



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Required Report - public distribution

Date: 12/14/2001

GAIN Report #TU1054

## Turkey

## Tomatoes and Products

## Semi-Annual

## 2001

Approved by:

**Robert Hanson, Agricultural Attache**

**U.S. Embassy, Ankara**

Prepared by:

**Ibrahim Sirtioglu, Agricultural Marketing Specialist**

---

### Report Highlights:

**MY2001 tomato paste production is now estimated at about 170,000MT significantly less than 260,000MT of last year. Extremely dry summer, competition from other crops and financial problems of some of the processors are reasons for the decline. Turkish tomato paste exports for MY2000 are down as well to 134,914MT compared to 190,638MT a year before. MY2001 exports are expected to decline even further. The E.U. still refuses Turkey's utilization of its 38,400MT duty-free quota for tomato paste due on going dispute over E.U. duty-free meat exports to Turkey.**

---

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Semi-Annual Report

Ankara [TU1], TU

## **Executive Summary**

MY2001 production of tomato paste is estimated to be down significantly to about 170,000MT tons compared to 265,000MT in MY2000 and 320,000MT in MY1999. Many factors affected production. Dissatisfaction of farmers on the return of industrial tomatoes caused industrial tomato planting area to decline. Meanwhile, extremely dry summer caused the yield to decrease and the growing the season to shorten. In addition, high domestic interest rates caused production costs of processors to increase and contributed to the financial strains that they are facing. Also, following last year's world wide large production of tomato paste and accompanying lower world prices, some local processors are in financial strain. Some processors are reportedly not able to pay to farmers. Due to loss of income, farmers in the main industrial tomato growing regions shifted out of tomato production into other cash crops such as corn, vegetables, wheat and red peppers.

After many years of continued increases in domestic consumption, the economic crises that Turkey is facing has caused domestic consumption of tomato paste to decline about 13 percent to 105,000MT in MY2000. The domestic consumption is expected to remain about that level in MY2001 as well.

Available data indicate that during the MY2000 exports of Turkish tomato paste declined to 134,914MT compared to 190,638MT in MY1999. Japan was the leading importer with 29,503MT followed by Russia with 23,490MT -- despite the increasing competition from Iran in this market. Turkish paste exporters are said to have lowered their prices to US\$600 per ton to achieve the above quantity. China with its low-priced tomato paste continues to be a strong competitor for Turkish exports in the Far-Eastern market. Exports in MY2001 are expected to decline even further to an estimated 100,000MT.

Larger tomato paste production in the past two years has kept stocks at normal levels. But MY2001 year-end stocks are expected to be much lower than usual levels due to lower production. Also, retail prices for processed tomato products increased about 150 percent -- significantly above 67 percent annual inflation -- during the last twelve months due to the lack of supplies.

The E.U. is not permitting Turkey to utilize its 38,400 MT duty-free paste export quota due to disagreements over Turkey's meat import obligation. Negotiations are still continuing with the E.U. to prevent the 15 percent import tax on Turkish tomato paste.

PSD Table						
Country	Turkey					
Commodity	Tom. Paste,28-30% TSS Basis				(MT)(MT, Net Weight)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		09/1999		09/2000		09/2001
Deliv. To Processors	2050000	2050000	1700000	1725000	1250000	1100000
Beginning Stocks	9673	9673	25035	25035	23035	38121
Production	320000	320000	260000	265000	200000	170000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	329673	329673	285035	290035	223035	208121
Exports	190638	190638	145000	134914	95000	100000
Domestic Consumption	114000	114000	117000	117000	120000	105000
Ending Stocks	25035	25035	23035	38121	8035	3121
TOTAL DISTRIBUTION	329673	329673	285035	290035	223035	208121

Export Trade Matrix			
Country	Turkey		
Commodity	Tom. Paste,28-30 % TSS Basis		
Time period	MY2000	Units:	Metric tons
Exports for:			1
U.S.	770	U.S.	
Others		Others	
Japan	29503		
Russia	23490		
S.Arabia	14364		
Malaysia	8927		
S.Korea	7019		
Germany	5373		
Boltic Countries	3221		
Romania	2465		
Egypt	2442		
U.A.E.	2221		
Total for Others	99025		0
Others not Listed	35119		
Grand Total	134914		0