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Turkey

Citrus Annual

Citrus Annual Report- 2011

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Report Highlights:

Production of all citrus varieties increased in MY 2010 and will continue to increase in MY 2011 as well. Russia, Ukraine and Iraq are still the major export destinations for Turkish citrus. The Turkish government will provide USD 125/MT in export subsidies to citrus exporters for the MY2011 crop.

Executive Summary:

Citrus is among the top exports in the Turkish agricultural sector. In the past few years production of most citrus varieties has been increasing slowly but steadily. MY 2010 was a good year both in terms of production and exports and MY 2011 is predicted to be a good year as well. Orange and tangerine production is estimated to increase slightly, whereas grapefruit and lemon production is expected to increase noticeably. This was mainly due to very good weather conditions during blooming and growing seasons. This increase, however, will be countered by lower quality and smaller sized fruit.

Russia, Ukraine and Iraq continued to be the top export destinations for Turkish citrus in MY 2010. Iran also became one of the major export destinations in both MY 2010 and MY 2011.

The Turkish Ministry of Food, Agriculture and Livestock will provide export subsidies of USD 125/MT to through the Mediterranean Exporters Union in MY 2011.

Commodities:

Orange Juice
Oranges, Fresh
Grapefruit, Fresh
Tangerines/Mandarins, Fresh
Lemons, Fresh

Production:

Oranges traditionally account for almost half of the citrus production in Turkey. Tangerines and lemons follow oranges at about 23 percent each. Grapefruit is usually only about 5 percent of overall production. The Mediterranean Region accounts for about 90 percent of all citrus grown in Turkey, and the Aegean Region counts for most of the rest.

The production of all citrus fruits both in MY 2010 and in MY 2011 has been good compared to the previous years. MY 2011 production is predicted to be especially high for grapefruits and lemons. This is mostly due to favorable weather conditions during the blooming and growing seasons.

The winter of 2011 was rather mild and spring was warm and long in most citrus growing regions, especially in the Cukurova region. This led to higher yields for some citrus fruits.

Grapefruit production is predicted to increase about 12 percent from 213,000 MT in MY 2010 to 240,000 MT in MY 2011. This is due to the previously mentioned favorable weather conditions. High productivity, however, led to slightly lower quality and smaller grapefruits in MY 2011.

MY 2010 was also a good year for lemon producers and lemon production is also expected to increase again slightly in MY 2011. In MY 2010 lemon production was recorded as 787,000 MT and is predicted to increase about 8 percent and reach 850,000 MT in MY 2011. This is also due to favorable weather conditions. Higher yields however led to smaller lemons.

Tangerine production is also predicted to continue increasing slightly in MY 2011. Production was 858,000 MT in MY2010 and in MY 2011 it is expected to reach 874,000 MT.

Orange production was 1,710,000 MT in MY 2010. Production is expected to increase slightly to 1,730,000 MT in MY 2011.

The production of all citrus in Turkey has been increasing steadily in the past 20 years, but especially since the year 2000. This is mainly due to increasing number of citrus orchards, better varieties and increasing awareness of the producers.

The main varieties of oranges grown in Turkey are Washington Navel, about 75 percent of the crop, and Valencia, about 20 percent. Enterdonate, which is the primary export variety, comprises about 40 percent of total lemon production. Star Ruby is the main grapefruit variety, at about 50 percent of the total, and Satsuma is the main tangerine variety, at about 60 percent of the total.

The primary production zone is Cukurova which produces 70 percent of all citrus grown in Turkey. The three provinces that make up Cukurova specialize as follows:

1. Hatay Province- southern part and specializes in oranges,
2. Adana Province - central part and specializes in orange, tangerines and grapefruit,
3. Mersin Province - western part and specializes in lemons.

Antalya province, located to the west of Cukurova, produces about 20 percent of all citrus in Turkey. The major crop is oranges and about 30 percent of all oranges produced in Turkey are from this region.

Izmir is the leading province in the Aegean Region and about 5 percent of all citrus grown in Turkey is from this province. Tangerines are the major crop of the region and 15 percent of all tangerines produced in Turkey are from the Izmir area.

There are no official statistics about the quantity of citrus used for processed products, such as juice, but industry contacts estimate that about seven percent of total orange production is used to make orange juice concentrate. Fresh squeezed juice is popular especially during the summer, which is the heaviest season for tourism. Traditionally the processing of lemons, tangerines and grapefruits has been minimal. However, especially since MY 2008, there has been an increasing interest in lemonade consumption. This led to a higher volume of lemons being used in processing facilities.

Consumption:

Domestic consumption of citrus fruits is high in Turkey. Consumption of citrus, as well as other fruit, has increased steadily in recent years as per capita income has increased. Currently per capita consumption of citrus in Turkey is about 30 kilograms (66 lb) annually, nearly all as fresh fruit. Citrus consumed as juice is still quite low compared to some other citrus growing countries, as there are many competing non-citrus juices. Approximately 60 percent of all citrus fruit is consumed domestically; seven percent is used for industrial purposes and the rest is exported.

There is a significant potential for increased citrus consumption from the tourism sector in the southern parts of Turkey. The number of tourists coming to Turkey every year is increasing, and this sector utilizes mainly processed but also fresh citrus fruits.

Prices

The domestic market is very price sensitive, and fluctuations in the price of citrus fruit affects consumption. According to industry sources, prices in most of the top export destinations for Turkish citrus are lower in MY 2011 due to higher yields and increased competition.

Nearly half of Turkey's citrus crop is selected, graded, and packed for upscale domestic and export markets. About a dozen large-scale packing companies, with annual capacity of at least 15,000 MT, dominate the market. The packing business is very risky since packers pay firm prices to growers against uncertain export receipts. There has been a great deal of turnover in the business during the last twenty years. Several packers have maintained their position by relying on production primarily from their own orchards. The remaining half of Turkish citrus production does not undergo any selection or grading and is sold through wholesalers and retailers with only minimal or no packing.

Private packers handle marketing of all citrus crops. Packers used to begin contracting in August and purchase the crop "on-the tree." Due to uncertainties in the market, packers have started contracting later and buying as much as they think they will sell. They estimate that this year about one half of the crop will be first or second grade destined for the upscale local market and/or export market. The remainder will be sold to regional wholesalers or supermarket chains. Combined losses from harvesting and processing are estimated at about five percent and added to domestic consumption. Farm gate prices vary considerably by quality and location.

Trade:

Citrus has traditionally been Turkey's leading fresh fruit export. Neighboring countries continued to be significant markets for Turkish citrus fruit.

In MY 2010 Russia continued to be the leading export destination for Turkish citrus. Iraq, Iran, Ukraine, Romania, and Saudi Arabia were also important markets.

Orange exports increased significantly from MY 2009 to MY 2010. Exports reached 330,000 MT in MY 2010 and are predicted to increase further in MY 2011. This is mostly due to the introduction of Turkish citrus to the Iranian market and price competitiveness compared to other countries.

Russia, Iraq and Iran became the top three export destinations for Turkish oranges in MY 2010 followed by Ukraine. They are predicted to continue to be among the top export destinations in MY 2011 as well.

Tangerine exports bounced back from MY 2009 level and reached 450,000 MT in MY 2010. This increase was much more then exporters expected, but it was mostly due to the price competitiveness of Turkish tangerines. Russia, Iraq and Ukraine continued to be the top export markets for Turkish tangerines. In MY 2011, exports of tangerines are predicted to decrease to 400,000 MT mostly due to the economic crisis in the most importing countries.

Traditionally more than half of Turkish lemon production is exported. In MY 2010, lemon exports increased slightly compared to the previous year and reached 457,000 MT. Increasing lemon production is expected to be reflected in export volumes in MY 2011, as exports are predicted to reach 500,000 MT. Russia, Saudi Arabia and Iraq were top export destinations for Turkish lemons in MY 2010 and are expected to continue as such in MY 2011.

High production levels of grapefruit are also predicted to be reflected in MY 2011 export volumes. In MY 2010 grapefruit exports were 153,000 MT. They are estimated to increase to 180,000 MT in MY 2011. However, the quality of the crop is not expected to be very good in MY 2011 due to the high level of production. In addition to this, the size of the fruit is not as big as requested from Western European countries. Russia, Romania and Ukraine continued to be top export destinations in MY 2010.

Stocks:

Since little citrus is processed, stocks of fresh citrus generally are not significant. Wholesalers, however, often prolong the season by storing citrus, primarily lemons, in cold storage or in caves, particularly in Central Anatolia. Stocks of citrus products are limited and comprised largely of orange juice concentrates.

Policy:

Production Policy

There are no citrus-specific production support programs. The government provides support to any producer who establishes any kind of fruit orchard using certified seedlings. All Turkish farmers receive direct income support payments.

The Mediterranean Exporters' Union, Adana Farmers' Union and Adana Citrus Producers Union play significant roles in keeping statistical information, communicating producers' problems to government officials, and conducting research.

One of the problems producers are facing is the lack of different varieties. The Ministry of Food, Agriculture and Livestock's Agricultural Research Institutes, along with Cukurova University, conduct research on improved varieties and better horticultural practices. These researchers help identify better varieties for export and improved agricultural practices, therefore increasing export potential. Individual large-scale growers also experiment with new varieties and have been responsible for the introduction of some new varieties.

Trade Policy

The Turkish government makes support payments to exporters and the rates vary each year. The Ministry of Food, Agriculture and Livestock gave a subsidy to citrus exporters of USD 125/ MT in 2011. There is also a minimum price requirement for this specific subsidy. The government makes payments to a special account, which the exporter can only use to make tax and social security payments as well as utilities such as telecommunications, electricity, and natural gas.

In order to protect domestic producers, the government kept the customs duty rates at 2007 levels for orange juice and citrus imports, which are 54 percent.

Marketing:

Marketing of fresh citrus and orange juice in domestic and international markets is handled mostly by the private sector; however government-sponsored Exporters' Unions play a role in market promotion activities, mostly in the form of market research and information about production methods and volume.

Domestically consumed citrus is transported in open trucks with minimal packing. However, the citrus packed for export is transported in refrigerated trucks.

There are three channels for citrus distribution: It can go from producer to wholesaler, who then sells either directly to consumers in local wet markets or sells to a broker. The broker then sells to a retailer who eventually sells to consumers. Sometimes the producer sells directly to the broker who then sells to the retailer. The wholesale markets play a significant role in the sale of citrus. Citrus producers or exporters do not have a nationwide organization focused solely on marketing of citrus.

Production, Supply and Demand Data Statistics:

Oranges, Fresh Turkey	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	51,700	51,700	51,700	51,700		51,700
Area Harvested	50,000	50,000	50,000	50,000		50,000
Bearing Trees	13,000	13,000	13,000	13,000		13,000
Non-Bearing Trees	1,000	1,000	1,000	1,000		1,000
Total No. Of Trees	14,000	14,000	14,000	14,000		14,000
Production	1,690	1,690	1,710	1,710		1,730
Imports	30	30	32	30		30

Total Supply	1,720	1,720	1,742	1,740		1,760
Exports	209	209	345	330		350
Fresh Dom. Consumption	1,411	1,411	1,297	1,310		1,310
For Processing	100	100	100	100		100
Total Distribution	1,720	1,720	1,742	1,740		1,760
HECTARES, 1000 TREES, 1000 MT						

Lemons/Limes, Fresh Turkey	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	25,200	25,200	25,200	25,200		25,200
Area Harvested	22,900	22,900	22,900	22,900		22,900
Bearing Trees	6,265	6,265	6,265	6,265		6,265
Non-Bearing Trees	590	590	590	590		590
Total No. Of Trees	6,855	6,855	6,855	6,855		6,855
Production	783	783	782	787		850
Imports	1	1	1	1		0
Total Supply	784	784	783	788		850
Exports	434	434	450	457		500
Fresh Dom. Consumption	290	290	273	271		290
For Processing	60	60	60	60		60
Total Distribution	784	784	783	788		850
HECTARES, 1000 TREES, 1000 MT						

Grapefruit, Fresh Turkey	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	5,150	5,150	5,200	5,200		5,200
Area Harvested	4,850	4,850	4,850	4,850		4,850
Bearing Trees	1,030	1,030	1,040	1,040		1,040
Non-Bearing Trees	65	65	65	65		65
Total No. Of Trees	1,095	1,095	1,105	1,105		1,105
Production	191	191	210	213		240
Imports	5	5	6	5		5
Total Supply	196	196	216	218		245
Exports	154	154	160	153		180
Fresh Dom. Consumption	42	42	56	65		65
For Processing	0	0	0	0		0
Total Distribution	196	196	216	218		245
HECTARES, 1000 TREES, 1000 MT						

Tangerines/Mandarins, Fresh Turkey	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	31,200	31,200	31,300	31,300		31,300
Area Harvested	27,450	27,450	27,450	27,450		27,450
Bearing Trees	9,100	9,100	9,150	9,150		9,150
Non-Bearing Trees	1,200	1,200	1,250	1,250		1,250
Total No. Of Trees	10,300	10,300	10,400	10,400		10,400
Production	846	846	855	858		874
Imports	4	4	7	5		5

Total Supply	850	850	862	863		879
Exports	330	330	450	450		400
Fresh Dom. Consumption	520	520	412	413		479
For Processing	0	0	0	0		0
Total Distribution	850	850	862	863		879
HECTARES, 1000 TREES, 1000 MT						

Orange Juice Turkey	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	100,000	100,000	100,000	100,000		100,000
Beginning Stocks	1,050	1,050	950	950		850
Production	8,800	8,800	8,800	8,800		8,800
Imports	6,800	6,800	6,800	6,500		6,500
Total Supply	16,650	16,650	16,550	16,250		16,150
Exports	1,400	1,400	1,400	1,400		1,300
Domestic Consumption	14,300	14,300	14,300	14,000		14,000
Ending Stocks	950	950	850	850		850
Total Distribution	16,650	16,650	16,550	16,250		16,150
MT						