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# Turkey

# Citrus Annual

# Turkey Citrus Annual 2010

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**Report Highlights:**
Production of all citrus fruits increased in MY2009 and is predicted to continue increasing in MY 2010 as well. Exports are also predicted to continue increasing in MY 2010. Russia and Iraq were among the top export destinations for Turkish citrus.

## Executive Summary:

Production of all citrus fruits increased in 2009. MY 2010 is predicted to be a good year as well since most orchards were not hit with bad weather conditions during the blooming season and the current weather conditions are favorable.

Exports increased significantly for lemons and grapefruits; to 434,000 MT and 153 MT respectively. The increase was mostly due to higher production levels and increasing competitiveness of the products. Exports of all citrus fruits are predicted to continue increasing in MY 2010.

Russia continued to be the top export destination for citrus fruits. Iraq, Ukraine and Romania were also among the major markets for Turkish citrus.

The Ministry of Agriculture provided USD 75/ MT in export subsidies through the Mediterranean Exporters Union in MY 2009, and is considering increasing the subsidy amount to USD 125/MT in MY 2010.

## Commodities:

Grapefruit, Fresh
Lemons, Fresh
Oranges, Fresh
Tangerines/Mandarins, Fresh
Orange Juice

## Production:

Oranges traditionally account for almost half of the citrus production in Turkey. Tangerines and lemons follow oranges with about 23 percent each. Grapefruit is usually only about 5 percent of overall production.

Production of all citrus fruits increased slightly in MY 2009 compared to the previous year. The major reason for the increase was overall good weather conditions. An increasing number of more professionally run orchards and planting of better varieties also help increasing production levels. Production of orange and lemon increased 18 percent and 16.5 percent, respectively despite unfavorable weather conditions during the blooming season. Orange production is predicted to increase slightly in MY 2010 to reach 1,710,000 MT.

Tangerine production increased 12 percent in MY 2009 compared to the previous year and reached 846,000 MT. The production is predicted to continue increasing in MY 2010 due to good weather conditions during the blooming and growing season. Total production is expected to be slightly higher compared to MY 2009 and reach 853,000 MT.

MY 2009 was a good year for lemon producers as well, with a production increased of about 16 percent. Production reached 783,000 MT despite harsh weather conditions in the Cukurova region. In MY2010 lemon production is predicted to be about the same.

Grapefruit production levels reached 191,000 MT in MY2009 compared to 168,000 MT in MY2008. Production is expected to continue increasing in MY 2010 as well and is predicted to reach 210,000 MT. This is mostly due to good weather conditions and plantation of better varieties.

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 a high export potential for citrus. The Mediterranean Region accounts for about 90 percent of all citrus grown in Turkey, and the Aegean Region counts for most of the remainder.

The main varieties of oranges grown in Turkey are Washington Navel, which comprises about 75 percent of the crop, and Valencia, which comprises 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.

The primary production zone is Cukurova which produces 70 percent of all citrus grown in Turkey. The three provinces that make up Cukurova specialize in the following fruits:

1. Hatay Province- southern part and specializes in oranges
2. Adana Province - central part and specializes in oranges, tangerines and grapefruit
3. Mersin Province - western part and specializes in lemons

The Antalya province, located to the west of Cukurova, produces about 20 percent of all citrus in Turkey. The major crop produced there is oranges and about 30 percent of all oranges 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. 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 in Turkey, especially during the heavy tourism season. Traditionally the processing of lemons, tangerines and grapefruits has been minimal. However, especially in MY 2008, there is increasing interest in lemonade among consumers. This led to higher volume of lemon used in processing facilities. The usage of lemon in the processing sector increased by about 50 percent in MY 2008 compared to the previous year and it is predicted to increase in MY 2009 as well.

## Consumption:

Domestic consumption of citrus fruit 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 fruit, 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 of which is consumed fresh. Citrus consumed as juice is still quite low compared to some other citrus growing countries, as there are many competing non-citrus juices such as cherry, peach, nectarine, and pomegranate.

There is a significant potential for growth in citrus consumption in the tourism sector in the southern parts of Turkey. This sector is growing every year, and utilizes mainly processed fruits but also fresh citrus fruits.

## Trade:

Neighboring countries continued to be significant markets for Turkish citrus fruits. Citrus has traditionally been Turkey's leading fresh fruit export. MY 2008 was an extraordinarily good year for orange and tangerine exports. Figures show that orange and tangerine exports are down in MY 2009 compared to the previous year.

In MY 2009 Russia continued to be the leading export destination for Turkish citrus. Iraq, Ukraine, Romania, and Saudi Arabia were also other significant markets.

Orange exports were recorded as 203,000 MT in MY 2009 and are predicted to increase 15 percent in MY 2010 and reach 230,000 MT. Russia, Ukraine and Iraq continued to be the top three export destinations for oranges in MY 2009 are predicted to remain so in MY 2010.

Tangerine exports decreased in MY 2009 to 330,000 MT compared to the previous year but are predicted to bounce back in MY 2010. Industry contacts and producers predict that tangerine exports are going to increase about 6 percent in MY2010 and reach 350,000 MT. Russia, Ukraine and Iraq continued to be the top export markets for Turkish tangerines.

Traditionally more than half of Turkish lemon production is exported. The increase in production in MY 2009 led to higher export levels. Lemon exports reached 434,000 MT in MY 2009. However producers complained about lower prices, especially in November and December, resulting mostly from higher production levels. Nevertheless, exports in MY 2010 are expected to reach 430,000 MT. Russia, Saudi Arabia and Ukraine continued to be the top export destinations for lemons.

Producer interest in grapefruit production is also increasing as the export potential increases. Contrary to predictions, grapefruit exports increased by 24 percent in MY 2009 compared to the previous year, mostly due to better quality and higher production levels. Russia, Romania and Ukraine were the top export destinations in MY 2009. In parallel to the production levels, exports are also predicted to increase in MY 2010. Producers estimate that grapefruit exports will increase about 15 percent in MY 2010 and reach 175,000 MT.

## 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 a fruit orchard using certified seedlings. All Turkish farmers receive direct income support payments. The government-sponsored Exporters' Unions play 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 a significant role 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. The Ministry of Agriculture and Rural Affairs' Agricultural Research Institutes, along with Cukurova University, conducts research on improved varieties and better horticultural practices. These researchers help identify better varieties for export and improved agricultural practices, therefore increasing 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

The Ministry of Agriculture provided USD 75/MT in export subsidies to producers through the Mediterranean Exporters Union in MY 2009. The Turkish government makes support payments to exporters each year at varying rates. The Ministry is considering increasing this subsidy to USD 125/ MT in 2011.

The government makes payments to a special account, which the exporter can only use to make tax and social security payments or pay utilities such as telecommunications, electricity, and natural gas.

In order to protect domestic producers the government kept the high 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 the 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.  Alternatively wholesalers could sell to the broker who then sells to a retailer who eventually markets it to the consumers.  Other times the producer sells directly to the broker who then sells it to the retailer.  Wholesale markets play a significant role in marketing.  Citrus producers or exporters do not have a nationwide organization for marketing.

**Prices**

The domestic market is very price sensitive and fluctuations in the price of citrus fruits affects 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 are added to domestic consumption.  Farm gate prices vary significantly according to production levels, quality and shipping location.

## Production, Supply and Demand Data Statistics:

| Oranges, Fresh Turkey | 2008/2009 | | 2009/2010 | | 2010/2011 | |
|---|---|---|---|---|---|---|
| | Market Year Begin: Oct 2008 | | Market Year Begin: Oct 2009 | | Market Year Begin: Oct 2010 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Planted** | 51,600 | 51,600 | 51,700 | 51,700 | | 51,700 |
| **Area Harvested** | 50,000 | 50,000 | 50,000 | 50,000 | | 50,000 |
| **Bearing Trees** | 13,000 | 13,000 | 13,000 | 13,000 | | 13,000 |
| **Non-Bearing Trees** | 1,000 | 1,000 | 1,000 | 1,000 | | 1,000 |
| **Total No. Of Trees** | 14,000 | 14,000 | 14,000 | 14,000 | | 14,000 |
| **Production** | 1,560 | 1,430 | 1,580 | 1,690 | | 1,710 |
| **Imports** | 41 | 45 | 30 | 30 | | 25 |
| **Total Supply** | 1,601 | 1,475 | 1,610 | 1,720 | | 1,735 |
| **Exports** | 256 | 249 | 200 | 203 | | 230 |
| **Fresh Dom. Consumption** | 1,245 | 1,126 | 1,310 | 1,417 | | 1,405 |
| **For Processing** | 100 | 100 | 100 | 100 | | 100 |
| **Total Distribution** | 1,601 | 1,475 | 1,610 | 1,720 | | 1,735 |
| | | | | | | |
| HECTARES, 1000 TREES, 1000 MT | | | | | | |

| Orange Juice Turkey | 2008/2009 | | 2009/2010 | | 2010/2011 | |
|---|---|---|---|---|---|---|
| | Market Year Begin: Oct 2008 | | Market Year Begin: Oct 2009 | | Market Year Begin: Oct 2010 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Deliv. To Processors** | 100,000 | 100,000 | 100,000 | 100,000 | | 100,000 |
| **Beginning Stocks** | 1,100 | 1,100 | 1,100 | 1,050 | | 950 |
| **Production** | 8,800 | 8,800 | 8,800 | 8,800 | | 8,800 |
| **Imports** | 6,900 | 6,800 | 6,800 | 6,800 | | 6,800 |
| **Total Supply** | 16,800 | 16,700 | 16,700 | 16,650 | | 16,550 |
| **Exports** | 1,350 | 1,350 | 1,400 | 1,400 | | 1,400 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Domestic Consumption** | 14,350 | 14,300 | 14,200 | 14,300 | | 14,300 |
| **Ending Stocks** | 1,100 | 1,050 | 1,100 | 950 | | 850 |
| **Total Distribution** | 16,800 | 16,700 | 16,700 | 16,650 | | 16,550 |
| | | | | | | |
| MT | | | | | | |

| Tangerines/Mandarins, Fresh Turkey | 2008/2009 | | 2009/2010 | | 2010/2011 | |
|---|---|---|---|---|---|---|
| | Market Year Begin: Oct 2008 | | Market Year Begin: Oct 2009 | | Market Year Begin: Oct 2010 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Planted** | 31,200 | 31,200 | 31,200 | 31,200 | | 31,300 |
| **Area Harvested** | 27,450 | 27,450 | 27,450 | 27,450 | | 27,450 |
| **Bearing Trees** | 9,100 | 9,100 | 9,100 | 9,100 | | 9,150 |
| **Non-Bearing Trees** | 1,170 | 1,170 | 1,200 | 1,200 | | 1,250 |
| **Total No. Of Trees** | 10,270 | 10,270 | 10,300 | 10,300 | | 10,400 |
| **Production** | 756 | 756 | 750 | 846 | | 853 |
| **Imports** | 3 | 3 | 4 | 4 | | 4 |
| **Total Supply** | 759 | 759 | 754 | 850 | | 857 |
| **Exports** | 382 | 382 | 330 | 330 | | 350 |
| **Fresh Dom. Consumption** | 377 | 377 | 424 | 520 | | 507 |
| **For Processing** | 0 | 0 | 0 | 0 | | 0 |
| **Total Distribution** | 759 | 759 | 754 | 850 | | 857 |
| | | | | | | |
| HECTARES, 1000 TREES, 1000 MT | | | | | | |

| Grapefruit, Fresh Turkey | 2008/2009 | | 2009/2010 | | 2010/2011 | |
|---|---|---|---|---|---|---|
| | Market Year Begin: Oct 2008 | | Market Year Begin: Oct 2009 | | Market Year Begin: Oct 2010 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Planted** | 5,100 | 5,100 | 5,150 | 5,150 | | 5,200 |
| **Area Harvested** | 4,800 | 4,800 | 4,800 | 4,850 | | 4,850 |
| **Bearing Trees** | 1,020 | 1,030 | 1,020 | 1,030 | | 1,040 |
| **Non-Bearing Trees** | 65 | 65 | 65 | 65 | | 65 |
| **Total No. Of Trees** | 1,085 | 1,095 | 1,085 | 1,095 | | 1,105 |
| **Production** | 160 | 168 | 180 | 191 | | 210 |
| **Imports** | 5 | 5 | 5 | 3 | | 2 |
| **Total Supply** | 165 | 173 | 185 | 194 | | 212 |
| **Exports** | 128 | 128 | 145 | 153 | | 170 |
| **Fresh Dom. Consumption** | 37 | 45 | 40 | 41 | | 42 |
| **For Processing** | 0 | 0 | 0 | 0 | | 0 |
| **Total Distribution** | 165 | 173 | 185 | 194 | | 212 |
| | | | | | | |
| HECTARES, 1000 TREES, 1000 MT | | | | | | |

| Lemons/Limes, Fresh Turkey | 2008/2009 | | 2009/2010 | | 2010/2011 | |
|---|---|---|---|---|---|---|
| | Market Year Begin: Oct 2008 | | Market Year Begin: Oct 2009 | | Market Year Begin: Oct 2010 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Planted** | 25,200 | 25,200 | 25,200 | 25,200 | | 25,200 |
| **Area Harvested** | 22,880 | 22,880 | 22,900 | 22,900 | | 22,900 |
| **Bearing Trees** | 6,260 | 6,260 | 6,265 | 6,265 | | 6,265 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Non-Bearing Trees** | 550 | 550 | 590 | 590 | | 590 |
| **Total No. Of Trees** | 6,810 | 6,810 | 6,855 | 6,855 | | 6,855 |
| **Production** | 680 | 672 | 680 | 783 | | 782 |
| **Imports** | 3 | 5 | 1 | 1 | | 1 |
| **Total Supply** | 683 | 677 | 681 | 784 | | 783 |
| **Exports** | 350 | 351 | 400 | 434 | | 430 |
| **Fresh Dom. Consumption** | 303 | 296 | 241 | 290 | | 293 |
| **For Processing** | 30 | 30 | 40 | 60 | | 60 |
| **Total Distribution** | 683 | 677 | 681 | 784 | | 783 |
| | | | | | | |
| HECTARES, 1000 TREES, 1000 MT | | | | | | |