

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 7/29/2019

GAIN Report Number: TR9018

Turkey

Raisin Annual

Turkey Raisin Annual Report 2019

Approved By:

Elizabeth Leonardi, Agricultural Attaché

Prepared By:

Kubilay Karabina, Agricultural Specialist

Report Highlights:

Raisin production forecast in Turkey for marketing year (MY) 2019/20 is 310,000 metric tons (MT), up from MY 2017/18 due to favorable weather conditions in the Aegean region. Turkey exports more than 90 percent of its domestic raisin production due to stable demand from Europe for sultana variety raisins. Exports are expected to increase to 280,000 MT in MY 2019/20 in parallel with the increase in production.

Production:

This report focuses specifically on sultana raisins, which are a dried seedless grape variety indigenous to the Aegean region of Turkey and grown mostly in the regions of Manisa, Izmir and Aydin.

In MY 2019/20, Turkish sultana raisin production is expected to recover back to 310,000 MT from a planted area of 74,000 hectare (ha) thanks to favorable weather conditions. This recovery comes after the drastic decrease in yields in MY 2018/19.

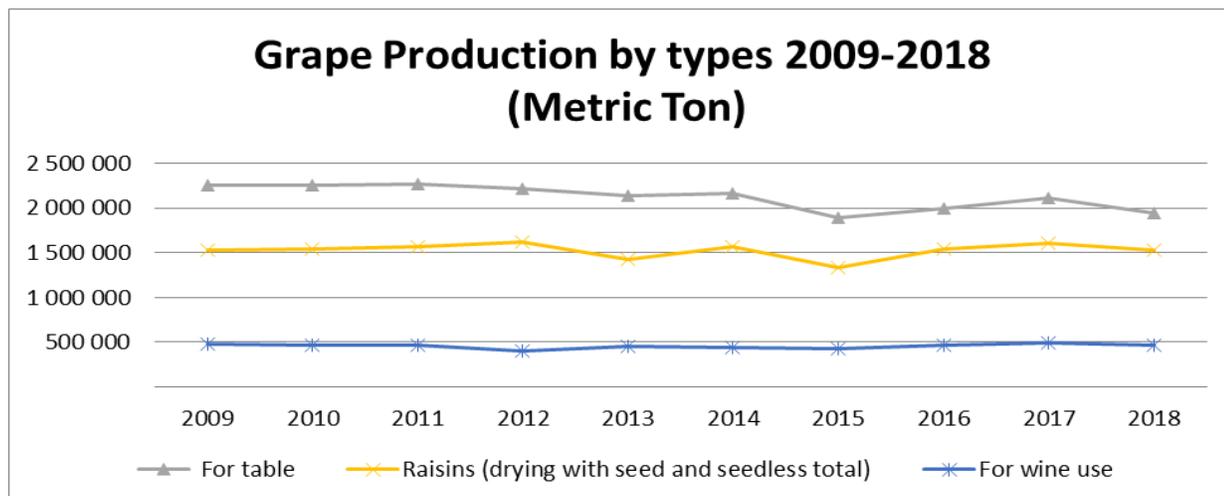
Post revised the Turkish sultana raisin production estimate down to 265,000 MT for MY 2018/19, The low production was primarily due to untimely rainfall and hail in the Aegean region just before the harvest which caused quality issues and low yields.

Normally harvest season starts around August 15th in Turkey, so the marketing years in this report refer to the period between September 1st until August 30th of the following year. Due to harsher winter conditions than usual this past year, harvest season is expected to start ten days later than last year and there is an expectation for better yields in MY 2019/20.

Turkey is the one of the world's major raisin producers, along with the United States, China and India. Turkey produces over 25 percent of world production of raisins and is the lead exporter.

Grapes are grown throughout Turkey, and there are more than 1,200 different grape varieties in Turkey. Turkey produces approximately 4 million metric tons (MMT) of grapes annually. While the Aegean region produces seedless grapes for drying, the Marmara, Central Anatolia and Southeast Anatolia regions produce table and wine grapes. Table grapes make up roughly half of total grape production, drying grapes make up about 35-40 percent, and grapes used for alcoholic beverage production make up approximately 10-15 percent of this total.

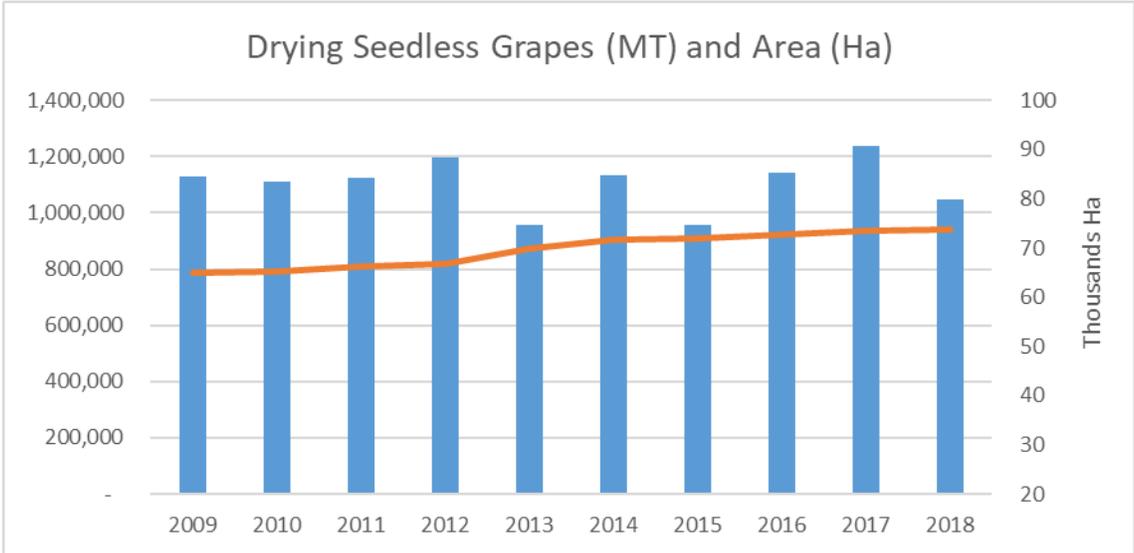
Figure 1: Total Grape Production by types from 2009-2018 (Metric Ton)



Source: TurkSTAT, 2019

Seedless grape production expanded significantly in Turkey in the 1990s due to more intensive cultivation and adoption of better irrigation techniques. Fluctuating year by year, seedless grape production averages about 1.2 million MT, which constitutes around 35 percent of Turkey’s total grape crop. Seedless grapes are grown only in the Aegean (western) part of Turkey. More than eighty percent of this production is dried with around twenty percent consumed fresh. When dried, approximately 4 kg of grapes result in 1 kg of raisins. As seen in Figure 2 in orange below, there has been a steady increase in vineyard planted area, but production fluctuates due to weather.

Figure 2: Seedless Grapes for Drying (Metric Ton) and Vineyard Area (Hectare)



Source: TurkSTAT, 2019

Consumption:

Despite Turkey’s leading role in the production of raisins, domestic consumption is comparatively low. Domestic consumption varies based on production levels, exports, as well as the domestic price. In MY 2018/19, sultana raisin domestic consumption is expected to be about 18,000 MT, which is a sharp decrease. The main explanation for the decrease was the high price due to limited domestic production. Due to these factors, the domestic price of raisins increased by about 75 percent compared to the previous year. The other reason for low domestic consumption is that consumers prefer to consume grapes fresh in the season and there are many alternative dried fruits widely available, such as apricots and figs.

Trade:

In MY 2019/20, raisin exports are expected to be higher than the previous year at 280,000 MT due to the better harvest. Additionally, the Turkish currency (TL) is still low compared to other currencies, which supports demand in export markets.

Turkey is the world’s leading raisin exporter accounting for about 40 percent of total global raisin exports. Eighty percent of all Turkey’s raisin exports are to the European Union.

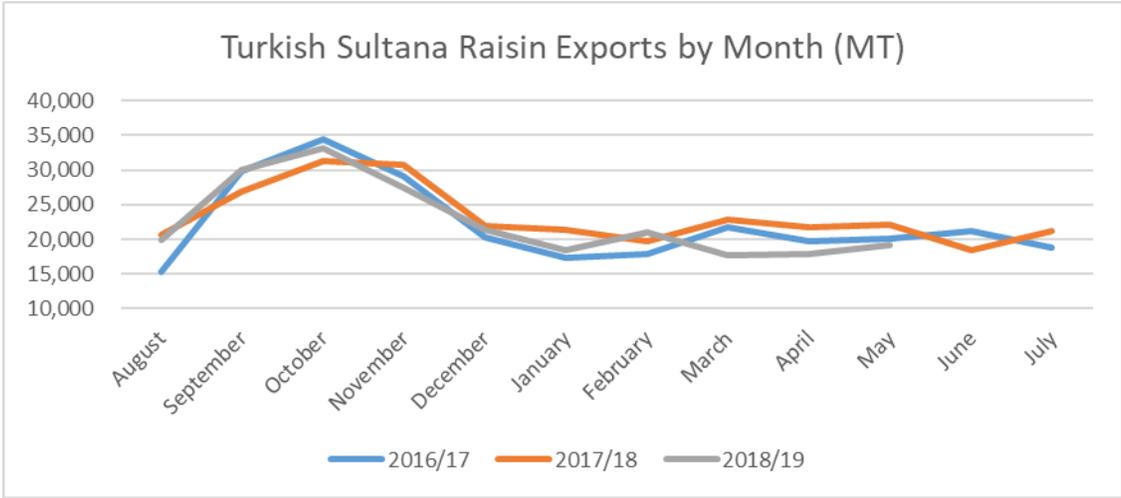
[TARIS Sultana Raisins Cooperative](#) and the Izmir Commodity Exchange are the two price determinants in the market. The former announces the advance procurement prices in the beginning of the season and the latter is the main cash market for raisins.

Generally, TARIS purchases around 15-20 percent of total production. The cooperatives of the union are spread across the Aegean Region, located in the western part of Turkey. The vineyards of TARIS members have a good reputation in the region regarding the yield and the quality of the product.

According to TARIS, seedless grapes are generally grown on small farms averaging about 1.3 hectares. They estimate that nearly 65,000 growers produce seedless grapes in Turkey, and 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. TARIS is the largest exporter of raisins from Turkey. Although there are numerous firms in the dried fruit processing and export business in Turkey, the top ten firms are estimated to control about 80 percent of the raisin export market.

Turkish raisin exports are expected to be 250,000 MT in MY 2018/19, which is lower than normal due to the tough harvest. In the first ten months of MY 2018/19 Turkey exported 226,000 MT of raisins, compared to 239,000 MT in the same period of MY 2017/18. Turkey exported 278,900 MT of raisins valued at about \$450 million in MY 2017/18.

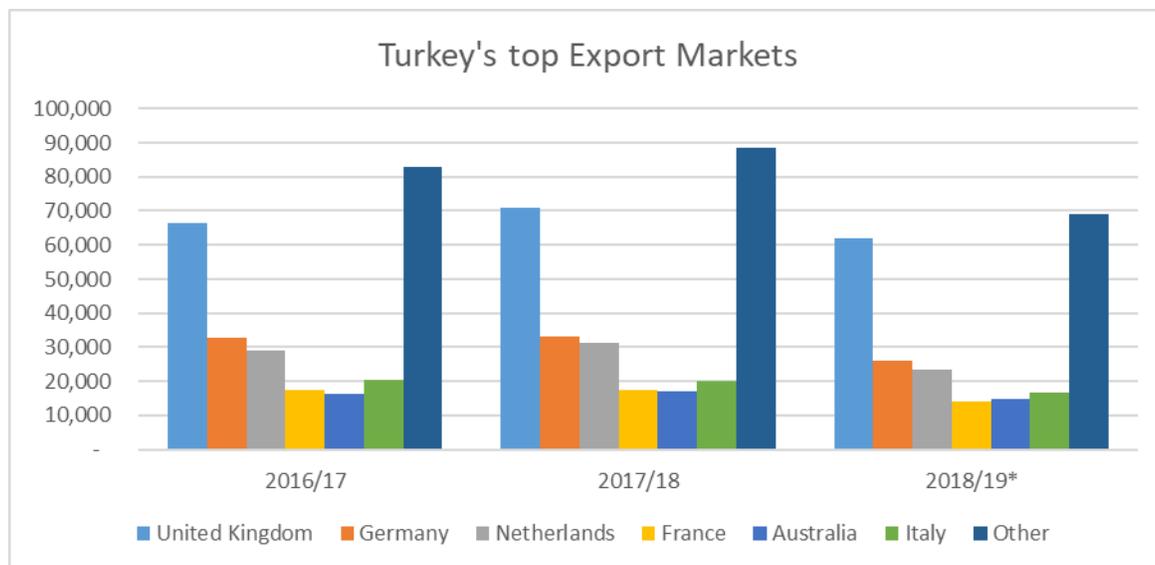
Figure 4: Turkish Sultana Raisin Exports by Month (MT)



EU countries continue to be the top export destinations for Turkish raisins, accounting for 80 percent of Turkey’s raisin exports. The United Kingdom, Germany and the Netherlands continue to be the top three importers of Turkish raisins. So far in MY 2018/19, Canada (7,000 MT), Japan (5,100 MT), New

Zealand (3,200 MT) and United States (945 MT) are the other markets for Turkey’s sultana raisins outside the EU.

Figure 5: Turkey’s top Export Markets



According to interviews with the Exporter Union, the export unit price for sultanas is currently about \$2,000/MT, which is very attractive for producers and exporters. However, producers are expecting a large crop this year and are hoping the government will announce a procurement price in order to stabilize the market and prevent decreases in the export price after harvest.

Currently, raisins from the MY 2018/19 are traded at 9-12 Turkish Lira (TL)/kg at the Izmir Commodity Exchange (1 US dollar = 5.7 TL as of the date of this report), compared to 6-7 TL/kg last marketing year. Daily current prices of raisins can be followed at the Izmir Commodity Exchange website: <https://itb.org.tr/en/SultanasRaisinsOnlineTransactions>

Policy

Exporter unions, commodity exchanges in the region, and other parts of the Government of Turkey (GOT) have made efforts to try to improve the quality of raisin production to meet higher standards demanded by export markets. In January 2017, the European Union (EU) published a regulation for the decrease in Bifenthrin’s maximum residue level (MRL) from 0.2 ppm to 0.01 ppm beginning from August 3, 2017. Last year the EU also published a regulation for the decrease in chlorpyrifos levels from 0.5 ppm to 0.01 ppm. Following this regulation, Turkey banned the use of this pesticide in March 2016. Exporter Unions have worked with farmers in order to raise awareness about effective pesticide usage. Similarly, exporters faced issues with OTA (Ochratoxin A) caused by heavy rains during harvest and suboptimal stock conditions current year. Exporting organizations have started to inform farmers of the risk of OTA.

Licensed warehouse systems and their integration with commodity exchanges are developing in Turkey. The Izmir Commodity Exchange has a new licensed warehouse that was developed to prevent price decreases during the harvest season and it is partially being used for raisins.

Stocks

In MY 2019/20, ending stocks are forecast at 1,600 MT, assuming normal levels of domestic production. Post revised the ending stock number for MY 2018/19 down to 100 MT, a historically low level, due to ongoing exports coupled with a drop in domestic production in MY 2018/19.

Production, Supply and Distribution Statistics:

Raisins Market Begin Year	2017/2018		2018/2019		2019/2020	
	Aug 2017		Aug 2018		Aug 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Turkey						
Area Planted	0	73500	0	74000	0	74000
Area Harvested	0	73500	0	74000	0	74000
Beginning Stocks	2977	2977	1500	1500	0	100
Production	306000	306000	280000	265000	0	310000
Imports	1500	1500	1500	1500	0	1500
Total Supply	310477	310477	283000	268000	0	311600
Exports	278900	278900	250000	250000	0	280000
Domestic Consumption	30077	30077	31800	17900	0	30000
Ending Stocks	1500	1500	1200	100	0	1600
Total Distribution	310477	310477	283000	268000	0	311600
(HA) ,(MT)						