USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 8/18/2005

GAIN Report Number: TU5032

Turkey

Tree Nuts

Annual

2005

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Report Highlights:
Weather conditions were mostly normal in the hazelnut growing areas. MY 2005 production is currently estimated at 525,000 MT, which is significantly larger than the last year's level but still much lower than the production capacity due to the harms on orchards given by the last year's frosts. With optimal weather conditions, MY 2006 production could reach 600,000 tons. Turkey is expected to export larger quantities in MY 2005, but prices are expected remain stable. Turkey's MY 2005 pistachio production is forecast to return to traditional levels given normal weather conditions.

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

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Executive Summary

Despite some improvements, Turkish tree nut production still suffers the effects from last year's frosts. Nonetheless, all tree nut production in Turkey is estimated higher in MY 2005 and could reach 600,000 MT in MY 2006.

Weather conditions were fairly normal in the Black Sea Region this year where hazelnuts are grown, even though there were some minor weather problems in some localized areas, such as cold weather during the spring in the western parts and hot weather In July in the valleys. As usual, early production estimates vary a great deal. Currently, estimates vary between 485,000 MT and 600,000 MT. FISKOBIRLIK, the Turkish hazelnut cooperative, estimates production lower than most private traders. The Ministry of Agriculture's estimate is 547,000 MT while FAS/Ankara is somewhat lower.

FISKOBIRLIK announced the MY 2005 procurement prices on August 15, 2005. These prices are about 40 percent higher than the prices in MY 2004. FISKOBIRLIK will pay YTL 7.45 (about USD 5.50) per kilogram of Giresun type, YTL 7.05 (about USD 5.20) per kilogram of Levant type, and YTL 6.90 (about USD 5.10) per kilogram of Akcakoca type hazelnuts. FISKOBIRLIK officials noted that Procurement should begin on August 22 and the same prices will be paid until the end of September. Procurement prices may be increased after September depending on market conditions and payments will be in cash.

In MY 2004, Turkey exported smaller quantities of hazelnuts (about 400,000 MT in shell) but earned higher revenues (over USD 1.5 billion). Turkey is expected to export larger quantities in MY 2005, as a result of larger supplies. Average export prices for whole natural kernels were USD 1,100 per MT in the middle of August 2005. Export prices in MY 2005 are also expected to be about the same, considering the relatively smaller supplies due to lower production in other producing countries. Turkey maintains minimum hazelnut stocks.
The number of hazelnut trees has increased in recent years, which should raise production and surplus in the coming years.

Pistachio production is also recovering from the last year's frosts. In contrast to hazelnuts, however, producers are entering the new marketing year with larger stocks. GUNEYDOGUBIRLIK, the Turkish pistachio cooperative, is not expected to procure large quantities the coming year. While a procurement price is expected to be announced for pistachios, no date or price has been discussed.

Both walnut production and consumption are increasing. Production is increasing due to good prices for high quality domestic nuts. At the same time, consumption is growing given the availability of inexpensive imported crops.

Almonds are not considered an important commercial crop in Turkey. Almond imports from the United States has increased significantly in recent years and the United States supplies most (about 90 percent) of the Turkey's imports now.

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 on processed tree nut products.

The current exchange rate is about USD 1.00 = YTL 1.35 (or TL 1,350,000) compared to YTL 1.48 (or TL 1,480,000) a year ago.

Hazelnuts

Production

Turkey is the world's leading hazelnut producer, accounting for about 75 percent of world supply. Hazelnut production is primarily concentrated along Turkey's Black Sea coast, extending about 25 kilometers inland. The 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 therefore inputs are low. Harvesting occurs for several weeks in August and September.

MY 2006 hazelnut production could reach 600,000 MT as long as weather conditions remain normal for the remainder of the growing and harvest seasons. This would allow orchards to recover from the last year's frosts. Expanded hazelnut plantings will also contribute to total production capacity, which is currently estimated at about 750,000 MT. This capacity could reach between 800,000 MT and 900,000 MT during the next decade if more plantings continue. It takes seven to ten years for hazelnut orchards to produce at full capacity.

Crop development was normal in most parts of the growing region in MY 2005, even though there was some damage in valleys due to hot weather. In addition, in the western region some problems occurred due to cold weather in the spring. MY 2005 hazelnut production is currently estimated around 525,000 MT. Crop quality and kernel yields are expected to be normal. FISKOBIRLIK estimates the production at 485,000 MT while the Ministry of Agriculture released estimates of 547,000 MT. Traders' estimates vary, between 500,000 MT and 600,000 MT. Harvest started in the valleys on August 8, in the hilly regions in the last half of August.

Production capacity has reached about 500,000 MT in the middle and eastern Black Sea regions and 250,000 MT in the western Black Sea region. MY 2005 production estimates are about 390,000 MT and 135,000 MT, respectively. Even though the weather conditions were normal, the production is not expected to reach maximum capacity in MY 2005. The primary reason was last year's frosts, which affected the middle and eastern Black Sea regions and will take more a year to recover completely. Excess production in MY 2004 had a traumatic effect on most orchards and, as a result, along with cold weather caused periodicity to lower production. Production was revised downward in MY 2004, based on trade data and industry sources.

Hazelnut production is the single most important industry in the Black Sea region. The total number of growers is estimated at about 400,000. There is no systematic crop-survey system. Most eastern producers grow hazelnuts on 1 or 2 Ha land and use sales to supplement other income. There are only a few large growers (10 MT or more annually). On the other hand, most central and western farmers have 10 to 15 hectare orchards.

Hazelnut yields vary between 700 and 1,500 kilograms per hectare depending upon location and fertility of the land. Yields are lower on hillsides and higher in the valley. Yields are also dependent on the age of the trees, which tend to be older (thus with a lower yield) in the Eastern Black Sea Regions. Kernel or "meat" yield (in shell to shelled conversion) are not known yet, but are expected to be around 50 percent in MY 2005.

PSD Table for Hazelnuts

Turkey Filberts, Inshell Basis							
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate New]	USDA Official [Old]	Post Estimate New]	USDA Official [Old]	Post Estimate New]	
Market Year Begin		09/2004		09/2005		09/2006	MM/YYYY
Area Planted	0	0	0	0	0	0	HA
Area Harvested	0	0	0	0	0	0	HA
Bearing Trees	286000	300000	287000	325000	0	330000	1000 TREES
Non-Bearing Trees	12000	14000	13000	20000	0	20000	1000 TREES
Total Trees	298000	314000	300000	345000	0	350000	1000 TREES
Beginning Stocks	60000	72000	35000	15000	105000	43000	MT
Production	425000	380000	600000	525000	0	600000	MT
Imports	0	3500	0	3000	0	2000	MT
TOTAL SUPPLY	485000	455500	635000	543000	105000	645000	MT
Exports	400000	400000	450000	450000	0	500000	MT
Domestic Consumption	50000	40500	80000	50000	0	80000	MT
Ending Stocks	35000	15000	105000	43000	0	65000	MT
TOTAL DISTRIBUTION	485000	455500	635000	543000	0	645000	MT

Nut quality is determined by type, oil and moisture content, and numbers of broken/shrunken kernels. 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 command a five percent premium over Levant varieties. Akcakoca hazelnuts are processed into paste. Kernel size and moisture content are also measures of quality. Standard #1 is 13-15 mm, #2 is 11-13 mm, and #3 is 9-11 mm.

FISKOBIRLIK announced the MY 2005 procurement prices on August 15, 2005 with Giresun nut receiving YTL 7.45 (or about USD 5.50) per kilogram, Levant receiving YTL 7.05 (or about USD 5.20) per kilogram and Akcakoca receiving YTL 6.90 (or about USD 5.10) per kilogram, in shell with fifty percent shelling rate. All these prices are gross (before tax and manipulation cost of FISKOBIRLIK). Producers will be receiving YTL 6.70 (or about USD 4.95) per kilogram for Giresun type, YTL 6.34 (or about USD 4.70) per kilogram for Levant type, and YTL 6.20 (or about USD 4.60) per kilogram for Akcakoca type. The majority of the hazelnuts produced in Turkey are Levant type (about 75 percent in a normal year). These prices are around 40 percent higher than the base price announced a year ago (YTL 5.25 per kilogram, YTL 5.05 per kilogram, and YTL 4.75 per kilogram, respectively). The rate of inflation was about 9 percent during the last twelve months. Many traders feel that the announced prices will reduce exports because international hazelnut buyers will be looking for substitutes, such as almonds and peanuts.

FISKOBIRLIK will start procurement on August 22, 2005 and their announced prices will be valid for the purchases made between August 22, 2005 and September 30, 2005. After September 2005, FISKOBIRLIK announced that it might increase the procurement price based on market conditions. FISKOBIRLIK announced that it would make cash payments at the time of the procurement. Traders were buying Levant type hazelnuts at YTL 5.90 per kilogram before FISKOBIRLIK announced its procurement price. Traders might have to pay more if FISKOBIRLIK is paying cash. Industry sources indicate that it will take about 10 days for the market to settle. FISKOBIRLIK is not required to procure the entire crop from its members. Instead, by announcing a closing date for buying FISKOBIRLIK can limit the quantity it procures (all prices are in shell). FISKOBIRLIK officials stated recently that they can buy up to 35,000 MT.

Aflatoxin is a major industry concern. The Aflatoxin problem for hazelnuts and other crops is primarily stemming from the limits set by the European Union only 2 ppm. The Hazelnut Promotion Group (HPG) is financing Aflatoxin research for Turkish hazelnuts. The HPG, with representatives from the Black Sea and Istanbul Exporters Union and officials from the Foreign Trade Undersecretariat is responsible for domestic and foreign promotion as well as research and development. Exporters finance HPG activities with funds from sales. Major hazelnut exporters also set up their own laboratories to avoid Aflatoxin problem. The Turkish government started testing all exports and providing export health certificates in 2001. Due to changes in harvesting, there were reported to be no serious problems in MY 2003 and MY 2004. Still only about one percent of the crop may be returned because the EU finds the level slightly higher, such as 2.1 ppm or so, from the samples they take, according to industry sources.

Consumption

Domestic hazelnut consumption dropped significantly in MY 2004 due to high prices as a result of short supply. Consumption in MY 2005 is expected to somewhat increase. Still Turkey only consumes 10 – 15% of its domestic production.

Processors and traders purchase most hazelnuts. The five largest processors/traders account for over 40 percent of the consumption, even though there are approximately 350 processors/traders in Turkey. Most of the industry is not vertically integrated. There are approximately 170 hazelnut crackers in Turkey with a total capacity of 1.25 MMT (in shell), while the 20 largest processors have a total capacity of 300,000 MT (in shell). Most hazelnuts are exported, or processed for export.

Hazelnuts are also a popular snack food in Turkey and the majority is consumed as whole nuts. With the devaluation of the Turkish Lira and availability of large quantities of hazelnuts, hazelnut prices encouraged consumption in the past**.** As a result, domestic consumption was increased to around 80,000 MT (in shell), as both snack food and for confectionary a couple of years ago. FISKOBIRLIK also crushed older crops for oil, which added to consumption. FISKOBIRLIK has not had quantities of stocks to crush for oil since MY 2004. The current retail price for shelled roasted hazelnuts in Ankara is about YTL 25.00 (about USD 18.75) per kilogram. A year ago, this price was YTL 18.00 (about USD 12.20) per kilogram. The rate of inflation for the last twelve months was around 9 percent.

Trade

In MY 2004 Turkey exported lower quantities, but export prices were a record high. Average export prices for whole natural kernels were around USD 650 per 100 kilogram at the beginning of the season, but continued to increase as the season progressed and reached to around USD 1,100 per 100 kilogram at the end of the season. Similarly at the end of the season the average export prices of roasted whole kernels were around USD 1,235 per 100 kilogram; sliced or chopped hazelnuts were about USD 1,142 per 100 kilogram; and paste, meal, or flour were around USD 876 per 100 kilogram (all prices are FOB prices). Turkish total export value exceeded USD 1.5 billion, which is also record high, by the end of July.

The European Union is the major market for Turkish hazelnuts. Shipping by trucks on a CIF basis has become more popular in recent years with most sales made to traders. About seventy percent of Turkey's hazelnut exports are raw kernels and remaining processed, including roasted, sliced, chopped, 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 additional value added. In addition to a shift in the export product mix, Turkey is also hoping to expand its market presence in the Far East, Former Soviet Union, and the United States. Industry representatives in Turkey closely monitor other markets, including the U.S. hazelnut and almond industry.

Official trade data for hazelnuts for MY 2004 is not available. According to data from the Black Sea Exporters Union, Turkey exported 189,090 MT of hazelnuts (shelled basis) from September 1, 2004 through the end of July. Exports for corresponding period were 214,656 MT in MY 2003, 251,345 MT in MY 2002 and 252,035 MT in MY 2001. Total export revenues were $1.5 billion, during the first eleven months in MY 2004, compared to USD 916 million in MY 2003, USD 594 million in MY 2002 and USD 627 million in MY 2001. Industry sources estimate MY 2005 exports will be higher at 450,000 MT reflecting larger supplies and reduced production in other producing countries, primarily in Italy.

Export Trade Matrix for Hazelnuts

Turkey
Filberts, Inshell Basis

Time Period	Sep. – July	Units:	Metric Tons
Exports for:	2004		**CY 2004**
U.S.	5826	U.S.	8990
Others		Others	
Germany	92840	Germany	126081
Italy	84005	Italy	66935
France	35737	France	41892
Belgium	24217	Belgium	27034
Netherlands	17775	Netherlands	22196
Switzerland	16797	Switzerland	17778
United Kingdom	11211	Spain	13408
Russia	10397	Russia	13275
Austria	10262	United Kingdom	13151
Spain	9601	Austria	11842
Total for Others	312842		353552
Others not Listed	59512		72759
Grand Total	378180		435301

Import Trade Matrix for Hazelnuts

Filberts, Inshell Basis

Time Period	Sep. – July	Units:	Metric Tons
Imports for:	2004		CY 2004
U.S.	48	U.S.	152
Others		Others	
Germany	1292	Germany	1202
France	398	France	501
Italy	268	Italy	243
Sweden	136	Belgium	118
Switzerland	118	United Kingdom	86
United Kingdom	104	Spain	84
Egypt	100	Slovakia	79
Slovakia	79	China	79
Netherlands	79	Ukraine	41
Norway	62	Netherlands	40
Total for Others	2636		2473
Others not Listed	387		206
Grand Total	3071		2831

Aflatoxin can be a major problem for the export market. In August, the Czech Republic banned all imports of hazelnuts from Turkey due to high Aflatoxin levels. The shipment is currently being tested again for toxicity. Turkish officials have stated that a small sample may not be indicative of a problem with the entire shipment. At the same time, there is some concern with the on-farm storage of hazelnuts, which might promote the growth of Aflatoxin.

The Export Trade Matrix for hazelnuts represents unofficial data received from the Black Sea Exporters Union. Import Trade Matrix represents official trade data from the State Institute of Statistics (SIS).

Stocks
Current hazelnut stocks are at very low levels. FISKOBIRLIK procured only about 17,000 MT of hazelnuts (in shell) in MY 2004 and sold most of it in recent months. FISKOBIRLIK may have around 10,000 MT of hazelnuts in stocks, most of which is last year's crop. Farmers are not carrying large stocks either. FISKOBIRLIK is not expected to crush hazelnuts for oil neither in MY 2005 nor in MY 2006 due to high prices and low stocks. Carryover stocks at the end of MY 2005 are estimated to be larger than the year before due to larger supply.

Policy
As a result of World Bank programs in the 1990s, the Turkish government promoted alternative crops to decrease hazelnut area. Although 580 hectares of hazelnut orchards were planted with other crops, the area was offset by expansion of hazelnut plantings in other areas. The industry is concerned that these increases will create surpluses and depress prices in the future. According to a Turkish Law, hazelnuts may be grown only in the hilly sides, with a minimum five percent slope, in the Black Sea region. Hazelnut growing areas, however, increased during the last two decades. Current high prices are expected to hamper any efforts to reduce hazelnut acreage and encourage for further plantations.

FISKOBIRLIK recently announced a high price for procurement in MY 2005 as well. Few traders claim that the substitution of almonds and peanuts for hazelnuts will be limited and most companies will be buying hazelnuts even at the high prices. If these industries do seek substitutes in the long term, it will mean fewer exports and larger stocks.

Marketing
FISKOBIRLIK, which has 50 member cooperatives and about 246,000 member farmers and three sister companies for processing and marketing of processed products, is the most influential organization in the industry. Since the introduction of the direct income support program, sales cooperatives, like FISKOBIRLIK, are not allowed to procure commodities at a loss. Procurement is kept separate from processing and marketing to avoid losses.

Turkey concentrates its market promotion efforts mainly in the Far East, especially in Japan and China and the United States while planning to start similar promotional efforts in India and Russia. Turkey is making additional efforts to shift its export product mix to processed products as well. Most exporters are represented by an Exporters Union in Turkey and operating under the Undersecretariat of Foreign Trade. Members of the exporters unions are mostly private traders and provide operating capital. There are two hazelnut exporters unions; the largest is the Black Sea Exporters Union, which is located in Giresun, and the other one is in Istanbul.

Pistachios

Production
It is expected that pistachio production in MY 2006 should recover from the affect of last year's frosts, could increase significantly reaching to about 100,000 MT. This is the theoretical capacity, as long as weather conditions remain optimal.

MY 2005 pistachio production is still suffering from the frosts in MY 2004. Most growing areas were affected resulting in much lower yields. Industry sources estimate MY 2005 pistachio production to be between 30,000 MT and 45,000 MT. PSD production is currently estimated at 40,000 MT.

MY 2004 pistachio production was revised downward based on information from industry sources. GUNEYDOGUBIRLIK, which is the sales cooperative that procures pistachios along with other crops such as red lentils and red peppers, procured 1,529 MT of pistachios and paid YTL 3.00 per kilogram for pistachios with soft red skins.

Pistachio production is highly cyclical and can vary a great deal. Pistachios are mainly produced in the Southeastern Anatolia Region. Pistachio plantations continue to increase in this area, where pistachios are replacing olive trees and in the rain-fed areas since farmers can make better profits. Sanliurfa province has about twice as many trees as Gaziantep, the traditional growing area. Turkish pistachios are thinner and smaller than Iranian pistachios. Siirt pistachios are similar to Iranian pistachios and their shapes are somewhat in between Gaziantep pistachios and Iranian pistachios. Siirt pistachios, about 15 percent of the total production, are bigger and commend higher prices on the market than the traditional Turkish pistachios. 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 above 120 nuts are fourth quality.

PSD Table for Pistachios

Turkey Pistachios, Inshell Basis							
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Area Planted	0	0	0	0	0	0	HA
Area Harvested	0	0	0	0	0	0	HA
Bearing Trees	28000	26500	28000	27000	0	27500	1000 TREES
Non-Bearing Trees	15000	16000	15000	16000	0	16000	1000 TREES
Total Trees	43000	42500	43000	43000	0	43500	1000 TREES
Beginning Stocks	40000	41000	25000	25000	40000	18000	MT
Production	30000	30000	75000	40000	0	100000	MT
Imports	0	0	0	0	0	0	MT
TOTAL SUPPLY	70000	71000	100000	65000	40000	118000	MT
Exports	3000	3500	8000	4000	0	5000	MT
Domestic Consumption	42000	42500	52000	43000	0	50000	MT
Ending Stocks	25000	25000	40000	18000	0	63000	MT
TOTAL DISTRIBUTION	70000	71000	100000	65000	0	118000	MT

Consumption

Pistachios are widely used as snack food and in producing confectionary products, especially in deserts and bakery products. Most of the crop is consumed domestically and consumption varies a lot from one year to another according to availability. Currently the retail price for roasted in shell Gaziantep pistachios is about YTL 15.00 (or about USD 11.00) per kilogram in Ankara. This price was about the same a year ago even though there was 9 percent inflation during the last twelve months.

Trade

Turkey exports only a small proportion of its production. Primary destinations are the European Union and the United States. In MY 2005, Turkey is expected to export a similar quantity as in MY 2004. Exports in MY 2006, however, are expected to be larger due to larger supplies. In MY 2004, the average export price for shelled pistachios was about USD 10,900 per MT and for processed pistachios was about USD 6,900 per MT, and for in shell pistachios about USD 6,600 per MT.

Export Trade Matrix for Pistachios

Pistachios, In-shell Basis

Time Period	Oct. - Jun.	Units:	Metric Tons
Exports for:	2004		**CY 2004**
U.S.	423	U.S.	500
Others		Others	
Germany	1004	Germany	1148
Spain	219	Italy	358
Italy	207	Switzerland	301
Netherlands	127	Spain	244
France	125	Netherlands	165
United Kingdom	93	Greece	155
Belgium	88	France	141
Saudi Arabia	69	Belgium	134
Romania	57	United Kingdom	120
Sweden	49	Romania	56
Total for Others	2038		2822
Others not Listed	394		620
Grand Total	2855		3942

Stocks
Pistachio stocks vary from one year to another depending on supply. There is a relatively large carry over stacks going into MY 2005, even though MY 2004 production was very low. This is because of the large quantities Turkey produced in MY 2003. Turkey is forecast to carry lower stocks into MY 2006.

Policy
The GOT stopped direct support to pistachio farmers several years ago. GUNEYDOGUBIRLIK, a Union for Sales Cooperatives, only announces procurement prices depending on its financial ability. GUNEYDOGUBIRLIK procured only 1,529 MT of pistachios in MY 2004. It is not known at this point, if GUNEYDOGUBIRLIK will announce a procurement price and procure any pistachios in MY 2005.

There is no subsidy, tax or other restrictions on pistachio exports. Importers pay a 43.2 percent duty on the CIF value for pistachios and 58.5 percent duty on processed pistachios.

Marketing
GUNEYDOGUBIRLIK, which is located in Gaziantep Province, is the only exporter union for pistachios. This sales cooperative follows domestic and foreign trade issues, provide information, conduct market research, and sponsor promotional events.

Walnuts

Production
Walnut production is increasing gradually due to more orchards and better varieties. Tree numbers in MY 2004 and MY 2005 were revised according to the unpublished from the State Institute of Statistics (SIS). The lack of a systematic crop survey makes it difficult to accurately estimate the crop. MY 2005 crop is estimated slightly higher than the crop in

2004 and the forecast for MY 2006 crop is also further higher. PSD production data is on in shell basis at a conversion factor of 1:2.5.

Walnuts grow throughout most of the country. Increased demand and good prices have encouraged walnut cultivation in recent years. Yalova Horticulture Research Institute, which is located in Yalova in the Marmara Region, is the leading walnut research facility in Turkey. Several private companies have begun commercial production of improved varieties, which have been developed by this Research Institute.

PSD Table for Walnuts

Turkey Walnuts, Inshell Basis							
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		09/2004		09/2005		09/2006	MM/YYYY
Area Planted	0	0	0	0	0	0	HA
Area Harvested	0	0	0	0	0	0	HA
Bearing Trees	3650	4100	3700	4200	0	4300	1000 TREES
Non-Bearing Trees	1800	2100	1800	2200	0	2200	1000 TREES
Total Trees	5450	6200	5500	6400	0	6500	1000 TREES
Beginning Stocks	13500	8500	9000	20000	8500	18000	MT
Production	68000	70000	72000	73000	0	75000	MT
Imports	18000	32000	18000	15000	0	15000	MT
TOTAL SUPPLY	99500	110500	99000	108000	8500	108000	MT
Exports	500	600	500	500	0	500	MT
Domestic Consumption	90000	89900	90000	89500	0	89500	MT
Ending Stocks	9000	20000	8500	18000	0	18000	MT
TOTAL DISTRIBUTION	99500	110500	99000	108000	0	108000	MT

Consumption

Per capita walnut consumption has increased from about 1.0 kilogram to about 1.3 kilograms in recent years, because of the availability of inexpensive imported walnuts. The low exchange rate of the USD against the Turkish Lira has also contributed to larger imports from the United States. It is estimated that about half of the domestic production is used for home consumption and the remainder is marketed commercially. Walnuts are consumed both as nuts and also used in confectionary production. Retail prices of shelled walnuts vary a lot because of quality differences. A kilogram of good quality domestically grown shelled walnut is sold at YTL 25.00 (or about USD 18.50) per kilogram while one can buy lower quality walnuts at YTL 15.00 (or about USD 11.10) per kilogram in retail stores in Ankara.

Trade

Walnut trade is conducted primarily with neighboring countries. Imports are primarily made from neighboring and Central Asian countries and exports are primarily to Middle Eastern and European countries.

Export Trade Matrix for Walnuts

Walnuts, In-shell Basis

Time Period	Sep. - Jun.	Units:	Metric Tons
Exports for:	2004		CY 2004
U.S.	1	U.S.	75
Others		Others	
Iraq	151	Australia	198
Switzerland	78	Iraq	151
Australia	58	Egypt	101
Netherlands	54	France	88
Egypt	47	United Arab Em.	54
Germany	29	Netherlands	48
Northern Cyprus	28	Northern Cyprus	32
United Arab Em.	9	Germany	26
United Kingdom	3	Switzerland	19
Serbia-Blackmo.	2	Algeria	7
Total for Others	459		724
Others not Listed	50		123
Grand Total	510		852

Import Trade Matrix for Walnuts

Walnuts, Ins-hell Basis

Time Period	Sep. - Jun.	Units:	Metric Tons
Imports for:	2004		CY 2004
U.S.	850	U.S.	2175
Others		Others	
Romania	11300	Romania	14331
Ukraine	7298	Ukraine	5024
Bulgaria	2272	Bulgaria	3648
Moldova	3150	Uzbekistan	1921
Uzbekistan	2895	Kyrgyzstan	1723
Kyrgyzstan	2043	Moldova	1334
Afghanistan	498	Tajikistan	157
China	389	Iran	49
Tajikistan	174	Afghanistan	38
		Russia	14
Total for Others	30019		28239
Others not Listed			936
Grand Total	30869		31350

Stocks
Walnut stock data are not available. Stocks will vary a great deal due to market conditions.

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

There is no subsidy, tax, or other restriction on walnut exports. Importers pay 43.2 percent duty on the CIF value of non-processed walnuts and 58.5 percent duty on processed walnuts.

Almonds

Production
Turkish almond production is concentrated in the Aegean, Marmara, and Mediterranean Regions, although they are grown in most parts of Turkey. Almonds are considered a minor crop and were not cultivated as a commercial crop in Turkey until recently. Local varieties were improved through selection during the last 25 years. Almond production was also affected by last year's frosts but appears to have recovered. Production is expected to increase to its normal levels of about 13,700 MT in MY 2005 due to favorable weather conditions. PSD production estimates are based on shelled basis at a conversion factor of 1:3.

PSD Table for Almonds

Turkey Almonds, Shelled Basis							
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		09/2004		09/2005		09/2006	MM/YYYY
Area Planted	0	0	0	0	0	0	(HA)
Area Harvested	0	0	0	0	0	0	(HA)
Bearing Trees	3575	3500	3575	3450	0	3400	(1000 TREES)
Non-Bearing Trees	550	520	525	500	0	500	(1000 TREES)
Total Trees	4125	4020	4100	3950	0	3900	(1000 TREES)
Beginning Stocks	2500	2400	2000	1500	1800	1500	(MT)
Production	13000	12300	13300	13700	0	13700	(MT)
Imports	2000	2300	2000	2000	0	2000	(MT)
TOTAL SUPPLY	17500	17000	17300	17200	1800	17200	(MT)
Exports	500	500	500	500	0	500	(MT)
Domestic Consumption	15000	15000	15000	15200	0	15200	(MT)
Ending Stocks	2000	1500	1800	1500	0	1500	(MT)
TOTAL DISTRIBUTION	17500	17000	17300	17200	0	17200	(MT)

Consumption

Almonds are generally consumed whole as a snack food and only limited amounts are used in confectionary products. The retail price of shelled sweet roasted almonds in Ankara is about YTL 30.00 (or about USD 22.20) per kilogram of the local Datca quality and YTL 25.00 (or about USD 18.50) per kilogram of imported almonds, most of which are the U.S. almonds.

Trade

Turkey import almonds mostly (around 90 percent) from the United States and exports a small quantity to the EU and Middle Eastern countries.

Export Trade Matrix for Almonds

Almonds, Shelled Basis

Time Period	Sep. - Jun.	Units:	Metric Tons
Exports for:	2004		CY 2004
U.S.	1	U.S.	1
Others		Others	
Spain	251	Egypt	128
Italy	120	Germany	128
Greece	75	Italy	60
Germany	67	Spain	48
Iraq	48	France	46
India	43	Netherlands	35
Egypt	34	Romania	32
Netherlands	34	Libya	28
Algeria	26	Russia	24
Russia	20	Iraq	23
Total for Others	718		552
Others not Listed	86		76
Grand Total	805		629

Import Trade Matrix for Almonds

Almonds, Shelled Basis

Time Period	Sep. – Jun.	Units:	Metric Tons
Imports for:	2004		CY 2004
U.S.	1906	U.S.	2309
Others		Others	
Germany	97	Germany	116
Uzbekistan	91	Iran	12
United Arab Em.	16	Northern Cyprus	1
Northern Cyprus	5		
Total for Others	209		129
Others not Listed			
Grand Total	2115		2438

Stocks
Data on almond stocks data are not available. Stocks vary a great deal due to market conditions.

Policy
Almonds are not considered an important commercial crop and receive no government support. There are no producer associations or marketing cooperatives.

There is no subsidy, tax, or other restriction on almond exports. Importers pay 43.2 percent duty on the CIF value of non-processed almonds and 58.5 percent duty on processed almonds.