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Turkey

Tomatoes and Products

Semi-Annual Report

1999

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Report Highlights:

MY 1999 tomato paste production is estimated at about 295,000 MT, less than predicted earlier due to weak international prices. Turkish tomato paste exports had another good year in MY 1998, reaching over 185,000 MT in the first eleven months, even though exports to the EU were subject to a 16.7 percent tariff as a result of a continuing spat over EU meat exports to Turkey.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Semi-Annual Report
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Production

Based on industry sources (no official information available), total MY1999 tomato production is forecast to be approximately 8 MMT (approximately 25 percent is industrial, e.g. for paste, tomatoes, compared to an estimated 8.3 MMT for MY1998).

Last summer processors did not want to take advantage of the suitable weather due to a lack of orders, particularly from Russia, and low international prices. As a result, tomato paste production for 1999, now estimated to be approximately 295,000 MT (28-30 basis), is slightly less than the MY1998 production of 310,000 MT. In addition to commercial production, an estimated 5,000 MT of tomato paste is produced at home. 1999 paste quality is reported to be excellent.

Consumption

Domestic tomato paste consumption is expected to increase to 117,000 MT (28-30 basis). The industry believes long-term growth is about 3 percent a year. Urbanization and changing life styles have increased the consumption of industrial tomato paste at the expense of home made tomato paste.

Domestic canned tomato paste currently retails for about 500,000 TL per kilogram (520,000 TL = US \$1.00) as compared to 300,000 TL (300,000 TL = US \$1.00) in last December. Paste prices closely follow the 65 percent local annual inflation.

Trade

Available data indicates that Turkey had a good export year in MY 1998 and total exports reached 185,332 MT during the first eleven months of the marketing year.

The Turkish tomato paste industry is very dependent on exports. In recent years, exports to traditional markets, particularly Algeria and Libya, have declined sharply, partly as a result of problems in the importing countries and partly as a result of reduced supply in Turkey. To compensate for the loss of these markets, the Turkish industry is turning increasingly to quality markets, such as Japan and the European Union. On the other hand, Russia and Tunisia have been new, price sensitive markets for Turkish paste recently.

But, according to industry and trade representatives, in MY1999, due to larger than expected production in other industrial tomato producing regions (including California, Mediterranean basin countries, and China) and world wide low export prices, Turkish paste export prices in recent months declined to US\$600-650 MT, compared to pre-season export prices of US\$700-750 MT.

The European Union is not permitting Turkey to utilize its total 38,400 MT of duty free tariff rate quota for tomato paste and canned tomato products exports due to a dispute over Turkey's ban on meat imports. Exports to the EU still continue despite the 16.7 percent import tax the EU put in place to counter Turkey's ban.

Tomato paste imports are discouraged by a tariff of 143.4 percent, though in some past years imports became necessary when domestic production was unable to meet paste export contracts.

Stocks

There are no official statistics on tomato and tomato products production and stocks. Industry sources estimate the MY1999 stocks to be approximately 18,789 MT. Most of the stocks are reported to be in cans, suitable for consumption either in the local market or in border trade. The stock figure in this report is calculated as the residual from the other factors and includes all products in all parts of the the distribution network, including home-produced/consumed paste. Also, PSD table figures are based upon a combination of Post and FAS Washington information.

PSD Table						
Country	Turkey					
Commodity	Tom. Paste,28-30% TSS Basis				(MT)(MT, Net Weight)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		09/1997		09/1998		09/1999
Deliv. To Processors	0	1080000	0	2050000	1950000	1850000
Beginning Stocks	29620	29620	11620	4324	18620	15789
Production	185000	185000	290000	310000	300000	295000
Imports	15000	10004	0	465	0	0
TOTAL SUPPLY	229620	224624	301620	314789	318620	310789
Exports	113000	114300	175000	190000	185000	175000
Domestic Consumption	105000	106000	108000	109000	110000	117000
Ending Stocks	11620	4324	18620	15789	21324	18789
TOTAL DISTRIBUTION	229620	224624	301620	314789	316324	310789

Export Trade Matrix			
Country	Turkey		
Commodity	Tom. Paste,28-30% TSS Basis		
Time period	MY1998	Units:	Metric Tons
Exports for:			
U.S.	2026	U.S.	
Others		Others	
Japan	31632		
Italy	17425		
S.Arabia	15470		
Germany	12965		
Russia	10398		
Tunusia	8739		
Spain	6450		
England	5677		
Algeria	5594		
Kuwait	4792		
Total for Others	119142		
Others not Listed	64164		
Grand Total	185332		

Import Trade Matrix			
Country	Turkey		
Commodity	Tom. Paste,28-30% TSS Basis		
Time period		Units:	
Imports for:			
U.S.	182	U.S.	
Others		Others	
Algeria	230		
U.A.E.	25		
N.Cyprus	17		
Jordan	11		
Total for Others	283		
Others not Listed			
Grand Total	465		

End of Report.