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Syria

Tree Nuts

Annual

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Report Highlights:

Syrian pistachio production continues to increase gradually. Legal imports of shelled pistachios dropped 40 percent in 2000. This drop is compensated for by illegal imports through Lebanon. In-shell pistachios are not permitted to be imported. Syria exports significant quantities of "green" pistachios to neighboring countries, but cannot compete in world markets with cheaper pistachio exports from Iran, Turkey, and Afghanistan.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Cairo[EG1], SY

Production 2

Consumption 3

Trade 3

Stocks 5

Policy 5

Marketing 5

Production

PSD Table						
Country:	Syria					
Commodity:	Pistachios, Inshell Basis					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		8/2000'		08/2001'		08/2002'
Area Planted	60000	59000	60000	59500	0	60000
Area Harvested	46000	46000	48000	48000	0	50000
Bearing Trees	4800	4800	5000	5000	0	5500
Non-Bearing Trees	5200	5200	5200	5200	0	5000
Total Trees	10000	10000	10200	10200	0	10500
Beginning Stocks	8584	5684	4584	6684	0	5684
Production	31000	40000	45000	45000	0	50000
Imports	5000	5000	5000	3000	0	2000
TOTAL SUPPLY	44584	50684	54584	54684	0	57684
Exports	10000	12000	5000	15000	0	15000
Domestic Consumption	30000	32000	32000	34000	0	36000
Ending Stocks	4584	6684	17584	5684	0	6684
TOTAL DISTRIBUTION	44584	50684	54584	54684	0	57684

Pistachios are grown in Syria under rainfed conditions. The 2000 crop is estimated by the Ministry of Agriculture at 40,000 tons of in-shell pistachios. In 2001, the number of fruit-bearing trees is estimated at about 5 million and the crop is forecast at 45,000 tons. Syria has a total of 10.2 million trees planted on 59,500 hectares. In 2001, the crop benefitted from good rainfall conditions in pistachio planted areas.

No major incidence of pests or diseases was reported in 2001. Pesticides are rarely used in pistachio orchards. The use of commercial fertilizer is not common and growth regulators are not used. Organic matter is generally used at planting time.

Pistachios are grown in areas that are usually not suitable for most other crops and are, in many places, co-planted with figs, olives, and grape vines. The majority of the trees in Syria are still fairly young and have not reached the economic

fruit bearing stage. The average yield per tree increases with the age of the planted trees. The Ministry of Agriculture and Agrarian Reform encourages pistachio production by selling seedlings a

The farm-gate prices are forecast at 120 SP (USD 2.40) per kilogram of "green" pistachios. This price may drop as low as 75 SP (USD 1.50) per kilogram of green pistachios as the crop comes to full maturity in late summer.

Consumption

A significant part of the crop is consumed "green" in Syria. The harvesting season starts in August. Wholesale prices of shelled pistachios that are mainly used for sweets production and for local ice cream have dropped significantly due to oversupply and high price fluctuation. Prices range from about 260 SP (USD 5.25) to 400 SP (USD 8.10) per kilogram for shelled pistachios of the first grade varieties. Illegally imported Iranian pistachios sell at about 300 SP (USD 6.06) per kilogram, 40 percent below the prices prevailing one year ago. No American pistachios are present in the Syrian market.

Trade

Import Trade Matrix			
Country:	Syria	Units:	Metric Tons
Commodity:	Pistachios		
Time period:	CY		
Imports for	2000		2001
U.S.	0	U.S.	0
Others		Others	
Iran	3000	Iran	2000
Turkey	1000	Turkey	500
Afghanistan	1000	Afghanistan	500
Total for Others	5000		3000
Others not listed			
Grand Total	5000		3000

Export Trade Matrix			
Country:	Syria	Units:	Metric Tons
Commodity:	Pistachios		
Time period:	CY		
Exports for	2000		2001
U.S.	0	U.S.	0
Others		Others	
Lebanon	5000	Lebanon	5000
Jordan	3000	Jordan	3000
Saudi Arabia	3000	Saudi Arabia	4000
Total for Others	11000		12000
Others not listed	1000		3000
Grand Total	12000		15000

Foreign trade statistics indicate a decrease in "legal" imports of shelled pistachios from 2,197 tons in 1999 to 1,304 tons in 2000 of which 1,244 tons came from Iran. In-shell pistachios cannot be imported. Pistachios, shelled and in-shell, are being smuggled into Syria via Lebanon from Iran, Turkey, and Afghanistan. All roasted non-local in-shell pistachios sold in Syria are unofficially imported through Lebanon and Turkey or brought by Iranian tourists. An import license is necessary for official imports of pistachios. Customs duties on shelled pistachios are set at 50 percent.

Syrian official exports of green pistachios dropped from 4,644 tons in 1999 to 3,673 tons in 2000, mainly to Lebanon (3,343 tons) and Jordan (152 tons). Significant quantities of pistachios are informally exported out of Syria by visiting tourists from Arab countries for about 3-4 months every year during the harvesting season. Syrian exports of shelled pistachios are negligible. With high prices for local production of shelled pistachios, Syria cannot compete in the international market with Turkey, Iran, Afghanistan and the United States.

There are many exchange rates for the Syrian pound (SP). The official exchange rate is 11.20 SP/USD. The neighboring country rate is currently pegged at 46 SP/USD. Throughout this report, the off-shore market rate, centered in Beirut, currently about 49.5 SP/USD, is used.

Stocks

According to trade sources, the local supply of pistachios, plus the legal and illegal imports, match domestic consumption. Ending stocks are estimated to increase with the increase in local production in 2002. All stocks are held generally by the traders, not the producers. It is strange to note that around the end of the marketing season in July 2001, the prices of locally produced pistachios were higher than those for Iranian, Turkish, or Afghani pistachios.

Policy

The government continues to encourage pistachio production by selling seedlings at nominal prices. The government does intervene in some areas of pistachio trade such as banning the imports of in-shell pistachios, but prices are determined by supply and demand conditions. Imports of shelled pistachios require an import license and, according to trade sources, are subject to a 50 percent customs duty.

Marketing

There are no Syrian standards for pistachios. Sizing, shelling, and grading are all done by hand. Private sector storage facilities are adequate. The entire pistachio trade is in the hands of the private sector.

Trade sources state that Turkish and Iranian pistachios are more suitable than American pistachios for the local Arabic sweet industry. American pistachios reportedly turn brownish in color during baking as a result of the way they are preserved. The local market preference is for a whole nut, greenish or yellowish in color, that retains its color during high-temperature baking for Arabic sweets.

In order to improve shelled U.S. pistachio sales in Syria, the supplier has to avoid the problems which have occurred in the past, i.e. the method of preparation and preservation that cause color change during baking.

Suitable processing of U.S. pistachios would enable the product to be competitive in quality with hand-processed pistachios from Turkey and Iran. According to local traders, U.S. pistachios were competitive in price in the past, but with the increase in the exchange rate utilized for payment of customs duties, they are no longer competitive with pistachios smuggled into the country.