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Turkey

Fresh Deciduous Fruit

Annual Report

2005

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Report Highlights:

Turkish deciduous fruit production is expected to rebound this year due to good weather conditions during the growing season. Turkey produces and consumes large quantities of deciduous fruits, but exports only a small amount. This is primarily because Turkey does not produce the varieties international markets demand. Turkey does not support exports, but imposes a 60.3 percent duty on apple and pear imports and a 54.9 percent duty on fresh table grape imports.

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

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Executive Summary

Turkey's deciduous fruit production is expected to return to normal in MY 2005 due to good weather conditions during the growing season. Apple and pear production in MY 2005 were significantly larger than the MY 2004, which were reduced last year because of frosts. Grape production is expected to increase slightly in MY 2005 because of good weather and increased plantings.

Turkey consumes most of its (about 90 percent) deciduous fruit production domestically. Only a small proportion of the production (five percent or less) is exported with Middle East and European markets as the primary destinations. Russia is also a significant market especially for fresh table grapes. Turkey could increase its exports if the quality improved. Despite some improvement in recent years due to better seedlings and production techniques, quality still remains an important impediment to increased trade.

To protect Turkish growers, a 60.3 percent duty is applied on fresh apple and pear imports and a 54.9 percent import duty on fresh table grape imports from all origins. The Turkish government does not subsidize pear or grape exports. Apple export subsidies ceased after 2004.

[Note: The exchange rate for USD 1.00 is approximately YTL 1.35 (or TL 1,350,000) compared to TL 1,500,000 a year ago and TL 1,380,000 two years ago. The rate of inflation for the last twelve months was about ten percent.]

Production

Turkey grows a variety of fresh deciduous fruits. Apple and pear production, which were suffered a lot because of frosts in MY 2004, is estimated to be normal in MY 2005 because of good weather during the growing season.

Apples

Apples are grown in most parts of the country with most concentrated in the South Central Anatolia and Northern Mediterranean Regions, including Isparta, Karaman, Nigde, Antalya, Eregli, and Denizli Provinces. About half of the apples grown in Turkey are Red Delicious (Starking) and about a third are Golden Delicious. Amasya variety is the primary local variety, which constitutes about ten percent of total production. Granny Smith, Fuji, Gala, Jonagold, and Braeburn, are quickly developing in Turkey. In addition to a few large commercial farms, smaller farms (about 10 hectares) are also being established in recent years. All of these farms are using better quality seedlings and newer technology including intensive plantings on dwarfing and intermediate vigor rootstocks. MY 2005 production will be significantly higher than MY 2004 levels due to normal weather conditions. PSD MY 2004 production and non-bearing tree numbers were all revised slightly downward according to the unpublished State Institute of Statistics (SIS) data.

Table 1. Fresh Apples, PS&D

| Turkey Apples, Fresh | | | | | | | |
|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------|
| | 2003 | Revised | 2004 | Estimate | 2005 | Forecast | UOM |
| | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | |
| Market Year Begin | | 07/2003 | | 07/2004 | | 07/2005 | MM/YYYY |
| Area Planted | 0 | 0 | 0 | 0 | 0 | 0 | HA |
| Area Harvested | 0 | 0 | 0 | 0 | 0 | 0 | HA |
| Bearing Trees | 32700 | 34000 | 32700 | 35000 | 0 | 35000 | 1000 TREES |
| Non-Bearing Trees | 6300 | 6300 | 6300 | 7000 | 0 | 7000 | 1000 TREES |
| Total Trees | 39000 | 40300 | 39000 | 42000 | 0 | 42000 | 1000 TREES |
| Commercial Production | 2600000 | 2600000 | 2300000 | 2100000 | 0 | 2500000 | MT |
| Non-Comm. Production | 0 | 0 | 0 | 0 | 0 | 0 | MT |
| TOTAL Production | 2600000 | 2600000 | 2300000 | 2100000 | 0 | 2500000 | MT |
| TOTAL Imports | 2540 | 2540 | 3000 | 3600 | 0 | 3000 | MT |
| TOTAL SUPPLY | 2602540 | 2602540 | 2303000 | 2103600 | 0 | 2503000 | MT |
| Domestic Fresh Consump | 2455610 | 2450520 | 2178000 | 1977500 | 0 | 2353000 | MT |
| Exports, Fresh Only | 21930 | 22020 | 15000 | 21100 | 0 | 25000 | MT |
| For Processing | 125000 | 130000 | 110000 | 105000 | 0 | 125000 | MT |
| Withdrawal From Market | 0 | 0 | 0 | 0 | 0 | 0 | MT |
| TOTAL UTILIZATION | 2602540 | 2602540 | 2303000 | 2103600 | 0 | 2503000 | MT |

Pears

Many different varieties of pears, which are harvested and marketed in both summer and winter, are grown in Turkey. However, the most common varieties are Santa Maria, Cascia, Williams, Ankara, and Deveci. Similar to apples, pears are also grown throughout the country on about 21,400 hectares, but more are concentrated in the Southern Marmara, Northern Mediterranean, and Central Anatolia Regions, including Bursa, Yalova, Antalya, Ankara, Konya, and Burdur Provinces. MY 2005 production is expected to rebound from last year's low levels, which suffered from frosts. PSD MY 2004 production and fruit bearing and nonbearing tree numbers were all revised slightly downward according to the SIS data.

Table 1. Fresh Pear, PS&D

| Turkey Pears, Fresh | | | | | | | |
|-------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|------------|
| | 2003 | Revised | 2004 | Estimate | 2005 | Forecast | UOM |
| | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | |
| Market Year Begin | | 07/2003 | | 07/2004 | | 07/2005 | MM/YYYY |
| Area Planted | 0 | 0 | 0 | 0 | 0 | 0 | HA |
| Area Harvested | 0 | 0 | 0 | 0 | 0 | 0 | HA |
| Bearing Trees | 10500 | 10500 | 10500 | 10500 | 0 | 10450 | 1000 TREES |
| Non-Bearing Trees | 1950 | 1900 | 2000 | 1850 | 0 | 1800 | 1000 TREES |
| Total Trees | 12450 | 12400 | 12500 | 12350 | 0 | 12250 | 1000 TREES |
| Commercial Production | 370000 | 370000 | 330000 | 320000 | 0 | 350000 | MT |
| Non-Comm. Production | 0 | 0 | 0 | 0 | 0 | 0 | MT |
| TOTAL Production | 370000 | 370000 | 330000 | 320000 | 0 | 350000 | MT |
| TOTAL Imports | 220 | 220 | 250 | 160 | 0 | 200 | MT |
| TOTAL SUPPLY | 370220 | 370220 | 330250 | 320160 | 0 | 350200 | MT |
| Domestic Fresh Consump | 336790 | 342790 | 300250 | 302060 | 0 | 324700 | MT |
| Exports, Fresh Only | 16430 | 16430 | 15000 | 8100 | 0 | 15000 | MT |
| For Processing | 17000 | 11000 | 15000 | 10000 | 0 | 10500 | MT |
| Withdrawal From Market | 0 | 0 | 0 | 0 | 0 | 0 | MT |
| TOTAL UTILIZATION | 370220 | 370220 | 330250 | 320160 | 0 | 350200 | MT |

Grapes

Grapes are grown throughout the country and they are very important commercial crops for Turkey. This report, however, provides data only for fresh table grapes. Almost every local region has its own variety. Sultana grapes, which are used primarily to produce raisins, are also being consumed as fresh table grapes (which is now estimated as fifteen percent of total sultana production). The details of this information are presented in the Dried Fruit Annual report (TU 4012). In recent years, the production of higher quality table grapes through the use of improved production techniques in orchards has been increasing. The production data on fresh table grapes are not available in Turkey. The only production data available is total grape production. Table grape production is assumed to be about one half of the total grape production by the industry sources. Total grape production is estimated to be slightly larger in MY 2005 due to larger area and good weather during the growing season in most regions.

Table 1. Fresh Grape PS&D

| Turkey Grapes, Table, Fresh | | | | | | | |
|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------|
| | 2003 | Revised | 2004 | Estimate | 2005 | Forecast | UOM |
| | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | |
| Market Year Begin | | 01/2004 | | 01/2005 | | 01/2006 | MM/YYYY |
| Area Planted | 260000 | 260000 | 260000 | 265000 | 0 | 270000 | HA |
| Area Harvested | 260000 | 260000 | 260000 | 265000 | 0 | 270000 | HA |
| Commercial Production | 1750000 | 1750000 | 1750000 | 1800000 | 0 | 1800000 | MT |
| Non-Comm. Production | 0 | 0 | 0 | 0 | 0 | 0 | MT |
| TOTAL Production | 1750000 | 1750000 | 1750000 | 1800000 | 0 | 1800000 | MT |
| TOTAL Imports | 110 | 175 | 100 | 150 | 0 | 150 | MT |
| TOTAL SUPPLY | 1750110 | 1750175 | 1750100 | 1800150 | 0 | 1800150 | MT |
| Domestic Fresh Consump | 1562610 | 1590945 | 1562600 | 1640150 | 0 | 1640150 | MT |
| Exports, Fresh Only | 100000 | 159230 | 100000 | 160000 | 0 | 160000 | MT |
| For Processing | 87500 | 0 | 87500 | 0 | 0 | 0 | MT |
| Withdrawal From Market | 0 | 0 | 0 | 0 | 0 | 0 | MT |
| TOTAL UTILIZATION | 1750110 | 1750175 | 1750100 | 1800150 | 0 | 1800150 | MT |

Consumption

Apples

Turkey consumes about 90 percent of apples production as fresh. It processes about five percent for juice, canned products, vinegar or dried, and exports about one percent. The remainder is losses, which is added into domestic consumption. The apple harvest starts in early September and prices vary a lot due to the supply and location. Newly harvested apples have recently begun to enter the market. Their prices currently are in between YTL 1.00 (or about USD 0.75) per kilogram and YTL 2.00 (or about USD 1.50) per kilogram depending upon the quality and location in the weekly open markets and local grocery stores in Ankara. Turkish people prefer medium-sized apples weighing approximately one kilo for 6. Turkish people prefer Red Delicious at the beginning of the season, but have a preference for Golden Delicious after the New Year. Cold storage facilities, however, allow most apples to be marketed during most of the year. Amasya apples can be marketed longer without being stored in the cold storage facilities. Per capita apple consumption is very high and is estimated at approximately 30 kilograms depending upon the overall supply.

Pears

Turkey also consumes about 90 percent of pears as fresh. It processes about two to three percent, primarily for canning, three to five percent is exported and the remainder is losses, which is added in to the domestic consumption. Pear prices are currently around YTL 1.00 (or about USD 0.75) per kilogram and YTL 2.00 (or about USD 1.50) per kilogram depending upon the quality and location of the weekly open markets or grocery stores. Per capita pear consumption is estimated about 4 or 5 kilograms primarily depending upon the supply.

Grapes

Most grapes grown in Turkey are consumed fresh. They are also dried as raisins (for both domestic and exports markets) and used to produce wine (which is growing fast in recent years) and raki (a largely consumed local alcoholic drink). Industry sources estimate that about one half of Turkey's grape production is consumed as fresh table grapes, about 35 - 40 percent is dried (including seedless sultana and all other grapes), and about 10 - 15 percent is processed, primarily for wine. Grapes are also processed for producing raki, juice, and vinegar in much smaller quantities. Of that one half, which is consumed as table grapes, about 85 percent is consumed as fresh, about 8 - 10 percent is exported and the remainder is estimated as losses, which is added in to the domestic consumption. PSD domestic consumption data represents fresh table grape consumption plus losses. Currently, retail fresh table grape prices vary from YTL 1.00 (or about USD 0.75) per kilogram to YTL 2.00 (or about USD 1.50) per kilogram depending upon the variety and location of the weekly open markets or grocery stores in Ankara. Processing category has been revised as zero since this report focuses entirely on fresh fruit.

Trade

Turkey exports only a small amount of its deciduous fruit production, even though Europe, Russia, and Middle East are significant markets. This may be attributed to the cost of production, insufficient standardization of the fruits, and shortage of the varieties desired by importing countries. Saudi Arabia is the leading market for apples and pears while Russia import fresh table grape exports. Iraq has also become a significant market, especially for apples, recently. Total revenues from apple exports were USD 11,558,000 in MY 2003 and USD 9,107,000 in MY 2004. Similarly Turkey made revenues USD 11,154,000 and USD 6,650,000 of pears exports, respectively. Revenues from fresh table grape exports were totaled USD 81,704,000 in 2004 and USD 679,000 during the first six months in 2005.

Table 1. Fresh Apples, Export Trade Matrix

| Turkey Apples, Fresh | | | |
|-------------------------|-------------|-----------------|-------------|
| Time Period | July - June | Units: | Metric Tons |
| Exports for: | 2003 | | 2004 |
| U.S. | | U.S. | |
| Others | | Others | |
| Saudi Arabia | 9026 | Iraq | 6945 |
| Jordan | 2711 | Saudi Arabia | 6906 |
| Northern Cyprus | 2257 | Egypt | 2592 |
| Egypt | 1938 | Northern Cyprus | 1816 |
| Iraq | 1681 | Romania | 610 |
| Greece | 658 | Jordan | 526 |
| United Arab Em. | 516 | Russia | 285 |
| Romania | 330 | United Arab Em. | 219 |
| Kuwait | 291 | Kuwait | 185 |
| Germany | 188 | Oman | 120 |
| Total for Others | 19596 | | 20204 |
| Others not Listed | 2420 | | 897 |
| Grand Total | 22016 | | 21101 |

Table 2. Fresh Apples, Import Trade Matrix

| Turkey Apples, Fresh | | | |
|-------------------------|-------------|-----------------|-------------|
| Time Period | July - June | Units: | Metric Tons |
| Imports for: | 2003 | | 2004 |
| U.S. | | U.S. | 57 |
| Others | | Others | |
| Chile | 1864 | Chile | 2182 |
| Italy | 462 | Italy | 743 |
| France | 150 | France | 252 |
| Jordan | 22 | Argentina | 166 |
| Argentina | 18 | South Africa | 54 |
| Greece | 15 | Northern Cyprus | 44 |
| Saudi Arabia | 11 | China | 40 |
| | | Greece | 39 |
| | | Netherlands | 19 |
| | | Saudi Arabia | 4 |
| Total for Others | 2542 | | 3543 |
| Others not Listed | | | |
| Grand Total | 2542 | | 3600 |

Table 3. Fresh Pear, Export Trade Matrix

| Turkey Pears, Fresh | | | |
|------------------------|-------------|-----------------|-------------|
| Time Period | July - June | Units: | Metric Tons |
| Exports for: | 2003 | | 2004 |
| U.S. | | U.S. | |
| Others | | Others | |
| Saudi Arabia | 3984 | Saudi Arabia | 1882 |
| Germany | 3213 | Germany | 1675 |
| Greece | 1706 | Romania | 784 |
| Netherlands | 1250 | Netherlands | 779 |
| Russia | 1093 | Northern Cyprus | 570 |
| Romania | 687 | Greece | 491 |
| Northern Cyprus | 644 | Macedonia | 344 |
| Serbia-Blackm. | 545 | Russia | 330 |
| United Arab Em. | 422 | Austria | 198 |
| Austria | 323 | United Kingdom | 174 |
| Total for Others | 13867 | | 7227 |
| Others not Listed | 2605 | | 808 |
| Grand Total | 16472 | | 8035 |

Table 4. Fresh Pear, Import Trade Matrix

| Turkey Pears, Fresh | | | |
|------------------------|-------------|--------------|-------------|
| Time Period | July - June | Units: | Metric Tons |
| Imports for: | 2003 | | 2004 |
| U.S. | | U.S. | |
| Others | | Others | |
| Chile | 115 | Argentina | 68 |
| South Africa | 38 | South Africa | 42 |
| Argentina | 33 | Chile | 30 |
| Croatia | 17 | Israel | 16 |
| Israel | 15 | Saudi Arabia | 2 |
| | | | |
| | | | |
| Total for Others | 218 | | 158 |
| Others not Listed | 4 | | |
| Grand Total | 222 | | 158 |

Table 5. Fresh Table Grapes, Export Trade Matrix

Turkey
Grapes, Table, Fresh

| | | | |
|-------------------|-------------|----------------|-------------|
| Time Period | Jan. - Dec. | Units: | Metric Tons |
| Exports for: | 2004 | Jan. - June | 2005 |
| U.S. | | U.S. | |
| Others | | Others | |
| Russia | 85326 | Russia | 736 |
| Germany | 25923 | Romania | 149 |
| Saudi Arabia | 10989 | Albania | 38 |
| Austria | 9009 | Saudi Arabia | 32 |
| Netherlands | 8942 | Latvia | 18 |
| Romania | 4382 | Germany | 18 |
| Belarus | 2765 | Sweden | 17 |
| Latvia | 2107 | Serbia-Blackm. | 14 |
| United Kingdom | 1623 | Austria | 13 |
| Poland | 1405 | Iraq | 13 |
| Total for Others | 152471 | | 1048 |
| Others not Listed | 6757 | | 154 |
| Grand Total | 159228 | | 1202 |

Table 6. Fresh Table Grapes, Import Trade Matrix

Turkey
Grapes, Table, Fresh

| | | | |
|-------------------|-------------|--------------|-------------|
| Time Period | Jan. - Dec. | Units: | Metric Tons |
| Imports for: | 2004 | Jan. - June | 2005 |
| U.S. | | U.S. | |
| Others | | Others | |
| Northern Cyprus | 54 | Chile | 85 |
| South Africa | 54 | South Africa | 36 |
| Chile | 53 | Argentina | 3 |
| Saudi Arabia | 15 | | |
| | | | |
| | | | |
| Total for Others | 176 | | 124 |
| Others not Listed | | | |
| Grand Total | 176 | | 124 |

Stocks

Almost all apples, pears, and grapes are stored in climate-controlled storage facilities and sold throughout the year.

Policy

The government has not provided any price support for pears or table grapes in recent years. The government used to announce a support on apple exports in the past (about USD 40 per MT), but did not announce any in 2005.

The duties, which were announced on January 1, 2004, for imports of fresh apples, pears, and table grapes are also applied in 2005.

| Product | Tariff Code | Duty | Affective Date |
|--------------------|----------------------------|-------------|-----------------------|
| Fresh Apples | 0808.10 | 60.3 | January 1, 2004 |
| Fresh Pears | 0808.20.10 & 0808.20.50 | 60.3 | January 1, 2004 |
| Fresh Table Grapes | 0806.10 | 54.9 | January 1, 2004 |

Marketing

Fresh deciduous fruits are sold domestically or exported through private traders and specialized marketing cooperatives.