United States Department of Agriculture
Foreign Agricultural Service

GAIN
Global Agricultural Information Network

Required Report: Required - Public Distribution **Date:** December 18,2019

Report Number: TU2019-0036

Report Name: Citrus Annual

Country: Turkey

Post: Ankara

Report Category: Citrus

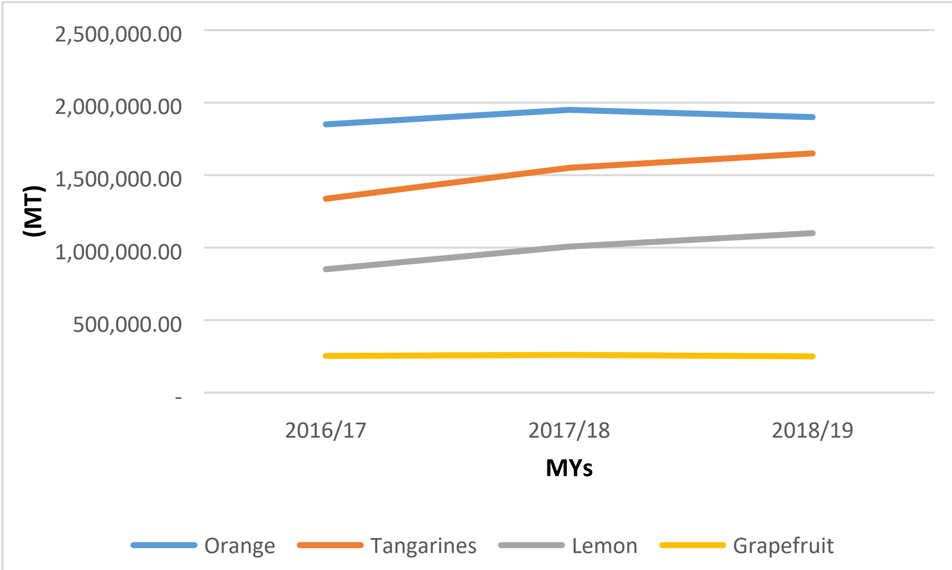
Prepared By: Sinem Duyum

Approved By: Christine Strossman

Report Highlights:

In Marketing Year (MY) 2019/20, Turkish lemon production, especially the interdonat variety, is expected to be negatively affected by unstable weather conditions last spring and fall. The interdonat variety is the most exported lemon variety and therefore Turkish total citrus exports are expected to slightly decrease in value and quantity. Also strict rules of importing countries such as Russia on pesticides, as well as economic turmoil in Iraq are expected to impact exports of tangerines and oranges. Mediterranean fruit fly is still the biggest concern among producers and it has been affecting Turkey`s citrus exports for years, especially to Russia. In MY 2018/19, nearly 30,000 MT of fruits and vegetables from Turkey were rejected by Russia due to harmful flies.

Figure 1. Turkish Citrus Production by Products, Marketing Years (MY) 2016-2019



Source: TurkSTAT, 2019

Overview

Turkey’s main citrus exports are lemons and tangerines, both of which have been increasing in production in recent years. Besides Russia and Iraq, Turkish citrus exporters are interested in exporting citrus to European countries, but they face strong price competition from other leading supplier countries, especially Spain. According to Turkish exporters, the biggest concern among citrus exporters is the export unit price which has been declining for years despite increasing product quality. Turkish exporters have called for increased subsidies for production and export in order to increase competitiveness with other leading exporters of citrus to the global market. Input costs such as fertilizer, fuel and pesticides are still challenges and producers are struggling with low farm-gate prices which are not able to compensate for their high production costs. Those costs have led to problems with orchard irrigation in particular as well as difficulty in fighting diseases.

Harmonized System (HS) Codes:

Oranges 080510

Tangerines/Mandarins 080520, 080521, 080522, 080529

Lemons 080550

Grapefruits 080540

Orange Juice 200911, 200912, 200919

Abbreviations used in this report:

FAS	USDA Foreign Agricultural Service
TDM	Trade Data Monitoring
MT	Metric ton (1,000 kg)
MMT	Million Metric Tons
MinAF	Turkish Ministry of Agriculture and Forestry
MY	Marketing year
PS&D	Production, Supply and Distribution
TL	Turkish Lira
TurkSTAT	Turkish Statistical Institute
USD	U.S. Dollar

Commodities:

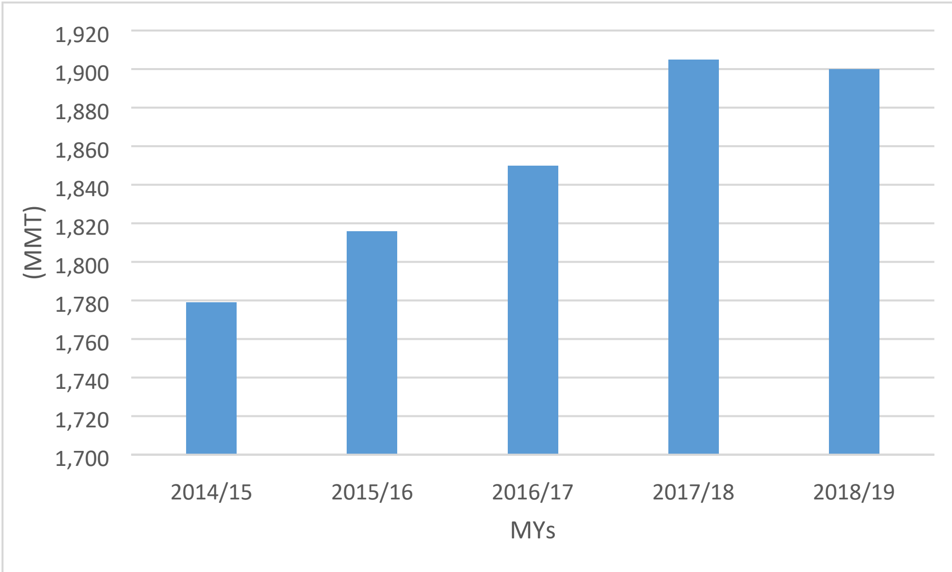
Oranges, Fresh

Production:

In MY 2019/20, orange yield is forecast to decrease compared to the previous season to 1.8 MMT due to heavy rains and north winds in the spring/fall in the Adana and Mersin regions. However, like the previous season, the expected orange yield in the Aegean region is higher due to the favorable weather conditions in this region during the fall season.

According to the Turkish Statistical Institute, MY 2018/19 production has reached 1.9 million MT, which is slightly lower when compared to the previous season. As producers reported, natural disasters like rains and high winds affected last year`s yield. Mediterranean fruit fly has also been the biggest concern among producers, who are planning to harvest and sell their products much earlier than normal in order to prevent exposure to harmful flies. In addition, input costs such as fertilizer, fuel and pesticides are still considered too high and producers are struggling with farm-gate prices which are not high enough to compensate for high production costs.

Figure 2. Turkey Orange Production, MY 2014/15-MY 2018/19 Comparison

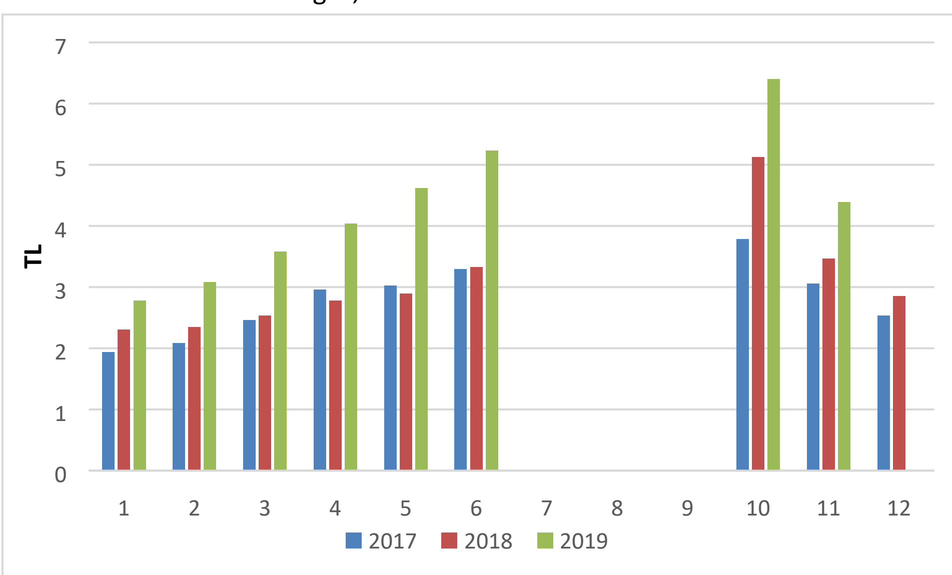


Source: TurkSTAT, 2019

Consumption:

In MY 2019/20, orange consumption is expected to decrease to 1.4 MMT in correlation with the decreased production. The gap between the production price at orchards (between 0.5- 1 TL), the selling price to whole sale markets and the market price at supermarkets in cities is considered to be very large. The market price of oranges at supermarkets has been increasing due to multiple stakeholders in the market chain.

Figure 3. Orange Retail Market Price Changes, 2017-2019



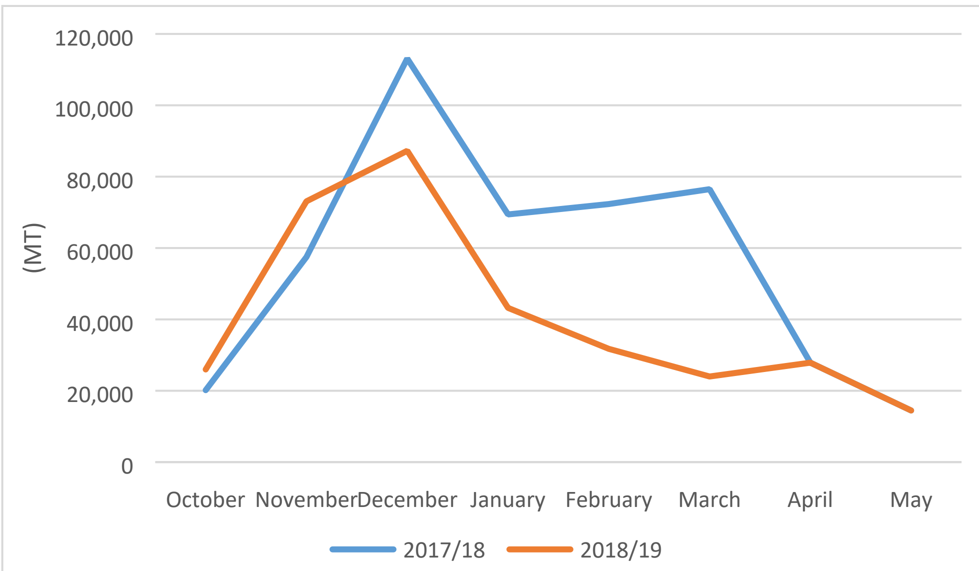
Source: TurkSTAT, 2019 (With exchange rate 5.78 TL to $1 USD as of December 2019)

Trade:

Orange exports in MY 2019/20 are expected to decrease 15 percent when compared with the previous season due to turmoil in neighboring countries and Russia's strict citrus import rules. Orange exports have not started well in MY 2019/20, and have decreased 33 percent in November 2019 when compared with the same month of MY 2018/19. Within November, especially exports to Iraq have decreased up to 50 percent on a quantity and value basis. The Mediterranean fruit fly issue and immature products at export are the main issues for rejections.

In MY 2018/19, Turkey exported 298,000 MT of oranges which is 34 percent lower than MY 2017/18 (455,000 MT).

Figure 4. Turkish Orange Exports, Comparison Table for MY 2017/18 and MY 2018/19,



Sources: Trade Data Monitor, LLC

Table 1: PSD Oranges, Fresh

Production, Supply and Distribution Statistics:

Oranges, Fresh	2017/2018		2018/2019		2019/2020	
Market Begin Year	Sept 2017		Sept 2018		Sept 2019	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	54000	54000	53500	53500	0	53400
Area Harvested	52300	52300	51339	51339	0	52300
Bearing Trees	13861	13861	13123	13150	0	13300
Non-Bearing Trees	710	710	916	680	0	700
Total No. Of Trees	14571	14571	14039	13830	0	14000

Production	1905	1905	1900	1900	0	1800
Imports	33	33	20	41	0	35
Total Supply	1938	1938	1920	1941	0	1835
Exports	454	455	350	298	0	253
Fresh Dom. Consumption	1386	1385	1465	1538	0	1472
For Processing	98	98	105	105	0	110
Total Distribution	1938	1938	1920	1941	0	1835
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Commodities:

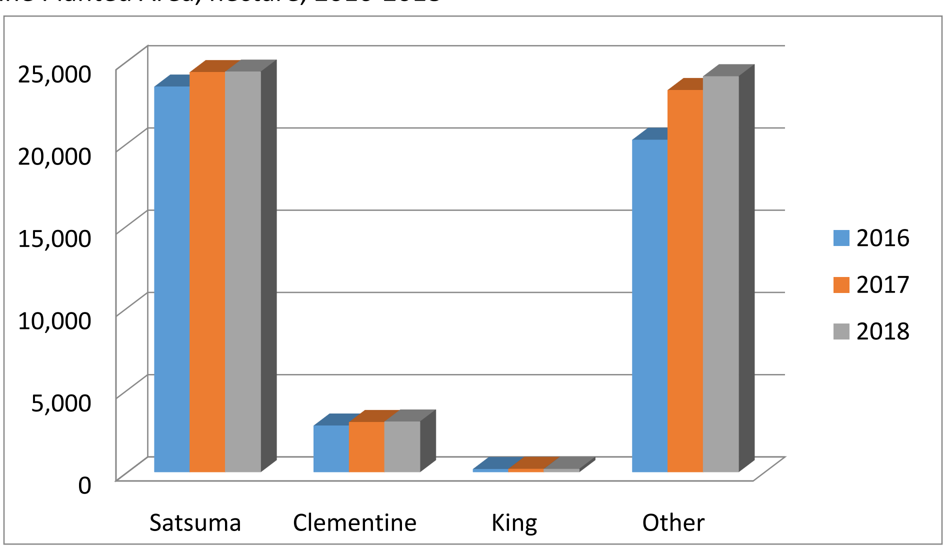
Tangerines/Mandarins, Fresh

Production:

In MY 2019/20, tangerine yield is forecast to decrease compared to the previous season to 1.5 MMT due to a freeze during the blooming season. However, producers don't expect a decline in quality. Since the yield is expected to be low this season, the selling price from farms is expected to be satisfactory for producers. Producers have been struggling with low sales prices to wholesale markets for years due to high input costs such as fuel, electricity, fertilizers, labor and plant protection products.

According to the Turkish Statistical Institute, MY 2018/19 tangerine production reached 1.65 million MT, which is a six percent increase when compared with the previous season. As seen in the below chart, producers have been tending towards new mandarin varieties ('other' in figure 5 below) since they believe that exports of new varieties (Nova, Murkott, Fremont) are more profitable. Most tangerines are consumed fresh and the satsuma variety is most preferred.

Figure 5. Tangerine Planted Area, hectare, 2016-2018



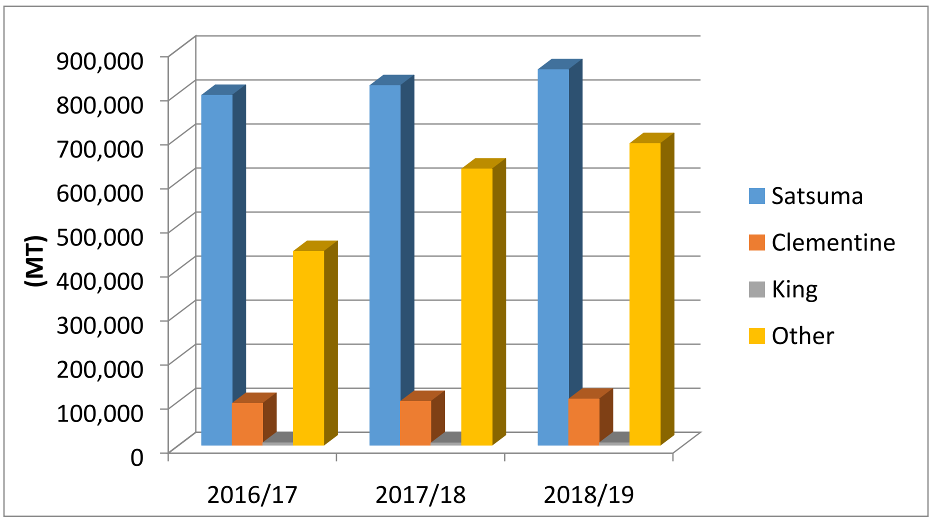
Source: TurkSTAT, 2019

Consumption:

In MY 2019/20, Turkey's domestic consumption of mandarins is estimated at 819,000 MT, which is lower than the MY 2018/19 consumption level of 965,000 MT. The reason for higher than average consumption data for MY 2018/19 was that unsold or rejected fruit were also included in the consumption number.

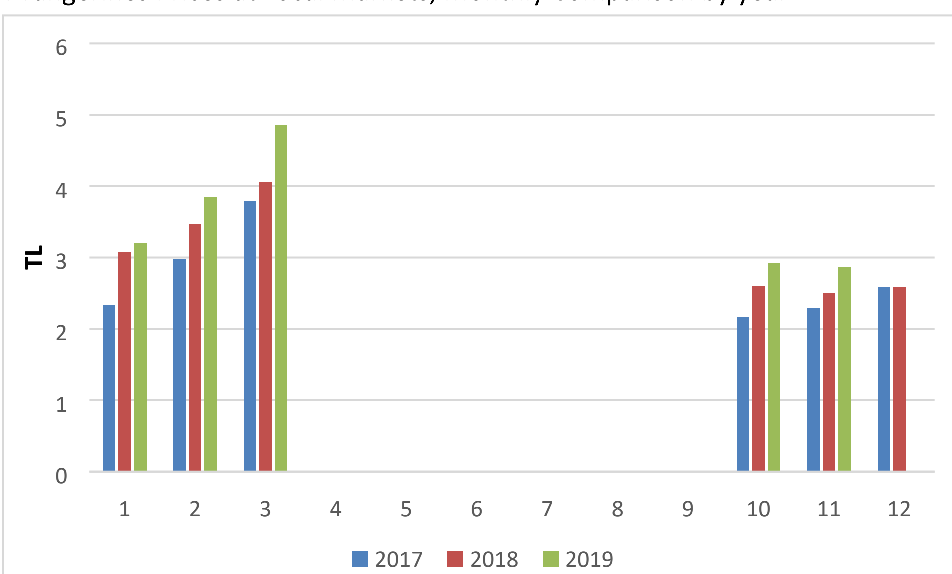
The gap between farmer wholesale prices and retail market prices remains a concern for farmers. Since producers have started to harvest citrus fruits earlier than usual in order in order to prevent exposure to harmful flies, consumers complain about immature tangerines at the markets, although the issues are mainly cosmetic.

Figure 6. Turkish Tangerine Production by Varieties, MY 2016-19



Source: TurkSTAT, 2019

Figure 7. Turkish Tangerines Prices at Local Markets, Monthly Comparison by year



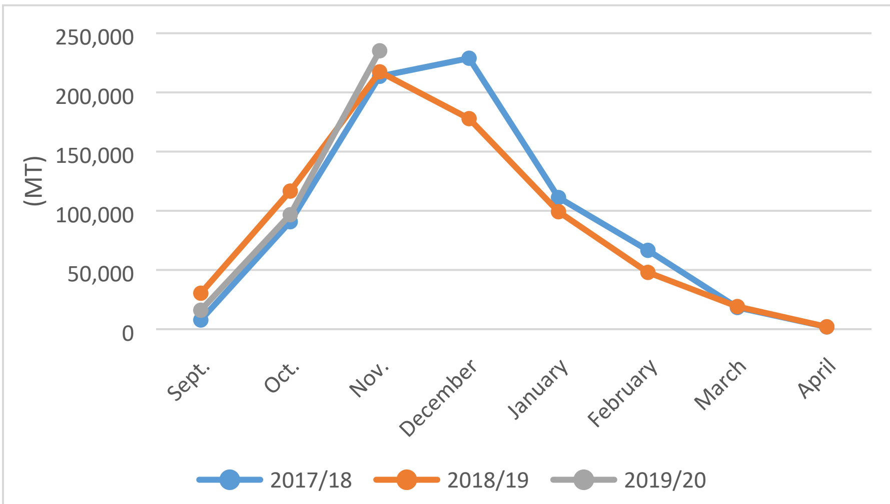
Source: TurkSTAT, 2019 (With exchange rate 5.78 TL to $1 USD as of December 2019)

Trade:

In MY 2019/20, tangerine exports are estimated to remain flat at 710,000 MT, similar to the previous season despite low yield expectations. Exporters believe that the quality will be satisfactory. Tangerines are still the top exported product among all citrus exported from Turkey. Harvesting of early tangerines has just started in Turkey, and the reason of early harvest is to avoid Mediterranean fruit fly. However, Russia has just rejected 370 MT of Turkish tangerines due to the Mediterranean fruit fly.

In 2018/19 Turkey exported 711,000 MT of tangerines, mostly to Russia, Iraq and Ukraine, valued at $283 million.

Figure 8. Turkey Mandarin Export Comparison in MT for MY 2017/18-MY 2018/19 and MY 2019/20.



Source: Trade Data Monitor, LLC

In contrast with MY 2018/19, Turkish exporters expect to have more revenue from exports since the export price will be higher than the previous season due to lower yield and high quality.

Table 2: Production, Supply and Distribution Statistics: Tangerines/Mandarins

Tangerines/Mandarins, Fresh	2017/2018		2018/2019		2019/2020	
Market Begin Year	Sept 2017		Sept 2018		Sept 2019	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	41750	41750	45760	45760	0	48000
Area Harvested	40000	40000	43000	43000	0	46000
Bearing Trees	11300	11300	13000	13000	0	14000
Non-Bearing Trees	2700	2700	3000	3000	0	3726

Total No. Of Trees	14000	14000	16000	16000	0	17726
Production	1550	1550	1650	1650	0	1500
Imports	32	25	30	32	0	30
Total Supply	1582	1575	1680	1682	0	1530
Exports	762	739	710	711	0	710
Fresh Dom. Consumption	819	835	969	970	0	819
For Processing	1	1	1	1	0	1
Total Distribution	1582	1575	1680	1682	0	1530
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Commodities:

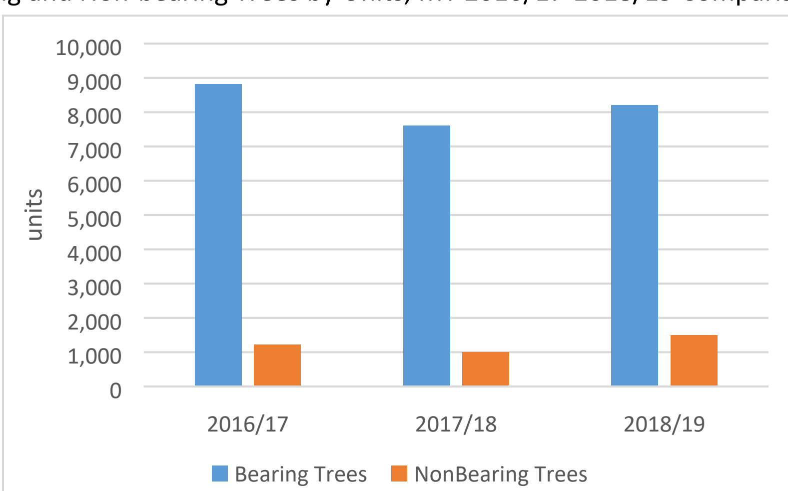
Lemons, Fresh

Production and Consumption:

In MY 2019/20, lemon production is expected to decrease since weather conditions caused early blooming of trees. The yield lost is expected to be mostly seen for the Interdonat variety (up to 40 percent) which is the most exported variety. The losses are expected to be smaller for other varieties such as Meyer and Kutdiken (https://hizlilartarim.com/en/products/lemon/kutdiken-lemon). The "Lamas" variety was granted a Turkish geographical indication in 2019. (http://www.topalnarenciye.com.tr/lamasen.html)

MY 2018/19 lemon production reached 1.1 million MT, which is 10 percent more than the MY 2017/18 season. According to TurkSTAT, lemon production was 1 million MT in MY 2017/18. Despite increasing lemon planted areas, production lags behind market demand due to the excessive hot or cold weather conditions during recent years. Because of this reason, market prices have been rising over time.

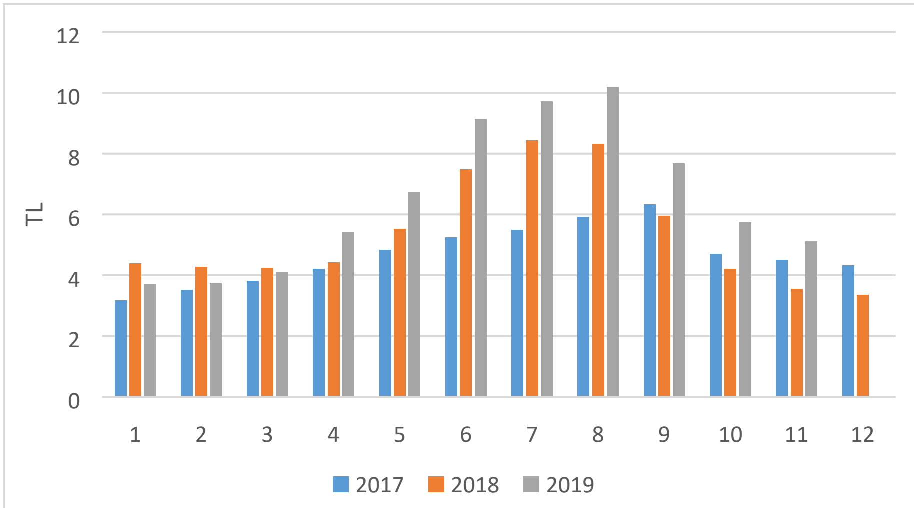
Figure 9. Lemon Bearing and Non-bearing Trees by Units, MY 2016/17-2018/19 Comparison



Source: TurkSTAT, 2019

Recently, many producers in the Cukurova-Adana regions have converted their citrus orchards to mostly lemons due to high market prices. However, lemons are easily affected by cold or hot weather conditions. Turkish lemon producers also face storage issues. Despite there being cold storages in the local region, many producers are still using traditional "natural storages" in the Urgup region. However, storage of lemons in caves in the Urgup region causes extra costs which is reflected in domestic market prices. With high market prices, lemon consumption in MY 2019/20 is expected to decrease to 406,000 MT.

Figure 10. Turkish Lemon Prices at Local Markets, Monthly Comparison by years



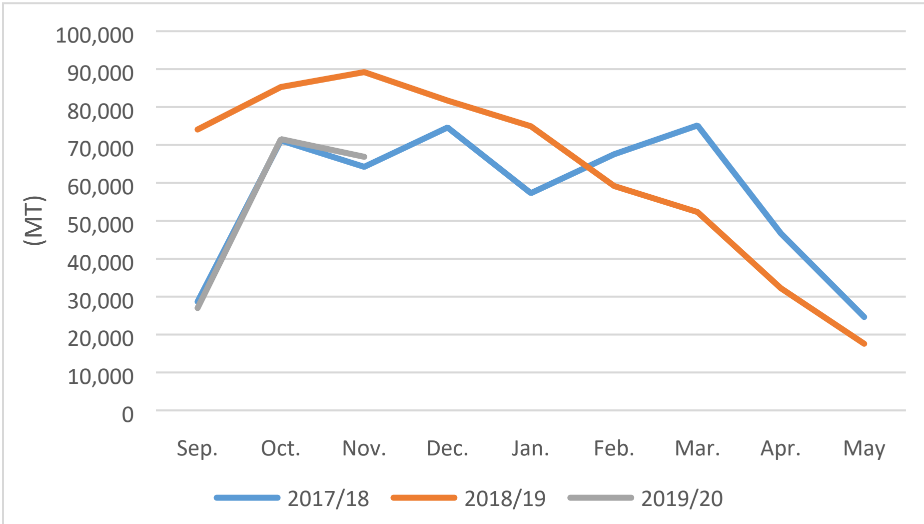
Source: TurkSTAT, 2019(With exchange rate 5.78 TL to $1 USD as of December 2019)

Trade:

In MY 2019/20, lemon exports are expected to decrease 5 percent to 546,000 MT in correlation with expected lower production. The biggest concerns for lemon exports are the low unit export price and residues of products used to extend longevity in storage. Exporters reported that there have been rejections of exports due to high residue levels.

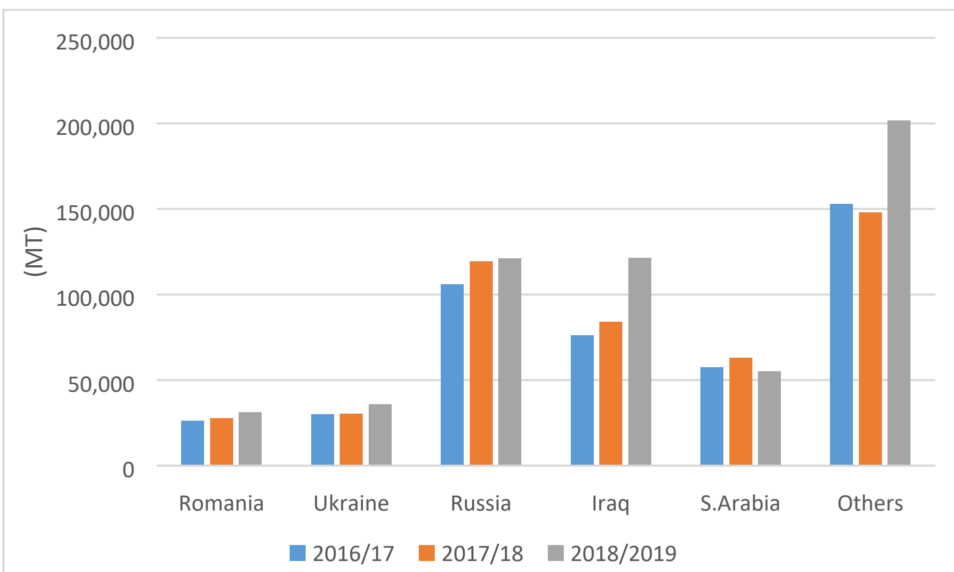
In MY 2018/19, lemon exports reached 575,000 MT, valued at $272 million. In MY 2017/18, Turkey exported 535,000 MT of lemons valued at $333 million. Russia, Iraq and Saudi Arabia are still the main export markets for Turkey.

Figure 11. Turkey Lemon Export Comparison in MT for MY 2017/18-MY 2018/19 and MY 2019/20.



Source: Trade Data Monitor, LLC

Figure 12. Turkey Lemon Exports by Countries Comparison in MT for MY 2017/18-MY 2018/19.



Source: Trade Data Monitor, LLC

Table 3: Production, Supply and Distribution Statistics: PSD Lemons/Lime, Fresh

Lemons/Limes, Fresh	2017/2018		2018/2019		2019/2020	
Market Begin Year	Sept 2017		Sept 2018		Sept 2019	
Turkey	USDA	New Post	USDA	New Post	USDA	New Post

	Official		Official		Official	
Area Planted	31000	31000	32500	32500	0	33000
Area Harvested	27500	27500	30000	30000	0	32000
Bearing Trees	7600	7600	8200	8200	0	8700
Non-Bearing Trees	1000	1000	1500	1500	0	2500
Total No. Of Trees	8600	8600	9700	9700	0	11200
Production	1000	1000	1100	1100	0	1000
Imports	3	3	3	2	0	2
Total Supply	1003	1003	1103	1102	0	1002
Exports	581	535	575	575	0	546
Fresh Dom. Consumption	372	418	478	477	0	406
For Processing	50	50	50	50	0	50
Total Distribution	1003	1003	1103	1102	0	1002
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Commodities:

Grapefruit, Fresh

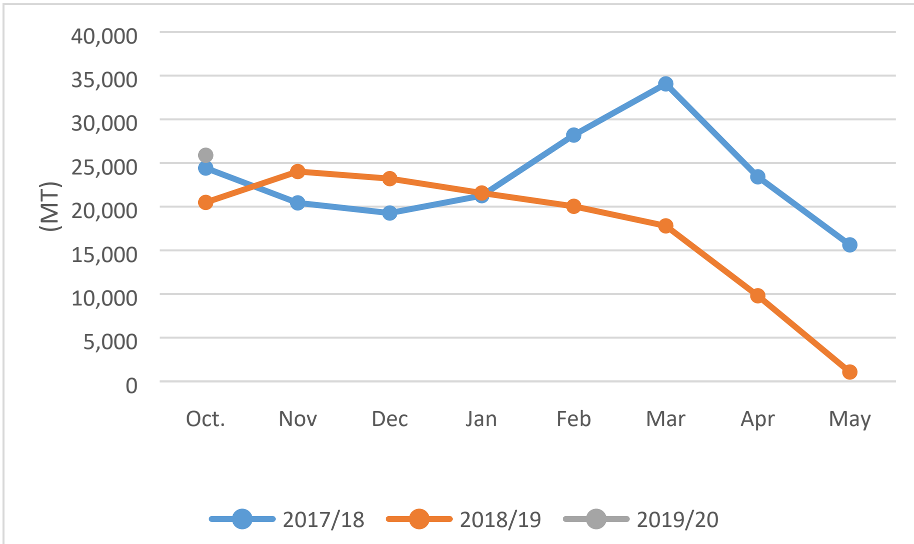
Production and Consumption:

In 2019/20, grapefruit production is expected to be higher than the previous season at 300,000 MT. In MY 2018/19, production was 250,000 MT, which is 3 percent lower than MY 2017/18's production level of 260,000 MT. Seventy percent of the total grapefruit production in Turkey is from the Adana region. The harvest of Star Ruby and Rio Red varieties has already started for MY 2019/20. Since production costs are high as is the case with other citrus products, producers are not satisfied with sales prices from orchards to wholesale markets. Domestic demand for grapefruit is very small in Turkey and it is mostly consumed as fresh-squeezed grapefruit juice. In 2019/20, Turkey's grapefruit consumption is estimated slightly higher at 131,000 MT.

Trade:

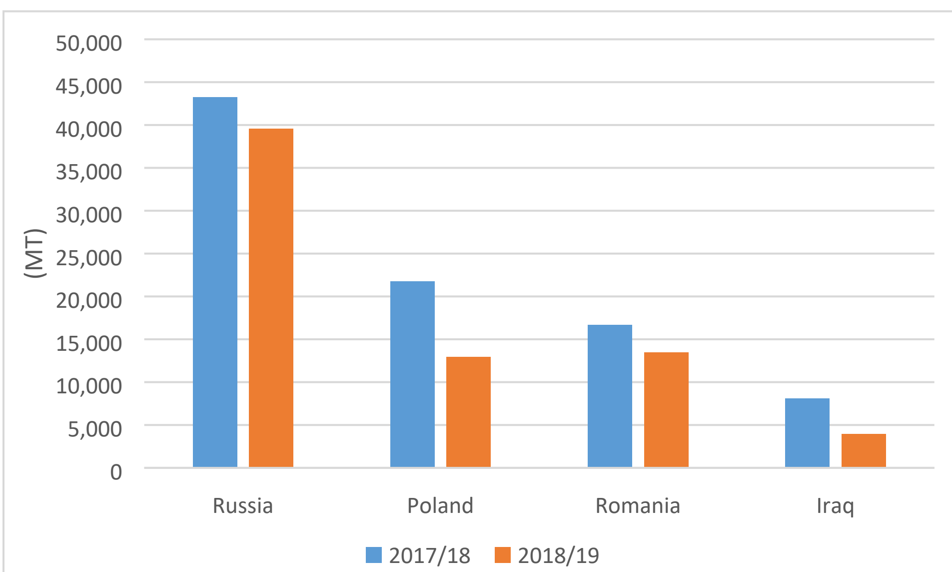
In 2019/20, grapefruit exports are expected to be higher than the previous season in correlation with the production increase. Turkey exported 138,000 MT of grapefruit in 2018/19 valued at $69 million mostly to Russia, Poland and Romania which is 26 percent lower than MY 2017/18. According to exporters, export in MY 2018/19 was lower than the previous season because of low foreign demand and high production costs.

Figure 13. Turkey's Grapefruit Exports, MY 2018/19/20 Comparison by Month



Source: Mediterranean Exporters Association, 2019

Figure 14. Turkey`s Grapefruit Export by Top Countries, MY 2017-2018-2019



Source: Trade Data Monitor, LLC, 2019

Table 4: Production, Supply and Distribution Statistics: PSD Grapefruit

Grapefruit, Fresh	2017/2018		2018/2019		2019/2020	
Market Begin Year	Sept 2017		Sept 2018		Sept 2019	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	6200	6200	6250	6250	0	6350
Area Harvested	5300	5300	5500	5500	0	5650
Bearing Trees	1390	1390	1200	1200	0	1250
Non-Bearing Trees	100	100	60	60	0	61
Total No. Of Trees	1490	1490	1260	1260	0	1311
Production	260	260	250	250	0	300
Imports	2	2	2	1	0	2
Total Supply	262	262	252	251	0	302
Exports	190	189	160	138	0	170
Fresh Dom. Consumption	71	72	91	112	0	131
For Processing	1	1	1	1	0	1
Total Distribution	262	262	252	251	0	302
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Commodities:

Orange Juice

Production:

In MY 2019/20, orange juice production is forecast at 10,000 MT. The amount of oranges sent to processing increased to 110,000 MT. The Turkish fruit processing industry is still under development and is seeking government supports on policies which may help to develop the industry.

Trade:

Orange juice exports are forecast at 5,500 MT for MY 2019/20. In 2018/19, Turkey's orange juice exports were mainly to Libya, Italy, and Israel. Imports are mainly from the northern region of Cyprus, especially frozen orange juice.

Table 5: Production, Supply and Distribution Statistics: PSD Orange Juice

Orange Juice	2017/2018		2018/2019		2019/2020	
Market Begin Year	Sept 2017		Sept 2018		Sept 2019	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	95000	95000	105000	105000	0	110000
Beginning Stocks	150	150	150	150	0	150
Production	9000	9000	9500	9500	0	10000
Imports	3900	3412	4000	592	0	600
Total Supply	13050	12562	13650	10242	0	10750
Exports	8600	6658	9150	5075	0	5500
Domestic Consumption	4300	5754	4350	5017	0	5100
Ending Stocks	150	150	150	150	0	150
Total Distribution	13050	12562	13650	10242	0	10750
(MT)						

Citrus Production Support Policies;

For farmers who are registered in the 'Farmer Registration system' by the Turkish Ministry of Agriculture;

- 150 TL/ hectare is given as fuel support,
- 40 TL/ hectare is given as fertilizer support,
- 40 TL/per soil analysis for each 5 hectares. Soil analyses must be done by an authorized laboratory.
- 1000 TL/ hectare for standard saplings, 4000 TL/hectare for certified saplings.

Attachments: No Attachments