



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 11/1/2004

GAIN Report Number: TU4039

Turkey

Citrus

Annual

2004

Approved by:

Jim Higgiston, Agricultural Counselor
U.S. Embassy

Prepared by:

Unal Sarigedik, Agricultural Specialist

Report Highlights:

Except for grapefruit, Turkish citrus production in MY 2004 was not affected by a frost in early April. Most of the citrus areas were not affected by the frost and higher yields in non affected areas offset any frost-related reductions. Orange and tangerine production is projected slightly higher while lemon and grapefruit production is lower than MY 2003. Turkish citrus tree numbers continue to grow. Turkey exports a good portion of its citrus production, even though lower quantities of oranges, lemons, and tangerines were exported in MY 2003. Russia, Saudi Arabia, Romania, and Ukraine were the primary destinations for Turkey's fresh citrus exports. Turkey processes only a small proportion of its citrus production for juice.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Ankara [TU1]
[TU]

Table of Contents

Executive Summary	3
Production	4
Consumption	4
Trade	5
Stocks	6
Policy	6
Production Policy.....	6
Trade Policy.....	6
Marketing	7
Statistical Tables	8
PSD Table for Oranges	8
Export Trade Matrix for Oranges	9
Import Trade Matrix for Oranges.....	9
PSD Table for Lemons.....	10
Export Trade Matrix for Lemons	11
Import Trade Matrix for Lemons	11
PSD Table for Tangerines.....	12
Export Trade Matrix for Tangerines	13
Import Trade Matrix for Tangerines	13
PSD Table for Grapefruits.....	14
Export Trade Matrix for Grapefruits.....	15
Import Trade Matrix for Tangerines	15
PSD Table for Orange Juice.....	16
Export Trade Matrix for Orange Juice.....	17
Import Trade Matrix for Orange Juice	17

Executive Summary

In early April, a frost significantly reduced grapefruit production (by about 19 percent) in MY 2004 (October 2004 – September 2005) although other citrus crops were not affected. Production estimates still vary a lot according to industry sources. Currently, orange production is estimated at 1,280,000 MT (compared to 1,250,000 MT in MY 2003), lemons at 535,000 MT (due to lower yields and compared with 550,000 MT in MY 2003), tangerines at 565,000 MT (compared with 550,000 MT in MY 2003), and grapefruits at 110,000 MT (compared with 135,000 MT in MY 2003).

Fresh citrus consumption continues to grow in Turkey and is the major incentive for increased production. The fast growing tourism sector also fueled the growth in demand. As a result, citrus orchards and fruit bearing trees continue to grow. Approximately one-third of Turkey's citrus crop is selected, graded, and packed for the upscale domestic and export markets. The remaining crop receives minimal processing and is sold through wholesalers and retailers.

In MY 2004, orange and tangerine exports are expected to increase slightly while lemon and grapefruit exports are projected to decline parallel to the supply. Turkey's primary export markets are FSU, Middle Eastern, and the EU countries. In 2004, Russia, Saudi Arabia, Romania, and Ukraine were the leading importers.

Turkish citrus imports are minor and mostly from the neighboring countries.

The citrus processing sector is not significant in Turkey. Turkey imports some orange juice concentrate to supply the tourist sector and for packing and re-export.

Even though Turkey did not officially announce an export support for fresh citrus, according to industry sources, export support in MY 2004 will be USD 42 per MT of lemons, USD 35 per MT of oranges and tangerines, and USD 30 per MT of grapefruits. The GOT will not make cash payments for these support, instead it will be used as payment as for taxes or for other public expenditures, including electricity, telecommunication, natural gas, social security, etc. In 2004, the GOT announced support for orange juice exports, USD 134 per MT, up to 17 percent of the quantity exported and a maximum 20 percent of the FOB export value.

Production

In early April, there was a severe frost, which affected the horticultural production in most parts of the country. Citrus production, however, was not affected very much. Higher yields in non-affected areas offset lower yields in affected areas.

Early production estimates indicate that, compared to MY 2003 revised data, Turkey will produce slightly more oranges and tangerines, but slightly less lemons. MY 2004 grapefruit production is projected to be about 19 percent lower than MY 2003. Currently, orange production is projected at 1,280,000 MT, lemons at 535,000 MT, tangerines at 565,000 MT, and grapefruits at 110,000 MT.

Citrus is produced primarily in the Mediterranean and Aegean Regions in Turkey. This area is divided into three growing regions, each specializing in a particular crop. The primary production area is Cukurova, which produces about 70 percent of Turkey's total citrus crop including more than 90 percent of the grapefruits and lemons, and about 60 percent of the oranges and tangerines. Because of its importance, Cukurova is also subdivided into three regions: Hatay to the south, Adana in the center, and Mersin to the west. Mersin Province specializes in lemon production, Hatay-oranges and grapefruit and Adana-oranges, tangerines, and grapefruit.

Antalya, located west of Cukurova produces about 20 percent of Turkey's total citrus crop, primarily oranges (about 30 percent of the total orange production).

Izmir, located on the Western Aegean Coast produces only about five percent of the total citrus production, primarily tangerines (about 20 percent of total tangerine production).

The number of fruit bearing trees continues to increase because of high domestic and export demand. The increase is taking place especially in the Cukurova Region by replacing cotton. Oranges are the primary citrus crop grown in Turkey comprising nearly one half of total production. Lemons and tangerines represent 22 percent of total production while grapefruit production is slightly more than five percent.

The main varieties of oranges grown in Turkey are Washington (about 50 percent, Navel is the main sub variety) and Valencia (about 30 percent). Enterdonate, which is the primary export variety, comprises about 25 percent of total lemon production. Star Ruby is the main grapefruit variety (about 60 percent), Clementine and Fremont (about 60 percent combined), and Satsuma (about 35 percent) are the main tangerine varieties. Sour orange is the sole stock used for oranges, lemons, and grapefruits in all regions. Rootstock, known as "three leaves," is used for Satsuma production in the Aegean Region but has not been easily adapted to the other regions.

Turkey's processing industry consumes only a minor part of overall citrus production. Although no official statistics are available, industry sources estimate that about eight to ten percent of orange production is processed for juice with an extraction rate of about ten to one. Most of the processed juice is used for frozen concentrate. A small portion is consumed as fresh squeezed especially during the heavy tourism season.

Consumption

Fresh fruit consumption, including citrus, is very popular in Turkey. Per capita consumption of citrus is increasing because income levels, in general, have increased leading to higher consumer demand. Increased domestic demand has provided the major incentive for increased production. At the same time, as production has increased prices have dropped making citrus more attractive to consumers. The tourism sector has also provided additional

incentives for increased production. An estimate for the distribution ratios of domestically consumed fruit between local consumers (around 70 million) and tourists (about 15 million/a year) is not available. Nor is an estimate of per capita consumption. Export demand also has become an increasingly important factor for expansion, particularly for Enterdonate lemons, Star Ruby grapefruit, and Satsuma tangerines. Domestic consumption increases substantially when prices decrease.

About one-third of Turkey's citrus crop is selected, graded, and packed for upscale domestic and export markets. Around a dozen large scales packing companies (with annual production of at least 15,000 MT) dominate the market. The packing business is very risky since packers pay firm prices to growers against uncertain export receipts. There has been a great deal of turnover in the business during the last twenty years. Several packers have maintained their position by relying on production primarily from their own orchards. The remaining two-thirds of citrus production does not receive any selection and grading and is sold through wholesalers and retailers with only minimal or no packing.

Private packers handle selling of all citrus crops. Packers generally begin contracting in August and purchase the crop on the tree. They estimate that about one half of the crop will be first or second grade, destined for upscale local market and/or export market. The remainder will be sold to regional wholesalers or supermarket chains. Combined losses from harvesting and processing are estimated at about five percent and added to domestic consumption. Farmgate prices vary a lot by production estimates and the quality. Packers report the following prices for citrus on the tree are fairly representational of current prices.

CITRUS FARM GATE PRICES 1/

CITRUS CROP	PRICE
Lemons (Entedonate)	350,000
Grapefruits (Star Ruby)	600,000
Tangerines (Satsuma)	350,000
Oranges (Washington Navel)	400,000 2/

1/ Prevailing prices for citrus are on the tree prices in Cukurova in early MY 2004 in Turkish Lira (TL) per kilogram (USD 1.00 is about TL 1,500,000). These prices may change any time parallel to the export prices.

2/ The orange harvest has not yet started, however, some traders have started buying them on the tree.

Retail prices of lemons and grape fruits are around TL 1,500,000 per kilogram and tangerines are around TL 2,000,000 per kilogram in the groceries in Ankara in late October 2004.

Trade

In MY 2004, Turkey is projected to export slightly larger quantities of oranges and tangerines but slightly smaller quantities of lemons and grapefruit based on availability. These levels for oranges and tangerines will be above and for lemons and grapefruits below MY 2003 exports. During October 2004, Turkey exported nearly 35,000 MT of lemons, 8,000 MT of grapefruits, and 2,000 MT of lemons through the Mediterranean Exporters Union in Mersin. Early season average FOB prices are about USD 500 per MT of Enterdonate lemons, USD 560 per MT of Star Ruby grapefruits, and USD 425 per MT of Satsuma tangerines.

Turkish orange, lemon, and tangerine exports declined in MY 2003 due to stiff competition in the international markets, primarily from Spain as well as higher average FOB export prices compared with MY 2002. PSD trade data for MY 2002 and MY 2003 have been revised.

Russia, Saudi Arabia, Romania, and Ukraine were the major markets for fresh Turkish citrus exports in 2004.

More than 60 percent of Turkish orange juice exports were sold to Iraq and the United Kingdom in the first eight months of 2004. Turkey exported orange juice, however, to more than forty countries.

According to industry sources, Turkey imports orange juice concentrate to meet increased domestic demand primarily from the fast growing tourism industry. The import figures in the Trade Matrix are reported by the industry sources as concentrates. According to the same sources, the conversion ratio for concentrate to juice varies from 1 to 1+5 to 1 to 1+9, that is, one kilogram of concentrate produces about six to ten kilogram of juice, depending upon the concentration. According to industry sources, one kilogram of 60 Brix concentrate produces about ten kilogram of juice and one kilogram of 30 Brix concentrate produces about six kilogram of juice. Most industry sources believe the parameter is 1 to 1+8.5 (which means one kilogram of concentrate makes 9.5 kilogram of juice) could represent all imports since most imports are made at 60 Brix. Juice export figures are single strength orange juice, since Turkey does not export concentrates. In order to make a comparable trade data for PSD, exports were divided by a parameter of 8.5.

Stocks

Since little citrus is processed, stocks of fresh citrus generally are not significant. Wholesalers, however, often prolong the season by storing citrus, primarily lemons, in cold storage or in caves, particularly in Central Anatolia. Stocks of citrus products are limited and are assumed to be comprised largely of orange juice concentrates.

Policy

Production Policy

The GOT does not support the price of citrus and does not provide any other direct government assistance to citrus growers. Buyer cooperatives, such as ANTBIRLIK in Antalya, play a decreasing role in the marketing of citrus. The government sponsored Exporters' Union is playing a more active role in market promotional activities, which still appears to be largely restricted to market research and information.

Ministry of Agriculture Research Institutes along with Cukurova University perform research on improved varieties and horticultural practices. Individual large-scale growers also experiment with new varieties and have been responsible for the introduction of some new varieties, including Star Ruby grapefruit and Satsuma tangerines. Industry sources claim that Cukurova Region, the conditions of which is very similar to California, might be a source of improved varieties.

Trade Policy

The GOT provides some support for citrus exports. The amount of export support was reduced in recent years and payments are not being made in cash anymore. Instead, support is made by the GOT to an account, which may be used for taxes or other payments to some government entities, such as social security, telecommunication, electricity, natural gas, etc. Even though the GOT did not make an official announcement, industry sources stated that the amount of support would be USD 42 per MT of lemons, USD 35 per MT of oranges and tangerines, and USD 30 per MT of grapefruits in MY 2004.

The GOT also provided some support for orange juice exports in 2004, USD 134 per MT, up to 17 percent of the quantity exported up to maximum 20 percent of the export (FOB) values. This support is not paid as cash either. A similar payment system used for citrus is also used for juice.

In 2004, to protect domestic industry, the GOT announced a 54 percent duty (it was reduced from 54.6 percent) on all types of fresh citrus imports and 58.5 percent duty (it was reduced from 60.1 percent) on orange juice imports from all origins.

Marketing

Marketing of fresh citrus and orange juice in domestic and international markets is handled totally by the private sector in Turkey. The only exception is ANTBIRLIK, which is currently handling a very small portion of exports (primarily lemon) and whose functions continue to diminish.

Statistical Tables

PSD Table for Oranges

Turkey Oranges, Fresh							
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2002		10/2003		10/2004	MM/YYYY
Area Planted	0	0	0	0	0	0	HECTARES
Area Harvested	0	0	0	0	0	0	HECTARES
Bearing Trees	11770	11770	11800	12200	0	12500	1000 TREES
Non-Bearing Trees	740	740	800	890	0	900	1000 TREES
TOTAL No. Of Trees	12510	12510	12600	13090	0	13400	1000 TREES
Production	1250	1250	1250	1250	0	1280	1000 MT
Imports	30	41	30	31	0	30	1000 MT
TOTAL SUPPLY	1280	1291	1280	1281	0	1310	1000 MT
Exports	191	191	200	137	0	150	1000 MT
Fresh Dom. Consumption	964	975	955	1019	0	1035	1000 MT
Processing	125	125	125	125	0	125	1000 MT
TOTAL DISTRIBUTION	1280	1291	1280	1281	0	1310	1000 MT

Export Trade Matrix for Oranges

Turkey
Oranges, Fresh

Time Period	Jan. - Dec.	Units:	Metric Tons
Exports for:	2003	January - August	2004
U.S.		U.S.	
Others		Others	
Russia	69962	Russia	33950
Ukraine	30858	Romania	13655
Romania	13262	Ukraine	7420
Saudi Arabia	8780	United Kingdom	5216
Georgia	6314	Saudi Arabia	3240
United Kingdom	4632	Yugoslavia	3183
Germany	3344	Georgia	3172
Macedonia	3279	Greece	2905
Yugoslavia	3197	Macedonia	2883
Austria	3109	Germany	1839
Total for Others	146737		77463
Others not Listed	29171		14505
Grand Total	175908		91968

Import Trade Matrix for Oranges

Turkey
Oranges, Fresh

Time Period	Jan. - Dec.	Units:	Metric Tons
Imports for:	2003	January-August	2004
U.S.		U.S.	
Others		Others	
Northern Cyprus	40614	Northern Cyprus	30506
Russia	147		
Argentina	136		
France	100		
South Africa	99		
Jordan	45		
Azerbaijan	19		
Total for Others	41160		30506
Others not Listed			
Grand Total	41160		30506

PSD Table for Lemons

Turkey Lemons, Fresh							
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2002		10/2003		10/2004	MM/YYYY
Area Planted	0	0	0	0	0	0	HECTARES
Area Harvested	0	0	0	0	0	0	HECTARES
Bearing Trees	5575	5575	5700	5750	0	5900	1000 TREES
Non-Bearing Trees	650	650	600	780	0	800	1000 TREES
TOTAL No. Of Trees	6225	6225	6300	6530	0	6700	1000 TREES
Production	525	525	500	550	0	535	1000 MT
Imports	5	7	10	3	0	0	1000 MT
TOTAL SUPPLY	530	532	510	553	0	535	1000 MT
Exports	170	180	170	160	0	150	1000 MT
Fresh Dom. Consumption	307	340	290	380	0	375	1000 MT
Processing	53	12	50	13	0	10	1000 MT
TOTAL DISTRIBUTION	530	532	510	553	0	535	1000 MT

Export Trade Matrix for Lemons

Turkey
Lemons, Fresh

Time Period	Jan. - Dec.	Units:	Metric Tons
Exports for:	2003	January-August	2004
U.S.		U.S.	
Others		Others	
Russia	47530	Saudi Arabia	26714
Saudi Arabia	33010	Russia	10561
Ukraine	22646	Romania	7512
Romania	10721	Ukraine	5666
Yugoslavia	4904	Bulgaria	1413
Poland	4788	Georgia	1186
Macedonia	3347	Moldova	1008
Germany	2714	Yugoslavia	894
Hungary	2436	Kuwait	793
Italy	2347	Macedonia	761
Total for Others	134443		56508
Others not Listed	28598		3549
Grand Total	163041		60057

Import Trade Matrix for Lemons

Turkey
Lemons, Fresh

Time Period	Jan. - Dec.	Units:	Metric Tons
Imports for:	2003	January-August	2004
U.S.		U.S.	
Others		Others	
Northern Cyprus	4707	Northern Cyprus	2247
Argentina	977	Brazil	6
South Africa	82		
Macedonia	19		
Italy	10		
Total for Others	5795		2253
Others not Listed	6		
Grand Total	5801		2253

PSD Table for Tangerines

Turkey Tangerines, Fresh							
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2002		10/2003		10/2004	MM/YYYY
Area Planted	0	0	0	0	0	0	HECTARES
Area Harvested	0	0	0	0	0	0	HECTARES
Bearing Trees	8670	8700	8800	9400	0	9600	1000 TREES
Non-Bearing Trees	985	985	1000	1180	0	1100	1000 TREES
TOTAL No. Of Trees	9655	9685	9800	10580	0	10700	1000 TREES
Production	590	590	525	550	0	565	1000 MT
Imports	1	1	0	0	0	0	1000 MT
TOTAL SUPPLY	591	591	525	550	0	565	1000 MT
Exports	250	252	225	204	0	225	1000 MT
Fresh Dom. Consumption	282	335	250	342	0	340	1000 MT
Processing	59	4	50	4	0	0	1000 MT
TOTAL DISTRIBUTION	591	591	525	550	0	565	1000 MT

Export Trade Matrix for Tangerines

Turkey
Tangerines, Fresh

Time Period	Jan. - Dec.	Units:	Metric Tons
Exports for:	2003	January - August	2004
U.S.		U.S.	
Others		Others	
Russia	47225	Russia	22332
Ukraine	30089	Saudi Arabia	9554
Saudi Arabia	20936	Ukraine	6923
Romania	15401	Romania	6502
United Kingdom	14186	Macedonia	2624
Yugoslavia	8825	Yugoslavia	2498
Macedonia	8144	Netherlands	1923
Austria	4037	United Kingdom	1777
Bosnia-Herzeg.	3926	Germany	1588
Germany	3542	Bosnia-Herzeg.	1195
Total for Others	156311		56916
Others not Listed	42400		13691
Grand Total	198711		70607

Import Trade Matrix for Tangerines

Turkey
Tangerines, Fresh

Time Period	Jan. - Dec.	Units:	Metric Tons
Imports for:	2003	January - August	2004
U.S.		U.S.	
Others		Others	
Northern Cyprus	522	Northern Cyprus	362
		Argentina	15
Total for Others	522		377
Others not Listed			
Grand Total	522		377

PSD Table for Grapefruits

Turkey Grapefruit, Fresh							
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2002		10/2003		10/2004	MM/YYYY
Area Planted	0	0	0	0	0	0	HECTARES
Area Harvested	0	0	0	0	0	0	HECTARES
Bearing Trees	915	915	950	965	0	1000	1000 TREES
Non-Bearing Trees	103	103	100	55	0	60	1000 TREES
TOTAL No. Of Trees	1018	1018	1050	1020	0	1060	1000 TREES
Production	125	125	130	135	0	110	1000 MT
Imports	12	12	10	8	0	15	1000 MT
TOTAL SUPPLY	137	137	140	143	0	125	1000 MT
Exports	94	96	95	115	0	100	1000 MT
Fresh Dom. Consumption	33	39	35	26	0	24	1000 MT
Processing	10	2	10	2	0	1	1000 MT
TOTAL DISTRIBUTION	137	137	140	143	0	125	1000 MT

Export Trade Matrix for Grapefruits

Turkey
Grapefruit, Fresh

Time Period	Jan. – Dec.	Units:	Metric Tons
Exports for:	2003	January - August	2004
U.S.		U.S.	
Others		Others	
Russia	17452	Romania	13901
Romania	10974	Russia	11686
Poland	8009	Poland	7872
United Kingdom	6112	Germany	4818
Germany	5607	Netherlands	4308
Netherlands	5309	United Kingdom	4092
France	3464	Belgium	4053
Ukraine	3258	Saudi Arabia	3338
Saudi Arabia	3206	Ukraine	3030
Bulgaria	2351	France	2614
Total for Others	65742		59712
Others not Listed	20961		16577
Grand Total	86703		76289

Import Trade Matrix for Tangerines

Turkey
Grapefruit, Fresh

Time Period	Jan. – Dec.	Units:	Metric Tons
Imports for:	2003	January - August	2004
U.S.		U.S.	
Others		Others	
Northern Cyprus	9972	Northern Cyprus	4755
France	152	Russia	79
Uruguay	75	Lebanon	72
Argentina	42	Jordan	40
Czech Rep.	20	Greece	20
South Africa	6		
Total for Others	10267		4966
Others not Listed			
Grand Total	10267		4966

PSD Table for Orange Juice

Turkey							
Orange Juice							
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2002		10/2003		10/2004	MM/YYYY
Deliv. To Processors	125000	125000	125000	125000	0	125000	MT
Beginning Stocks	2325	2325	1213	2334	813	2387	MT
Production	12500	12500	12500	12500	0	12500	MT
Imports	1356	2761	2000	3828	0	4000	MT
TOTAL SUPPLY	16181	17586	15713	18662	813	18887	MT
Exports	368	652	200	275	0	300	MT
Domestic Consumption	14600	14600	14700	16000	0	16500	MT
Ending Stocks	1213	2334	813	2387	0	2087	MT
TOTAL DISTRIBUTION	16181	17586	15713	18662	0	18887	MT

Export Trade Matrix for Orange Juice

Turkey
Orange Juice

Time Period	Jan. - Dec.	Units:	Metric Tons
Exports for:	2003	January-August	2004
U.S.	184	U.S.	115
Others		Others	
Germany	2047	Iraq	1471
United Kingdom	1519	United Kingdom	1428
Iraq	854	Azerbaijan	357
Azerbaijan	654	Netherlands	186
Libya	291	Northern Cyprus	115
Netherlands	224	Libya	104
Northern Cyprus	223	Germany	98
Israel	174	Spain	86
Turkmenistan	131	France	83
Algeria	86	Georgia	52
Total for Others	6203		3980
Others not Listed	870		373
Grand Total	7257		4468

Import Trade Matrix for Orange Juice

Turkey
Orange Juice

Time Period	Jan. - Dec.	Units:	Metric Tons
Imports for:	2003	January-August	2004
U.S.	51	U.S.	21
Others		Others	
Brazil	1714	Brazil	1894
Netherlands	433	Netherlands	595
Northern Cyprus	375	Northern Cyprus	330
Belgium	199	Belgium	128
Germany	84	Germany	91
Cuba	79	France	55
Israel	20	Cuba	40
Iraq	19	Israel	31
		Greece	10
Total for Others	2923		3174
Others not Listed			
Grand Total	2974		3195

