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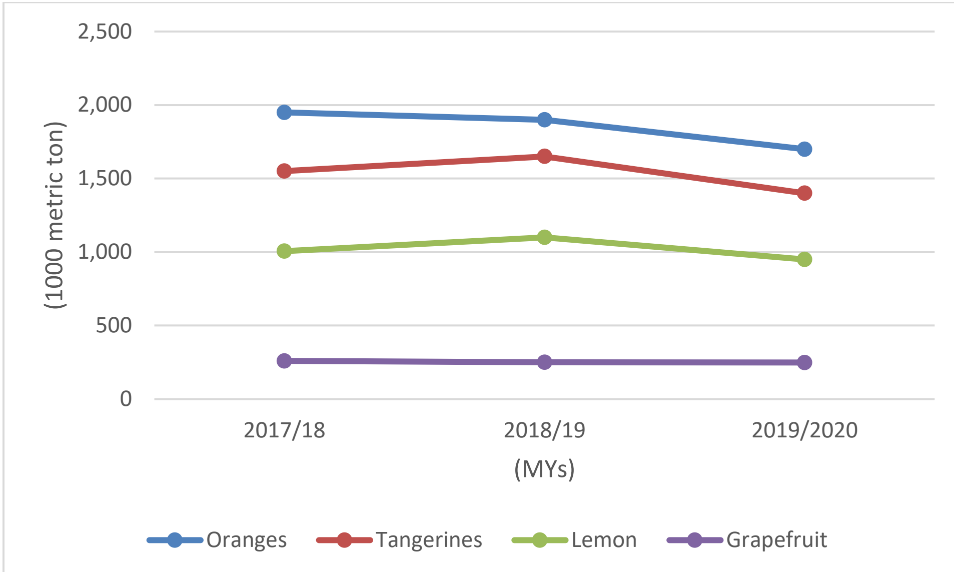
Report Highlights:

In 2020/21, total citrus production in Turkey will decrease due to hot weather conditions in May 2020 during the blooming season. Farm gate selling prices for citrus have not increased significantly while production costs such as fuel, fertilizers, labor costs, have increased significantly. Also, expected citrus exports in MY 2020/21 will not be realized due to logistic problem with neighboring countries and Saudi Arabian sanctions on Turkish products. Of the total Turkish citrus exports, tangerines have a 34 percent share, oranges have a 25 percent share, lemons are 24 percent of the share, and grapefruit make up 17 percent. In MY 2019/20, Turkey sent 28 percent of its total citrus exports to Russia due to geographic proximity, strong logistical infrastructure, and high demand. Other significant developments in MY 2019/20 were the increase on Turkish citrus exports to EU countries and a shortage of immigrant laborers from North African countries as a result of the Covid-19 pandemic.

Figure 1. Turkish Citrus Production by Products, Marketing Years (MY) 2017-2020



Source: TurkSTAT, 2020

Harmonized System (HS) Codes:

Oranges 080510

Tangerines/Mandarins 080520, 080521, 080522, 080529

Lemons 080550

Grapefruits 080540

Orange Juice 200911, 200912, 200919

Abbreviations used in this report:

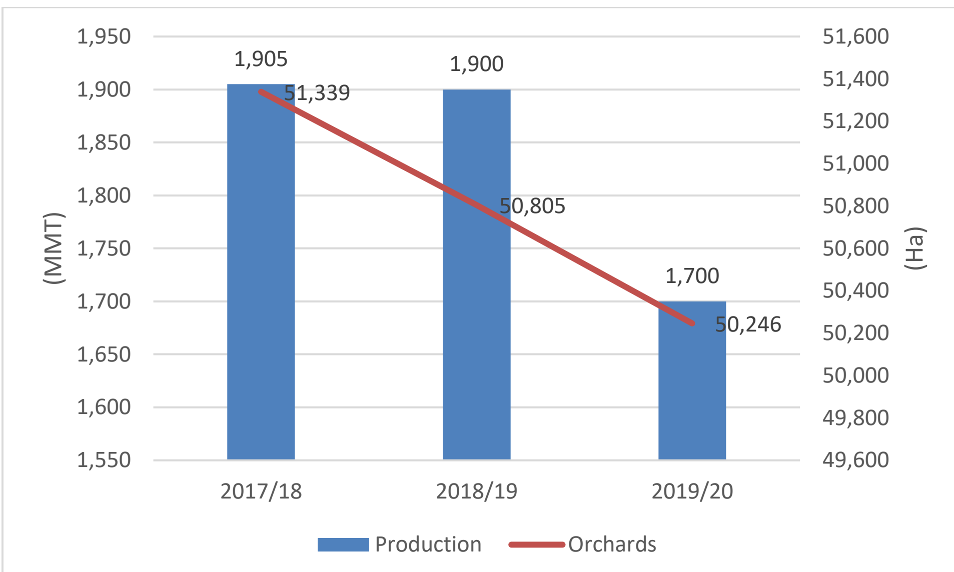
FAS	USDA Foreign Agricultural Service
TDM	Trade Data Monitoring
MT	Metric ton (1,000 kg)
MMT	Million Metric Tons
MinAF	Turkish Ministry of Agriculture and Forestry
MY	Marketing year
PS&D	Production, Supply and Distribution
TL	Turkish Lira
TurkSTAT	Turkish Statistical Institute
USD	U.S. Dollar

Commodities:
Oranges, Fresh

Production:
In MY 2020/21, the orange yield is forecast to decrease 20 percent to 1.36 million MT due to hot weather conditions and north winds which damaged the blossoms. The weather temperature was excessively hot in May 2020 and orange flowers were scorched. Losses and tonnage problems are expected in MY 2020/21 when compared with the yield in MY 2019/20, which was 1.7 million MT. Turkey produced 1.9 million MT of oranges in MY 2018/19.

The Mediterranean fruit fly has still been the biggest concern among producers who are planning to harvest and sell their products much earlier than normal in order to prevent exposure to the harmful flies. In addition, input costs such as fertilizer, fuel, and pesticides are still considered too high while producers are struggling with farm gate prices which are too low to compensate for the high production costs.

Figure 2. Turkey Orange Production and Orchards Comparison, MY 2017/18 - 2019/20



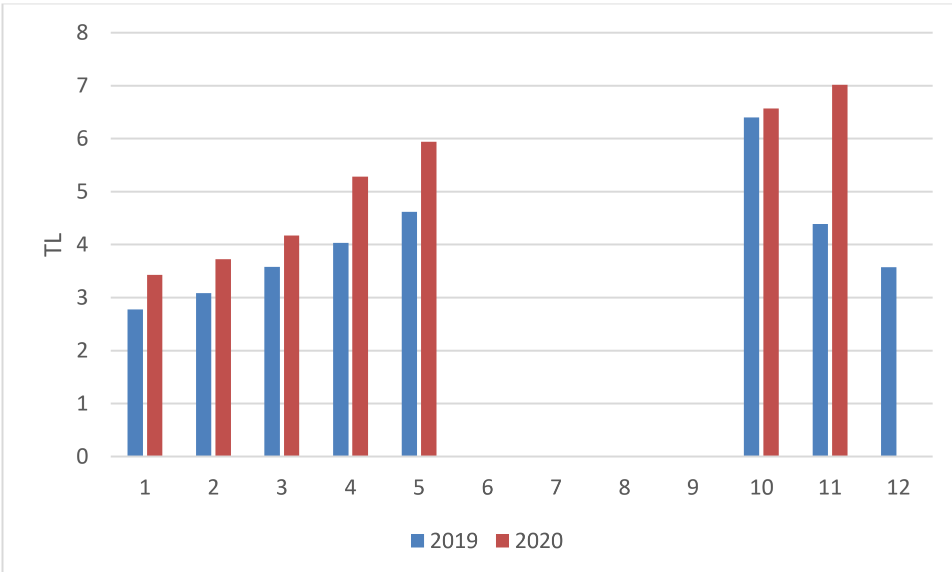
Source: TurkSTAT, 2020

As shown in the above chart, the number of orchards have been decreasing for the last 3 years. However, this decrease is seen mostly in orchards of the Washington and yapha varieties while orchards for other varieties have been increasing in correlation with export demands.

Consumption:
In MY 2020/21, orange consumption is expected to decrease to 1 million MT in correlation with low production expectations. Consumption has been decreasing for the last three years due to low supply and high market prices. The gap between the production price at the orchards (between 0.5- 1 TL), the selling price to wholesale markets, and the market price at supermarkets in cities is considered to be very large. The market price of

oranges at supermarkets has been increasing, like many commodities, due to multiple stakeholders in the market chain. In MY 2020/21, orange prices are expected to increase between 10-60 percent due to the low tonnage problem. In MY 2019/20, orange prices increased 50 percent due to high demand from consumers due to the Covid-19 pandemic.

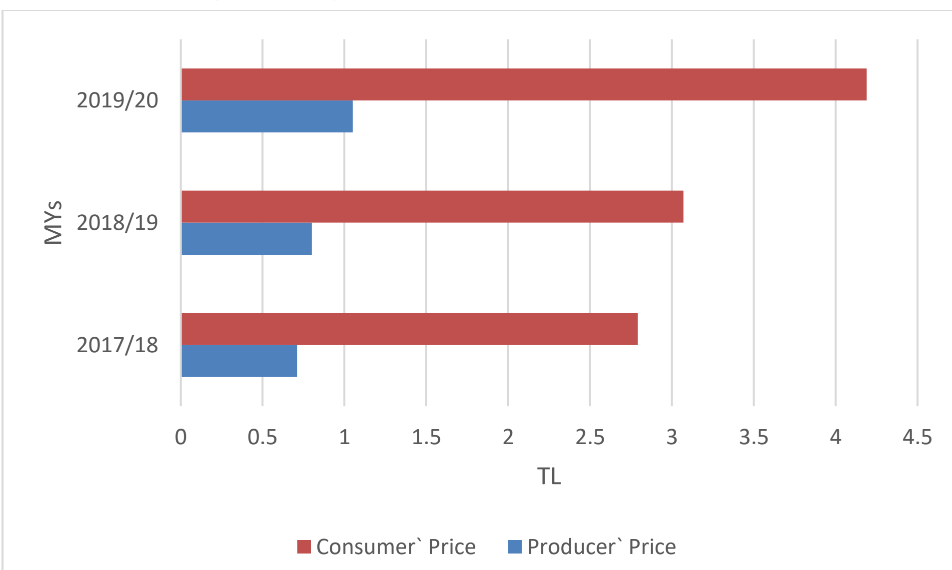
Figure 3. Orange Retail Market Price Changes, Monthly, 2019-2020



Source: TurkSTAT, 2020 (With exchange rate 7.8 TL to $1 USD as of December 2020)

According to the Turkish Statistical Institute, while farm gate prices have only increased 10 percent in 2020 when compared to the previous season, customers` prices at supermarkets have increased 30-40 percent in 2020 when compared with the previous season.

Figure 4. Producer and Customer price comparisons, MY 2017/18 - 2019/20



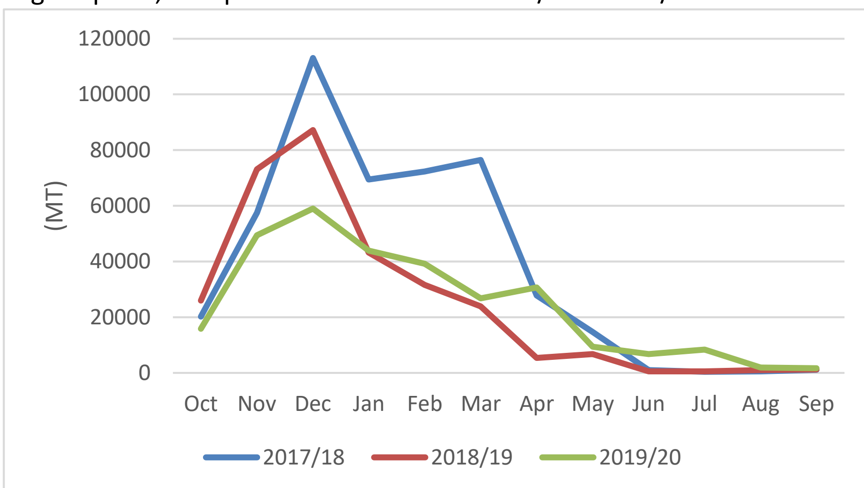
Source: TurkSTAT, 2020

Trade:

Orange exports in MY 2020/21 are expected to decrease 10 percent to 263,000 MT when compared with the previous season in correlation with low yield expectation. In October 2020, which is the first month of MY 2020/21, exports have decreased 40 percent when compared with the same month of MY 2019/20.

In 2019/20, Turkey exported 293,062 MT of orange which is 1.6 percent lower than the previous season. Orange exports in MY 2019/20 were higher than expectations due to high demand from other countries as a result of the Covid-19 pandemic. Especially after April 2019, orange exports significantly increased. In MY 2018/19, Turkey exported 298,000 MT of oranges.

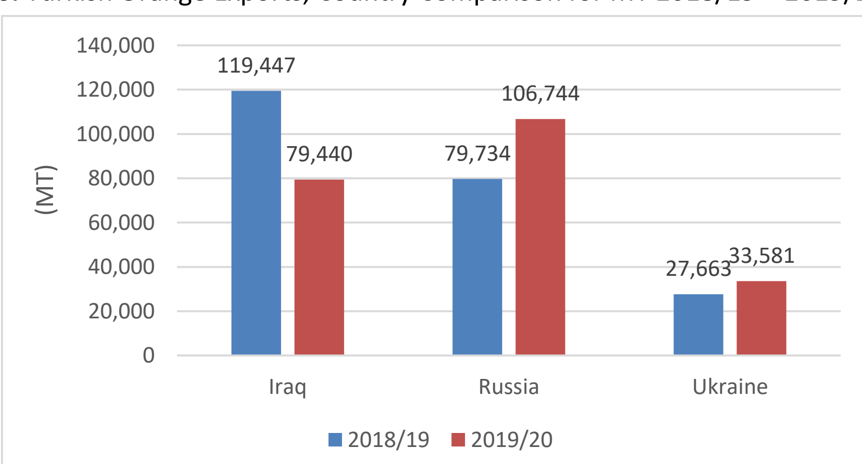
Figure 5. Turkish Orange Exports, Comparison Table for MY 2017/18 - 2019/20



Sources: Trade Data Monitor, LLC

Russia, Iraq, and Ukraine are the main Turkish orange export markets. In MY 2019/20, after the Covid-19 pandemic began, orange demands from Russia and Ukraine increased due to restrictions on personal movement, which make home consumption of oranges higher according to Turkish citrus exporters. However, orange exports to Iraq significantly decreased due to logistic problems at land borders including the Iraqi, Iranian, and Syrian borders after Covid-19 pandemic measures slowed trade.

Figure 6. Turkish Orange Exports, Country Comparison for MY 2018/19 – 2019/20



Sources: Trade Data Monitor, LLC

Imports: Turkey imported 44,588 MT of oranges in MY 2019/20, and 98 percent of the orange imports came from the Turkish Republic of Northern Cyprus (TRNC).

Table 1: PSD Oranges, Fresh

Production, Supply and Distribution Statistics:

Oranges, Fresh	2018/2019		2019/2020		2020/2021	
Market Year Begins	Oct 2018		Oct 2019		Oct 2020	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	53500	53500	53400	53400	0	51000
Area Harvested (HECTARES)	51339	50805	50300	50246	0	50200
Bearing Trees (1000 TREES)	13150	13150	12980	12980	0	12980
Non-Bearing Trees (1000 TREES)	680	680	865	865	0	860
Total No. Of Trees (1000 TREES)	13830	13830	13845	13845	0	13840
Production (1000 MT)	1900	1900	1700	1700	0	1360
Imports (1000 MT)	42	42	42	42	0	44
Total Supply (1000 MT)	1942	1942	1742	1742	0	1404
Exports (1000 MT)	298	298	274	293	0	263
Fresh Dom. Consumption (1000 MT)	1539	1539	1358	1339	0	1036
For Processing (1000 MT)	105	105	110	110	0	105
Total Distribution (1000 MT)	1942	1942	1742	1742	0	1404
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Commodities:

Tangerines/Mandarins, Fresh

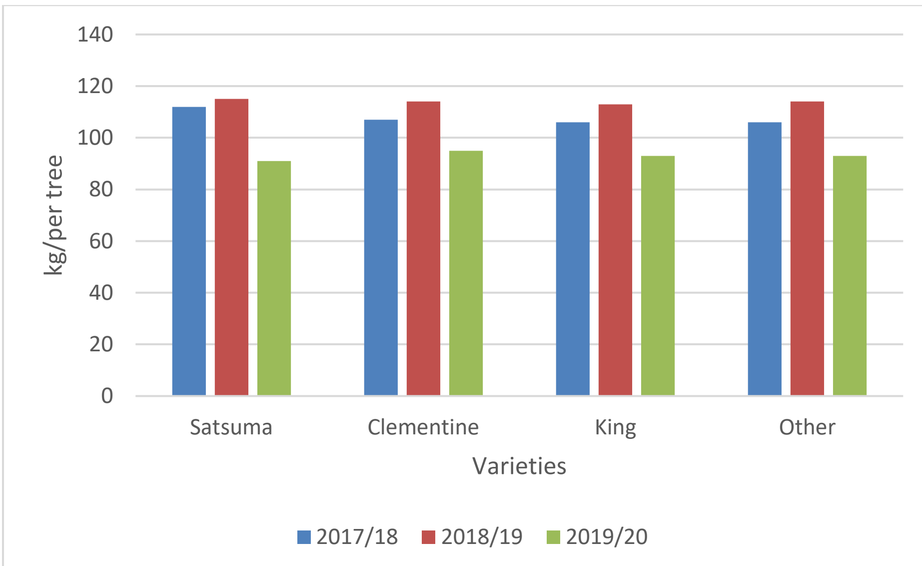
Production:

In MY 2020/21, tangerine production is forecast to increase 25 percent to 1.75 million MT due to the favorable timing of rains and temperatures. Producers don't expect a decline in quality. On the other hand, some of the early tangerine varieties such as Satsuma and Okitsu were affected by hot weather conditions in May 2020, but producers believe this will not substantially affect total production.

According to producers, adequate production is expected in MY 2020/21 to meet domestic consumption and export demands. In MY 2019/20, tangerine production totaled 1.4 million MT, which is lower than the previous season due to freezing conditions and heavy storms during the blooming period of the trees. MY 2018/19 tangerine production reached 1.65 million MT.

Turkish producers have been tending towards new mandarin varieties (‘other’ in figure 5 below) since they believe that exports of new varieties (Nova, Murkott, Fremont) are more profitable. Most tangerines are consumed fresh and the satsuma variety is the most domestically preferred.

Figure 7. Tangerine Varieties, yield based on kg/tree, Comparison MY 2017/18 – 2019/20

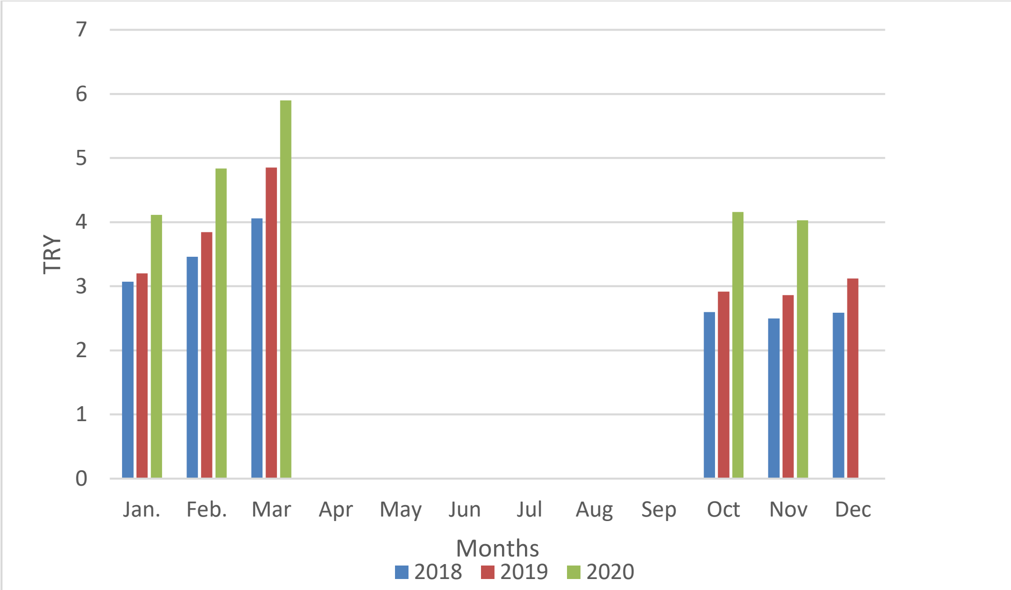


Source: TurkSTAT, 2020

Consumption:

In MY 2020/21, Turkey’s domestic consumption of mandarins is estimated to increase due to higher production. In 2019/20, consumption was 602,000 MT. The gap between farmer wholesale prices and retail market prices remains a concern for farmers.

Figure 8. Turkish Tangerines Prices at Local Markets, Monthly Comparison by year



Source: TurkSTAT, 2020 (With exchange rate 7.8 TL to $1 USD as of December 2020)

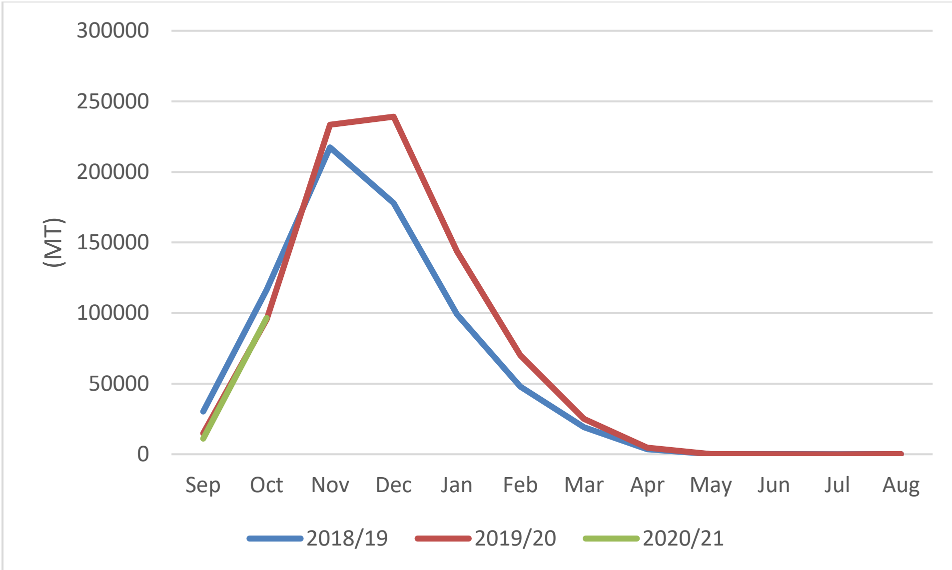
Trade:

Tangerine exports in MY 2020/21 are expected to increase 20 percent to 991,000 MT in correlation with high production expectations. In Turkey, the export season for tangerines started in September for MY 2020/21. Turkish exporters are expecting record tangerine exports this year due to increased high-quality volume and possible high foreign demand.

At the same time, exporters are actively seeking new foreign markets in which to sell tangerines, focusing mostly on European countries. Turkey made its first exports of tangerines in MY 2020/21 to the Balkans countries; like oranges there is also high demand from Russia. Turkish exporters also predict there will be high demand from EU countries this year due to a shortage in production in Spain due to production issues surrounding the Covid-19 pandemic.

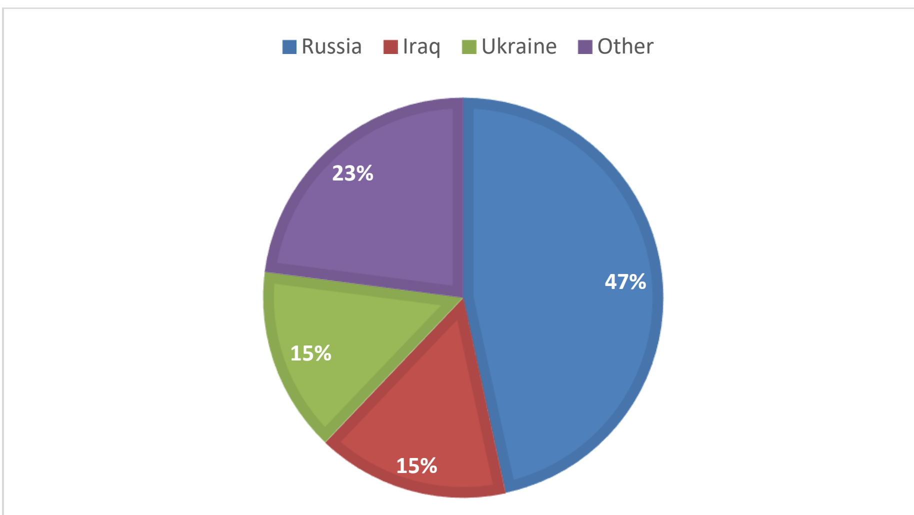
Total tangerine exports in MY 2019/20 reached at 826,557 MT, a value of $403 million, which is 16 percent higher than MY 2018/19 in quantity. Russia was the main market for Turkish tangerines with $213 million export revenue in MY 2019/20. The increase can be explained by Russia closeing its borders to Chinese exports early in the spring due to the COVID-19 pandemic.

Figure 9. Turkey Tangerine Export Comparison in MT for MY 2018/19 - 2020/21.



Source: Trade Data Monitor, LLC

Figure 10. Turkey Tangerine Export Comparison by main export markets in MY 2019/20.



Source: Trade Data Monitor, LLC

Tangerine exports to Iraq have dramatically decreased in MY 2019/20 because of disputes between Iraqi and Turkish on marketing preferences (Iraq prefers green tangerines with leaves, not the orange tangerine that Turkey normally exports)requirements, and struggles with transportation between the two neighboring countries due to immediate precautions taken during the COVID-19 pandemic.

Figure 11. Turkey Mandarin Export Comparison by main export markets and MYs.

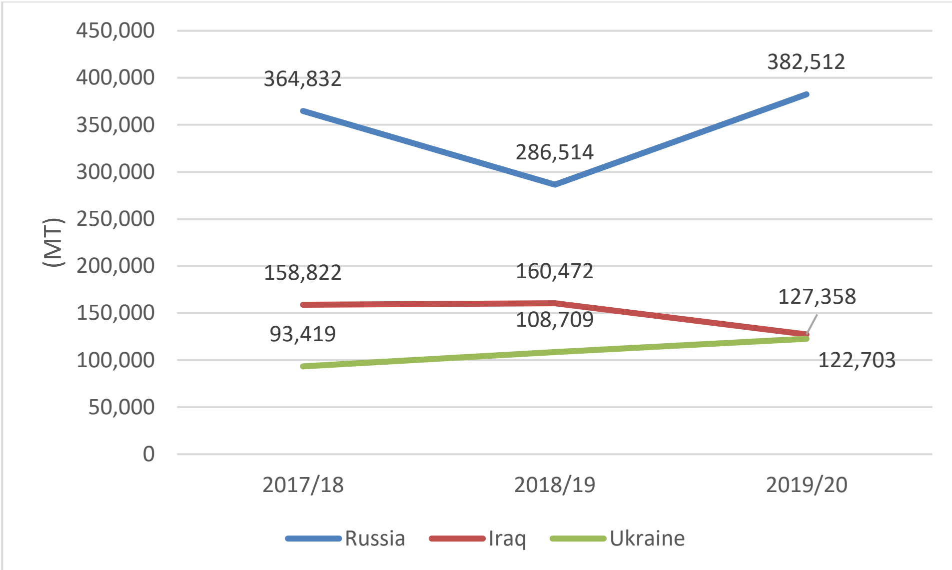


Table 2: PSD Tangerines, Fresh

Production, Supply and Distribution Statistics:

Tangerines/Mandarins, Fresh	2018/2019		2019/2020		2020/2021	
Market Year Begins	Sep 2018		Sep 2019		Sep 2020	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	45760	51590	48000	53553	0	54500
Area Harvested (HECTARES)	43000	49000	46000	51000	0	53500
Bearing Trees (1000 TREES)	13000	14396	14000	15183	0	16100
Non-Bearing Trees (1000 TREES)	3000	3725	3726	4158	0	4700
Total No. Of Trees (1000 TREES)	16000	18121	17726	19341	0	20800
Production (1000 MT)	1650	1650	1400	1400	0	1750
Imports (1000 MT)	32	32	30	30	0	30
Total Supply (1000 MT)	1682	1682	1430	1430	0	1780
Exports (1000 MT)	712	712	828	827	0	991
Fresh Dom. Consumption (1000 MT)	969	969	601	602	0	788
For Processing (1000 MT)	1	1	1	1	0	1
Total Distribution (1000 MT)	1682	1682	1430	1430	0	1780
(HECTARES) ,(1000 TREES) ,(1000 MT)						

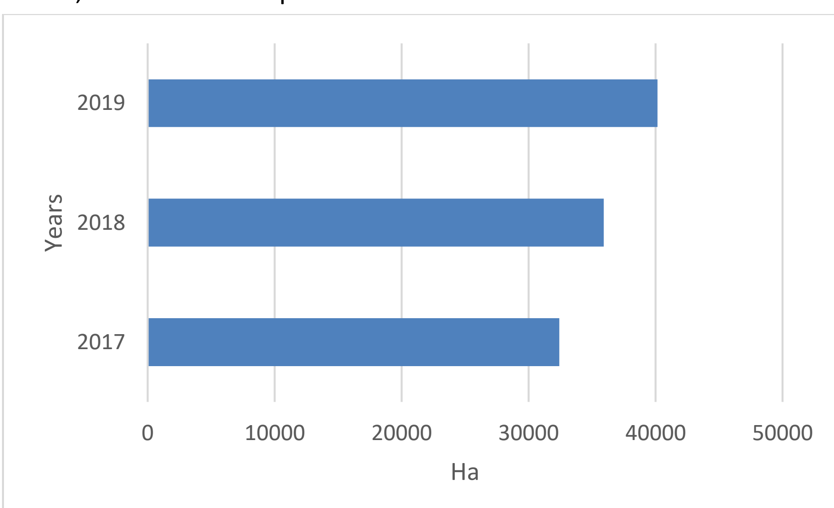
Commodities:
Lemons, Fresh

Production and Consumption:
In MY 2020/21, lemon production is expected to slightly increase to 1 million MT since excessive hot weather conditions in May 2019 did not affect total lemon production., However, the weather affected varieties differently. Meyer lemons mostly escaped damage because their blooming season is normally in June; the Interdonato variety on the other hand, was affected by the bad weather conditions in last spring. While Interdonato is the most exported lemon variety in Turkey, the Meyer variety is also domestically consumed and exported.

MY 2019/20 lemon production was recorded at 950,000 MT, which is 13 percent lower than the MY 2018/19 season (1.1 million MT) since storms and heavy rains at the end of the previous season caused the early blooming of trees.

The main problems reported by lemon producers in Turkey are diseases and pests, input costs such as fertilizers and chemicals, labor costs for tree trimming, crop quality, and marketing. The other important problem is the struggle to keep lemons in cold storage for exports. Storage costs are expensive and producers sometimes use workarounds; for example, producers in Urgup in Cappadocia use caves to store lemons.

Figure 12. Lemon Orchards, 2017-2019 Comparison

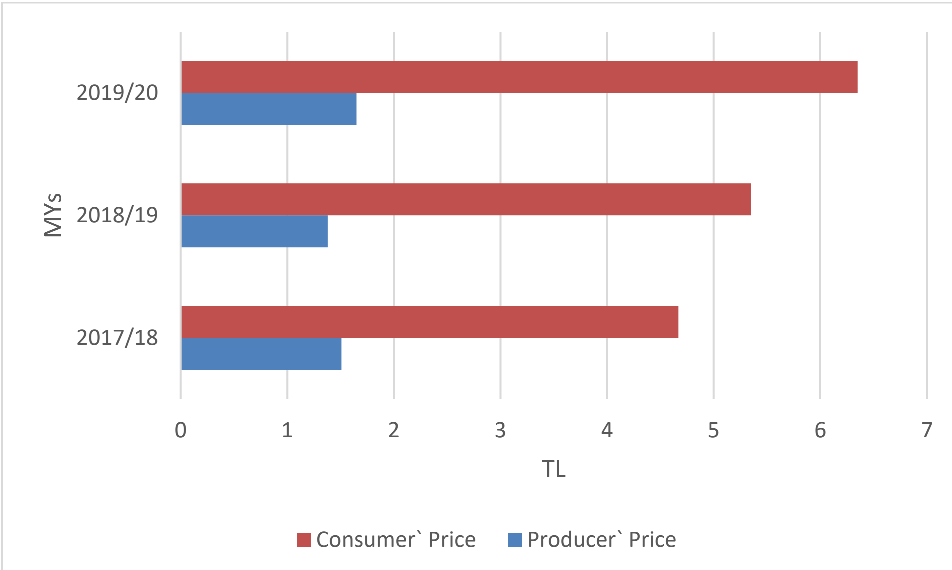


Source: TurkSTAT, 2020

Recently, as seen above chart, many producers in the Cukurova-Adana regions have converted their citrus orchards to mostly lemon trees, especially of the Meyer variety, due to the previous high market prices of this variety. However, farm gate prices of Meyer lemons have sharply decreased due to the sharp rise in the volume of supply, and producers are now planning to convert their lemon orchards to other crops such as cotton or bananas.

In contrast to the low producer prices, supermarket prices have noticeably increased due to costs such as packaging, transport, and labor during the marketing process. With higher market prices, lemon consumption in MY 2020/21 is expected to decrease to 513,000 MT.

Figure 13. Producer and Customer prices comparison, MY 2017/18 - 2019/20



Source: MinAF, 2020 (With exchange rate 7.8 TL to $1 USD as of December 2020)

Producer prices rose to 1.95 TL/kg in February 2020, which is 60 percent more than the same month of the previous year. The Covid-19 pandemic did not affect lemon production since the harvest season for lemons had not started at the time of pandemic. Agricultural producers were excluded from the mandatory curfew throughout the country.

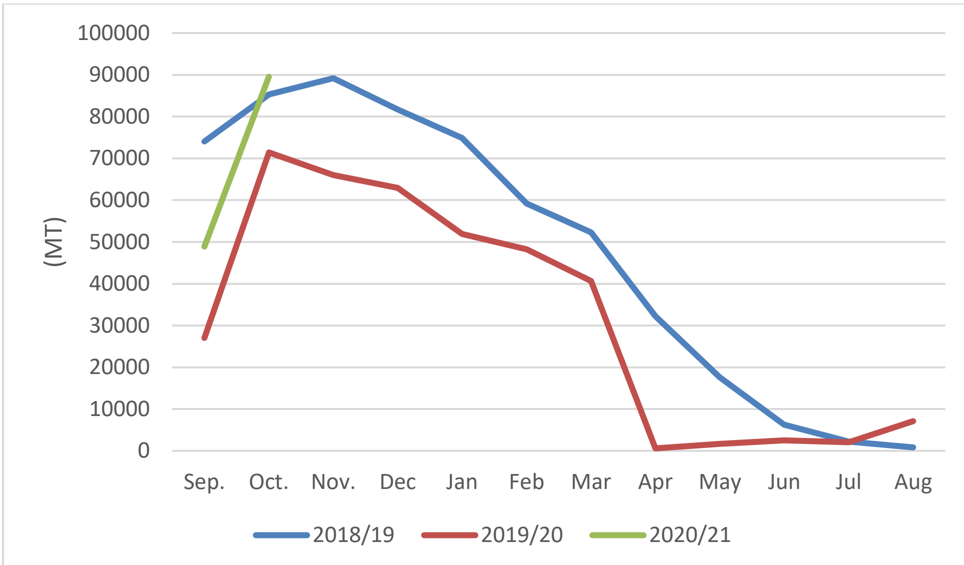
Trade:

In MY 2020/21, lemon exports are expected to increase 15 percent to 439,300 MT when compared with the previous season in correlation with a slight production increase and high demand from export markets. Turkey's lemon exports started well in the MY 2020/21, as shown Figure 12. The most significant increase is seen from EU countries such as Italy, the United Kingdom, the Netherlands, Poland, and Germany.

In MY 2019/20, lemon exports decreased 33 percent to 382,000 MT (a value of $225 million) as a result of low yields and the Turkish government's export restriction applied as of April 2020 in order to combat an increase in prices as a result of high demand from the domestic market during the initial Covid-19 outbreak. Prices jumped more than 50 percent in the domestic market. The restriction on lemon exports was lifted at the beginning of August 2020, which is nearly at the beginning of the MY 2020/21 export season. Russia, Iraq, and Ukraine are the main export markets of Turkish lemons. In MY 2018/19, Turkey exported 576,000 MT of lemons valued at $272 million. Turkey generally exports half of its total lemon production, and the export season starts in September every year.

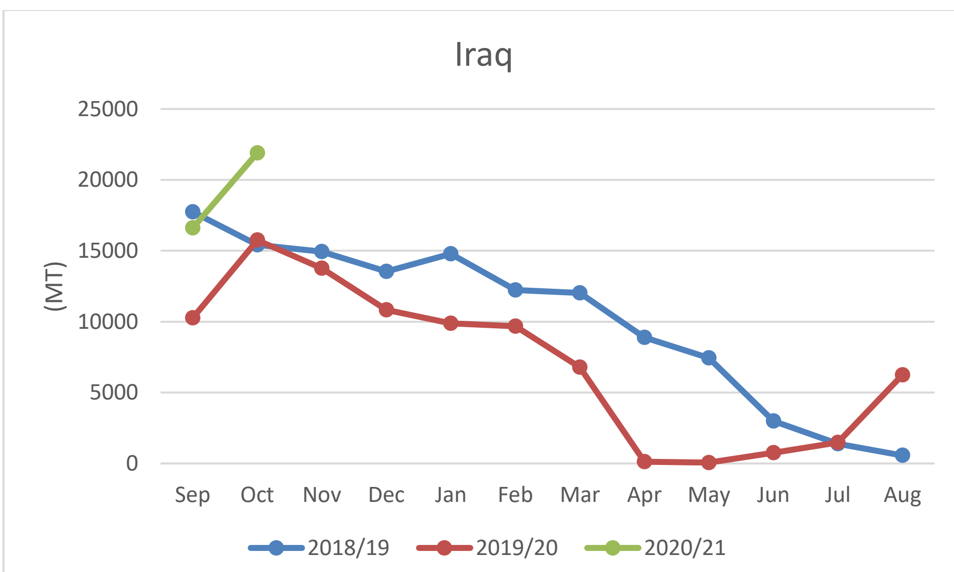
The biggest concerns for lemon exporters are the low unit export price and residues of products used to extend longevity in storage. Exporters reported that there have been rejections of exports due to high residue levels in the EU and mostly Russia.

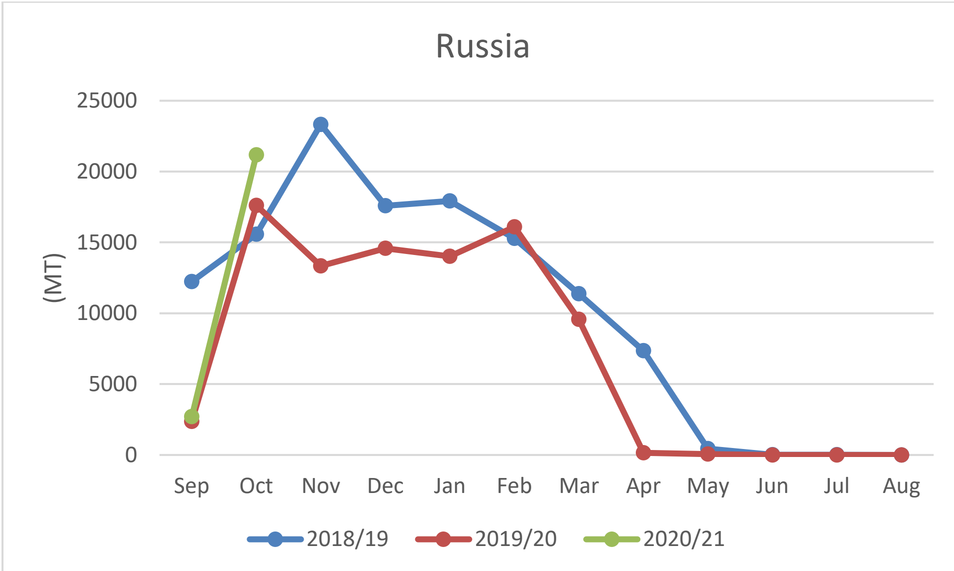
Figure 14. Turkey Lemon Export Comparison in MT for MY 2018/19- 2020/21.



Source: Trade Data Monitor, LLC

Figure 15. Turkey Lemon Exports in the Top Export Countries, Comparison in MT for MY 2018/19-MY 2020/21.





Source: Trade Data Monitor, LLC

Table 3: PSD Lemons/Limes, Fresh
Production, Supply and Distribution Statistics

Lemons/Limes, Fresh	2018/2019		2019/2020		2020/2021	
Market Year Begins	Sep 2018		Sep 2019		Sep 2020	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	32500	35911	33000	40154	0	40000
Area Harvested (HECTARES)	30000	32000	32000	38000	0	38000
Bearing Trees (1000 TREES)	8200	8733	8700	9798	0	9900
Non-Bearing Trees (1000 TREES)	1500	2910	2500	3238	0	3200
Total No. Of Trees (1000 TREES)	9700	11643	11200	13036	0	13100
Production (1000 MT)	1100	1100	950	950	0	1000
Imports (1000 MT)	2	2	2	2	0	2
Total Supply (1000 MT)	1102	1102	952	952	0	1002
Exports (1000 MT)	576	576	370	382	0	439
Fresh Dom. Consumption (1000 MT)	476	476	532	520	0	513
For Processing (1000 MT)	50	50	50	50	0	50
Total Distribution (1000 MT)	1102	1102	952	952	0	1002
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Commodities:

Grapefruit, Fresh

Production and Consumption:

In 2020/21, grapefruit production is expected to be 7 percent higher than the previous season, totaling290,000 MT due to favorable weather conditions during blooming season. In 2019/20, grapefruit production reached 270,000 MT. Since production costs are high, as is the case with other citrus products, producers are not satisfied with sales prices from orchards to wholesale markets.

Domestic demand for grapefruit is very small in Turkey, and the fruit is mostly consumed as fresh-squeezed juice. In 2020/21, Turkey's grapefruit consumption is estimated slightly higher at 91,000 MT.

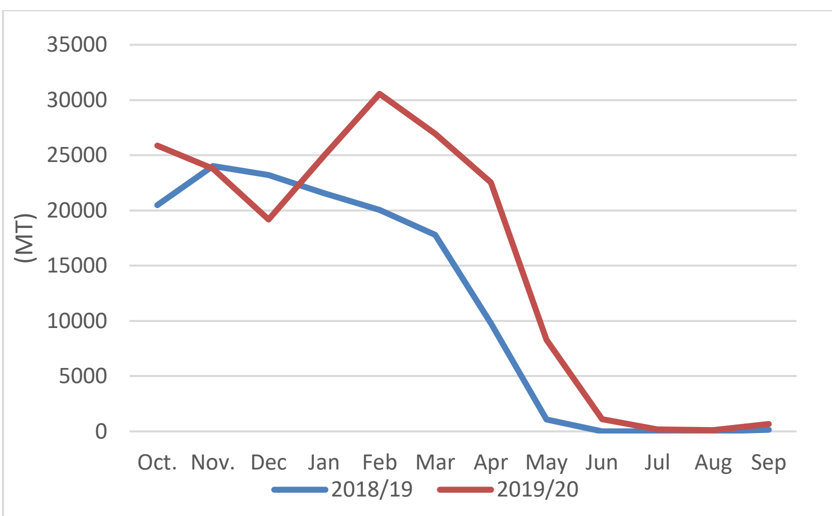
Market prices of grapefruit have increased this year due to higher demand from the domestic market for fruit with high Vitamin-C content after the spread of the Covid-19 pandemic.

Trade:

In 2020/21, grapefruit exports are expected to be 8 percent higher than the previous season at 200,000 MT, in correlation with production. Exports of the Star Ruby, Ruby Red and M. Seedless varieties started in October 2020 while the Rio Red variety will be harvested in January.

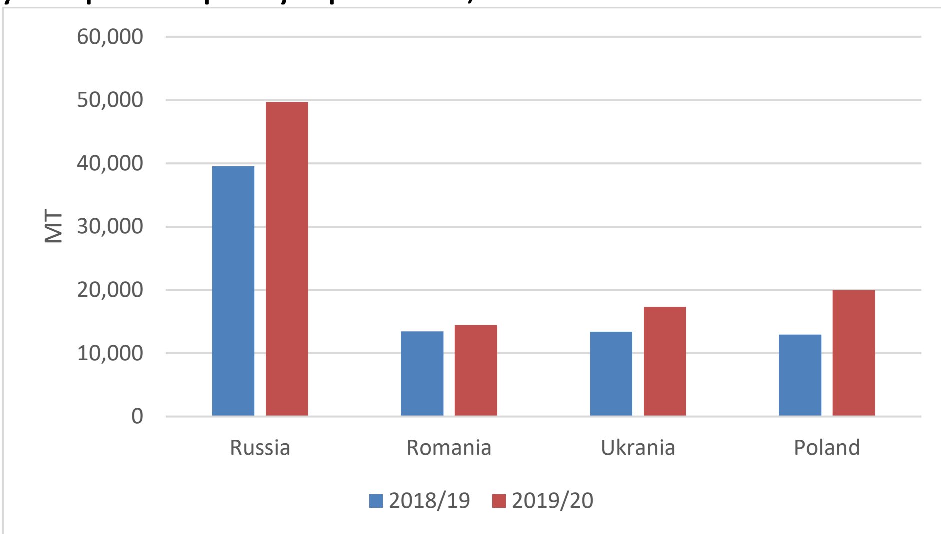
In 2019/20, Turkey exported 184,000 MT of grapefruit valued at $88 million mostly to Russia, Poland, and Ukraine, resulting in totals 33 percent higher than MY 2018/19 (138,000 MT). According to exporters, MY 2019/20 exports were higher than the previous season on higher demand from EU countries such as Poland, Italy, and Romania.

Figure 16. Turkey's Grapefruit Exports, MY 2018/19 – 2020/21 Comparison by Month



Source: Trade Data Monitor, LLC

Figure 17. Turkey`s Grapefruit Export by Top Countries, MY 2018-2019-2020



Source: Trade Data Monitor, LLC, 2019

Table 4: PSD Grapefruit, Fresh
Production, Supply and Distribution Statistics

Grapefruit, Fresh	2018/2019		2019/2020		2020/2021	
Market Year Begins	Oct 2018		Oct 2019		Oct 2020	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	6250	5181	6350	5222	0	5300
Area Harvested (HECTARES)	5500	4800	5650	4900	0	5000
Bearing Trees (1000 TREES)	1200	1248	1250	1228	0	1250
Non-Bearing Trees (1000 TREES)	60	61	61	42	0	45
Total No. Of Trees (1000 TREES)	1260	1309	1311	1270	0	1295
Production (1000 MT)	250	250	270	270	0	290
Imports (1000 MT)	1	1	2	2	0	2
Total Supply (1000 MT)	251	251	272	272	0	292
Exports (1000 MT)	138	138	185	184	0	200
Fresh Dom. Consumption (1000 MT)	112	112	86	87	0	91
For Processing (1000 MT)	1	1	1	1	0	1
Total Distribution (1000 MT)	251	251	272	272	0	292
(HECTARES) ,(1000 TREES) ,(1000 MT)						

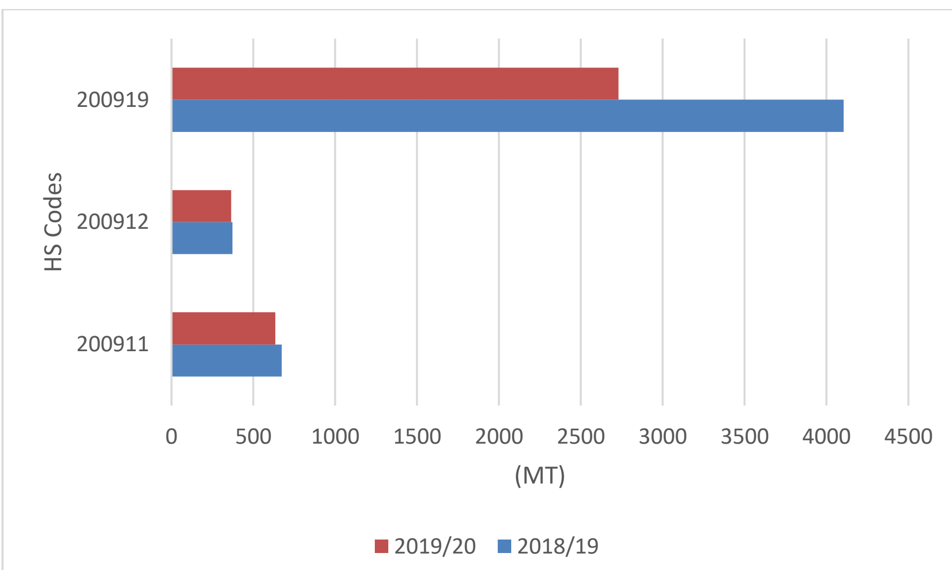
Commodities:
Orange Juice

Production and consumption:
In MY 2020/21, orange juice production is forecast at 9,500 MT which is the same as MY 2019/20 due to an insufficient orange supply delivered to processors. The amount of oranges sent to processing plants increased to 105,000 MT. The Turkish fruit processing industry is still under development and is seeking government support to develop the industry.

In Turkey, the most processed fruits for juice are apple, peach, apricot, orange, and pomegranate. Recently, grape and pomegranate production in the juice sector have been increased in correlation with export demands. Apple juice accounts for 46 percent of the total processed fruits for juice sector. Turkish customers mostly prefer peach, apricot, and sour cherry as a nectar juice; on the other hand, demand for mixed fruit juices and orange as one-hundred-percent fruit juice have been increasing recently. The total fruit juice consumption in Turkey is estimated at 10 liters per year, which is considered very low when compared with European countries.

Trade:
Export: Orange juice exports are forecast at 3,500 MT for MY 2020/21 in correlation with low production and logistics problems with neighboring countries. Turkey exported 3,729 MT of orange juice in MY 2019/20, mainly to China, Italy, and Iraq. Exports in MY 2019/20 are 27 percent less than MY 2018/19 which was 5,150 MT.

Figure 18. Turkish Orange Juice Exports by HS Codes, Comparison MY 2018/19 and MY 2019/20



Source: Trade Data Monitor, LLC, 2019. *200919: Orange Juice, Other Than Frozen, Whether Or Not Sweetened; 200912: Orange Juice, Not Frozen, Of A Brix Value Not Exceeding 20; 200911: Orange Juice, Frozen, Whether Or Not Sweetened; All categories are converted to 65 degree brix.*

Imports: In MY 2020/21, orange juice imports are estimated to slightly increase to 2,300 MT. Turkey imported 2,214 MT of orange juice in MY 2019/20,300 percent more than MY 2018/19 (449 MT), mostly orange juice, frozen, whether or not sweetened. Imports are mainly from Northern Cyprus and Brazil. According to the juice sector, orange juice imports from Brazil significantly increased due to low inadequate domestic production and customer preference for imported Brazilian orange juice because of its quality.

Figure 19. Turkish Orange Juice Exports and Imports, Comparison MY 2018/19 and MY 2019/20

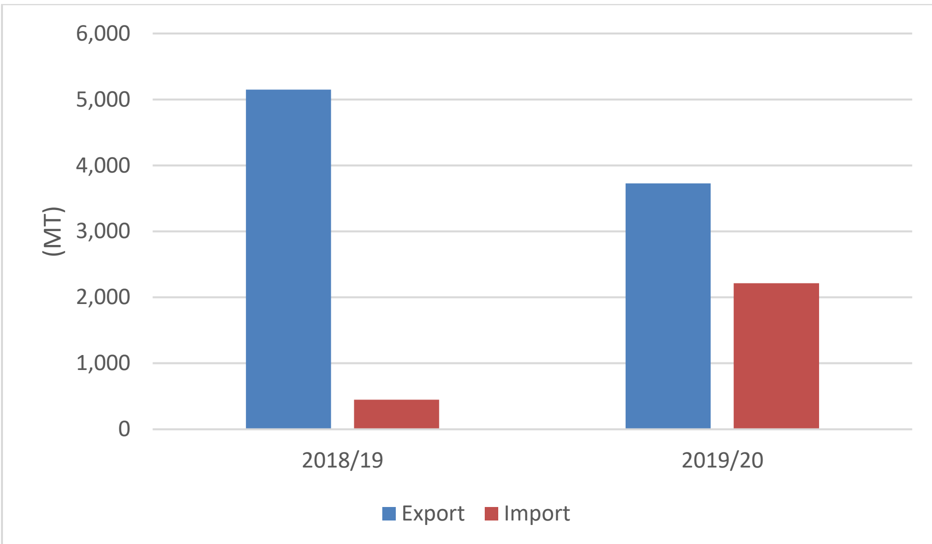


Table 5: PSD Orange Juice
Production, Supply and Distribution Statistics

Orange Juice	2018/2019		2019/2020		2020/2021	
Market Year Begins	Oct 2018		Oct 2019		Oct 2020	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors (MT)	105000	105000	110000	110000	0	105000
Beginning Stocks (MT)	150	150	150	150	0	150
Production (MT)	9500	9500	9500	9500	0	9500
Imports (MT)	452	449	3000	2214	0	2300
Total Supply (MT)	10102	10099	12650	11864	0	11950
Exports (MT)	5149	5150	5000	3729	0	3500
Domestic Consumption (MT)	4803	4799	7500	7985	0	8300
Ending Stocks (MT)	150	150	150	150	0	150
Total Distribution (MT)	10102	10099	12650	11864	0	11950
(MT)						

Policy:

Citrus Production Support Policies:

For farmers who are registered in the ‘Farmer Registration system’ by the Turkish Ministry of Agriculture:

- 150 TL/ hectare is given as fuel support,
- 40 TL/ hectare is given as fertilizer support,
- 40 TL/per soil analysis. Soil analyses must be done by an authorized laboratory.
- 1000 TL/ hectare for standard saplings, 4000 TL/hectare for certified saplings.
- 500/hectare is given for biological controls of pests and 800 TL/hectare is given for biotechnical controls using pheromones against Mediterranean fruit flies.

On the other hand, some producers have chosen to receive subsidies from MinAF to compensate losses which that occurred during May 2019 in which excessive hot weather conditions affected crops badly. Also, hot weather damage will be included within the scope of insurance policies from TARSIM (Agriculture Insurances Directorate) **(https://web.tarsim.gov.tr/havuz/homePageEng)** for oranges, tangerines, lemons and grapefruit production.

Attachments:

No Attachments