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Report Highlights:

Post forecasts Turkish hazelnut production in MY 2009 at 650,000 MT. The estimate of MY 2008 hazelnut production was revised upward to 840,000 MT and for exports was revised downward to 490,000 MT. Post's MY 2009 production forecast for pistachios is 40,000 MT, for walnuts is 86,000 MT, and for almonds is 16,000 MT.

Includes PSD Changes: Yes
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NOTE ON EXCHANGE RATES: After steadily strengthening against the USD throughout 2007, the New Turkish Lira (YTL or TRY) stayed near USD 1.0 = YTL 1.2 through August 2008. From September to late October, the value fell to USD 1.0 = YTL 1.67, and as of March is trading around USD 1.0 = YTL 1.70

EXECUTIVE SUMMARY

The hazelnut production estimate for MY 2008 has been revised upward to a record 840,000 MT based on information from producers and other industry sources. Total MY 2009 production is forecast to be less than the MY 2008 level. If weather conditions remain favorable with no late freeze or excessive summer heat, MY 2009 production is forecast to be 650,000 MT.

Both high prices and the world economic crisis affected Turkish hazelnuts exports. As a result, the hazelnut export forecast for MY 2008 has been revised down from 550,000 MT to 490,000 MT.

Stock levels already are high and rising. The continued combination of record production and slack demand would lead to MY 2009 ending stock levels exceeding annual production.

TMO has been procuring hazelnuts since 2006, which has led to serious financial problems for them. Because of this, the Ministry of Agriculture is planning to change to an area based payment system in MY 2009 with the hope that it will improve TMO's balance of payments

Pistachio production was 85,000 MT in MY 2008 and is forecast to fall to 40,000 MT in MY 2009, following a normal on year/off year cycle.

Walnut production has been increasing gradually due to improved varieties and a growing number of orchards. TUIK lowered its MY 2009 production forecast to 170,858 MT, while FAS Ankara is currently estimating it to be 86,000 MT.

Almonds were considered a minor crop and were not cultivated commercially in Turkey until recently. Turkish almond production is estimated as 17,500 MT by the Turkish Statistics Institute; many industry sources, however, suggest that 16,000 MT is more accurate.

HAZELNUTS

Production

So far this year weather conditions in the Black Sea region, which is the main production area for hazelnuts in Turkey, has been normal.

Table 1: Amount of rainfall in the Black Sea region

<i>Turkey: Rainfall in the Black Sea region</i>	
Period	Cumulative rainfall (mm)
Normal rainfall Oct. - Dec.	285.5
Oct. - Dec. 2008	257.8
Oct. - Dec. 2007	368.5

Source: Turkish State Meteorological Service

Post's estimate of MY 2008 production has been revised upward to a record 840,000 MT, based on information from producers and other industry sources.

Total MY 2009 production is forecast to be less than the estimated record production in MY 2008. If weather conditions remain favorable with no late freeze or excessive summer heat, MY 2009 production is forecast to be 650,000 MT.

The Turkish Ministry of Agriculture and Rural Affairs (MARA) estimated total MY 2008 hazelnut production area, based on satellite imagery, to be 693,000 ha in. The MY 2007 estimate was 633,900 ha. Although the Hazelnut Production Planning and the Determination of Land Law (Official Gazette 06/18/1983) bans hazelnut planting below 750 meters altitude, sources say hazelnuts were planted in violation of this law in Bursa, Sinop and Kastamonu provinces, not traditional hazelnut growing regions.

Western Black Sea region yields are estimated at 1.4 MT/ha in MY 2008, higher than the previous year. Estimated yields in the Eastern Black Sea region were a record 1.2 MT/ha.

The most recent MARA production forecast, which counts only registered production, was 769,177 MT from the 590,000 ha registered with this system. There is an estimated additional 100,000 ha of unregistered production area.

In the Black Sea region, the nut size and quality vary. Hilly regions like the Eastern shore had some quality problems in MY 2008, however nuts in the Western Black Sea region were better than the previous year. Fifteen percent of total nut production was in the 9-11 mm size range, 50% was in the 11-13 mm range, 30% was in the 13-15 mm range, and 5% was over 15 mm.

Consumption

Domestic hazelnut consumption in MY 2009 is projected to be the same as MY 2008, which was around 100,000 MT.

Table 2: Hazelnut domestic consumption

Turkey: Hazelnut domestic consumption	
Year	Consumption (MT/shelled basis)
2000	35,000
2001	40,000
2002	40,000
2003	35,000
2004	30,000
2005	40,000
2006	50,000
2007	50,000
2008 (Estimate)	50,000
2009 (Forecast)	50,000

Source: Ordu Commodity Exchange

The current retail price for shelled roasted hazelnuts in Ankara is about 20 Turkish Lira per kilogram. The Turkish Grain Board (TMO) started to sell packed, roasted hazelnuts directly to consumers at a price of 8 TRL/kg.

Table 3: Retail price of roasted hazelnuts from TMO

Turkey: Retail price of roasted hazelnuts (February 2009)	
	Price (TRL)
250 Gr.	2.50
500 Gr.	4.00
1,000 Gr.	8.00

Source: TMO

Trade

Although the quantity of hazelnut exported so far in MY 2008 increased to 129,167 MT, the value decreased to USD 642,480,500. In the same period in MY 2007, Turkey had exported 107,628 MT valued at USD 820,959,193. The average hazelnut price in MY 2008 was \$4,480/MT.

Table 4: Historic hazelnut exports, September-December

Turkey: Hazelnut exports, 2005-2009, partial year				
PERIOD	AMOUNT (MT)	VALUE (\$)	CHANGE (%)	
			AMOUNT (MT)	VALUE (\$)
September 01-December 31, 2005	116,964	1,059,235,573	12	50.8
September 01-December 31, 2006	123,483	568,063,068	5.6	-46.4
September 01-December 31, 2007	107,628	820,959,193	-12.8	44.5
<i>September 01-December 31, 2008</i>	<i>129,167</i>	<i>642,480,500</i>	<i>20</i>	<i>-21.7</i>

Source: Istanbul Exporters Union

TMO is involved in setting the market price of hazelnuts. The expected market price in MY 2008 was \$4,000/MT (FOB) but because of the TMO intervention in October, 2008, prices went up to \$5,000/MT (FOB).

Both high prices and the world economic crisis affected Turkish hazelnuts exports. As a result, the forecast for MY 2008 hazelnut exports has been revised down from 550,000 MT to 490,000 MT. The first sign of a drop in hazelnut exports was seen in January 2009. Hazelnut exports were 45% lower in January 2009 than January 2008; from USD 136,535,000 in January 2008 to USD 74,813,000 in January 2009. The table below shows details of MY 2008 Turkish hazelnut exports from September 1, 2008 to January 31, 2009 (latest data available).

Hazelnut exports decreased in CY 2008 compared to CY 2007. MY 2007 hazelnut exports were 207,287 MT, valued USD 1,589,547,748.

The major export market for Turkish hazelnuts is the EU, with Italy and Germany as the number one and two destination countries.

Table 5: Turkish hazelnut exports, September 2008-February 2009

Turkey: Hazelnut exports					
Countries	Hazelnuts harvested in MY 2008 (MT/shelled)	Hazelnuts harvested in MY 2007 (MT/shelled)	Hazelnuts harvested in MY 2006 (MT/shelled)	Total Quantity (MT/shelled)	Value (\$US)
EU	111,236,3	3,772,6	23,5	115,032,4	560,869,758
EUROPE (Non-EU)	13,619,8	424,3	0,0	14,044,1	74,039,419
Overseas Countries*	8,742,4	160,6	0,0	8,903,0	45,851,221
Others	5,603,0	1,955,7	0,7	7,559,4	34,168,224
TOTAL	139,201,5	6,313,2	24,2	145,538,9	714,928,622

*EU definition

Source: FISKOBIRLIK

Table 6: Turkish hazelnut exports (Calendar Year)

Turkey: Hazelnut exports CY2000-2008				
Year (CY)	Quantity (MT)	Value (\$)	Quantity (%)	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
2008 (Estimate)	230,030	1,416,010,000	-1,2	-6,7

Source: Istanbul Exporters Union

Table 7: Major Turkish hazelnut export destinations

Turkey: Hazelnut export destinations, CY2007-2008				
COUNTRY	2007 (CY)		2008 (CY)	
	QUANTITY (MT)	VALUE (\$1000)	QUANTITY (MT)	VALUE (\$1000)
Italy	54,230	363,057	52,657	290,190
Germany	58,331	373,439	58,698	380,668
France	24,533	157,725	15,649	97,005
Belgium	9,733	58,786	12,061	71,664
Switzerland	9,279	58,245	8,960	57,693
Russia	8,180	51,700	8,164	54,297
Austria	7,457	47,054	7,772	47,714
Holland	7,903	50,625	7,046	43,902
Ukraine	4,482	31,515	5,667	38,012

Source: Istanbul Exporters Union

Policy

TMO began procuring hazelnuts on September 2, 2008 and will continue until February 28, 2009. The table below shows the most recent quantities of hazelnuts procured by TMO.

Table 8: Hazelnuts Procured by TMO (September 02, 2008-February 28, 2009)

Turkey: TMO hazelnut procurement, Sept. 08-Feb. 09	
Provinces	Quantity (MT)
Akçakoca	97,881
Samsun	42,622
Ordu	112,169
Giresun	79,884
Trabzon	33,465
TOTAL	366,021

Source: TMO

The TMO procurement price is above the market price. For this reason, TMO is having difficulties selling its hazelnuts stocks. TMO held a tender in January 01, 2009 for 3,000 MT of hazelnuts (13-15 mm unshelled) however the Tender Commission did not accept any of the bids saying they were too low.

Due to financial problems FISKOBIRLIK, the Hazelnut Agriculture Sale Cooperatives only procured 4,850 MT of hazelnut in MY 2008 at a same price of TMO.

Table 9: Hazelnut Prices Announced by TMO for MY 2008

Turkey: Hazelnut prices paid by TMO			
Type of Hazelnut	September (YTL/KG)	October-November (YTL/KG)	December and After (YTL/KG)
GIRESUN	4.0	4.5	5.0
LEVANT	3.9	4.4	4.9
OTHERS	3.7	4.2	4.7

Source: TMO

Table 10: Hazelnut market prices (January 30, 2009)

Turkey: Hazelnut market prices on Jan 30, 2009						
Province	GIRESUN	DÜZCE	AKÇAKOCA	ÜNYE	ORDU	TRABZON
Maximum Price (TRL/KG)	3.00	2.90	2.80	2.90	2.80	2.50
Minimum Price (TRL/KG)	3.10	3.00	2.90	2.95	2.85	2.60

Source: Fiskobirlik

The market price of hazelnuts is between 2.50 to 3.10 Turkish Lira/kg, as shown in the table below.

MY 2007 hazelnut prices at the commodity exchange were above MY 2008 prices. The table below shows the price of different hazelnut products.

Table 11: Hazelnut prices at the Ordu Commodity Stock Exchange in January 2009

Turkey: Hazelnut prices at commodity exchange	
2008/09	Average Prices USD/MT-FOB
Standard Hazelnut (13-15 mm, shelled)	4,650
Unshelled, Whole, Processed	5,310
Diced/Sliced	4,450
Meal, Flour	3,530
2007/08	
Standard Hazelnut (13-15 mm, shelled)	7,900
Unshelled, Whole, Processed	9,270
Diced/Sliced	8,760
Meal, Flour	7,340

Source: Ordu Commodity Stock Exchange

Export prices were also lower in 2008 than in MY 2007. The price decline was a result of record yields.

Table 12: Average Hazelnut Export Prices (USD/Quintal-FOB)

Turkey: Average hazelnut export prices					
Months	04/05	05/06	06/07	07/08	08/09
September	663	924	460	711	523
October	663	885	443	748	
November	687	876	456	787	
December	703	866	486	780	
January	739	868	503	789	
February	889	828	522	789	
March	1,017	806	533	774	
April	1,006	760	536	738	
May	974	715	570	709	
June	1,018	609	609	676	
July	1,076	453	635	652	
August	1,060	443	661	595	
Yearly Average	872	753	535	729	

Source: FISKOBIRLIK

Stocks

TMO carried 9,357 MT of hazelnut stocks from CY 2005 and 174,536 MT from 2006, resulting in a total stock level of 624,397 MT held by TMO. The stocks coming from MY 2008 are of high quality, and TMO has been conducting quality tests at the time of procurement in MY 2009. The table below table shows the amount of each variety of hazelnut stocks at different branches of TMO.

Table 8: Varieties of hazelnut stocks of TMO (February 03, 2009)

Turkey: Quantity of TMO hazelnut stocks by variety									
BRANCH	2007				2008				TOTAL
	GIRESUN	LEVANT	SIVRI	2007	GIRESUN	LEVANT	SIVRI	2008	
AKCAKOCA	0	35,396	0	35,396	0	131,990	0	131,990	213,382
SAMSUN	0	6,640	34	6,674	0	46,160	161	46,321	82,768
ORDU	0	27,163	0	27,163	0	55,690	0	55,690	72,502
GIRESUN	8,179	1,095	434	9,709	62,043	15,203	7,824	85,070	129,232
TRABZON	1,151	6,746	1,798	9,695	2,330	29,056	1,410	32,796	70,824
TOTAL	9,330	77,040	2,266	88,637	64,374	278,099	9,394	351,867	624,397

Source: TMO

Policy

In 2005 FISKOBIRLIK, a State Economic Enterprise (SEE), was able to procure about 50,000 MT of hazelnuts since it was offering very good prices. However, due to financial problems, many farmers who had sold their hazelnuts to FISKOBIRLIK were never paid. As a result a committee, chaired by the Prime Minister and composed of seven ministers, was tasked to find a solution to the problem. After the first meeting, the Prime Minister announced that the committee would give the Turkish Grain Board (TMO) the mandate to procure hazelnuts instead of FISKOBIRLIK. This was the first time that TMO was given authority to procure any crops other than grains and pulses.

Since this went into affect for MY 2006 TMO has operated like a government intervention agency, procuring hazelnuts and setting prices. It already has announced that it is ready to buy all of Turkey's hazelnut production this year.

TMO procured 162,000 MT of hazelnuts and paid 585 million YTL in 2006. Moreover TMO procured 94,300 MT of hazelnuts and paid 453.7 million YTL in MY 2007 and that same year also procured 76,000 MT of hazelnuts from FISKOBIRLIK and paid 247 million YTL. In total, TMO procured 170,000 MT of hazelnuts and paid 711 million YTL in CY 2007.

Procurement of hazelnuts since 2006 has led to serious financial problems for TMO. Because of this, the Ministry of Agriculture is planning to change to an area based payment system in MY 2009 with the hope that it will improve TMO's balance of payments. TMO has needed 1.3 billion YTL to fund its total procurement of hazelnuts so far. Recently, TMO signed a contract with a bank for a USD 650 million loan.

TMO was assigned by the Ministerial Cabinet Decision published on the official gazette dated October 31, 2007 to procure hazelnut directly from producers for the second time. According to this publication, TMO could only process their hazelnut stocks into hazelnut oil. But in February 28, 2009, GOT published a new cabinet decision in the Official Gazette allowing TMO to sell or export their hazelnut stocks as unshelled nuts, shelled nuts, processed products, or as hazelnut oil directly to interested parties.

TMO most recently started to procure hazelnuts on September 2, 2008 and finalized procurement in February 28, 2009.

Marketing

The Hazelnut Promotion Group (FTG) which was established in 1996, conducts marketing both domestically and overseas. It consists of nine members, one of whom is from the office of the Foreign Trade Undersecretariat and eight who are appointed by the boards of directors of the Black Sea Hazelnut and Products Exporters' Union and the Istanbul Hazelnut and Products Exporters' Union.

Turkey exports hazelnuts to 100 different countries, although the major export markets are in EU countries. Turkish marketing & promotional efforts have mainly been targeting Japan, China, the United States, India, Russia and Poland. Recently FTG advertised in a Japanese newspaper with the slogan "discover your own taste sensation with hazelnuts". Along with this advertisement, three different products containing hazelnuts have been introduced to the store shelves in Japan.

This year TMO started to sell hazelnuts directly to consumers at 132 of its branches at a price of 8 YTL/KG which was 12 YTL/KG since December 2008.

The Giresun Hazelnut Producer Organization is planning to open hazelnut shops at 3500 different town. At these shops, they plan to sell hazelnuts directly to consumers for the low price of 13 TRL/kg

Turkey Filberts, Inshell Basis										
	2007	Revised		2008	Estimate		2009	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			09/2007			09/2008			09/2009	
Area Planted	0	0	630,000	0	0	690,000			690,000	(HA)
Area Harvested	0	0	600,000	0	0	660,000			660,000	(HA)
Bearing Trees	330,000	330,000	330,000	340,000	340,000	340,000			340,000	(1000 TREES)
Non-Bearing Trees	18,000	18,000	18,000	17,000	17,000	17,000			17,000	(1000 TREES)
Total Trees	348,000	348,000	348,000	357,000	357,000	357,000			357,000	(1000 TREES)
Beginning Stocks	300,000	300,000	300,000	320,000	320,000	335,000			585,000	(MT)
Production	550,000	550,000	550,000	780,000	780,000	840,000			650,000	(MT)
Imports	0	0	0	0	0	0			0	(MT)
Total Supply	850,000	850,000	850,000	1,100,000	1,100,000	1,175,000			1,235,000	(MT)
Exports	450,000	450,000	415,000	500,000	550,000	490,000			440,000	(MT)
Domestic Consumption	80,000	80,000	100,000	150,000	100,000	100,000			100,000	(MT)
Ending Stocks	320,000	320,000	335,000	450,000	450,000	585,000			695,000	(MT)
Total Distribution	850,000	850,000	850,000	1,100,000	1,100,000	1,175,000			1,235,000	(MT)

PISTACHIOS**Production**

The Turkish Statistics Institute's official forecast for pistachio production in MY 2008 was 121,617 MT in September 2008. However, they revised their forecast to 116,113 MT in December 2008. On the other hand, traders estimates were around 80,000-100,000 MT. FAS Ankara estimates pistachio production was 85,000 MT in MY 2008 and will be 40,000 MT in MY 2009. Pistachio production will be significantly lower in MY 2009 compared to MY 2008, due to it being in an off year.

Table 1: Pistachio production (MY)

Turkey: Pistachio production	
Year	Quantity (MT)
2001	30,000
2002	35,000
2003	90,000
2004	30,000
2005	60,000
2006	110,000
2007	73,416
2008 (*)	121,617
2008 (**)	116,113

* First forecast of TUIK, 09/05/2008

** Second forecast of TUIK, 12/04/2008

Source: TUIK

Trade**Table 2: Turkish pistachio exports (CY)**

Turkey: Pistachio exports						
Countries	2006		2007		2008 (estimate)	
	Amount (kg)	Value (\$)	Amount (kg)	Value (\$)	Amount (kg)	Value (\$)
Italy	545,270	6,521,410	603,280	8,228,742	511,374	7,046,565
Germany	611,239	5,367,019	729,674	7,083,102	591,031	7,030,768
Syria	12,000	135,560	1,440	8,640	731,686	5,465,131
Belgium	35,551	286,685	103,426	711,413	332,073	3,887,198
Israel	19,525	162,905	3,249	31,303	194,849	2,013,055
Romania	20,973	320,499	77,666	1,066,601	96,164	1,557,097
U.S	340,305	2,301,252	259,975	1,995,570	183,001	1,514,128
France	79,590	682,991	117,703	1,023,519	94,179	1,047,480
Holland	91,336	749,096	103,894	906,867	98,588	1,046,249
Kyrgyzstan	310	2,529	23,000	105,744	202,900	998,111
Total	2,325,739	20,620,980	2,625,424	26,210,167	4,187,946	42,376,015

Source: FTU

Turkey Pistachios, Inshell Basis										
	2007	Revised		2008	Estimate		2009	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			09/2007			09/2008			09/2009	
Area Planted	0	0	0	0	0	0			0	(HA)
Area Harvested	0	0	0	0	0	0			0	(HA)
Bearing Trees	28,000	28,000	2,800	29,000	29,000	29,000			29,000	(1000 TREES)
Non-Bearing Trees	15,000	15,000	15,000	14,000	14,000	14,000			14,000	(1000 TREES)
Total Trees	43,000	43,000	43,000	43,000	43,000	43,000			43,000	(1000 TREES)
Beginning Stocks	63,000	63,000	63,000	39,000	39,000	40,634			60,714	(MT)
Production	40,000	40,000	40,000	85,000	85,000	85,000			40,000	(MT)
Imports	0	0	63	0	0	80			90	(MT)
Total Supply	103,000	103,000	103,063	124,000	124,000	125,714			100,804	(MT)
Exports	5,500	5,500	3,429	6,000	6,000	6,000			3,400	(MT)
Domestic Consumption	58,500	58,500	59,000	59,000	59,000	59,000			59,000	(MT)
Ending Stocks	39,000	39,000	40,634	59,000	59,000	60,714			38,404	(MT)
Total Distribution	103,000	103,000	103,063	124,000	124,000	125,714			100,804	(MT)

Italy and Germany are the major destination countries for Turkish pistachio exportation. Pistachio exports to Syria increased dramatically in 2008. The most exported pistachio product is in-shell nuts, which almost doubled in MY 2008 compared to MY 2006. On the other hand, packed pistachio exports decreased by half in MY 2008 compared to MY 2006.

Table 3: Turkish pistachio imports and exports (MY)

<i>Turkey: Pistachio Imports And Exports</i>					
PRODUCT	YEAR	IMPORT (\$)	IMPORT KG	EXPORT (\$)	EXPORT KG
PISTACHIO (INSHELL)	2006	1,049,097	83,650	13,062,251	1,165,866
	2007	643,083	49,427	12,312,792	827,662
	2008	411,890	45,000	19,596,107	2,152,026
PISTACHIO (PACKED >1 KG)	2006	518,591	74,370	6,873,518	930,427
	2007	123,390	7,538	6,945,195	644,094
	2008	102,945	12,280	3,408,161	419,693
PISTACHIO (ROASTED)	2006	N/A	N/A	7,921,003	1,307,591
	2007	N/A	N/A	7,387,301	657,484
	2008	N/A	N/A	3,235,226	367,462
TOTAL	2006	1,567,688	158,020	27,856,772	3,403,884
	2007	766,473	56,965	26,645,288	2,129,241
	2008	514,835	57,280	26,239,494	2,939,181

Source: TUIK

In order to understand the effect of the economic crisis to pistachio exports last 4 months of pistachio exportation data is given below. Both 2006 and 2008 were on years for pistachio production. Pistachio exports increased for the last 4 months of year in 2008 compared to 2006, except in September.

Table 4: Pistachio exports in the first four months of MY2006-MY2008

Turkey: Pistachio exports						
	2006		2007		2008	
	Value (\$)	Quantity (kg)	Value (\$)	Quantity (kg)	Value (\$)	Quantity (kg)
September	3,077,618	585,986	2,810,339	246,871	4,420,125	385,347
October	2,512,956	317,787	2,368,832	199,047	7,163,378	839,342
November	2,494,305	317,482	3,073,537	248,903	9,573,926	1,150,031
December	3,724,698	394,527	2,029,224	171,112	5,082,066	564,460
Total	11,809,576	1,615,782	10,281,931	865,933	26,239,494	2,939,181

Source: Istanbul Exporters Union

PSD production data is on an in-shell basis, using a conversion factor of 1:2

WALNUTS

Production

Walnut production has been increasing gradually due to improved varieties and a growing number of orchards. Official production figures, however, are considered to overstate commercial production by a factor of two. TUIK lowered its MY 2009 production forecast to 170,858 MT, while the consensus forecast of the trade is currently 86,000 MT.

Trade

The processing industry has grown in recent years. Imports of both inshell and shelled walnuts and export of shelled walnuts have increased substantially. However, turkey remains a net importer of walnuts.

Most Turkish walnut imports are in-shell nuts and most Turkish exports are shelled. In-shell walnut imports doubled in MY 2007 and at the same time shelled walnut exports also increased significantly.

Turkish walnut imports in the first four months of MY 2007 increased steadily but then stabilized in MY 2008.

Walnut exportation also has same pattern with walnut importation. In the first 4 months of MY 2007 exportation of walnut is doubled but then in MY 2008 there is a steady increase on the walnut exportation.

Table 1: Walnut exports (CY)

Turkey: Walnut exports						
Countries	2006		2007		2008 (Estimate)	
	Quantity (MT)	Value (\$)	Quantity (MT)	Value (\$)	Quantity (MT)	Value (\$)
U.S.	0.2	1,610	0.3	4,415	333	2,809,938
Spain	0.1	258	0.7	7,813	231	2,165,772
Iran	--	0	0	0	180	1,499,076
Iraq	54	295,504	328	3,327,984	160	1,323,614
Germany	20	208,261	10	138,381	135	1,224,060
Algeria	48	270,855	73	750,720	94	928,700
Egypt	29	154,910	0	0	94	896,140
Italy	0	0	0	0	44	446,382
Northern Cyprus	32	219,650	52	427,554	47	379,400
Libya	6	36,000	31	339,000	35	352,200
Total	268	1,780,832	588	5,989,559	1,476	13,299,812

Source: FTU

Table 2: Turkish walnut imports and exports

Turkey: Walnut imports and exports					
Product	MY	IMPORT (\$)	IMPORT MT	EXPORT (\$)	EXPORT MT
Inshell	2006	12,590,774	7,242	13,914	4
	2007	26,846,429	15,814	2,524	0.7
	2008	7,871,591	4,275	4,095	1.8
Shelled	2006	32,951,657	6,869	3,566,857	394
	2007	56,568,739	9,955	13,324,088	1,423
	2008	16,928,415	3,028	3,261,359	366
Both Inshell and Shelled total	2006	45,542,431	14,111	3,580,771	398
	2007	83,415,168	25,769	13,326,612	1,424
	2008*	24,800,006	7,303	3,265,454	368

Source :TUIK

*September-December 2008

Table 3: Turkish walnut imports (MY 2007-2008)

Turkey: Walnut imports

Shelled	MY 2007	MY 2008*
World	9,955	3,028
Uzbekistan	2,727	588
Kyrgyzstan	2,119	1,060
Ukraine	1,738	602
Afghanistan	1,425	166
Romania	614	150
In-shell	MY 2007	MY 2008*
World	15,420	4,275
United States	7,253	2,373
Ukraine	4,195	577
Chile	1,077	294
Bulgaria	865	355
Kyrgyzstan	680	37
Total	25,375	7,303

*September-December 2008

Table 4: Walnut Imports in the First Four Months of the Marketing Year 2006-2008

Turkey: Walnut imports						
	2006		2007		2008	
	Value (\$)	Quantity (MT)	Value (\$)	Quantity (MT)	Value (\$)	Quantity (MT)
September	4,121,647	1,747	7,980,182	1,634	7,665,606	1,651
October	3,376,032	998	7,801,658	1,585	2,638,426	608
November	4,784,767	1,512	7,138,464	1,949	6,298,149	2,033
December	8,692,670	2,515	9,573,469	2,804	8,197,825	3,009
Total	20,975,116	6,772	32,493,773	7,972	24,800,006	7,301

Source :TUIK

Table 5: Walnut exportation in the first 4 months of MY

Turkey: Walnut exports						
	2006		2007		2008	
	Value (\$)	Quantity (MT)	Value (\$)	Quantity (MT)	Value (\$)	Quantity (MT)
September	321,298	55	643,170	61	930,980	100
October	111,249	24	348,579	33	770,163	94
November	108,741	15	1,261,101	118	950,589	102
December	341,438	31	1,038,664	102	613,722	71
Total	882,726	125	3,291,514	314	3,265,454	367

Source: TUIK

PSD production data is on an in-shell basis using a conversion factor of 1:2.5.

Turkey Walnut, Inshell Basis										
	2007	Revised		2008	Estimate		2009	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			09/2007			09/2008			09/2009	
Area Planted	0	0	0	0	0	0			0	(HA)
Area Harvested	0	0	0	0	0	0			0	(HA)
Bearing Trees	4,700	4,700	4,700	4,950	4,950	4,950			4,950	(1000 TREES)
Non-Bearing Trees	2,400	2,400	2,400	2,500	2,500	2,500			2,500	(1000 TREES)
Total Trees	7,100	7,100	7,100	7,450	7,450	7,450			7,450	(1000 TREES)
Beginning Stocks	18,000	18,000	18,000	20,000	20,000	39,449			50,349	(MT)
Production	90,000	90,000	90,000	85,000	85,000	85,000			86,000	(MT)
Imports	18,000	18,000	40,699	18,000	18,000	35,000			33,000	(MT)
Total Supply	126,000	126,000	148,699	123,000	123,000	159,449			169,349	(MT)
Exports	1,000	1,000	4,250	400	400	4,100			4,100	(MT)
Domestic Consumption	105,000	105,000	105,000	105,000	105,000	105,000			105,000	(MT)
Ending Stocks	20,000	20,000	39,449	17,600	17,600	50,349			60,249	(MT)
Total Distribution	126,000	126,000	148,699	123,000	123,000	159,449			169,349	(MT)

ALMONDS

Production

Almonds were considered a minor crop and were not cultivated commercially in Turkey until recently. Turkish almond production is estimated as 17,500 MT by the Turkish Statistics Institute; many industry sources, however, suggest that 16,000 MT is more accurate.

Table 1: Almond Production (In-shell basis)

Year	Quantity (MT)
2001	42,000
2002	41,000
2003	41,000
2004	37,000
2005	45,000
2006	43,285
2007	50,753
2008 (*)	52,297
2008 (**)	52,584

* First forecast of TUIK, 09/05/2008

** Second forecast of TUIK, 12/04/2008

Source: TUIK

Post estimates almond production as 16,000 MT in MY 2008, as climate conditions in April and May 2008 were good. Although some 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.

Trade

Table 2: Turkish Almond Exports (CY 2006-2008)

<i>Turkey: Almond exports</i>						
Countries	2006		2007		2008 (estimate)	
	Quantity (kg)	Value (\$)	Quantity (kg)	Value (\$)	Quantity (kg)	Value (\$)
Iraq	108,486	1,212,623	390,713	5,005,417	940,592	12,554,770
Algeria	15,989	175,883	402,887	5,440,604	355,493	4,498,568
Libya	41,980	461,780	158,090	2,111,776	345,780	4,347,747
Iran	20,000	124,333	9,050	122,175	170,523	1,968,255
Hungary	31,008	290,788	184,165	2,375,393	154,959	1,883,702
France	44	712	11,613	58,744	218,000	897,700
Egypt	0	0	58,029	791,554	67,330	805,821
Tunisia	51,000	536,000	0	0	52,000	689,000
Italy	118,075	674,485	0	0	71,125	599,452
Germany	120,474	818,998	47,780	183,289	116,218	554,521
Total	674,567	5,915,810	1,503,059	19,085,744	2,625,968	30,175,507

Source: FTU

Turkish almond imports and exports are growing rapidly. Of note, almond exports to Iraq and Libya doubled in CY 2008 compared to CY 2007. Almond imports also doubled in MY 2007 compared to MY 2006. Turkey primarily imports U.S. in-shell almonds and exports shelled almonds. Shelled almond exports doubled in MY 2007. PS&D import data is based on official Turkish import statistics. U.S. export data may show higher quantities as some almonds shipped to Turkey are re-exported without clearing Turkish customs.

Table 3: Turkish Almond Imports and Exports (MY 2006-2008)

PRODUCT	YEAR	IMPORTS (\$)	IMPORTS (KG)	EXPORTS (\$)	EXPORTS (KG)
Shelled, Other Than Bitter	2006	8,157,716	1,235,617	12,405,196	971,125
	2007	18,103,413	2,679,688	26,617,547	2,011,852
	2008	4,377,710	641,794	8,700,540	729,484
In Shell, Other Than Bitter	2006	9,731,096	3,135,272	48,596	18,918
	2007	17,631,267	5,711,497	59,096	26,761
	2008	13,959,960	4,573,432	8,000	4,000
Roasted, In Packing, Net Content of 1 Kg or Less	2006	305	25	239,450	18,061
	2007	19,094	1,394	291,750	22,009
	2008	0	0	171,387	14,281
Roasted, In Packing, Net Content Exceeding 1 Kg	2006	2,045,658	256,725	42,722	3,242
	2007	759,384	102,727	668,371	153,059
	2008	177,480	30,018	277,712	74,426
TOTAL	2006	19,934,775	4,627,639	12,735,964	1,011,346
	2007	36,513,158	8,495,306	27,636,764	2,213,681
	2008	18,515,150	5,245,244	9,157,639	822,191

Source: TUIK

Table 4: Turkish Almond Imports (MY 2007-2008)

Turkey: Almond imports		
Shelled	MY 2007	MY 2008*
Total	2,702	643
United States	2,352	643
Spain	206	0
Australia	36	0
Chile	24	0
Iran	22	0
Chile	17	0
Israel	16	0
United Kingdom	15	0
Afghanistan	10	0
Greece	4	0
In-shell	MY 2007	MY 2008*
Total	5,711	4,574
United States	5,574	4,438
Syria	123	20
United Arab Emirates	14	0
Afghanistan	0	50
Chile	0	66
Total	8,413	5,217

Turkish almond exports steadily increased in the first 4 months of MY 2007 and MY 2008. The major exportation destinations were Middle East and African countries.

Table 5: Turkish Almond Exports in the First Four Months of MY 2006-2008

Turkey: Almond exports						
	2006		2007		2008	
	Value (\$)	Quantity (kg)	Value (\$)	Quantity (kg)	Value (\$)	Quantity (kg)
September	151,593	13,788	2,467,553	183,022	1,988,843	204,502
October	222,627	24,284	1,215,708	89,406	1,435,489	124,477
November	360,173	32,727	1,697,590	137,841	3,880,898	323,970
December	437,517	34,969	2,000,264	155,462	1,852,409	169,242
Total	1,171,910	105,768	7,381,115	565,731	9,157,639	822,191

Source: Istanbul Exporters Union

Turkish almond imports dropped slightly in September of MY 2007, but after that continued to increase. In the first four months of MY 2008, imports increased significantly compared to the same period in MY 2007. So far almond imports do not appear affected by the economic crisis.

Table 6: Turkish Almond Imports in the First Four Months of MY 2006-2008

Turkey: Almond imports						
	2006		2007		2008	
	Value (\$)	Quantity (kg)	Value (\$)	Quantity (kg)	Value (\$)	Quantity (kg)
September	531,167	111,885	416,045	59,137	2,668,005	438,662
October	103,740	19,958	440,717	142,884	3,238,066	997,054
November	506,263	69,200	2,974,903	771,141	4,840,185	1,522,000
December	2,961,895	527,724	1,954,657	566,092	7,768,894	2,287,528
Total	4,103,065	728,767	5,786,322	1,539,254	18,515,150	5,245,244

Turkey Almond, Shelled Basis										
	2007	Revised		2008	Estimate		2009	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			09/2007			09/2008			09/2009	
Area Planted	0	0	0	0	0	0			0	(HA)
Area Harvested	0	0	0	0	0	0			0	(HA)
Bearing Trees	3,300	3,300	3,300	3,500	3,500	3,500			3,500	(1000 TREES)
Non-Bearing Trees	600	600	800	850	850	850			850	(1000 TREES)
Total Trees	3,900	3,900	4,100	4,350	4,350	4,350			4,350	(1000 TREES)
Beginning Stocks	2,300	2,300	2,300	2,300	2,300	4,306			6,206	(MT)
Production	15,500	15,500	15,500	16,000	16,000	16,000			16,000	(MT)
Imports	1,200	1,200	4,583	2,000	2,000	4,500			4,500	(MT)
Total Supply	19,000	19,000	22,383	20,300	20,300	24,806			26,706	(MT)
Exports	700	700	2,077	900	900	2,100			2,500	(MT)
Domestic Consumption	16,000	16,000	16,000	16,500	16,500	16,500			16,800	(MT)
Ending Stocks	2,300	2,300	4,306	2,900	2,900	6,206			7,406	(MT)
Total Distribution	19,000	19,000	22,383	20,300	20,300	24,806			26,706	(MT)