USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network
Template Version 2.09

Required Report - public distribution

Date: 11/27/2007

GAIN Report Number: TU7064

Turkey

Citrus

Citrus Annual

2007

Approved by:
Ralph Gifford, Agricultural Counselor
U.S. Embassy

Prepared by:
Yasemin Y. Erkut, Agricultural Specialist

Report Highlights:
MY 2006 was a good year for Turkish production and exports of tangerines, lemons and grapefruit; orange exports were lower than the previous year because of quality problems. In MY 2007, production of oranges, tangerines and especially lemons fell and crop quality also was low. Consequently My 2007 exports of lemons and tangerines were sharply lower than the previous year. Russia and Ukraine remain the principal export markets.

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

Table of Contents

Executive Summary

Turkey is among the top ten citrus producing countries in the world. The Mediterranean and Aegean regions account for about 95 percent of all citrus grown in Turkey. In MY 2006/07 estimated citrus production was significantly higher than in MY 2005/06. Estimated orange production increased to 1,536,000 MT and tangerine production also increased by 10 percent to 739,000 MT.

In parallel to the higher yields, the export of almost all citrus fruits increased. Only orange exports dropped slightly and industry contacts claim that this was mainly due to the sizes of oranges and small oranges were not able to meet the demands of some importing countries. Tangerine exports were record high in MY 2006 and increased by 55 percent compared to the previous year and reached 333,000 MT.

MY 2007 production of all citrus except grapefruit is forecast to decrease. Industry sources expect lemon production especially to decline significantly because of hot and dry weather during blossoming season.

In MY 2006 Russian Federation continued to be the top market for Turkish citrus. Romania and Ukraine were also the major targets for citrus exports. Domestic consumption of citrus did not change significantly.

In MY2007 the Turkish Government has stopped providing separate amounts of support and each citrus crop will be given USD 100 per MT.

Production

Turkey is among the top ten citrus growing countries in the world. In recent years farmers have been interested in establishing new orchards, due to low returns of other commodities in the major citrus growing areas and higher export potential of citrus. The Mediterranean Region accounts for about 90 percent of all citrus grown in Turkey, and the Aegean Region counts for most of the rest.

The primary production zone is Cukurova which produces 70 percent of all citrus grown in Turkey. The three provinces that make up Cukurova specialize as follows:

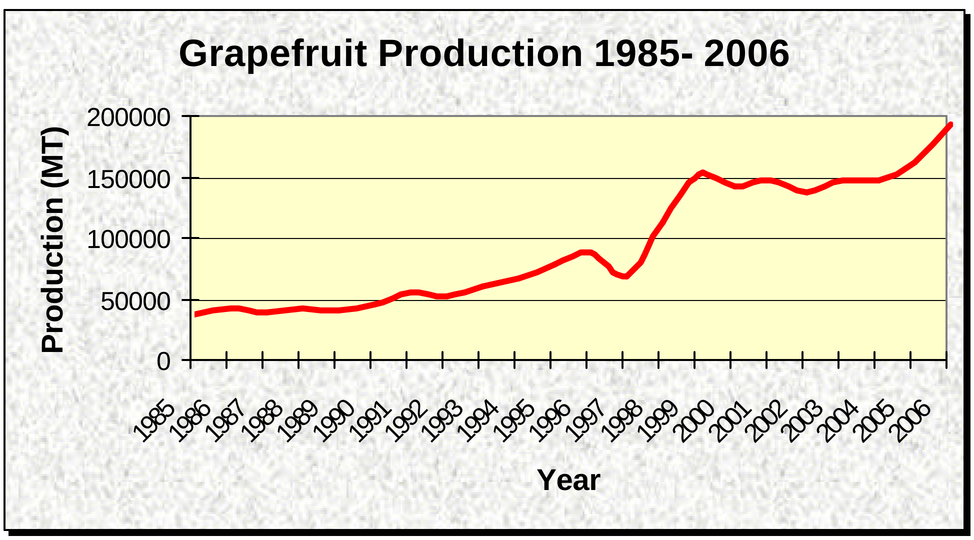
1) Hatay Province- southern part and specializes in oranges,
2) Adana Province - central part and specializes in orange, tangerine and grapefruit,
3) Mersin Province - western part and spealizes in lemon production.

Antalya province, located to the west of Cukurova, produces about 20 percent of all citrus in Turkey. The major crop is oranges and about 30 percent of all orange produced in Turkey are from this region.

Izmir is the leading province in the Aegean Region and about 5 percent of all citrus grown in Turkey is from this province. Tangerine is the major crop of the region and 15 percent of all tangerines produced in Turkey are from the Izmir area.

The production of all citrus has been increasing steadily in the past 20 years. Especially since the year 2000 the growth in production has been extraordinary and this is mainly due to increasing number of citrus orchards.

Table- 1: Grapefruit Production Statistics [1]

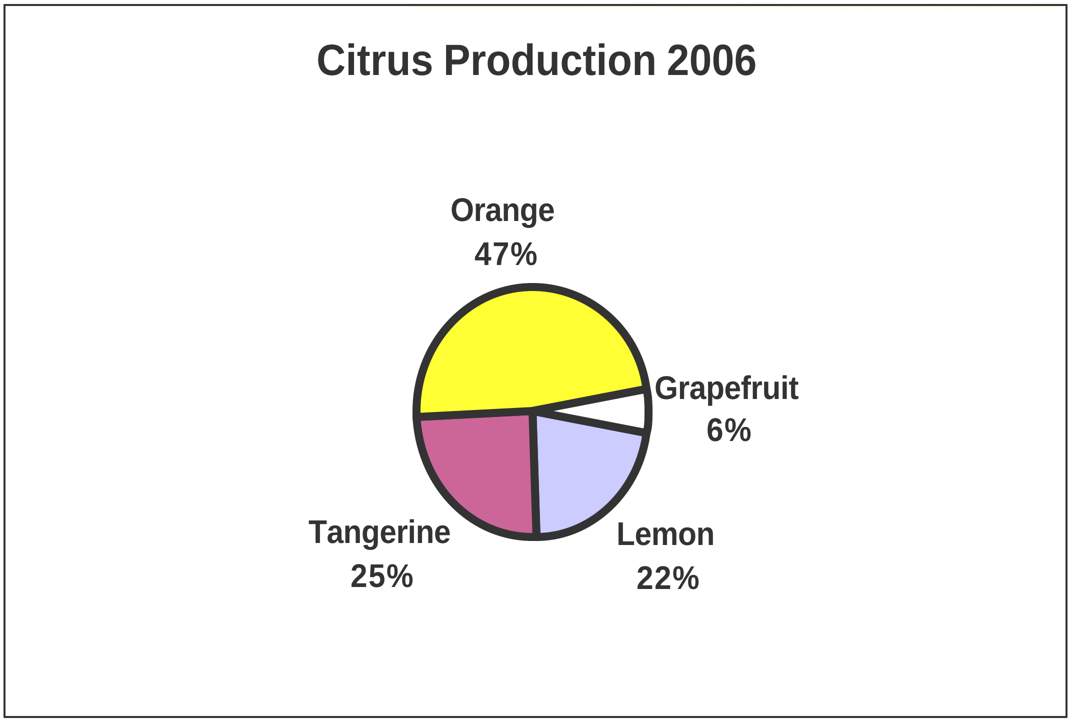


Source: Turkish Statistical Institute (TURKSTAT)

[1] The production charts for other citrus fruits can be found on Page-10 of this report.

Grapefruit plantations have reached record highs in the past 10 years as a result of high export potential of grapefruits.

Table- 2: Distribution of Citrus Production in 2006



Source: Turkish Statistical Institute (TURKSTAT)

Oranges accounted for 47 percent of all citrus produced in Turkey in MY 2006. Tangerines and lemons followed oranges with 25 and 22 percent production respectively. Although grapefruit accounted for only 6 percent of overall production it is important to note that there is gradual and continuing increase in production of grapefruits in the recent years, which is mainly due to high export potential.

The main varieties of oranges grown in Turkey are Washington Navel, about 75 percent of the crop, and Valencia, about 20 percent. Enterdonate, which is the primary export variety, comprises about 40 percent of total lemon production. Star Ruby is the main grapefruit variety, at about 50 percent of the total, and Satsuma is the main tangerine variety, at about 60 percent of the total.

In MY 2007 hot and dry weather conditions during the blossoming and harvesting season is estimated to have reduced yields.

Total citrus production increased in MY 2006. The biggest increase was in grapefruit and lemon as their production increased by 20 and 18 percent respectively. Grapefruit production reached 180,000 MT in MY 2006 and is predicted to be about the same in MY 2007. Lemon production, however, is forecasted to be substantially lower in MY 2007. This is mainly due to hot weather conditions during the blossoming season and continuing warm and dry weather during the harvest. This affected the production of lemon tremendously.

Table- 3: Major Citrus Varieties Grown in Turkey

LEMON	
Variety	**Information**
Enterdonate	This variety is grown the most in Turkey especially in the Eastern Mediterranean Region. It is an early variety and it takes the biggest share of exports. Available between September and December.
Lamas	Requires very specific climatic conditions, therefore grown mainly in Mersin area in the southern part of Turkey. It is also an early variety and available between mid-October and February.
Other	Other varieties grown in Turkey include Kutdiken, Meyer and Italian.
ORANGE	
Variety	**Information**
Washington Navel	This variety is appreciated most for fresh consumption domestically. It is convenient for storage and transportation. Available from November through January.
Jaffa	This variety is also used mainly for fresh consumption as its juice content is not very suitable for processing industry. Available between January and March.
Valencia	This is the latest variety to be grown as it adapts easily to high temperatures and it is suitable for both fresh and industrial usage. Available between Mid-February and May.
GRAPEFRUIT	
Variety	**Information**
Star Ruby	This is one of the most favored varieties for export purposes and it is mainly consumed fresh. It is available from October through February.
Ruby Red	Mostly grown in western Mediterranean Region. If conditions are available it can be stored up to four months. It is available between October and February.
White Marsh Seedless	This variety is also grown in the Western Mediterranean Region and is one of the oldest varieties in Turkey. It is available from November through March.
Rio Red	The production of this variety has been increasing in the recent years. It is used mainly for export purposes. It is available between December and April.
TANGERINES	
Variety	**Information**
Satsuma	Owari Satsuma is mainly grown in the Aegean Region. This early variety is the most produced and exported variety. In the recent years this variety was also planted in the Cukurova region. It is available from mid-October through the end of December.
Minneola	Production of this variety has expanded the most since the 1980's in the Eastern Mediterranean Region and is known for its high quality. It is available between end of December and March.
Fremont	This variety is only grown in Turkey and mostly in Adana- Mersin region. Due to its characteristics it is much appreciated in and exported to the Middle Eastern countries. It is available from December through February.
Other	Nova and Marisol are also other varieties grown in Turkey.

According to official Turkish Statistical Institute (TURKSTAT), lemon production is estimated to drop by 10 percent in MY 2007 but industry contacts estimate that the decline will be about 30 percent.

Orange production increased by 6 percent in MY 2006 compared to the previous year and reached 1,536,000 MT. In MY 2007, however, production of oranges is forecast to decrease slightly due to excessively hot and dry summer.

MY 2006 was a good production year for tangerines. This, however, is expected to change in this marketing year. In MY 2006 tangerine production increased by 10 percent and reached 791,000 MT, but is also forecast to decrease by 7 percent in MY 2007. The production of Satsuma variety is estimated to decline slightly in MY 2007, mainly due to cold weather conditions.

There are no official statistics about the quantity of citrus used for processed products, such as juice, but industry contacts estimate that about seven percent of total orange production is used to make orange juice concentrate. Fresh squeezed juice is popular especially during the heavy tourism season. Processing of lemons, tangerines and grapefruits is minimal.

Consumption

Domestic consumption of citrus fruits is quite high in Turkey. Approximately 60 percent of all citrus fruit is consumed domestically; seven percent is used for industrial purposes and the rest is exported. Consumption of citrus, as well as other fruits has increased steadily in recent years as per capita income has increased. Currently per capita consumption of citrus in Turkey is 30 kilograms (66 lb) annually, nearly all fresh fruit. Citrus consumed as juice is still quite low compared to some other citrus growing countries, as there are many competing non-citrus juices.

The increase in domestic demand has encouraged higher production. In addition, the demand from foreign markets for Enterdonate lemons, Star Ruby grapefruits and Satsuma tangerines also contributed to higher levels of production. Ever increasing production, especially in the Cukurova Region, resulted in lower prices. The marketing year (MY) 2006 was a rather stressful year for producers as prices dropped tremendously. Some farmers complained that their crop was mostly wasted as they did not want to sell it for low prices to exporting companies. The domestic market is very price sensitive and fluctuations in the price of citrus fruits may affect the consumption levels significantly. In MY 2007, industry sources expect higher prices compared to the previous year, which has the potential to lead to lower levels of consumption.

On the other hand, there is a significant potential in the tourism sector in the southern parts of Turkey. There is increasing number of tourists coming to Turkey every year and tourism sector utilizes mainly processed but also fresh citrus fruits.

Prices

According to the industry sources, nearly half of Turkey's citrus crop is selected, graded, and packed for upscale domestic and export markets. About a dozen large scale 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 half 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 marketing of all citrus crops. Packers used to begin contracting in August and purchase the crop-on-the tree. Due to uncertainties in the market, packers have started contracting later and buying as much as they think they will sell. They estimate that about one half of the crop will be first or second grade destined for the 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. Farm gate prices vary a lot by production estimates, quality and location. Packers report the following prices for citrus on the tree. They are fairly representational of current prices in the Cukurova Region.

Table- 4: Citrus Farm Gate Prices *1/*

TURKEY: Citrus fruit prices, October 2007	
	PRICE (YTL/Kg)
Lemons (Enterdonate)	0.55-0.75
Grapefruits (Star Ruby)	0.35-0.40
Tangerines (Satsuma)	0.50-0-60
Oranges (Washington Navel)	0.25-0.30 *2/*

1) Prevailing prices for citrus are on the tree prices in Cukurova in early MY 2007. These prices usually track export prices.

2) Except for some early varieties, the MY2007 orange harvest has not yet started; however, traders have started negotiating on the tree prices.

In MY 2007 farm gate prices recovered from the previous year and are higher for lemons and tangerines, but lower for grapefruits and similar for oranges. Industry sources state that the high price for lemons is mainly due to lower production in MY 2007.

Trade

Citrus has traditionally been Turkey's leading fresh fruit export. In MY 2005, citrus products accounted for 56 percent of all fresh fruit exports. In MY 2006 there was an increase in exports of grapefruits, tangerines and lemons. Only orange exports decreased slightly in MY 2006.

In MY 2006 lemon exports increased 13 percent from the previous year as a result of higher production and more competitive prices. Because of a small and low-quality crop, MY 2007 lemon exports are forecast to fall by 43 percent.

Exports of tangerines increased sharply in MY 2006, thanks to a large crop and low prices, but are expected to fall back in MY 2007 because of a smaller crop and small-sized fruit.

In MY 2006 grapefruit exports increased 13 percent compared to MY 2005 as a result of higher production and more competitive prices. In MY 2007 both production and export of grapefruits is expected to increase slightly compared to MY 2006 levels.

In MY 2006, orange exports decreased compared to MY 2005, dropping 13 percent. Industry sources attribute the decrease to lower crop quality, especially small-sized oranges that were not able to meet the demands of some importing countries. MY 2007 orange production and exports are forecast to decrease slightly compared to MY 2006.

In addition, because of the strong Turkish currency, MY 2007 Turkish citrus exports are less competitive and input prices for fertilizer, pesticide, irrigation, fuel, are also rather high compared to other citrus exporting countries.

In MY 2006 Russia continued to be the leading export destination for Turkish citrus. Romania and Ukraine were also the other top countries for exports. In recent years Turkish citrus producers and exporters faced significant problems with the Russian Federation on residue levels and presence of the Mediterranean fruit fly. These problems were resolved in the summer of 2006 as a result of the extensive efforts of both governments.

In MY 2006 the United States also became a market for Turkish citrus. At the request of a U.S. importer, USDA's Animal and Plant Health Inspection Service (APHIS) provided training on cold storage systems to Turkish Ministry of Agriculture inspectors, which will allow Turkish citrus to be cleared faster at U.S. port of entry. The volume of U.S. imports from turkey is expected to remain very small.

Turkey's citrus imports, mostly oranges from the Turkish Republic of Northern Cyprus, are negligible.

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 comprised largely of orange juice concentrates.

Policy

Production Policy

There are no citrus-specific production support programs. The government gives 2,500 YTL (~ USD 2,083) per hectare to any producer who establishes any kind of fruit orchard using certified seedlings. All Turkish farmers receive direct income support payments. The government-sponsored Exporters' Unions plays a role in market promotional activities, mostly market research and information.

In addition, the Mediterranean Exporters' Union, Adana Farmers' Union and Adana Yuregir Citrus Producers Union (AYTUB) play significant roles in keeping statistical information, communicating producers' problems to government officials, and conducting research.

One of the problems the producers are facing is the lack of different varieties. Ministry of Agriculture and Rural Affairs' Agricultural Research Institutes, along with Cukurova University, conduct research on improved varieties and better horticultural practices. These researchers help identify better varieties for export and improved agricultural practices, therefore increase the export potential. Individual large-scale growers also experiment with new varieties and have been responsible for the introduction of some new varieties.

Trade Policy

The Turkish government makes support payments to exporters and the rates vary each year. The government makes payments to a special account, which the exporter can only use only to make tax and social security payments as well as utilities such as telecommunications, electricity, and natural gas. In MY 2006 the support payments were as follows: USD 70/MT for lemons, USD 60/MT for oranges and tangerines, and USD 50/MT for grapefruit. This marketing year the government stopped providing separate amounts of support and each citrus crop will be given USD 100 per MT exported.

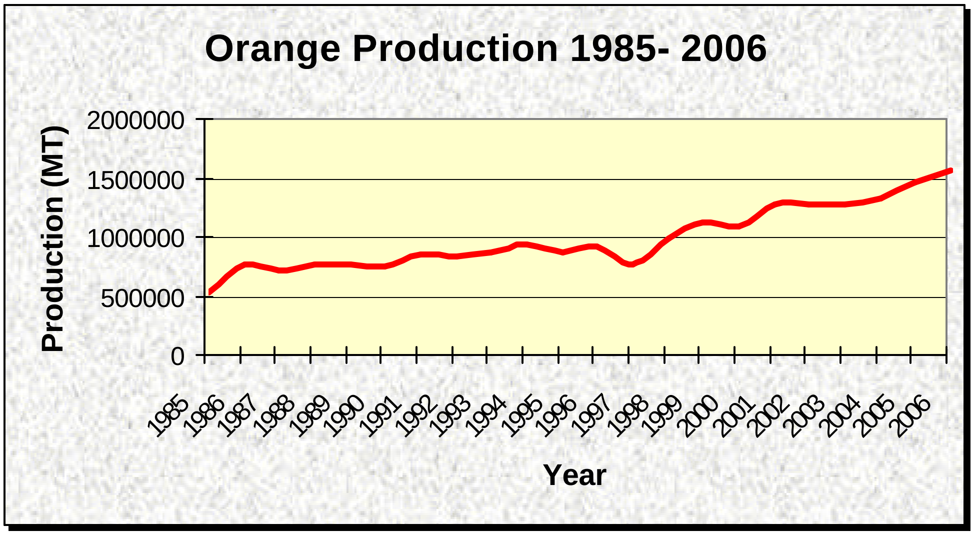
In order to protect domestic producers the government kept the customs duty rates of 2006 for orange juice imports. The Turkish government announced a 54 percent duty on all types of fresh citrus imports.

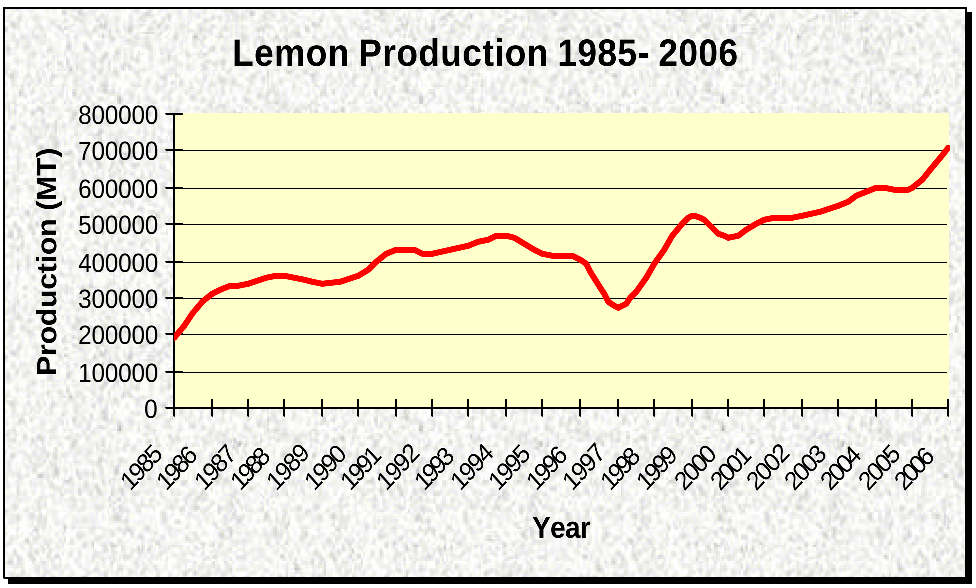
Marketing

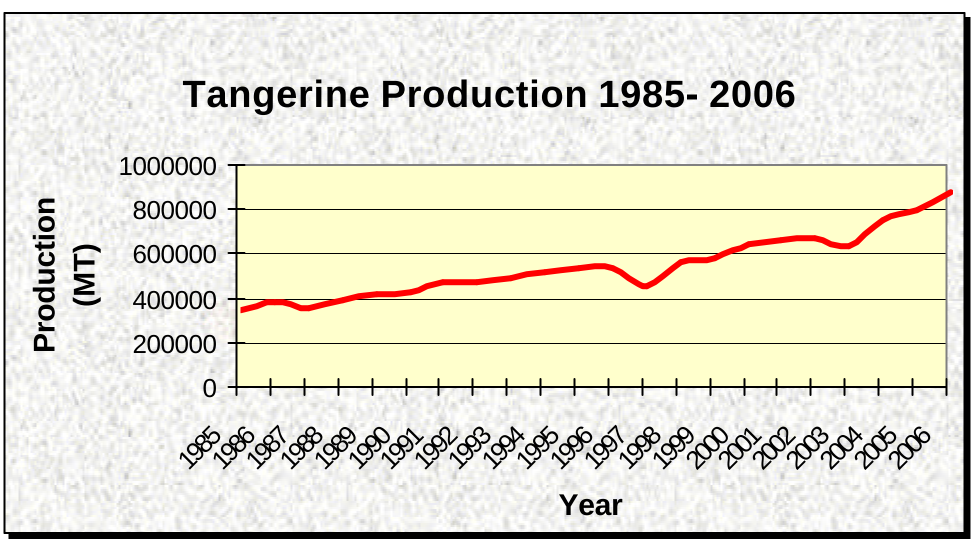
Marketing of fresh citrus and orange juice in domestic and international markets is handled entirely by the private sector. Transportation is a major issue in marketing of fresh citrus. Domestically consumed citrus is transported in open trucks with minimal packing. However, the citrus packed for export is transported in refrigerated trucks.

There are three channels for citrus distribution: It can go from producer to wholesaler, who then sells either directly to consumers in local wet markets or sells it to a broker. The broker then sells to a retailer who eventually markets it to the consumers. Sometimes the producer sells directly to the broker who then sells it to the retailer. The wholesale markets play a significant role in the marketing. Citrus producers or exporters do not have a nationwide organization for marketing.

Table- 5: Citrus Production Statistics 1985- 2006







Tables for Citrus

ORANGE

Table- 1: Production, Supply and Demand for Turkey

Fresh Oranges										
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Area Planted	0	0	49510	0	0	50565	0	0	51000	(HECTARES)
Area Harvested	0	0	45524	0	0	46817	0	0	47300	(HECTARES)
Bearing Trees	12100	12500	12071	12000	0	12275	0	0	12400	(1000 TREES)
Non-Bearing Trees	975	1000	972	1000	0	910	0	0	900	(1000 TREES)
Total No. Of Trees	13075	13500	13043	13000	0	13185	0	0	13300	(1000 TREES)
Production	1400	1300	1445	1400	0	1536	0	0	1472	(1000 MT)
Imports	26	50	39	50	0	0	0	0	0	(1000 MT)
Total Supply	1426	1350	1484	1450	0	1536	0	0	1472	(1000 MT)
Exports, Fresh	230	180	205	250	0	178	0	0	180	(1000 MT)
Fresh Dom. Consumption	1091	1065	1174	1095	0	1253	0	0	1187	(1000 MT)
For Processing	105	105	105	105	0	105	0	0	105	(1000 MT)
Total Distribution	1426	1350	1484	1450	0	1536	0	0	1472	(1000 MT)

Table- 2: Export Trade Matrix for Turkey

Fresh Oranges			
Time Period	Oct-Sep	Units:	MT
Exports for:	2005		2006
U.S.	18	U.S.	23
Others		Others	
Russia	72566	Russia	62049
Iraq	37182	Ukraine	25341
Ukraine	27884	Romania	24551
Romania	25870	Iraq	10195
Mersin Free. Tr	6331	Iran	9904
Saudi Arabia	5661	Georgia	7332
Georgia	5173	Mersin Free Tr	7030
Serbia	4028	Azerbaijan	3820
Bulgaria	3332	Saudi Arabia	3578
Macedonia	2856	Bulgaria	3428
Total for Others	190883		157228
Others not Listed	14013		20918
Grand Total	**204914**		**178169**

TANGERINE

Table- 1: Production, Supply and Demand for Turkey

Fresh Tangerines/Mandarins										
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Area Planted	0	0	31227	0	0	31226	0	0	31226	(HECTARES)
Area Harvested	0	0	26670	0	0	27472	0	0	27400	(HECTARES)
Bearing Trees	9250	9400	9230	9250	0	9456	0	0	9500	(1000 TREES)
Non-Bearing Trees	1350	1250	1347	1250	0	1137	0	0	1150	(1000 TREES)
Total No. Of Trees	10600	10650	10577	10500	0	10593	0	0	10650	(1000 TREES)
Production	700	600	715	700	0	791	0	0	739	(1000 MT)
Imports	2	0	2	0	0	0	0	0	0	(1000 MT)
Total Supply	702	600	717	700	0	791	0	0	739	(1000 MT)
Exports, Fresh	227	225	214	270	0	333	0	0	239	(1000 MT)
Fresh Dom. Consumption	475	375	503	430	0	458	0	0	500	(1000 MT)
For Processing	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	702	600	717	700	0	791	0	0	739	(1000 MT)

Table- 2: Export Trade Matrix for Turkey

Fresh Tangerines/Mandarins			
Time Period	Oct-Sep	Units:	MT
Exports for:	2005		2006
U.S.	0	U.S.	0
Others		Others	
Russia	56547	Russia	106982
Ukraine	46079	Ukraine	86776
Romania	22946	Romania	28681
Saudi Arabia	18776	Mersin Free Tr	26072
Mersin Free Tr.	16372	Saudi Arabia	18714
United Kingdom	11301	Bulgaria	9134
Iraq	6097	Serbia	7135
Serbia	4964	Macedonia	6670
Netherlands	4917	Germany	5985
Macedonia	3953	Netherlands	4845
Total for Others	191952		300994
Others not Listed	22064		32166
Grand Total	**214016**		**333160**

LEMON

Table- 1: Production, Supply and Demand for Turkey

Fresh Lemons										
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Area Planted	0	0	25000	0	0	25164	0	0	25200	(HECTARES)
Area Harvested	0	0	22100	0	0	22881	0	0	22840	(HECTARES)
Bearing Trees	6000	6000	6000	6000	0	6229	0	0	6400	(1000 TREES)
Non-Bearing Trees	700	750	692	700	0	565	0	0	600	(1000 TREES)
Total No. Of Trees	6700	6750	6692	6700	0	6794	0	0	7000	(1000 TREES)
Production	600	600	600	750	0	710	0	0	500	(1000 MT)
Imports	2	0	1	0	0	0	0	0	0	(1000 MT)
Total Supply	602	600	601	750	0	710	0	0	500	(1000 MT)
Exports, Fresh	293	250	311	380	0	353	0	0	200	(1000 MT)
Fresh Dom. Consumption	299	340	280	360	0	347	0	0	290	(1000 MT)
For Processing	10	10	10	10	0	10	0	0	10	(1000 MT)
Total Distribution	602	600	601	750	0	710	0	0	650	(1000 MT)

Table- 2: Export Trade Matrix for Turkey

Fresh Lemons			
Time Period	Oct- Sep	Units:	MT
Exports for:	2005		2006
U.S.	0	U.S.	1013
Others		Others	
Russia	88426	Russia	101007
Saudi Arabia	60202	Saudi Arabia	48171
Ukraine	36711	Ukraine	47575
Greece	15611	Romania	23839
Poland	10650	Poland	14610
Mersin Free Tr	7920	Greece	13910
Bulgaria	7042	Serbia	9616
Serbia	6025	Mersin Free Tr	9256
Germany	5271	Germany	8916
Macedonia	4909	Bulgaria	7334
Total for Others	242767		284234
Others not Listed	68495		68392
Grand Total	**311262**		**353639**

GRAPEFRUIT

Table- 1: Production, Supply and Demand for Turkey

Fresh Grapefruit										
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Area Planted	0	0	4780	0	0	4920	0	0	4950	(HECTARES
Area Harvested	0	0	4560	0	0	4690	0	0	4707	(HECTARES
Bearing Trees	980	980	985	980	0	1016	0	0	1020	(100 TREES
Non-Bearing Trees	60	70	45	60	0	48	0	0	50	(100 TREES
Total No. Of Trees	1040	1050	1030	1040	0	1064	0	0	1070	(100 TREES
Production	150	150	150	110	0	180	0	0	182	(1000 MT
Imports	8	10	8	15	0	0	0	0	0	(1000 MT
Total Supply	158	160	158	125	0	180	0	0	182	(1000 MT
Exports, Fresh	138	100	130	90	0	147	0	0	150	(1000 MT
Fresh Dom. Consumption	20	60	28	35	0	33	0	0	32	(1000 MT
For Processing	0	0	0	0	0	0	0	0	0	(1000 MT
Total Distribution	158	160	158	125	0	180	0	0	182	(1000 MT

Table- 2: Export Trade Matrix for Turkey

Fresh Grapefruit			
Time Period	Oct- Sep	Units:	MT
Exports for:	2005		2006
U.S.	0	U.S.	0
Others		Others	
Romania	21895	Russia	30475
Russia	19043	Romania	25001
Netherlands	14982	Poland	13688
Poland	12508	Ukraine	11661
Germany	12448	Netherlands	10389
Mersin Free Tr	8312	Germany	8310
France	7960	Mersin Free Tr.	6328
Saudi Arabia	5687	Bulgaria	5675
Ukraine	5636	Czech Republic	5139
Bulgaria	4005	Saudi Arabia	4433
Total for Others	112476		121099
Others not Listed	17661		26317
Grand Total	**130137**		**147416**