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GAIN Report

Global Agricultural Information Network

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Turkey

Raisin Annual

Turkey Raisin Annual 2011

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Report Highlights:

The raisin production estimate for Turkey in MY 2011 is 260,000 MT. In MY 2009 raisin production was recorded as 250,000 MT. This is slightly lower than the previous year due to heavy rains. The export volume is predicted to be around 210,000 MT both in MY 2010 and in MY 2011.

Executive Summary:

Raisin production was recorded to be 260,000 MT in MY 2009. Production in MY 2010 was down to 250,000 MT, slightly lower than the predictions, mostly due to heavy rains.

EU countries continued to be the top export destinations for Turkish raisins and export volume remained stable in MY 2009 and in MY 2010. Exports in MY 2009 were about 209,000 MT. It is predicted that by the end of MY 2010 exports will reach 210,000 MT. In MY 2010, raisin exports are estimated to stay around the same level as MY 2010 if weather conditions permit. The United Kingdom was the top export destination for Turkey both in MY 2009 and in MY 2010.

Commodities:

Raisins

Production:

Grapes are grown throughout Turkey. Seedless grape production expanded significantly in Turkey in the 1990's due to more intensive cultivation and better irrigation techniques. Seedless grapes, virtually all of which are '*Vitis vinifera* L', constitute about 40 percent of Turkey's total grape crop and are grown only in the Aegean part of Turkey (western). There are over 1,200 different grape varieties in Turkey. The Aegean region produces seedless grapes, the Marmara region produces table and wine grapes, and Central Anatolia and Southeast Anatolia produce table and wine grapes.

Every year approximately 5-10 percent of the grape harvest is dried. Seedless grapes are mainly produced in the Aegean region, especially in Manisa, Turgutlu, Salihli, Akhisar, Menemen, Kemalpaşa, Çal and Çivril. Seedless grape production is 10 percent of total grape production.

Both MY2009 and MY 2010 were not very good years for the production due to heavy rains. Unfortunate weather conditions affected the yields and production of raisins dropped significantly in MY 2009 compared to the previous year. In MY 2009 total raisin (sultana) production was recorded to be 260,000 MT. The production in MY 2010 was not very good either and there was a slight decrease of about 4 percent. Raisin production is estimated to reach just 250,000 MT in MY2010.

The Sultana Raisins Association, which was established in 1934, formed the basis of "TARIS Raisins Agricultural Sales Cooperatives Union". The cooperatives of the union spread across the Aegean Region, in the western part of Turkey. In this region, the area used for the cultivation of TARIS raisins comprises approximately 75,000 ha. The vineyards of the grower members of TARIS have always set a very good example in the region regarding the yield and the quality of the product.

TARIS has recommended in recent years that producers limit their seedless grape orchard areas because the export market was supposedly saturated. Seedless grapes generally are grown on small farms averaging about 1.3 hectares. It is estimated that nearly 65,000 growers produce seedless grapes in Turkey. 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. In general, TARIS purchases around 15-20 percent of total production.

Industry contacts and producers predict that MY 2011 production will be about 260,000 MT if weather conditions permit.

In the valley part of the Aegean region, frost problems were observed in MY 2010. Due to heavy rainfall, chemical sprays couldn't be effectively applied to many vineyards. Mildew disease, which had not been seen much in the region, was observed in several places.

Official grape production numbers are collected by provincial offices of the Ministry of Food, Agriculture and Livestock. The Turkish Statistics Institute (TUIK) evaluates and publishes official statistics for grape production, which are often higher than actual levels.

According to official statistics, Turkey produces approximately 4.2 MMT of grapes annually. Table type grapes comprise a 25-30% share, drying type grapes comprise a 35-38% share, grapes for traditional products such as *pekmez* (molasses) comprise a 20-25% share and alcoholic beverage type grapes comprise a 10-15% share.

Consumption:

Domestic raisin consumption fluctuates depending upon the supply and quality of the raisin crop. Turkey is estimated to consume about 30,000 MT of raisins for confectionary purposes. Low quality raisins are also used for distillation purposes in raki production (raki is a strong Turkish alcoholic drink). The exact quantity of raisins being used for raki production changes according to demand. The Raki industry usually demands 350,000 MT of grapes, which is equivalent to 85,000 MT raisins. The brandy and wine industries demand about 80,000 MT of grapes annually. According to estimates, the capacity of the Turkish wine industry is 120 million liters.

There are numerous firms in the dried fruit processing and export business in Turkey; however, the top ten firms are estimated to control about 80 percent of the raisin market.

TARIS's role in procuring and marketing raisins has been decreasing in conjunction with IMF backed reforms to reduce the government's role in agriculture. In general, TARIS has been the buyer of last resort, purchasing a large percentage of lower quality raisins. The quantity of raisins TARIS procured has varied from as low as 9,000 MT to as high as 75,000 MT during the last ten years due to variable production levels and quality.

TARIS and the Izmir Commodity Exchange are the two price determinants 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.

Trade:

Traditionally the EU countries have been the top export destinations for Turkey. In MY 2009 and 2010, United Kingdom, Germany and Holland continued to be the top three importers of Turkish raisins.

Table: 1 Raisin exports in MY08, MY09 and MY10

Turkey: Quantity of raisin exported			
Countries	MY 2008 (MT)	MY 2009 (MT)	MY 2010 (MT)*
United Kingdom	59,051	41,725	45,849
Germany	46,550	29,643	28,533
Holland	32,947	24,836	18,388
Italy	17,802	13,514	4,025
France	16,178	12,683	18,710
Australia	17,295	9,666	7,005
U.S	161	43	21
Others	95,274	41,694	122,531
Total	285,258	173,804	160,872

Source: TUIK

(Note: MY 2010 is based on data from September 2010 through May 2011)

Production, Supply and Demand Data Statistics:

Table: 2 Production, Supply and Demand Statistics

Raisins	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Sep 2009		Market Year Begin: Sep 2010		Market Year Begin: Sep 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	85,000	85,000	85,000	85,000		85,000
Area Harvested	85,000	85,000	85,000	85,000		85,000
Beginning Stocks	5,947	5,947	4,700	20,000		4,500
Production	260,000	260,000	260,000	250,000		260,000
Imports	3,000	1,000	2,000	1,000		2,000
Total Supply	268,947	266,947	266,700	271,000		266,500
Exports	217,200	209,665	220,000	210,000		210,000
Domestic Consumption	47,047	37,282	42,200	56,500		53,500
Ending Stocks	4,700	20,000	4,500	4,500		3,000
Total Distribution	268,947	266,947	266,700	271,000		266,500