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Report Highlights:

In MY 2008 Turkish hazelnut production is at a record level, although quality problems have been reported. Pistachio yields were expected to be very high in MY 2008 but a dry summer has caused quality problems for them as well. For hazelnuts, production is forecasted to increase to 780,000 MT in MY2008. For pistachios the forecast is 85,000 MT, for walnuts the forecast is 85,000 MT and for almonds it is 15,500 MT. Hazelnut stocks remain very high, but liquidating these stocks may prove difficult for political and financial reasons.

Includes PSD Changes: No
Includes Trade Matrix: No
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Executive Summary

Turkish hazelnut production is at a record level this year. The early estimate was around 900,000 MT but a dry summer affected nut quality and the forecast has therefore been lowered to 780,000 MT. Because of this record production, Turkey is expecting higher hazelnut exports than last year. There were 233,138 MT of hazelnuts produced in CY 2007 and this year the expectation is around 250,000 MT.

The early pistachio production forecast was also very high at around 150,000 MT, but the dry summer caused lower yields, and production estimates were revised downward to 85,000 MT. Walnut and Almond production is increasing steadily in Turkey. The Turkish government believes that assistance for walnut and almond production can be a tool for rural development, particularly in the poor and plateau regions. Consequently, there are several support programs for new orchard establishment. The government recently announced it would pay 50% of all expenses for the new orchard establishments that are bigger than 10 da and also use certified seedling varieties.

Once again in MY 2008 the Turkish Grain Board (TMO) was ordered by the government to procure hazelnuts. TMO procurement prices for hazelnuts in MY 2008 are lower than last year. There was a general election in 2007 and the Turkish government announced the price before the election. This year for the first time TMO is using a graduated price system for different months. FISKOBIRLIK has not announced and will not announce any procurement price for hazelnuts in MY 2008, but instead, TMO and FISKOBIRLIK are expected to sign a protocol stating that both agencies will work together.

MY 2008 is an “on” year for pistachio production. In Gaziantep and Sanliurfa, the major pistachio producing provinces, yields were expected to be very high at around 150,000 MT. But a dry summer, especially in July, affected yields and consequently production is estimated to be around 85,000 MT.

Both production and consumption of walnuts are increasing. Production is increasing due to good prices for high quality domestic nuts and government support for new orchard establishment. At the same time, consumption is growing given the availability of inexpensive imports.

Almonds are not considered an important commercial crop in Turkey. The United States has increased its exports and is by far the major supplier of almonds (about 85-90 percent) to Turkey, for both shelled and in-shell almonds.

There is a 43.2 percent duty on the CIF value of all types of in-shell and shelled tree nut imports. The duty is 58.5 percent for processed tree nut products. The current exchange rate is about USD 1.00 = YTL 1.24

HAZELNUTS

Production

Turkey is the world’s leading hazelnut producer, accounting for about 75 percent of world supply. Although hazelnuts have been grown in more than 48 provinces around Turkey, production is primarily concentrated along Turkey’s Black Sea coast. Hazelnut orchards are typically located within 30 km of the coast, and inland. In the western Black Sea area, the growing region starts from Zonguldak (east of Istanbul) and extends east over the entire Black Sea and the mountains

almost until the Georgian border. There are approximately 4,000,000 people directly or indirectly employed by hazelnut production in Turkey, on an area of 600-650 thousand hectares.

The Black Sea region is divided into three distinct growing areas: (1) the hilly region from Ordu to Trabzon, centered around Giresun, which in a normal year produces about 55 percent of the crop, (2) the flatter, mixed farming region west of Ordu to Samsun, which produces about 15 percent of the crop, and (3) the area west of Samsun, which produces the remaining 30 percent. Hazelnuts require relatively little effort to cultivate and inputs are low. Harvesting takes place during several weeks in August and September.

The cumulative rainfall in the Black Sea region on which most hazelnut production occurs was 780 mm from October 1st, 2007 to July 31st, 2008. The normal value for this region is 733 mm and last year's average cumulative rainfall was 699 mm. As this demonstrates, despite the drought in the southeastern part of Turkey this year, the Black Sea region experienced high levels of rain. But the cumulative rainfall in July 2008 was recorded as 45 mm, which is 6% below the normal value of 48 mm. This was one reason for the quality problems in west Black Sea region in this year.

The official amount of hazelnut production in Turkey is shown below in Table 1.

Table 1. Turkish Hazelnut Production

Year	Area (HA)	Production (MT)	Fruit Bearing trees (000)	Non-Fruit Bearing trees (000)	Total number of trees (000)
1998	540,322	580,000	273,980	17,450	291,430
1999	530,674	530,000	278,900	16,350	295,250
2000	549,500	470,000	282,970	9,881	292,851
2001	550,000	625,000	285,000	12,100	297,100
2002	560,000	600,000	289,000	10,876	299,876
2003	600,000	480,000	303,900	13,900	317,800
2004	621.2	350,000	325,000	20,000	345,000
2005	621.2	530,000	321,500	15,215	336,715
2006	621.2	661,000	337,380	15,135	352,515
2007	621.2	530,000	357,984	19,286	377,235
2008	633.9	900,000*	-	-	-

Source Turkish Statistic Institute

*The forecast of Turkish Statistic Institute

Turkey hazelnut production was recorded as 530,000 MT in MY 2007. TMO (Turkish Grain Board) started to meet with producers on August 14, 2007 and started to procure hazelnuts on August 21st. Hazelnut procurement finished on March 17, 2008. TMO procured 89,195 MT from 68,672 producers, 4,775 MT from FISKOBIRLIK, and 1,671 MT from Agriculture Credit Cooperatives. In total, TMO procured 95,641 MT of hazelnuts in MY 2007 and paid 464 million YTL (USD 373.466 million).

Due to its large debt (estimated at about YTL 130 million), FISKOBIRLIK, a state economic enterprise (SEE) has not announced any procurement price yet, but there have been several meetings between TMO and FISKOBIRLIK in order to sign a protocol for collaboration. TMO has been using FISKOBIRLIK's storage in the Black Sea region. TMO was assigned by a cabinet decision dated October 32, 2007 to procure FISKOBIRLIK's stocks carried over from MY 2005. In order to fulfill the requirements of cabinet decision, TMO procured 67,373 MT of hazelnuts from FISKOBIRLIK on November 12, 2007.

Estimates of hazelnut production in MY 2008 vary considerably right now (the harvest season started in early August and is almost finished) from between 728,000 MT and 900,000 MT. The forecast of the Turkish Ministry of Agriculture is 804,546, the Turkish Grain Board's forecast is 750,000, the Hazelnut Export Association's forecast is 900,000, and the Turkish Agricultural Chamber Association's forecast is 728,000. FAS Ankara currently estimates that production is around 780,000 MT. The reason for such big differences in the various forecasts is the Turkish government's farm registration system. The government agencies made their forecasts by looking at the CKS system (farmers registry system) but some of the land in the Black Sea region has a land registry problem (referred to as "2B problem"). Basically their land is recorded as forest in the land registry system so they cannot register with the CKS system. Although production on these lands occurs, it has not been added to the government's forecast systems.

The government has been trying to decrease the hazelnut tree planting area since 1983. There is a law called Hazelnut Production Planning and the Determination of Land that is Suitable for Hazelnut Planting (number of law: 2844, date of official gazette that was published:06/18/1983). With this law the government tried to control the hazelnut production and also prevent the establishment of new hazelnut acreage. Following passage of this law the government also published some regulations and decrees to address the same issues and to support the planting of alternative products instead of hazelnut trees. However as table 2 below shows, contrary to government efforts, the hazelnut land area has been increasing since 1980.

Table 2. Area of Hazelnut Production in Different Provinces (ha)

Year	Akcakoca (ha)	Samsun (ha)	Ordu (ha)	Giresun (ha)	Trabzon (ha)	Other (ha)	Turkey (ha)
1980	95,000	40,000	141,500	100,000	48,500	-	425,000
2000	161,000	60,000	171,000	100,000	49,515	-	541,515
2001	162,000	63,000	171,000	100,000	49,515	-	545,515
2002	164,600	63,000	180,000	100,000	49,846	-	557,446
2003	167,200	65,000	188,000	101,000	49,846	-	571,046
2004	172,559	70,000	210,000	102,000	51,172	15,505	621,236
2005	172,559	70,000	210,000	102,000	51,000	15,505	621,236
2006	172,559	70,000	210,000	102,000	51,000	15,505	621,236
2007	172,559	70,000	210,000	102,000	51,000	15,505	621,236
2008	175,300	76,400	212,000	102,000	51,000	17,200	633,900

Source : Fiskobirlik

There are 48 cities in Turkey that grow hazelnuts and 400,000 family farms. 268,000 hazelnut producers are registered with the CKS system (farmer registry system of Ministry of Agriculture) and the total hazelnut land area registered to the CKS system is 522,000 ha. The average land size is 20 dekar.

Turkey produces three types of hazelnuts: Giresun, Levant, and Akcakoca. Giresun hazelnuts (round shape) are reputed to be the highest quality and have the best taste because of their higher oil content. Giresun hazelnuts are used generally in snack foods while Levant

hazelnuts are sold as whole kernels or processed. As a rule, Giresun hazelnuts demand a five percent premium over Levant varieties. Akcakoca hazelnuts are processed into paste.

Nut quality is determined by type, oil and moisture content, and the number of broken/shrunken kernels. Kernel size and moisture content are also measures of quality. Standard #1 is 13-15 mm, Standard #2 is 11-13 mm, and Standard #3 is 9-11 mm.

There is a quality problem in this years harvest, especially in the West Black Sea region. Kernel yield in Ordu and Giresun province is between 48-52%, 44-46% in Trabzon province, and 40-42% in Akcakoca province. The West Black Sea region has higher 9-11 mm (standard 3) yields than last year. 30% of the hazelnuts in this region are 9-11 mm(quality 3). Moreover, in the area east of the Black Sea region empty fruits have been a problem and around Trabzon sun burnt hazelnuts have been reported. That is why in the early estimates of this year the yield was forecasted as 900,000 MT by some sources but the yield has since been revised to 780,000 MT. There are two major reasons for the quality problem. One is the low level of rainfall and hot weather in July and the other is the high amount of blossoms on the trees, preventing the hazelnuts from receiving sufficient nutrients from the soil.

Most traders reported that usually there are 600-670 hazelnuts present in 1 kg but this year there are 700-750 hazelnuts present in 1 kg. This also signals a quality problem. In the coastal side and West Black Sea region the harvest is almost finished but because of rain it has not been completed, especially in the higher altitude areas.

The average yield in Turkey is 80-100 kg/dekar, below the world average. The West Black Sea region has much higher yields than the rest of Black Sea region. In the Giresun and Ordu province the yield is usually 75 kg/dekar but the yield in the West Black Sea region is around 250-300 kg/dekar. One of the reasons for the low yield is the region's topography. The land in this region is very steep and soil erosion is very common. Additionally, hazelnut trees have been planted very close to each other and in Giresun and Ordu provinces, hazelnut trees are becoming older.

Table 3. Hazelnut Production in Major Provinces

Provinces	2006 (MT)	2007 (MT)	2008 (MT) *
East Black Sea			
Giresun	86,723	64,131	139,764
Ordu	188,060	140,300	210,583
Samsun	79,412	37,714	115,706
Trabzon	55,006	42,491	74,307
Sinop	1,322	1,758	1,615
Rize	1,415	1,322	1,408
Artvin	7,240	7,821	8,350
TOTAL	419,178	295,537	551,733
West Black Sea			
Düzce+Bolu	78,493	71,213	90,972
Sakarya	113,988	88,295	115,262
Zonguldak	23,109	21,457	24,736
Kocaeli	12,342	14,659	13,595
Kastamonu	5,895	4,519	5,396
Bartın	2,166	3,082	2,852
Total	235,992	203,225	252,813
GRAND TOTAL	655,170	498,762	804,546

Source: Ministry of Agriculture and Rural Affairs

* Forecast of Ministry of Agriculture

PSD Table for Hazelnuts

Filberts, Inshell Basis									
	2006 Revision			2007 Estimate			2008 Forecast		
	2006/2007			2007/2008			2008/2009		
	Market Year Begin: Sep 2006			Market Year Begin: Sep 2007			Market Year Begin: Sep 2008		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Planted (ha)	-	-	-	-	-	-	-	-	0
Area Harvested (ha)	-	-	-	-	-	-	-	-	0
Bearing Trees (1,000 trees)	310000	310000	310000	310000	310000	330000	-	-	340000
Non-Bearing Trees (1,000 trees)	18000	18000	20000	18000	18000	18000	-	-	17000
Total Trees (1,000 trees)	328000	328000	330000	328000	328000	348000	-	-	357000
Beginning Stocks (MT)	80000	80000	80000	300000	300000	300000	-	-	320000
Production (MT)	775000	775000	800000	550000	550000	550000	-	-	780000
Imports (MT)	0	0	0	0	0	0	-	-	0
Total Supply (MT)	855000	855000	880000	850000	850000	850000	-	-	1100000
Exports (MT)	495000	495000	500000	400000	400000	450000	-	-	550000
Domestic Consumption (MT)	60000	60000	80000	100000	100000	80000	-	-	100000
Ending Stocks (MT)	300000	300000	300000	350000	350000	320000	-	-	450000
Total Distribution (MT)	855000	855000	880000	850000	850000	850000	-	-	1100000

The Ministry of Agriculture and Rural Affairs announced on August 30, 2008 that TMO had been told to procure hazelnuts again. This year TMO used a graduated price system for different months. Table below shows the 2008 graduated price system.

Table 4. Hazelnut Price Announced by TMO

Types of Hazelnut	September (YTL/KG)	October-November (YTL/KG)	December and After December (YTL/KG)
GIRE SUN	4	4.5	5
LEVANT	3.90	4.40	4.90
Others	3.70	4.20	4.70

Source: TMO

These are gross prices for in-shell nuts with a 50 percent shelling rate. Most of the production is the Levant type (about 75 percent in a normal year). TMO makes purchases by appointment to ensure smooth marketing, and pays 25 days after the procurement. The hazelnut prices at the market are now between 2.0 YTL/kg and 2.5 YTL/kg.

Table 5: Historic Price of Hazelnuts in Turkey

YEARS	PRICE OF FISKOBIRLIK (YTL/KG)	PRICE OF TMO (YTL/KG)	DATE OF ANNOUNCEMENT OF PRICE
2000	1.05	-	-
2001	1.3	-	-
2002	1,615	-	09/19/2002
2003	2,5	-	08/22/2003
2004	5.15 (G), 5.05(L)	-	08/06/2004
2005	7,45 (G), 7.05(L)	-	08/15/2005
2006	5	4	09/06/2006 (TMO) 09/14/2006 (Fiskobirlik)
2007	5,15	5 (LEVANT, 5.15 (GIRE SUN))	07/09/2007
2008	-	Ref: Table 4	08/30/2008

(G):Giresun type hazelnut (L): Levant type hazelnut

TMO procured 162,500 MT of hazelnuts in 2006 and 95,641 MT in 2007. In total TMO paid 1.05 billion YTL to the producers for the 2006 and 2007 harvest.

As of September 15, 2008, TMO had bought 18,464 MT of hazelnuts. Details are shown in Table 6 below.

Table 6: TOTAL AMOUNT OF HAZELNUTS PURCHASED BY TMO (09/22/08)

NAME OF TMO OFFICE	TOTAL PURCHASED AMOUNT (KG)
AKÇAKOCA	11,007,614
SAMSUN	5,303,150
ORDU	8,722,520
GIRE SUN	4,531,586
TRABZON	1,589,719
TOTAL	31,154,589

Source: TMO

Consumption

Hazelnuts are a popular snack food in Turkey and most are consumed as whole nuts. There are a lot of promotion activities in Turkey to increase hazelnut consumption, organized by various hazelnut promotion groups. Some municipalities like Çankaya-Ankara support these promotion activities by putting modern kiosks on the streets that sell roasted hazelnuts. However, Turkey consumes only 10 to 15 percent of its domestic production. Consumption

in MY 2008 is projected to be about 100,000 MT. FISKOBIRLIK had crushed older crops for oil, which was added on to earlier consumption. FISKOBIRLIK has not had any stocks to crush for oil since MY 2004. But the government told TMO on July 16, 2008 to sell 30,000 MT of hazelnuts to FISKOBIRLIK at a price of 1.1 YTL/kg in order to crush them for oil. FISKOBIRLIK will pay some of their debts from the revenue from selling oil.

Currently, there are 180 breaking plants in Turkey with an internal capacity of 1,800,000 tons per year and 40 processing plants with an internal capacity of 350,000 tons per year.

The current retail price for shelled roasted hazelnuts in Ankara is about YTL 22 (about USD 17) per kilogram.

Trade

Turkey exported 201,914 MT of hazelnuts and received \$1.554 billion in revenue between September 2007 and August 2008. The main export items are raw kernel, paste, slice and chopped hazelnuts. Exporters are expecting 275,000 MT of exports this year (MY 2008) because of both a high yield and a low price.

Table 7: Turkish Hazelnut Exports (MY)

Market Year	Processed		Change		Raw Kernel		Change	
	MT	\$1,000	MT(%)	\$(%)	MT	\$1000	MT (%)	\$(%)
2003/2004	80,011	342,854	-6.7	60.8	143,111	571,774	-15.7	50.5
2004/2005	77,520	627,550	-3.1	83.0	117,029	926,219	-18.2	62.0
2005/2006	82,656	684,810	6.6	9.1	156,588	1,267,003	33.8	36.8
2006/2007	95,960	499,156	16.1	-27.1	152,402	761,551	-2.7	-39.9
2007/2008 (*)	87,346	692,137	N/A	N/A	115,368	869,083	N/A	N/A

Source: Istanbul Exporter Association

(*) September 1st, 2007 – July 31st, 2008

Table 8: Turkish Hazelnut Exports (CY)

Year (CY)	Amount (MT)	Value (\$)	Amount (%)	Value (%)
2000	177,307	587,416,770	6.53	17.22
2001	258,124	739,970,130	45.58	25.97
2002	252,779	605,040,840	2.07	18.23
2003	220,937	661,871,172	12.60	9.39
2004	217,650	1,220,695,000	1.49	84.43
2005	208,487	1,920,889,629	4.21	57.36
2006	247,186	1,467,017,317	18.56	23.63
2007	233,138	1,519,478,325	5.68	3.58

Source: TUIK-Turkish Statistical Institute

The European Union has always been the major market for Turkish hazelnuts. Shipping by trucks on a CIF basis is the most popular shipping method for traders. About sixty percent of Turkey's hazelnut exports are raw kernels and the remainder are processed into roasted nuts, sliced nuts, chopped nuts, paste, meal, and flour. Very few hazelnuts are exported as finished consumer confectionary items. The trend, however, is to move from raw kernel exports to processed and finished products for added value. In addition to shifting the export product mix, Turkey is also hoping to expand its market presence in the Far East, former Soviet Union, and the United States.

Table 9: The Main Turkish Hazelnut Export Markets (MT)

Market Year	EU countries	European countries other than EU members	Overseas countries	Others	Total
2002-2003	195,349	28,695	22,842	9,031	255,918
2003-2004	175,394	26,764	13,793	7,413	223,363
2004-2005	159,709	20,089	9,391	5,404	194,594
2005-2006	197,715	21,599	13,362	6,690	239,366
2006-2007	201,928	25,757	13,292	7,686	248,664

Source: Black Sea Exporters Union

The main export markets for Turkish hazelnuts are Germany (24.6%), Italy (23.9%), France (10.3%), Belgium (3.8%), and Switzerland (3.8%). Table 10 below shows the top 20 export markets for hazelnuts from Turkey.

Table 10. Top 20 Export Destinations for Turkey Hazelnuts, 2007 (CY)

Country	Amount (1000 Kg)	Value (\$1,000)
Germany	58,600	374,500
Italy	54,100	363,400
France	24,500	157,600
Belgium	9,800	58,800
Switzerland	9,300	58,100
Poland	8,100	53,600
Netherland	8,200	52,600
Russia Federation	8,200	51,600
Austria	7,500	47,300
UK	5,400	37,400
Ukraine	4,500	31,700
Spain	4,800	30,200
USA	4,400	29,700
Egypt	2,600	16,300
Greece	2,200	15,700
Australia	1,700	10,800
Sweden	1,500	10,100
Canada	1,300	9,500
Denmark	1,200	8,200
Brazil	1,300	8,000
Total	219,000	1,425,000

Source: Istanbul Exporters Union

Turkey's total hazelnut exports have been recorded as USD 807,980,200 from January 1st to August 31st, 2008. Details are given in Table 11 below.

Table 11: HAZELNUT EXPORTS IN 2008 (\$1000)

NAME OF COUNTRY	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	TOTAL
GERMANY	30,378	32,000	30,602	38,838	27,538	29,141	26,379	24,976	239,854
ITALY	25,796	11,979	15,558	10,777	9,964	7,530	8,112	13,411	103,132
FRANCE	18,851	8,219	8,302	8,642	6,932	5,967	2,847	3,515	63,278
BELGIUM	7,183	5,719	7,250	4,956	6,026	7,696	3,762	3,363	45,957
RUSSIAN FEDERATION	3,531	5,209	6,517	6,179	3,809	4,404	3,608	3,910	37,170
SWITZERLAND	7,308	4,428	4,090	3,956	4,250	6,083	1,730	1,818	33,665
AUSTRIA	3,465	4,093	4,917	3,925	3,570	4,695	3,750	2,862	31,280
UKRAINE	2,499	4,676	5,681	2,062	1,410	3,435	4,133	2,839	26,738
NETHERLANDS	3,682	4,517	3,115	3,499	3,190	3,391	2,346	2,148	25,892
UK	2,804	3,962	3,680	2,736	3,737	3,090	1,686	1,471	23,170
POLAND	8,917	2,843	743	944	540	4,701	1,116	630	20,437
USA	1,507	2,781	3,009	3,013	2,660	2,840	1,837	2,067	19,718
SPAIN	3,400	2,818	3,176	2,761	2,360	2,004	2,163	954	19,638
EGYPT	3,401	2,044	1,505	1,002	1,411	1,000	1,153	731	12,251
GREECE	916	1,514	1,801	1,247	936	1,105	300	1,104	8,926
AUSTRALIA	601	2,212	807	779	900	1,011	1,031	303	7,646
SWEDEN	1,073	1,272	1,427	1,052	24	1,254	835	154	7,094
ISRAEL	408	647	1,170	1,136	1,157	757	332	221	5,832
CHINA	388	215	356	933	639	1,309	897	363	5,103
SOUTH AFRICA	0,598	822	432	923,	1,194	683	559	354	4,970

Stocks

TMO has built high quality storage facilities, which meet Turkey's licensed warehouse regulations, with a capacity of 150,000 MT in 6 provinces of the Black Sea this year and already started to use 135,000 MT of this new storage. Besides these new storage facilities, TMO also has contracts with private storage companies for an additional 94,000 MT.

Turkey carried about 302,306 MT of stocks into MY 2008. Of this total, 91,153 MT came from TMO stocks from last year, 67,000 MT from FISKOBIRLIK stocks bought by TMO and about 20,000 MT was estimated to be in traders and producers stocks. The detailed stock situation is presented in Table 12 below.

It is not clear at this point what FISKOBIRLIK or TMO will do with their enormous stocks. It is possible that earlier years' stocks may be crushed for oil. TMO dares not release too many stocks for fear of driving down the market price and angering producers, but at the same time prices are unlikely to rise as long as the trade knows the stocks exist.

Table 12. TMO Hazelnut Stocks

BRANCH	2005	2006	2007	TOTAL
AKCAKOCA	7,819	41,476	36,377	85,672
SAMSUN	4,889	31,355	6,710	42,953
ORDU	6,512	45,663	27,163	79,338
GIRESUN	957	38,731	11,208	50,896
TRABZON	8,610	25,142	9,695	43,447
TOTAL	28,786	182,367	91,153	302,306

Policy

Because of the problems in the Turkish Hazelnut Market, the Turkish Grain Board (TMO) was assigned by the government on 08/31/2006 for the first time to procure hazelnuts in MY 2006. This was the result of conflict between the government and FISKOBIRLIK. TMO procured about 162,500 MT of hazelnuts and FISKOBIRLIK procured an additional 44,000 MT in MY 2006. TMO was told again to procure hazelnuts in MY 2007 and procured 95,641 MT.

The Turkish Grain Board (TMO), which operates like an intervention agency of the government, has been told again to procure hazelnuts this year, and announced already that it is ready to buy all of Turkey's hazelnut production.

Hazelnut production area has been increasing rapidly, especially in the flat areas like Samsun, Duzce and Sakarya. Growers are pleased about the procurement price announcement and TMO's guarantee of buying all of their products. Government projects aimed at encouraging the production of alternate products instead of hazelnuts has not been successful so far.

TMO changed the procurement system this year so that producers need to have an appointment from TMO in order to offer product for procurement. Appointments can be made either on the TMO web page or by calling an appointment center. TMO started to buy hazelnuts on 09/02/2008 and will continue to buy them till 02/28/2009. This year TMO assigned 54 different branches for hazelnut procurement and TMO will make the payment to the producer 25 days after delivery of the product to their storage facility. Moreover, In order to protect the small producers, for them TMO will make the payment after a week (for producers who have less than 10 dekar). There are around 66,000 hazelnut producers who have less than 10 dekar of hazelnut acreage.

There have been protests against the government hazelnut policy in different region of the Black Sea, from farmers who are not registered in the CKS system and therefore cannot sell their products to TMO. That is why farmers who have land registry problems can only sell their products on the market, at a price of 2.0 YTL/kg to 2.50 YTL/kg.

Marketing

Turkey concentrates its market promotion efforts mainly in Japan, China, the United States, India and Russia. Turkey is also making efforts to shift its export product mix towards processed products. Most exporters are represented by the Turkish Exporters' Union operating under the Foreign Trade Undersecretariat. Members of the Exporters' Union are mostly private traders and provide operating capital. There are two hazelnut exporters'

unions; the largest one is the Black Sea Exporters Union, which is located in Giresun, and the other one is in Istanbul.

The Hazelnut Promotion Group (FTG) is a group that conducts marketing both domestically and overseas. It consists of 9 members, 1 one of whom is from the Foreign Trade Undersecretariat and 8 who are appointed by the boards of directors of the Black Sea Hazelnut and Products Exporters' Union and Istanbul Hazelnut and Products Exporters' Union. The Hazelnut Promotion Group has had ongoing activities aimed at the USA and the domestic market since its establishment in 1997. It began advertising and promotion activities in Japan in 2000, and in the People's Republic of China in 2001. Activities were then extended in 2005 to include India, and have recently reached the final stage of the market research aimed at the Russian Federation.

PISTACHIOS

Production

Because this is an "on" year, pistachio production is estimated to be significantly higher in MY 2008. The first forecast for pistachio production was around 150,000 MT, but due to the lack of rain in the winter and spring and very hot weather in July and August there have been reports of an empty fruit problem. There are many different estimates about the 2008 production, for example the Turkish Ministry of Agriculture officials estimated it will be around 120,000 MT and the Turkish Statistics Institute's official forecast is 121,617 MT. However, traders' estimates are around 80,000-100,000 MT. Therefore, FAS Ankara is currently estimating the pistachio production will be 85,000 MT. The Siirt variety pistachio production will be around 6,500 MT.

Table 1: Pistachio production of Turkey

Year	Area (HA)	Production (MT)	Fruit Bearing trees (1,000)	Non-Fruit Bearing trees (1,000)	Total number of trees (1,000)
1998	225,357	35,000	26,050	17,500	43,550
1999	218,164	40,000	26,380	16,630	43,010
2000	217,550	75,000	25,445	16,875	42,320
2001	218,450	30,000	25,900	16,400	42,300
2002	219,000	35,000	26,200	15,800	42,000
2003	220,000	90,000	26,300	16,400	42,700
2004	220,000	30,000	26,500	16,000	42,500
2005	241,000	60,000	28,000	18,491	46,491
2006	241,467	110,000	28,264	18,462	46,726
2007	225,684	73,416	28,463	14,939	43,402
2008*		121,617			

Source: Turkish Statistic Institute (TUIK)

*Forecast of TUIK

The harvest season started in September and is expected to finish in late September. Normally only 20% of the harvest is done early in order to have green color pistachios but this year because of the dry and hot weather most of the producers started to harvest early out of the fear that the nuts would not mature. That increased the early harvest rate to 40%. Early harvested pistachios are sold to traders the day they are harvested, so there is currently an oversupply of pistachios in the market and the price has decreased to 5.5 YTL/kg (dried with hull). Normally with the Gaziantep type pistachios the empty fruit rate is around 5-6% but this year it is around 30-35%.

Pistachio production is highly cyclical and yields vary a great deal between regions and orchards. Pistachios are mainly produced in the Southeastern Anatolia Region and the number of plantations continues to increase in this area, as pistachios are replacing olive trees in the rain-fed areas. Sanliurfa province now has about more trees than its neighboring province of Gaziantep, the traditional growing area. Turkish Gaziantep pistachios are thinner and smaller than Iranian pistachios. Siirt pistachios, about 15 percent of the total production, are similar to Iranian pistachios and their shape is somewhere in between Gaziantep and Iranian pistachios. Furthermore the Siirt type yields are not only higher but fluctuate less compared to the Gaziantep type. In Turkey, size is directly related to quality: 90 nuts or less per 100 grams is considered first quality, 90-100 nuts are second quality, 100-120 nuts are third quality, and more than 120 nuts are fourth quality

Table: 2 Pistachio Plantations in Major Turkish Provinces

Provinces	Year	Area (HA)	Production (MT)	Fruit Bearing trees (1,000)	Non-Fruit Bearing trees (1,000)	Total number of trees (1,000)
Gaziantep	2005	955,4	20,388	9,709	3,545	13,255
	2006	963,665	47,724	9,801	3,416	13,218
	2007	802,465	36,427	9,721	1,912	11,634
Sanliurfa	2005	770,69	18,993	9,881	5,214	15,095
	2006	770,69	42,158	9,881	5,214	15,095
	2007	770,69	13,586	10,176	4,969	15,145
Siirt	2005	267,83	2,175	725	4,488	5,213
	2006	272,561	2,472	824	4,517	5,341
	2007	284,597	2,438	871,5	3,675	4,546
Adiyaman	2005	266,42	2,9	3,463	2,172	5,636
	2006	266,412	2,912	3,474	2,161	5,636
	2007	239,736	8,68	3,331	1,740	5,071
Kahramanmaras	2005	4,400	5,26	1,042	920	1,962
	2006	3,500	5,184	1,067	884	1,951
	2007	5,200	3,227	1,060	863	1,923
Source : Turkish Statistic Institute						

PSD Table for Pistachios

Pistachios, Inshell Basis									
	2006 Revision			2007 Estimate			2008 Forecast		
	2006/2007			2007/2008			2008/2009		
	Market Year Begin: Sep 2006			Market Year Begin: Sep 2007			Market Year Begin: Sep 2008		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Planted(HA)	-	-	-	-	-	-	-	-	-
Area Harvested (HA)	-	-	-	-	-	-	-	-	-
Bearing Trees (1000 TREES)	27500	27500	27500	28000	28000	28000	-	-	29000
Non-Bearing Trees (1000 TREES)	16000	16000	16000	15000	15000	15000	-	-	14000
Total Trees (1000 TREES)	43500	43500	43500	43000	43000	43000	-	-	43000
Beginning Stocks (MT)	18000	18000	18000	58000	61000	63000	-	-	39000
Production (MT)	100000	100000	100000	40000	40000	40000	-	-	85000
Imports (MT)	0	0	0	0	0	0	-	-	0
Total Supply (MT)	118000	118000	118000	98000	101000	103000	-	-	124000
Exports (MT)	5700	5000	5000	5000	5000	5500	-	-	6000
Domestic Consumption (MT)	54300	52000	50000	55000	57000	58500	-	-	59000
Ending Stocks (MT)	58000	61000	63000	38000	39000	39000	-	-	59000
Total Distribution (MT)	118000	118000	118000	98000	101000	103000	-	-	124000

GUNEYDOGUBIRLIK, the sales cooperative that procures pistachios along with other crops such as red lentils and red peppers, was founded in 1940 in Gaziantep with 13 cooperatives, 15,000 partners and hundreds of thousands of producers. It procured a total of 2,080 MT of pistachios in MY 2007 and paid an average price of YTL 5.5 per kilogram for dried soft red skin pistachios. At the moment traders are expecting a low yield for next year because of a drought in the early summer. Traders are the most active in the market at the moment instead of producers and they are increasing the price as they increase their stocks.

At the moment the price of dried in-shell pistachios is around 6 YTL/kg and prices are increasing day by day.

Consumption

Pistachios are widely eaten as a snack food and used in the production of confectionary products, especially desserts and bakery products. Most of the crop is consumed domestically and consumption varies considerably from year to year according to availability. Currently, the retail price for high quality roasted in-shell pistachios, both Gaziantep and Siirt, are about YTL 19 (or about USD 15) per kilogram in Ankara. Normally Siirt pistachios are about 15 percent cheaper than Gaziantep pistachios in the market, however Siirt pistachio prices caught up with Gaziantep pistachios this year because of a shortage in the production of the Siirt variety. This was because the Siirt variety was more affected by the hot weather during the growing season.

Trade

Turkey exports only a small portion of its production. Primary destinations are the European Union and the United States. Detailed official trade data is given in Table 3 below. This year pistachio exports from Turkey will be higher than last year.

Table 3: Turkish Pistachio Exports

Countries	2006		2007		2008*	
	Kg	\$	Kg	\$	Kg	\$
Italy	545,270	6,521,410	603,280	8,228,742	143,034	2,331,957
Germany	611,239	5,367,019	729,674	7,083,102	281,393	3,578,422
USA	340,305	2,301,252	259,975	1,995,570	37,466	375,581
Romania	20,973	320,499	77,666	1,066,601	38,386	682,401
France	79,590	682,991	117,703	1,023,519	56,008	673,856
Holland	91,336	749,096	103,894	906,867	54,117	582,691
Belgium	35,551	286,685	103,426	711,413	122,434	1,772,046
UK	48,967	497,739	63,559	681,574	23,284	303,016
Northern Part of Cyprus	78,489	489,613	71,287	574,007	38,452	376,690
Sweden	38,491	295,430	45,644	378,028	13,676	158,774
TOTAL	2,325,739	20,620,980	2,625,424	26,210,167	1,085,390	13,922,104

* January-July

Source: Exporters Union

Pistachio exportation is usually done by exporters who are members of the Istanbul Exporters' Union or the Southeastern Anatolia Exporters' Union. The data below shows pistachio exports from the exporters registered to the Southeast Anatolia Exporters' Union.

Table 4: Turkish Pistachio Exports from Members of the South East Anatolian Exporters' Union (January 1st -September 8th, 2008)

Countries	Amount (kg)	Amount (FOB USD)
EU	481,792	7,098,152
Italy	150,000	2,573,770
Germany	167,881	2,219,802
Belgium	109,432	1,689,084
Spain	35,000	362,524
Middle East	36,771	296,272
USA	23,049	200,822
Other Europe	17,150	158,472
Holland	7,506	79,192
France	6,606	79,003
Total	591,074	8,147,601

Source: Southeast Exporters Union

Stocks

Pistachio stocks vary considerably from year to year depending on supply.

Policy

The government stopped giving direct supports to pistachio farmers several years ago, and since 2004 GUNEYDOGUBIRLIK has not announced any procurement prices for pistachio.

GUNEYDOGUBIRLIK procured only about 2,080 MT in MY 2007 directly from the commodity exchanges. GUNEYDOGUBIRLIK is not expected to procure any pistachios in MY 2008.

There is a government support of 30 YTL/da for the establishment of new orchards that are planted with certified seedlings.

There are no subsidies, taxes or other restrictions on pistachio exports but pistachio imports to Turkey are not allowed at any time of the year.

Marketing

The Antep Pistachio Promotion Group was established in January, 2006. The Aegean, Southeast Anatolian and Istanbul Exporters Unions each have 2 members on the Board of Directors. Also the Undersecretary of Foreign Trade has one member. The goal of group is to organize and manage research and marketing activities to increase the consumption and exportation of Antep pistachios.

The group participated to the following meetings in 2008

- Foodex Japan 2008 on 11-14 of March in Chiba-Tokyo/Japan
- Alimentaria 2008 on 10-14 of March in Barcelona
- Jenadriye Festival on 05-19 of March in Riyadh/Saudi Arabia
- 13 th Gulfood 2008, which is held at the Dubai World Trade Center
- International Sweets and Biscuits Fair (ISM) 2008 from 27th to 30th January 2008

GUNEYDOGUBIRLIK, which is located in Gaziantep Province, is the only sales cooperative union for pistachios; this sales cooperative follows domestic and foreign trade issues, provides information, conducts market research, and sponsors promotional events.

WALNUTS

Production

Walnut production has been increasing gradually due to a growing number of orchards and better varieties. There are festivals around Turkey to promote walnut production and consumption. These include the Bitlis Province Adilcevaz Walnut Festival, the Kirsehir Province Kaman Walnut Festival, the Tokat Province Niksar Walnut Festival and the Giresun Province Sebinkarahisar Walnut Festival.

Yalova Horticulture Research Institute, which is located in Yalova in the Marmara Region, is the leading walnut research facility in Turkey. Several private companies located in Balikesir, Denizli, Bursa and Maras provinces have begun commercial production of improved varieties, which were developed by this research institute

Table 1: Walnut Production in Turkey

Year	Area (HA)	Production (MT)	Fruit Bearing Trees (1,000)	Non-Fruit Bearing Trees (1,000)	Total number of Trees (1,000)
1995	-	110,000	3,453,000	1,067,000	4,520,000
1996	-	115,000	3,447,000	1,047,000	4,494,000
1997	-	115,000	3,445,000	1,050,000	4,495,000
1998	-	120,000	3,490,000	1,155,000	4,645,000
1999	-	120,000	3,525,000	1,300,000	4,825,000
2000	-	116,000	3,550,000	1,490,000	5,040,000
2001	-	116,000	3,640,000	1,780,000	5,420,000
2002	-	120,000	3,850,000	2,030,000	5,880,000
2003	-	130,000	4,100,000	2,100,000	6,200,000
2004	-	-	-	-	-
2005	197,000	150,000	4,535,000	2,245,000	6,780,000
2006	208,967	129,614	4,595,453	2,353,440	6,948,893
2007	286,797	172,572	4,926,985	2,788,405	7,715,390
2008*		170,775	-	-	-

Source: Turkish Statistic Institute (TUIK) and Turkish Ministry of Agriculture

*Forecast of TUIK

Walnuts grow throughout the country and increased demand and good prices have encouraged walnut cultivation in recent years. Major producer provinces are Karaman, Kastamonu, Hakkari, Bursa and Tokat. Table 2 shows detailed production levels of major walnut producing provinces.

The major problem for walnut producers in Turkey is low yields. Most varieties are developed locally in Yalova, Bursa but there is great room for improvement. The walnut harvest season in Turkey is between September and October. In Turkey, walnuts had been propagated only by seeds until 1970. Until the last decade, it was very difficult to find established orchards from standard cultivars because walnuts had been grown from seed, despite the large quantity produced. However the importance of propagation by grafting and budding is being realized and as a result orchards established by standard cultivars are becoming increasingly widespread. These standard walnut orchards are generally planted with cultivars selected in Turkey. The numbers of grafted saplings increased to 1.5 million units/year in 2005, compared to only 2400 units/year in 1976.

Almost all walnut trees in Turkey have been grown without the use of pesticides and chemical fertilizers. This explains why, in recent years in some areas, organic walnut production has become popular.

There is no reliable data on walnut production in Turkey, but it has increased steadily since 2002. This has been a good year for walnut production, but government estimates and statistics seem highly optimistic and estimates given by traders and producers are quite lower than official numbers. Last year production was estimated to be 80,000 MT. This year the forecast for walnut production is between 85,000 MT and 90,000 MT. FAS Ankara currently forecasts that production will be about 85,000 MT. This is much lower than the official government forecast of 170,775 MT.

Table 2: Major Walnut Producing Provinces

Provinces	Area (HA)	Production (MT)	Fruit Bearing Trees (1,000)	Non-Fruit Bearing Trees (1,000)	Total number of Trees (1,000)
Adiyaman	993	808	31,800	20,510	52,310
Amasya	1,115	1,609	45,020	20,840	65,860
Balikesir	9,808	2,142	77,920	89,667	167,587
Bursa	9,320	6,660	150,360	54,290	204,650
Denizli	17,585	3,837	124,306	148,911	273,217
Hakkari	9,903	15,912	184,100	28,100	212,200
Karaman	9,468	9,175	139,495	61,896	201,391
Kastamonu	3,520	4,609	147,188	55,741	202,929
Konya	4,207	4,347	148,785	21,067	169,852
Tokat	13,055	2,357	96,157	93,590	189,747
Total	78,974	51,456	1,145,131	594,612	1,739,743

Source: Turkish Statistic Institute (TUIK) and Ministry of Agriculture

PSD Table for Walnuts

Walnuts, Inshell Basis								
	2006 Revision			2007 Estimates			2008 Forecast	
	2006/2007			2007/2008			2008/2009	
	Market Year Begin: Sep 2006			Market Year Begin: Sep 2007			Market Year Begin: Sep 2008	
	Annual Data Displayed	New Post	Data	Annual Data Displayed	New Post	Data	Annual Data Displayed	Jan
								Data
Area Planted (HA)	-	-	-	-	-	-	-	0
Area Harvested (HA)	-	-	-	-	-	-	-	0
Bearing Trees (1000 TREES)	4595	4600	4300	4700	4900	4700	-	4950
Non-Bearing Trees (1000 TREES)	2353	2200	2200	2400	2500	2400	-	2500
Total Trees (1000 TREES)	6948	6800	6500	7100	7400	7100	-	7450
Beginning Stocks (MT)	18000	18000	18000	14400	13700	18000	-	20000
Production (MT)	65000	65000	75000	90000	80000	90000	-	85000
Imports (MT)	30000	18000	15000	18000	18000	18000	-	18000
Total Supply (MT)	113000	101000	108000	122400	111700	126000	-	123000
Exports (MT)	600	500	500	1000	300	1000	-	400
Domestic Consumption (MT)	98000	86800	89500	105000	95000	105000	-	105000
Ending Stocks (MT)	14400	13700	18000	16400	16400	20000	-	17600
Total Distribution (MT)	113000	101000	108000	122400	111700	126000	-	123000

Consumption

Walnut consumption has increased significantly in recent years. Per capita consumption, which was estimated earlier as 1.5 kilograms, is now estimated to be about 2 kilograms. Consumption has increased due to perceived health benefits and the availability of inexpensive imported walnuts. The lower exchange rate of the U.S. Dollar against the Turkish Lira has also helped to increase imports, thus lowering prices and increasing demand. It is estimated that about half of the domestic production is consumed locally in the homes of the producers and the rest is marketed commercially. Walnuts are commonly used in dessert production. Also, by combining walnuts with mulberries and grapes, special products such as *pestil* and *köme* are made. Walnuts also are used in ice cream and *halva* production, and in the dried fruit industry. Retail prices of shelled walnuts vary greatly because of large differences in quality. A kilogram of top quality domestically grown shelled walnuts is sold for YTL 32 (or about USD 26) and lower quality walnuts may be sold for as low as YTL 20 (or about USD 15) per kilogram in retail stores in Ankara.

Trade

Walnut trade is conducted mostly with neighboring countries. Imports come primarily from neighboring Central Asian countries and exports are primarily to Middle Eastern and European countries. Table 4 below shows detailed information about Turkish walnut exports.

Table 4: Turkish Walnut Exports

Countries	2006		2007		2008	
	Kg	\$	Kg	\$	Kg	\$
Iraq	54,420	295,504	327,891	3,327,984	159,895	1,321,260
Germany	19,611	208,261	10,480	138,381	74,928	653,018
Algeria	47,890	270,855	73,480	750,720	65,000	635,000
Switzerland	32,831	304,957	19,354	211,576	19,408	267,949
Northern Part of Cyprus	32,382	219,650	51,520	427,554	29,267	263,605
Austria	0	0	44,980	494,780	2,150	22,468
United Arab Emirates	2,000	20,752	3,500	46,103	1,000	15,933
Libya	6,000	36,000	31,200	339,000	0	0
Portugal	0	0	10,000	110,000	0	0
France	762	10,586	10,288	83,660	0	0
Total	213,537	1,485,328	260,015	2,661,575	816,652	7,517,367

Source: Exporters Union

Unlike on other tree nuts, Turkey has no seasonal or other restrictions on walnut importation. Table 5 below shows details about walnut importation to Turkey.

Table 5: Turkish Walnut Imports

Walnuts, in shell			
Country	Quantity (MT)		
	2005	2006	2007
United States	1,183	500	2,392
Ukraine	1,077	3,499	841
Chile	0	0	500
Bulgaria	1,308	1,586	410
Total	4,467	5,864	4,190
Walnuts, shelled			
Uzbekistan	1,336	1,747	2,188
Kyrgyzstan	550	716	1,178
Romania	3,319	1,444	936
Ukraine	2,517	2,786	703
Moldova	1,039	1,127	579
Afghanistan	420	103	330
Total	9,893	8,144	5,936
GRAND TOTAL	14,360	14,008	10,126

Source: Turkish Ministry of Agriculture and Rural Affairs

Stocks

Data on walnut stocks is not available. Stocks vary greatly according to supply and demand.

Policy

Walnuts are not considered an important commercial crop and receive no government support for production other than payments for new orchard establishment, and there are no producer associations or marketing cooperatives for walnuts in Turkey.

There is a government support payment of 200 YTL/da for new orchard establishment for walnuts which have been produced from certified seedlings. Each year 1.5 billion saplings are grown in Turkey, by which thousands of hectares of walnut orchards have been established. Turkey's walnut production is expected to increase to about 20,000 MT in the next 5 years as a result of these policies.

Marketing

Walnuts are not considered an important commercial crop and receive no government support for marketing and there are no producer associations or marketing cooperatives for walnuts in Turkey.

There are no subsidies, taxes or other restrictions on walnut exports.

ALMONDS**Production**

Almonds were considered a minor crop and were not cultivated as a commercial crop in Turkey until recently. However, the situation has changed in recent years due to higher prices and local varieties have been improved through selection. The production for MY 2007 was approximately 15,000 MT. This year climate conditions in April and May were suitable for almond production. Therefore, FAS Ankara forecasts almond production will be 16,000 MT this year. Even though almonds are grown in most parts of the country, commercial production is concentrated in the Aegean, Marmara, and Mediterranean Regions. PSD production estimates are based on shelled nuts with a conversion factor of 1:3

Year	Area (HA)	Production (MT)	Fruit Bearing trees (1,000)	Non-Fruit Bearing trees (1,000)	Total number of trees (1,000)
1999	85,260	43,000	3,620,000	590,000	4,210,000
2000	82,000	47,000	3,600,000	565,000	4,165,000
2001	77,700	42,000	3,575,000	545,000	4,120,000
2002	78,000	41,000	3,500,000	520,000	4,020,000
2003	78,000	41,000	3,475,000	520,000	3,995,000
2004	78,000	37,000	3,450,000	500,000	3,950,000
2005	82,000	45,000	3,400,000	543,000	3,943,000
2006	83,100	43,285	3,235,839	578,729	3,814,568
2007	99,505	50,753	3,517,332	1,014,251	4,531,583
2008*		52,297			

Source: Turkish Statistic Institute (TUIK)

*Forecast of TUIK

Almond production in Turkey is always thought of as a minor industry and producers usually plant almonds around their land in order to define the border. However, almond production has been getting popular after the government's announcement of a subsidy program for new orchard plantation. In the Antalya Province, the Agriculture Department announced that it would produce and supply 300,000 almond seedlings in 2009. As is shown in the table below, no significant increase in almond production has occurred in Turkey since 2002.

Table 2: Major Almond Producing Provinces

Provinces	Year	Area (HA)	Production (MT)	Fruit Bearing trees (1,000)	Non-Fruit Bearing trees (1,000)	Total number of trees (1,000)
Canakkale	2002	360	2,096	134,560	12,135	146,695
	2007	1,311	2,712	149,480	26,270	175,750
Denizli	2002	1,610	1,519	114,649	24,195	138,844
	2007	3,271	2,606	170,630	57,998	228,628
Mugla	2002	30,080	5,215	562,779	18,965	581,744
	2007	30,888	6,870	555,599	43,325	598,924
Karaman	2002	1,290	1,823	61,550	24,000	85,550
	2007	2,747	2,191	86,940	20,119	107,059
Antalya	2002	8,460	3,033	14	210,997	21,713
	2007	8,347	4,141	21	197,400	24,535
Isparta	2002	3,990	1,929	7	259,825	33,310
	2007	3,407	2,029	9	214,620	23,630
Mersin	2002	2,920	5,194	212,111	22,725	234,836
	2007	6,074	6,835	267,013	37,319	304,332
Elazig	2002	6,280	3,103	179,900	63,937	243,837
	2007	6,160	2,453	183,943	46,339	230,282

Source: TUIK

PSD Table for Almonds

Almonds, Shelled Basis									
	2006 Revision			2007 Estimate			2008 Forecast		
	2006/2007			2007/2008			2008/2009		
	Market Year Begin: Sep 2006			Market Year Begin: Sep 2007			Market Year Begin: Sep 2008		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Planted (ha)	-	-	-	-	-	-	-	-	-
Area Harvested (ha)	-	-	-	-	-	-	-	-	-
Bearing Trees (1000 trees)	3300	3400	3400	3300	3450	3300	-	-	3500
Non-Bearing Trees (1000 trees)	600	600	600	600	750	600	-	-	850
Total Trees (1000 trees)	3900	4000	4000	3900	4200	3900	-	-	4350
Beginning Stocks (MT)	2000	2000	2000	2300	2200	2300	-	-	2300
Production (MT)	14400	14000	14400	15500	15500	15500	-	-	16000
Imports (MT)	1500	2000	1500	1200	1200	1200	-	-	2000
Total Supply (MT)	17900	18000	17900	19000	18900	19000	-	-	20300
Exports (MT)	600	600	600	700	800	700	-	-	900
Domestic Consumption (MT)	15000	15200	15000	16000	16000	16000	-	-	16500
Ending Stocks	2300	2200	2300	2300	2100	2300	-	-	2900
Total Distribution (MT)	17900	18000	17900	19000	18900	19000	-	-	20300

Consumption

Almonds are generally consumed whole as a snack food and only limited amounts are used in confectionary products. The retail price of shelled roasted sweet almonds in Ankara is about YTL 36 (or about USD 28)/kg for the Datca variety and YTL 28-30 (or about USD 22-24)/kg for imported U.S. varieties. Almonds are also used in the cosmetic sector.

Trade

Nearly 90 percent of Turkey's almond imports come from the United States. The small amount of almonds that Turkey exports goes to the EU and Middle Eastern countries. Turkey's almond exports are shown in Table 3 below.

Table 3: Turkish Almond Exports

Countries	2006		2007		2008*	
	Kg	\$	Kg	\$	Kg	\$
Iraq	108,486	1,212,623	390,713	5,005,417	669,209	9,272,197
Libya	41,980	461,780	158,090	2,111,776	134,267	1,792,090
Hungary	31,008	290,788	184,165	2,375,393	64,964	868,539
Germany	120,474	818,998	47,780	183,289	72,877	324,491
Egypt	0	0	58,029	791,554	16,330	228,614
Mersin Free Trade Zone	26,050	261,350	98,560	1,255,251	13,697	161,217
Switzerland	232	2,719	30,266	408,547	10,242	137,982
Holland	3,708	30,186	17,017	202,754	12,157	78,267
Greece	26,000	286,000	20,276	263,224	1,411	12,490
Spain	63,265	524,958	29,900	398,700	0	0
Total	674,567	5,915,810	1,503,059	19,085,744	1,521,734	18,059,074

Source: Exporters Union

*January-July

Stocks

Data on almond stocks are not available, and stocks vary greatly according to supply and demand.

Policy

This year almond importation to Turkey was banned from September 1st to November 1st. This seasonal ban is usually put in place during the Turkish harvest season in order to protect local producers from competition and to keep prices as high as possible during this period.

There is a government support of 200 YTL/da for the establishment of new almond orchards that are planted with certified seedlings. There are also some rural development projects promoting almond production.

There are no subsidies, taxes or other restrictions on almond exports.

Marketing

Almonds are not considered an important commercial crop and receive no government support for the purpose of marketing. There are no producer associations or marketing cooperatives for almonds in Turkey.