



Foreign Agricultural Service

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## Turkey

## Tomatoes and Products

### 1998

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#### **Report Highlights:**

**Turkish tomato paste production for MY1998 is expected to reach 300,000 MT. Good weather in the growing season has helped to boost yields and extended the season. Following last year's low exports, Turkey is expected to increase its exports to 180,000 tons during MY1998 due to a large crop. The disputes between Turkey and the European Union over trade in tomato paste and in beef continue. Turkey banned imports of EU beef and cattle due to BSE fears, and consequently the EU is not letting Turkey utilize its duty-free tariff rate quota of 38,400 MT for tomato paste exports to the EU.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Semi-Annual Report  
Ankara[TU1]

## Production

Industry observers unofficially forecast total MY1998 industrial tomato production to be approximately 7.7 MMT compared to an estimated 6.7 MMT for MY 1997. Suitable weather during the summer and the fall have prevented repetition of the fungus problem of last year and has also extended the growing season. As a result tomato paste production for 1998, now estimated to be approximately 300,000 tons (28-30 basis), is significantly higher than the MY1997 production of 185,000 MT. Lower than usual industrial tomato production projections for the other paste producing countries, e.g. the United States and South Africa, have persuaded local processors to increase their production targets during the season.

## Consumption

Domestic tomato paste consumption is expected to increase to 108,000 MT(28-30 basis). Urbanization and a changing life style have increased consumption of industrial tomato paste while consumption of home made tomato paste has decreased.

Domestic canned tomato paste currently retails for about TL400,000 per kilogram as compared to TL220,000 last December. Paste price increases are in line with the 77 percent local annual inflation.

## Stocks

There are no official statistics on tomato and tomato products production and stocks. Industry resources estimate the MY1998 stocks to be approximately 19,324 MT, significantly higher than last year yet lower than the usual amount. The stock figure in this report is calculated as the residual from the other factors and includes all products in all parts of the distribution network.

## Trade

Following two good exports years of MY1995 and MY1996, when exports reached 145,000 MT and 191,000 MT, respectively, Turkish tomato paste exports were hurt by the loss of crop during MY1997 and exports remained at about 114,300 MT. A good crop in MY1998 is expected to push exports back up to 180,000 MT.

Due to a lack of domestic paste, Turkish processors, for the first time in many years, imported tomato paste to fulfill their export contracts during MY1997. Turkish processors wanted to import US paste but a sudden increase in US prices forced them to source elsewhere, namely China and Greece.

The European Union is not permitting Turkey to utilize its 38,400 MT of duty free tariff rate quota for tomato paste exports due to a dispute over Turkey's ban on meat and cattle imports. But limited amount of exports to the EU still continue despite the 17.7 percent import tax.

Turkish exporters have made gains in exporting to Russia and Ukraine, which have become leading markets for Turkey.

Industry and trade representatives expect Turkish export prices for tomato paste (28-30 basis) to remain at about US\$900 per ton FOB during the marketing year.

1US\$=TL305,000

PSD Table						
Country:	Turkey					
Commodity:	Tom. Paste,28-30% TSS Basis					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		09/1996		09/1997		09/1998
Deliv. To Processors	1850000	1850000	1080000	1080000	1850000	1850000
Beginning Stocks	39250	39250	29620	29620	11620	7324
Production	290000	290000	185000	185000	290000	300000
Imports	0	0	15000	10004	0	0
TOTAL SUPPLY	329250	329250	229620	224624	301620	307324
Exports	191630	191630	113000	114300	175000	180000
Domestic Consumption	108000	108000	105000	103000	108000	108000
Ending Stocks	29620	29620	11620	7324	18620	19324
TOTAL DISTRIBUTION	329250	329250	229620	224624	301620	307324

Export Trade Matrix			
Country:	Turkey	Units:	
Commodity:	TomatoPaste 28-30% TSS Basis		
Time period:			
Exports for	1996		1997
U.S.		U.S.	179
Others		Others	
		Russia	30844
		Ukraine	20190
		Japan	12248
		S.Arabia	8658
		Germany	5290
		Italy	4538
		Malaysia	3446
		Romania	2515
		England	1747
		Holland	1013
Total for Others	0		90489
Others not listed			23632
Grand Total	0		114300

Import Trade Matrix			
Country:	Turkey	Units:	
Commodity:	TomatoPaste 28-30% TSS Basis		
Time period:			
Imports for	1996		1997
U.S.		U.S.	852
Others		Others	
		China	6389
		Greece	2396
		Iran	891
		England	152
		S.Arabia	68
		Germany	38
		Romania	38
		Ukraine	32
Total for Others	0		10004
Others not listed			
Grand Total	0		10856