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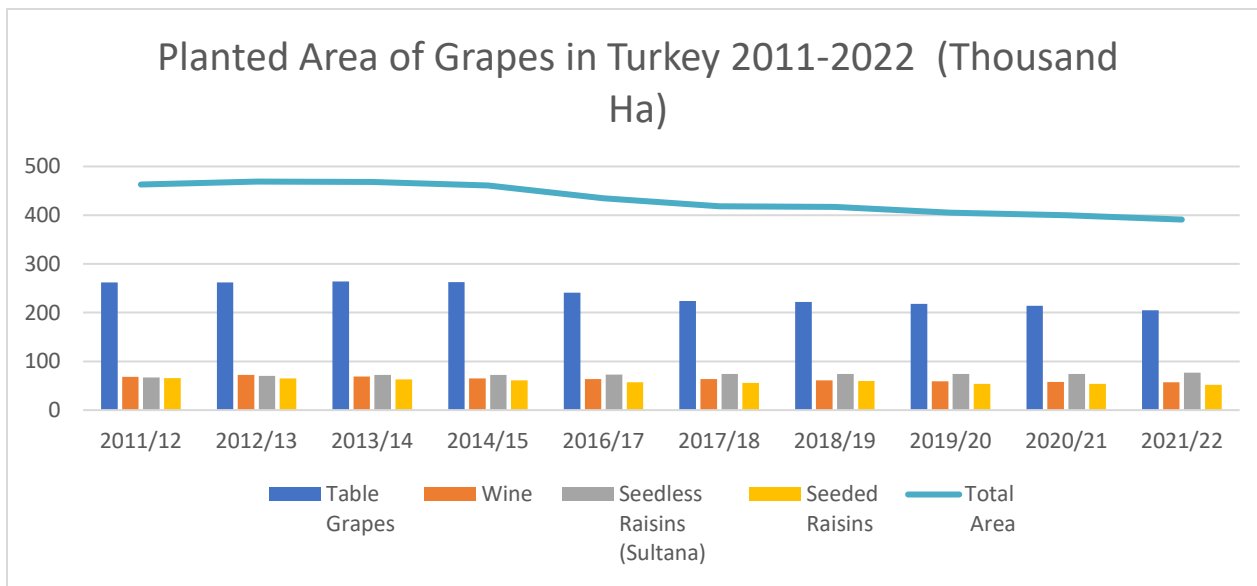
Report Highlights:

This report focuses specifically on Turkey's production of sultana raisins, which are a dried seedless grape variety indigenous to the Aegean region of Turkey and are grown mostly in the regions of Manisa, Izmir, and Denizli. Turkey's raisin production is forecast at 330,000 metric tons (MT) in MY 2022/23, around 17 percent higher than MY 2020/21 due to favorable weather conditions. In MY 2022/23, raisin exports are forecast to increase to 280,000 MT in parallel to the increase in production. The European Union and the United Kingdom continue to be the top export destinations for Turkish raisins.

Crop Area

Turkey is one of the major global raisin producers and exporters. With over 1,200 different grape varieties being grown in the country, Turkey is also one of the main genetic centers for grapes in the world. As shown in Figure 1, Turkey’s planted area for grapes is around 400,000 hectares (ha). There has been a historical downward trend, however, in the total cultivated area for grapes as farmers continue to grow fewer hectares for table grapes and switch to more profitable crops. Grapes planted for raisins remained stable at 74,000 ha, buoyed by a robust export market for the last several years, and in fact, planting area for raisins slightly increased to 77,000 ha in marketing year (MY) 2021/22. Post forecasts the planted area of grapes for raisins to be around 77,000 ha for the MY 2022/23 again due to the high demand from export markets.

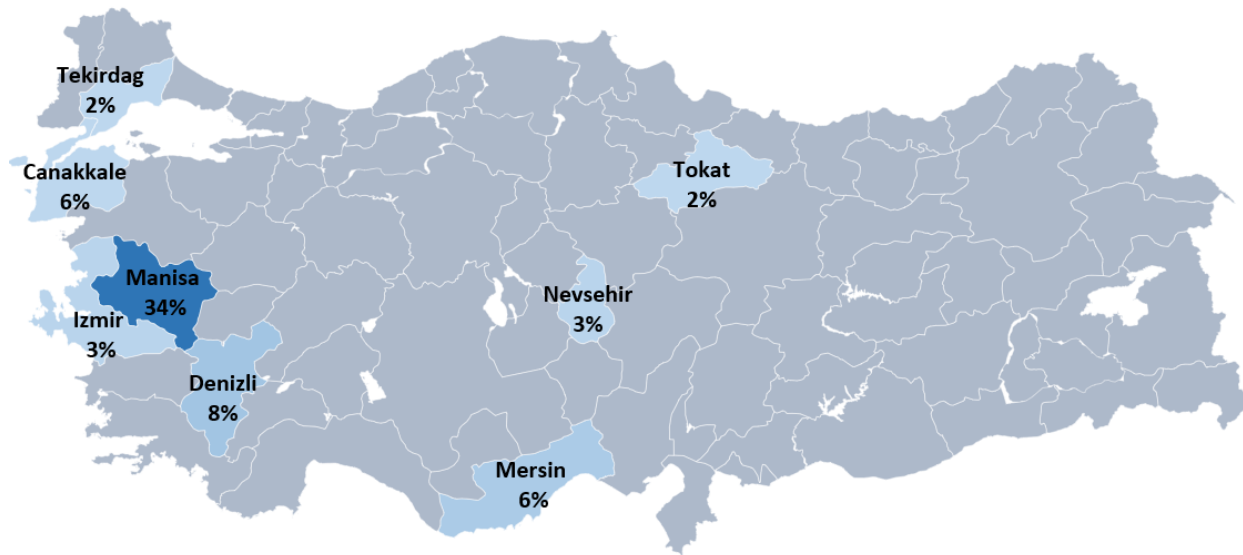
Figure 1. Vineyards of Turkey (2011-2022)



Source: TurkStat, 2022

The Aegean Region is the engine of Turkish grape production; almost half of the vineyards are in this region (Figure 2). Manisa has 34 percent of all vineyards, and Denizli (eight percent), Mersin (six percent), Canakkale (six percent), and Nevsehir (three percent) are the other top locations for vineyards. Manisa produces 87 percent of all sultana raisins, Izmir produces nine percent, and Denizli produces four percent of sultana raisins, which are mostly exported.

Figure 2. Location of the Top Cities for Grape Production in Turkey

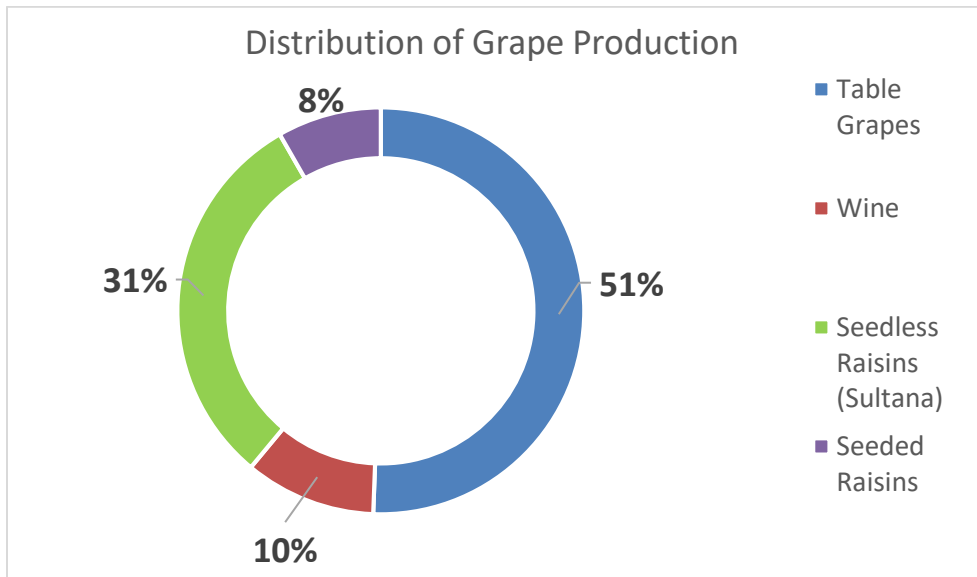


Source: TurkStat, 2022

Production

The Aegean region is the most important grape producing region in Turkey and is the main production area of seedless grapes used for raisins. Table grapes make up about 51 percent of Aegean grape production, whereas drying grapes make up 39 percent (31 percent for seedless raisins (sultanas) and 8 percent for the seeded raisins), and 10 percent are used for wine production (Figure 3). The Marmara region surrounding Istanbul as well as Central Anatolia and Southeast Anatolia also produce smaller quantities of table and wine grapes.

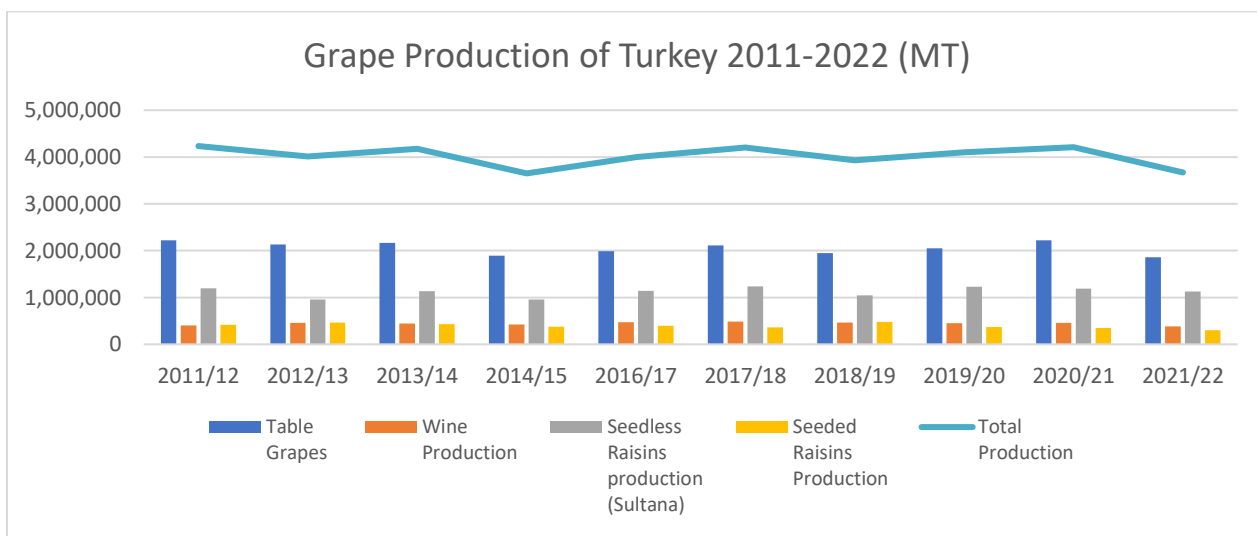
Figure 3. Distribution of Grape Production of Turkey (2011-2022)



Source: TurkStat, 2022

As Figure 4 indicates, over the last ten years, grape production has stayed stable at around 4 million metric tons (MT). This is the result of improved varieties and technological advancements, which offsets the slight decline in total planted area. Turkey is producing around 1.2 million MTs of grapes for raisins each year.

Figure 4. Grape Production of Turkey (2011-2022)

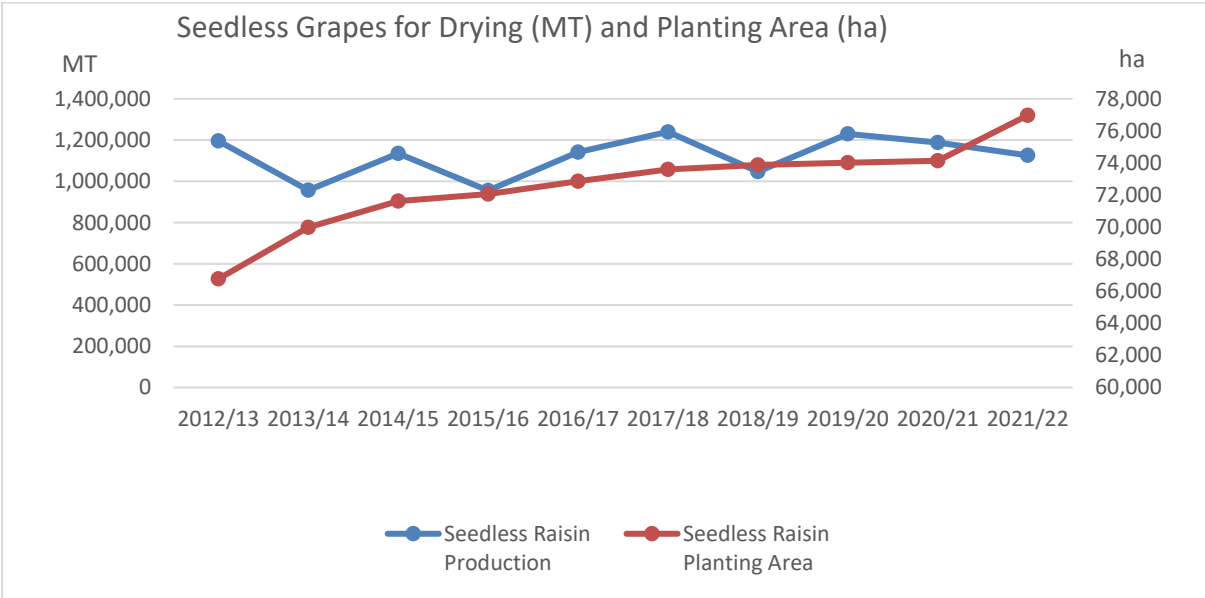


Source: TurkStat, 2022

In MY 2022/23, Turkish sultana raisin production is expected to increase to 330,000 MT on 77,000 hectares (ha), due to favorable weather and growing conditions. The Turkish Statistical Institute’s (TurkStat) first yearly estimation reports a 14.8 percent increase in grape production MY 2022/23, compared to the total production of 3.7 million MTs in MY 2021/22. Generally, the soil in major production areas received enough rain to achieve higher yields, and there was no frost damage this year. The only challenge this season for farmers was a slightly later harvest season due to the late arrival of the warmer spring temperatures. TurkStat announced the production of sultana raisin at 282,000 MT for MY 2021/22.

Turkey has a comparative advantage in the export of sultana raisins. Sultana raisins have gained a reputation over the years for quality, increasing the potential for consumer buyer preferences in export markets. Figure 5 shows the increase of the sultana raisin planting area and production from 2012 to 2022. Farmers have been moving to cultivate their land to grow sultana raisins from other grape types over the years because of higher profits from exports. Volatility in the production comes from the unexpected weather conditions and fertility of the soil. Over the last 10 years, seedless grape production (sultana raisins) averaged around 1.1 MMT and accounted for 31 percent of the overall grape production. When dried, approximately 4 kg of grapes results in 1 kg of raisins.

Figure 5. Seedless Grapes for Drying (MT) and Planted Area (Ha) (2012-2022)



Source: TurkStat, 2022

Policy

Since 1990, the Turkish government has been implementing a targeted development policy to increase agricultural productivity in Turkey. The Turkish Ministry of Agriculture and Forestry (MinAF) gives subsidies and trainings to its farmers to adopt superior cultivation and irrigation systems.

To regulate the domestic raisin market for sustainable production and keep the export prices at a stable level, the government, exporters, and producers work together. The Turkish Grain Board (TMO), a government affiliated body, intervenes in the raisin market and buys surplus raisins to keep the price stable. Raisin producers expect the same interactions in the marketplace from TMO in the MY 2022/23 season. President Recep Tayyip Erdogan announced the intervention price for raisins at 27 Turkish Lira per kg (TL; \$1.49) on August 20, 2022, more than double the previous year's price in TL terms. Raisin growers and merchants complained bitterly about the low official intervention prices for sultana raisins in MY 2021/22, which were 12.50 TL/kg (\$1.49) in MY 2021/22. (1 U.S. dollar = 8.37 TL as of the date of August 2021). With the major increases in input prices such as fuel and fertilizer, last season's intervention prices stayed at very low levels. The highest retail price for one kg raisin was 20 TL (\$1.10) by the end of the season, and even this price was too low to compensate for the producers' dramatic increase in input prices. The MY 2022/23 official announcement of 27 TL/kg for raisin is more reasonable to account for the current high inflation levels in Turkey, although the price is essentially the same in dollar terms due to the rapid TL currency deflation.

The Minister of Agriculture also emphasized that grapes are a strategic agricultural product for Turkey, and that they have an important place in the country's agricultural exports [in one of his speeches](#). The Ministry provides grape producers with subsidized diesel and fertilizers, supports them in improving good agricultural practices (in both open fields and greenhouses), organic agriculture, small family businesses, and applying bio-tech pest controls. In MY 2021/22, MinAF gave a 17 TL/decare (da) (\$0.94) fuel subsidy and 8 TL/da (\$0.44) fertilizer subsidy to grape producers. Also, a 100 TL/da (\$5.52) subsidy is given to producers who are significantly using less pesticides, as Turkey has a significant problem with the rejections of grapes from exports markets due to maximum residue limits (MRLs) over the allowed tolerances. For more details on these subsidies, please visit [Resmi Gazete](#).

Consumption

In MY 2022/23, sultana raisin domestic consumption is forecast to be about 40,000 MT. Most grapes are consumed in Turkey as fresh fruit in the summer and dried fruit in the winter, but some grapes are used as an ingredient to produce molasses, dried fruit pulp, Turkish delight, wine, and vinegar. Despite Turkey's leading role in the production of raisins, domestic consumption is not stable. Domestic consumption varies based on production levels and quality, exports, and domestic price. In general, domestic consumption for raisins in Turkey is on average between 35,000 MT and 50,000 MT in a year, which is around 10 to 15 percent of total raisin production.

Stocks

Domestic stocks vary based on production levels and exports. In MY 2022/23, ending stocks are forecast at 51,600 MT, up 10,000 MT compared to MY2021/22, in parallel with the increased production and assuming a stable demand for exports. In the long run, Turkish exporters aim to improve export markets and increase stock capacity to prevent volatility in export prices. MinAF also wants to increase licensed storage warehouses to be able to stock more raisins in the higher production years to maintain a sufficient amount of higher quality raisins for export markets during the low production years.

Marketing

TARIS Sultana Raisin Cooperative and the Izmir Commodity Exchange are the two price determinant organizations in the market. The former announces the advance procurement prices in the beginning of the season and the latter is the main cash market for raisins.

Generally, TARIS purchases around 15-20 percent of total production. The cooperatives of the union are spread across the Aegean Region, located in the western part of Turkey. The vineyards of TARIS members have a good reputation in the region for high yields and the quality of their product.

According to TARIS, seedless grapes are generally grown on small farms averaging about 1.3 hectares. They estimate that nearly 65,000 growers produce seedless grapes in Turkey, and about half of all raisin producers are members of TARIS. Each year TARIS announces a procurement price for raisins, which also serves as a support price. TARIS is required to buy raisins from its members, but members are free to sell to other buyers, and they often do. TARIS is the largest exporter of raisins from Turkey. Although there are numerous firms in the dried fruit processing and export business in Turkey, the top ten firms are estimated to control about 80 percent of the raisin export market.

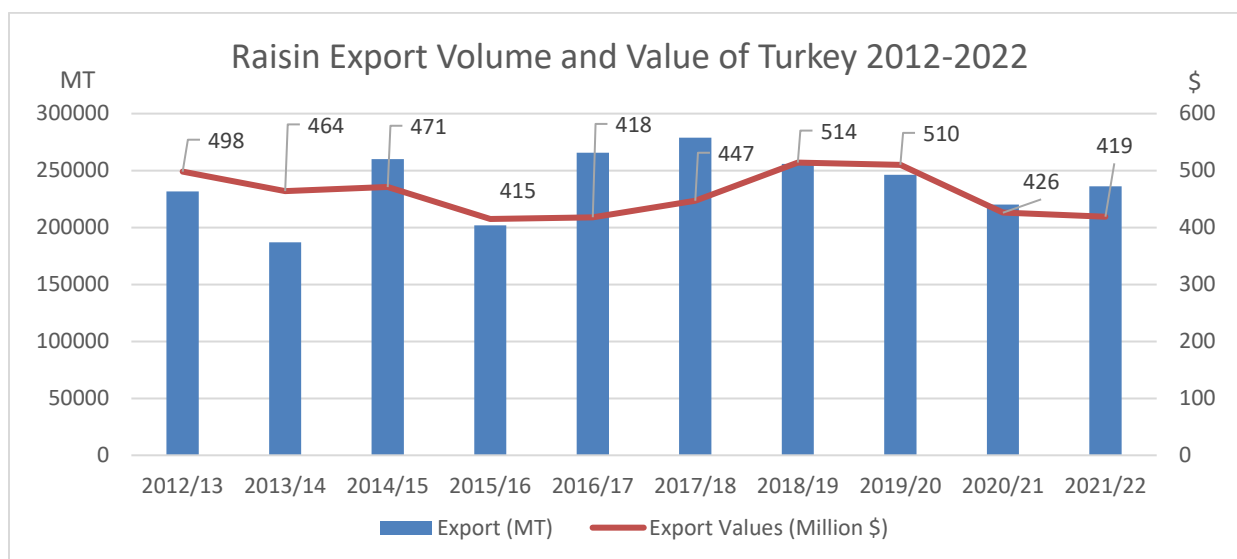
Currently, raisins from MY 2020/21 are traded at 21-22 Turkish Lira (TL)/kg (\$1.16-\$1.21) at the Izmir Commodity Exchange (1 US dollar = 18.13TL as of the date of this report), compared to 15-16 TL/kg (\$0.83-\$0.88) last marketing year. The daily current prices of raisins can be found at the Izmir [Commodity Exchange website](#).

Trade

In MY 2022/23, raisin exports are forecast at 280,000 MT due to the higher production numbers. Turkey has experienced stable demand for raisins from EU countries over the years, and this year's high production is expected to find demand in the market. Furthermore, the Turkish Lira (TL) is still weak compared to the other currencies, which supports demand in export markets.

Turkey is the world's leading raisin exporter, accounting for about 30 percent of total global raisin exports. Over the last ten years Turkey exported per year approximately 240,000 MT of raisins, worth an average of \$458 million annually (see Figure 6).

Figure 6. Raisins Export Volume and Value of Turkey (2012-2022)



Source: Trade Data Monitor, LLC, 2022

Table 1. Raisin Exports of Turkey 2017-2022 (HS:080620)

Turkey's Raisin Exports to World 2017-2022 (MT)					
Partner	2017/19	2018/19	2019/20	2020/21	2021/22
United Kingdom	71,089	71,539	73,760	66,526	60,947
Germany	33,281	29,168	28,281	66,526	33,308
Netherlands	31,133	26,181	24,583	28,113	21,927
Italy	20,204	18,645	18,657	16,940	18,559
France	17,419	16,404	15,002	15,567	14,870
Australia	17,085	16,176	12,697	11,181	16,340
Belgium	9,734	7,986	6,409	5,860	5,009
Canada	11,630	8,094	8,376	6,562	7,963
Spain	8,044	7,443	7,510	5,809	6,925
Ireland	6,091	4,927	4,769	4,178	4,769
World	278,813	255,762	246,296	220,240	236,233

Source: Trade Data Monitor, LLC, 2022

EU countries and the United Kingdom are the top export destinations for Turkish raisins, with Australia and Canada also in the top ten. Table 1 shows the top 10 export destination countries in descending order for Turkish grapes over the last five years. The United Kingdom (28 percent), Germany (15 percent), and the Netherlands (11 percent) are the top three countries for Turkish raisin exports.

Production, Supply, and Distribution (PS&D) Table (MT)

Raisins Market Year Begins Turkey	2020/2021		2021/2022		2022/2023	
	Aug 2020		Aug 2021		Aug 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	0	74000	0	74000	0	77000
Area Harvested (HA)	0	0	0	0	0	0
Beginning Stocks (MT)	0	0	0	40000	0	41600
Production (MT)	0	297000	0	281600	0	330000
Imports (MT)	0	0	0	0	0	0
Total Supply (MT)	0	297000	0	321600	0	371600
Exports (MT)	0	220000	0	240000	0	280000
Domestic Consumption (MT)	0	37000	0	40000	0	40000
Ending Stocks (MT)	0	40000	0	41600	0	51600
Total Distribution (MT)	0	297000	0	321600	0	371600
(HA), (MT)						

Attachments:

No Attachments