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Turkey

Stone Fruit Annual

Turkey Stone Fruit Annual Report 2011

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Report Highlights:

2011 was a devastating year for cherry producers due to unfavorable weather conditions during blooming and pollination. However, exports did not decrease as significantly as domestic sales. Peach production was not affected as badly, and exports are predicted to remain at 2010 levels.

Executive Summary:

Turkey continues to be one of the world's major producers of fresh fruit and vegetables. Stone fruits account for 14 percent of total fruit production in Turkey, the third most significant after deciduous and citrus fruits. Most stone fruit is consumed fresh in the domestic market.

Cherry production was greatly affected by unfavorable weather conditions in 2011 and production decreased significantly down to 370,000 MT. As a result of low level of production, exports also decreased, although not as severely, down to 46,000 MT from 65,000 MT in 2010. Germany and Russia continued as the top markets for Turkish cherries.

Peach production was also slightly affected by the harsh weather conditions and production decreased about 8 percent to 500,000 MT in 2011 compared to the 2010 level. Saudi Arabia and Russia continued as the major export destinations and exports are predicted to decrease slightly from 41,000 MT in 2010 down to 38,000 MT in 2011.

There are no major policy changes that are predicted to affect production, marketing or exports of stone fruits.

Commodities:

Fresh Peaches & Nectarines

Fresh Cherries, Sweet & Sour

Production:

Cherries:

Turkey continued as one of the top cherry producing and exporting countries in 2010. This was mostly due to good weather conditions during the spring and to improved orchard quality. As predicted in our previous stone fruit report, total sweet and sour cherry production slightly increased compared to the 2009 level and reached 613,000 MT. The weather conditions were favorable during the blooming season and frost did not hit the crop in most growing areas as this has been the case almost every year in the past few years.

However, this was not the case in 2011. The spring was very rainy and colder than normal. Excessive rainfall, unusually high humidity and cool temperatures led to lower and unsuccessful bee pollination and fertilization in major growing areas. This unfortunate condition led to problems in fruiting. As a result cherry production in 2011 is predicted to be approximately 40 percent lower than the previous year, or around 370,000 MT.

There are more than one hundred varieties of sweet cherries produced in Turkey. The 0900 Ziraat variety (also known as Turkish Napoleon), which was developed by Turkish scientists, is the most popular type produced for export. About 90 percent of sweet cherry exports are Napoleon.

Processed cherries account for 25 percent of total sweet and sour cherry production. Turkish sour cherries are well known for their high juice quality. According to industry sources, approximately 85 percent of sour cherry production is used in the processing sector to make canned products, marmalades, frozen fruits and fruit juices. The rest is usually sold fresh on the domestic market.

Peaches and Nectarines

The production of peaches and nectarines did not change significantly in 2010 compared to the previous year. In 2010, peach and nectarine production decreased slightly and was recorded as 540,000 MT. In 2011, there was a slight decrease in yields, mainly due to heavy rainfall that occurred in some production areas. During the blooming season unfavorable weather conditions affected the crop and production decreased by about 8 percent down to 500,000 MT in 2011.

The Marmara, Aegean and Mediterranean regions continued to be the major peach growing areas of Turkey.

Peaches are supplied to the domestic market from May to September. Turkey accounts for approximately 3 percent of total world peach production. There is, however, no industry association dealing specifically with peaches or nectarines in Turkey. The Mediterranean Region produces the early varieties, and late varieties usually come from the Marmara and Aegean regions. Peach orchards in Turkey are relatively small, although the trend is changing slowly.

The majority of nectarine production is exported.

Consumption:

Cherries

Due to low level of production, domestic consumption of cherries decreased significantly in 2011. Lately there has been an increasing interest in cherries among Turkish consumers because of health claims, and domestic consumption of cherries reached almost 370,000 MT in 2010.

Approximately 85 percent of all sour cherry production is processed; a very small percentage is exported, and the rest is consumed in the domestic market. The fruit juice sector is also growing rapidly and sour cherry juice is quite popular among Turkish people.

The major export markets for cherries are the EU and Russia. Users in these markets prefer larger sized cherries. Therefore, Turkish producers that target these export markets use different techniques and varieties in order to meet the demands of the international markets.

Peaches

In 2010 total domestic consumption at 380,000 MT was close to the annual average. In Turkey, about 80 percent of peach production is consumed fresh and the rest is processed for juice, jam and dried products. Most fresh peaches and peach juice are consumed domestically.

Nectarines are not as popular as peaches domestically. Nectarines are rather new to the Turkish market and prices are usually higher than peaches. As a result, domestic nectarine consumption is not very high.

Trade:

Cherries

Despite a very low level of production, cherry exports only declined about 30 percent compared to 2010 and were recorded to be around 46,000 MT in 2011. In 2010 cherry exports reached 65,000 MT.

Traditionally, cherries are among the top fruits exported from Turkey. Turkish cherry exports mainly consist of sweet cherries. Germany, Russia and Bulgaria continued to be the top three export destinations for Turkish cherries in both 2010 and in 2011. Exports to Germany increased from 17,000 MT in 2010 to 14,000 MT in 2011. Although exports to Russia decreased 25 percent from 16,000 MT in 2010 to 12,000 MT in 2011, Russia continued to be a significant market for Turkish cherry exporters.

Table 3: Trade Matrix for Cherry (Sweet& Sour) Exports of Turkey

| Turkey | | | |
|-------------------------------|--------------|--------------------|--------------|
| Fresh Cherries (Sweet & Sour) | | | |
| Time Period | Jan- Dec | Units: | MT |
| Exports for: | MY 2010 | | MY 2011 [1] |
| U.S. | 0 | U.S. | 0 |
| Others | | Others | |
| Germany | 16958 | Germany | 13546 |
| Russia | 16175 | Russia | 11884 |
| Bulgaria | 15337 | Bulgaria | 7952 |
| Italy | 3174 | Italy | 2363 |
| Iraq | 3322 | United Kingdom | 1852 |
| Netherlands | 2450 | Moldova | 1677 |
| Belgium | 2370 | Sweden | 1347 |
| Sweden | 1087 | Netherlands | 1121 |
| Denmark | 895 | Iraq | 745 |
| Norway | 583 | Belgium | 522 |
| Total for others | 61719 | Total for others | 43013 |
| Others not listed | 3434 | Others not listed | 2158 |
| Grand Total | 65153 | Grand Total | 45171 |

Peaches

Peach exports bounced back to average levels in 2010 and was recorded as 41,000 MT. This was an increase of 17 percent compared to the previous year. Saudi Arabia, Russia and Iran continued to be top export destinations with exports of 11,700 MT, 8,400 MT and 7,000 MT respectively. Peach exports are predicted to decrease down to 38,000 MT in 2011 mostly due to lower level of production. Russia and Saudi Arabia is expected to be the top markets for Turkish peaches.

Table-4: Trade Matrix for Peach & Nectarine Exports of Turkey

| Fresh Peaches & Nectarines | |
|---------------------------------------|-----------------|
| Time Period | Jan- Dec |
| Exports for MY 2010 | |
| U.S. | 0 |
| <i>Others</i> | |
| Saudi Arabia | 11758 |
| Russia | 8416 |
| Iran | 7000 |
| Ukraine | 5096 |
| Bulgaria | 3044 |
| Cyprus | 2294 |
| Germany | 697 |
| Romania | 663 |
| Syria | 611 |
| Azerbaijan | 440 |
| Total for others | 40019 |
| Others not listed | 1307 |
| Grand Total | 41326 |

^[1]The data reflects exports from January through July.

Stocks:

There are no official stocks of stone fruits in Turkey.

Policy:

The government does not take an active role in the production and export of stone fruits. The Turkish Ministry of Food, Agriculture and Livestock (MIFAL) implemented a frost damage insurance program. This program, as written, applies the same conditions throughout Turkey. This unfortunately fails to take into account different blooming and bearing periods in the different regions. As a result, fruit producers from Central Anatolia found it unsuitable for the production period in their region.

The major government-related export assistance activities are conducted by IGEME, the Export Promotion Center of Turkey, which operates under the Foreign Trade Undersecretariat (FTU). IGEME does not provide specific financial support to stone fruit producers or to stone fruit exporters; rather they conduct general activities such as organizing fairs and trade shows abroad and carrying out training workshops and educational programs.

Turkish stone fruit producers, as well as other farmers in Turkey, receive direct income payments. These payment amounts change each year and are made to farmers on a per 0.1 hectare basis. The private sector takes the lead in the marketing of stone fruits.

The Turkish government applied for access for fresh cherries and peaches to the U.S. market. The Agriculture Ministry submitted the official application materials to begin a pest risk assessment in July 2011. The materials are currently being reviewed for completion.