USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 11/11/2008

GAIN Report Number: TU8047

Turkey

Citrus

Annual Report

2008

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

Prepared by:
Yasemin Y. Erkut, Agricultural Specialist

Report Highlights:
MY 2008 citrus production and exports are expected to rebound from MY 2007's reduced level, with the exception of grapefruit. The Russian Federation is expected to remain the top market for Turkish citrus exports. Citrus production is expected to continue to increase in the long run.

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.

MY 2007 was not a good production year for citrus fruits. Production of all citrus decreased slightly in MY 2007 compared to MY 2006. The was mainly due unfavorable weather conditions. Production, however, is predicted to bounce back in MY 2008. Grapefruit production is predicted to continue decreasing due to frost that hit the crop during blooming season.

In MY 2007 in step with lower production, exports of all citrus fruits decreased. Lower production led to higher domestic prices and a strong Turkish Lira also reduced export price competitiveness of citrus fruits. Recently Turkish Lira weakened and this is expected to effect exports positively. In MY 2008, citrus exports are forecast to recover from MY 2007 levels.

In MY 2007 the 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 MY 2007 the Turkish Government stopped providing different amounts of support for different citrus fruits; producers of all types 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.

Oranges accounted for about 48 percent of all citrus produced in Turkey in MY 2007. Tangerines and lemons followed oranges with 25 and 21 percent production respectively. Grapefruit accounted for only about 5 percent of overall production.

Production of all citrus fruits decreased slightly in MY 2007 compared to MY 2006 because of unfavorable weather conditions. In MY 2008 production of all citrus fruits, except grapefruit, is predicted to bounce back. Tangerine production especially is expected to be significantly higher in MY 2008.

In MY 2007, orange production decreased slightly due to an excessively hot and dry summer. Production decreased about 8 percent compared to the previous year and reached 1,427,000 MT. So far the weather conditions have been favorable for oranges and the production of oranges in MY 2008 is predicted to be about the same as MY 2006 level.

Tangerine production in MY 2007 also decreased slightly compared to MY 2006 level. In MY 2007 tangerine production decreased about 4 percent to 744,000 MT. Production of Satsumas variety declined slightly in MY 2007, mainly due to cold weather conditions during the blooming season. The production of tangerines in MY 2008, however, is expected to bounce back. The producers forecast an increase of about 20 percent in MY 2008.

As predicted, lemon production fell about 8 percent in MY 2007 compared to the previous year. This was mainly due to hot weather conditions during the blossoming season and continuing warm and dry weather during the harvest. Lemon production was 652,000 MT in MY 2007. In MY 2008 it is expected to increase slightly and reach 685,000 MT.

Grapefruit production was also affected by frost during the blooming season in MY 2007. The production of grapefruit decreased by about 10 percent to 163,000 MT from 180,000 MT in MY 2006. Unlike other citrus fruits, the production of grapefruit is predicted to continue to decrease in MY 2008 as well. The producers stated that this is mainly due to weather conditions as grapefruit were hit with frost again during the blooming season in MY 2008.

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. Please see more detailed table of the varieties below.

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. Tangerines are 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.

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.

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.

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 about 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.

In MY 2007,citrus prices were higher then in MY 2006. Due to high price of lemons in the domestic market there is a greater interest in lemon juice to be used in cooking and in salads. The increase in domestic demand has encouraged higher production.

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

Because of a smaller crop citrus prices were higher in MY 2007 compared to the previous year. The domestic market is very price sensitive and fluctuations in the price of citrus fruits affect consumption.

According to 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 capacity 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.

Trade

Citrus has traditionally been Turkey's leading fresh fruit export. In MY 2007, however, there was a decrease in exports of all citrus fruits. This was mainly due to high prices and less competitive advantage. In MY 2007 lower production led to higher prices and strong Turkish Lira also effected the exports of citrus fruits. In addition, Turkish citrus exports were less competitive internationally as a result of high input prices compared to other citrus exporting countries.

In MY 2008 all citrus exports, except grapefruit, are predicted to recover and increase compared to MY 2007. Recently the Turkish Lira has weakened against both the euro and the dollar (currently USD 1 = 1.55 YTL) giving competitive price advantage to Turkish exporters. Also the production of citrus, except grapefruit, is expected to increase in MY 2008 contributing to lower prices.

In MY 2007, orange exports decreased about 30 percent compared to MY 2006. This was mainly due to low production and high prices. Lower crop quality was also among the reasons for this significant decrease. Especially small-sized oranges that were not able to meet the demands of some importing countries. In MY 2008 citrus production is predicted to bounce back and increase by 15 percent to 190,000 MT.

Tangerine exports also decreased significantly in MY 2007. It dropped down about 20 percent down to 252,000 MT compared to the previous year. This, however, is predicted to change in MY 2008. Tangerine exports are predicted to recover from MY 2007 level and increase about 45 percent in MY 2008. High production level, lower prices and weaker Turkish Lira is expected to contribute to higher level of exports.

In MY 2007 there was a 23 percent decrease in lemon exports compared to MY 2006. The same reasons also effected the exports. In MY 2008 lemon exports are expected to bounce back to 300,000 MT from 286,000 MT in MY 2007.

MY 2007 was not a good year for grapefruit exports and this is predicted to continue in MY 2008 as well. Grapefruit exports decreased by 20 percent in MY 2007 down to 126,000 MT and it is predicted to continue decreasing about 20 percent in MY 2008 as well. The grapefruit production was hit with frosts both in MY 2007 and in MY 2008 during the blooming season and this effected the production significantly. As a result of lower production, the prices of grapefruit increased and it was hard to compete internationally.

In MY 2007 Russia continued to be the leading export destination for Turkish citrus. Romania, Ukraine and Saudi Arabia 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 because of problems with consistency and quality.

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 provides support 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

In MY 2007 the government stopped providing separate amounts of support and each citrus crop will be given USD 100 per MT exported. 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 order to protect domestic producers the government kept the customs duty rates of 2007 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.

Tables for Citrus

ORANGE

Table- 1: Production, Supply and Demand for Turkey

Fresh Oranges										
	2006	Revised		2007	Estimate		2008	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		10/2006	10/2006		10/2007	10/2007		10/2008	10/2008	MM/YYYY
Area Planted	0	0	50565	0	0	51000	0	0	51000	(HECTARES)
Area Harvested	0	0	46817	0	0	47300	0	0	47400	(HECTARES)
Bearing Trees	12000	0	12275	0	0	12221	0	0	12250	(1000 TREES)
Non-Bearing Trees	1000	0	910	0	0	910	0	0	900	(1000 TREES)
Total No. Of Trees	13000	0	13185	0	0	13131	0	0	13150	(1000 TREES)
Production	1400	0	1536	0	0	1427	0	0	1450	(1000 MT)
Imports	50	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	1450	0	1536	0	0	1427	0	0	1450	(1000 MT)
Exports, Fresh	250	0	246	0	0	165	0	0	190	(1000 MT)
Fresh Dom. Consumption	1095	0	1185	0	0	1162	0	0	1160	(1000 MT)
For Processing	105	0	105	0	0	100	0	0	100	(1000 MT)
Total Distribution	1450	0	1536	0	0	1472	0	0	1450	(1000 MT)

Table- 2: Export Trade Matrix for Turkey

Fresh Oranges			
Time Period	Oct-Sep	Units:	MT
Exports for:	2006		2007
U.S.	0	U.S.	23
Others		Others	
Russia	87080	Russia	54582
Iraq	36877	Ukraine	22087
Ukraine	33583	Romania	19221
Romania	31880	Iraq	17423
Mersin Free. Tr	8619	Iran	9949
Georgia	7144	Georgia	6649
Serbia	5996	Azerbaijan	5547
Saudi Arabia	5769	Mersin Free Tr	3800
Bulgaria	4141	Saudi Arabia	3686
Macedonia	3921	Bulgaria	3127
Total for Others	225010		146071
Others not Listed	21016		19646
Grand Total	**246026**		**165717**

TANGERINE

Table- 1: Production, Supply and Demand for Turkey

Fresh Tangerines/Mandarins										
	2006	Revised		2007	Estimate		2008	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		10/2006	10/2006		10/2007	10/2007		10/2008	10/2008	MM/YYYY
Area Planted	0	0	31226	0	0	31226	0	0	31300	(HECTARES)
Area Harvested	0	0	27472	0	0	27400	0	0	27450	(HECTARES)
Bearing Trees	9250	0	9456	0	0	8936	0	0	9400	(1000 TREES)
Non-Bearing Trees	1250	0	1137	0	0	1064	0	0	1150	(1000 TREES)
Total No. Of Trees	10500	0	10593	0	0	10000	0	0	10550	(1000 TREES)
Production	700	0	791	0	0	744	0	0	900	(1000 MT)
Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	700	0	791	0	0	744	0	0	900	(1000 MT)
Exports, Fresh	270	0	322	0	0	252	0	0	370	(1000 MT)
Fresh Dom. Consumption	430	0	469	0	0	492	0	0	530	(1000 MT)
For Processing	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	700	0	791	0	0	744	0	0	900	(1000 MT)

Table- 2: Export Trade Matrix for Turkey

Fresh Tangerines/Mandarins			
Time Period	Oct-Sep	Units:	MT
Exports for:	2006		2007
U.S.	0	U.S.	0
Others		Others	
Russia	94353	Russia	95361
Ukraine	86113	Ukraine	49298
Romania	28194	Romania	24201
Mersin Free Tr.	25386	Mersin Free Tr	21103
Saudi Arabia	20098	Saudi Arabia	15501
Bulgaria	8935	Serbia	5011
Serbia	7544	Iraq	4775
Iraq	7063	Moldova	4479
Germany	6270	Germany	4264
Macedonia	6066	Macedonia	4171
Total for Others	290022		228164
Others not Listed	32254		24301
Grand Total	**322276**		**252465**

LEMON

Table- 1: Production, Supply and Demand for Turkey

Fresh Lemons										
	2006	Revised		2007	Estimate		2008	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		10/2006	10/2006		10/2007	10/2007		10/2008	10/2008	MM/YYYY
Area Planted	0	0	25164	0	0	25200	0	0	25200	(HECTARES)
Area Harvested	0	0	22881	0	0	22880	0	0	22880	(HECTARES)
Bearing Trees	6000	0	6229	0	0	6246	0	0	6250	(1000 TREES)
Non-Bearing Trees	700	0	565	0	0	491	0	0	500	(1000 TREES)
Total No. Of Trees	6700	0	6794	0	0	6737	0	0	6750	(1000 TREES)
Production	750	0	710	0	0	652	0	0	685	(1000 MT)
Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	750	0	710	0	0	652	0	0	685	(1000 MT)
Exports, Fresh	380	0	328	0	0	286	0	0	300	(1000 MT)
Fresh Dom. Consumption	360	0	372	0	0	356	0	0	370	(1000 MT)
For Processing	10	0	10	0	0	10	0	0	15	(1000 MT)
Total Distribution	750	0	710	0	0	652	0	0	685	(1000 MT)

Table- 2: Export Trade Matrix for Turkey

Fresh Lemons			
Time Period	Oct- Sep	Units:	MT
Exports for:	2006		2007
U.S.	56	U.S.	657
Others		Others	
Russia	88345	Russia	89199
Saudi Arabia	59114	Saudi Arabia	39288
Ukraine	40734	Ukraine	36056
Romania	29362	Romania	19762
Greece	13339	Poland	12361
Poland	10766	Greece	8908
Serbia	9069	Serbia	8370
Mersin Free Tr.	8802	Germany	7803
Bulgaria	7931	Bulgaria	6366
Germany	6643	Czech Republic	5167
Total for Others	274105		233937
Others not Listed	54103		52221
Grand Total	**328264**		**286158**

GRAPEFRUIT

Table- 1: Production, Supply and Demand for Turkey

Fresh Grapefruit										
	2006	Revised		2007	Estimate		2008	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		10/2006	10/2006		10/2007	10/2007		10/2008	10/2008	MM/YYYY
Area Planted	0	0	4920	0	0	4930	0	0	4930	(HECTARES)
Area Harvested	0	0	4690	0	0	4707	0	0	4700	(HECTARES)
Bearing Trees	980	0	1016	0	0	1016	0	0	1000	(1000 TREES)
Non-Bearing Trees	60	0	48	0	0	68	0	0	65	(1000 TREES)
Total No. Of Trees	1040	0	1064	0	0	1084	0	0	1065	(1000 TREES)
Production	110	0	180	0	0	163	0	0	140	(1000 MT)
Imports	15	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	125	0	180	0	0	163	0	0	140	(1000 MT)
Exports, Fresh	90	0	158	0	0	126	0	0	100	(1000 MT)
Fresh Dom. Consumption	35	0	22	0	0	37	0	0	40	(1000 MT)
For Processing	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	125	0	180	0	0	163	0	0	140	(1000 MT)

Table- 2: Export Trade Matrix for Turkey

Fresh Grapefruit			
Time Period	Oct- Sep	Units:	MT
Exports for:	2006		2007
U.S.	0	U.S.	0
Others		Others	
Romania	25961	Russia	27548
Russia	25646	Romania	23633
Netherlands	15152	Poland	11671
Poland	14443	Ukraine	9767
Germany	12060	Germany	7191
Ukraine	9153	Netherlands	6753
France	7105	Bulgaria	5534
Mersin Free Tr.	6404	Czech Republic	4607
Belgium	5601	Saudi Arabia	4110
Saudi Arabia	5094	Mersin Free Tr.	3658
Total for Others	112476		104472
Others not Listed	17661		21593
Grand Total	**130137**		**126065**