilities and bakeries in locations to be determined, to run and maintain state monopoly in regard to narcotics and to carry on other similar tasks.

According to respective Law, the wheat buying and selling prices are determined by decision of Council of Ministers. Headquartered in Ankara, Turkish Grain Board was formerly founded under Ministry of Economy but TMO was put under the auspices of Ministry of Trade on 31/5/1939 under Law No 3614.



TMO started procurement of barley and oat on 27 October 1939, rye on 28 November 1940, corn and maize on 23 April 1941 and rice, vegetable and animal fats and oils, meat and fish, alfalfa seeds and legumes on 13 August 1941. TMO also organized supply and distribution of gasoline, wheel tires, fried meat, margarine and coffee during and after Second World War and also started procurement of chickpea, millet, beans, lentil, broad bean and cowpea on 3 August 1943 and sesame on 31 October 1947.

Since its foundation, Turkish Grain Board constructed warehouses in various types and tonnages considering ports and intensive production areas in every district of Turkey. Total storage capacity of Turkish Grain Board is 4.5 million tons and 546.700 tons of respective capacity is located in ports. TMO's storage areas (warehouses) corresponding to 3.195.500 tons storage capacity has ventilation facility.

Storage areas of the facilities closed during restructuring process are reclaimed through selling or hiring out.



Decree Law No 233 of 08/ 06/ 1984 on State Economic Enterprises was enacted upon being published Official Journal of 18/ 06/ 1984 and Articles of Association of Turkish Grain Board drafted under respective Decree Law was published at Official Journal Issue No 18602 of 11 December 1984.

Turkish Grain Board was authorized for hazelnut procurement under Decree No 2006/10865 of Council of Ministers on 28/ 08/ 2006; however with abolishing of that Decree under Decree No 2009/15202 of Council of Ministers on 14/ 07/ 2009 hazelnut procurement operations of TMO was terminated.

Turkish Grain Board maintains its successful performance in fulfilling the tasks undertaken by using its resources.



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