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Turkey

Citrus Annual

2012 Citrus Annual

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Report Highlights:
Production of all citrus varieties, except tangerines, is expected to be significantly affected by unfavorable weather conditions in MY 2012. Russia, Ukraine and Iraq are still the major export destinations for Turkish citrus. The Turkish government is expected to continue providing export subsidies to citrus exporters in MY 2012.

Executive Summary:

MY 2011 was a good year both for citrus producers and exporters. 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. Orange and tangerine production increased slightly, whereas grapefruit and lemon production increased noticeably. This was mainly due to very good weather conditions during blooming and growing seasons.

However, the situation in MY 2012 is predicted to be reversed as major citrus growing regions were hit with frost, heavy rain and strong wind during blooming season in the spring of 2012. The production of all citrus, except for tangerines, is expected to decline. Producers and industry contacts estimate that orange, lemon and grapefruit production will decline about 20, 25 and 40 percent respectively in MY 2012.

Russia, Ukraine and Iraq continued to be the top export destinations for Turkish citrus in MY 2011 and are expected to remain so in MY 2012.

The Turkish Ministry of Food, Agriculture and Livestock is expected to continue providing export subsidies through the Mediterranean Exporters Union in MY 2012.

Commodities:

Citrus, Other, Fresh

Oranges, Fresh

Lemons, Fresh

Grapefruit, Fresh

Tangerines/Mandarins, Fresh

Production:

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 education of the producers. There is also increasing awareness of the producers about export market and better production techniques.

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 makes up most of the rest.

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.

Despite strong production in both MY 2010 and MY 2011; MY 2012 has already shown the signs of devastation in most citrus growing parts in the Cukurova region. In addition to heavy rain during blooming season, it was also very windy in the Cukurova region in MY 2012. The orchards were also hit with frost a few times in March 2012. These weather conditions affected the overall citrus crop significantly in MY 2012.

Grapefruit production was recorded to be 240,000 MT in MY 2011 mostly due to good weather conditions. In MY 2012 grapefruit was the most severely affected citrus crop from weather conditions. Production is expected to decrease significantly especially in Cukurova region and is predicted be 150,000 MT; down about 40 percent compared to the previous year.

Lemon was the second most significantly affected crop in MY 2012. Production of lemon is expected to decrease about 25 percent in most lemon growing areas and is predicted to be 635,000 MT in MY 2012 compared to MY 2011 level of 850,000 MT.

Orange orchards were also affected badly by the weather and production is predicted to decrease about 20 percent in MY 2012 compared to the previous year. In MY 2011 orange production was recorded to be 1,730,000 MT and is expected to decrease to 1,385,000 MT in MY 2012.

Overall tangerine production was the least affected from the bad weather condition as most tangerines are grown in the Aegean region and orchards in the Cukurova region were not affected as much as other citrus crops. In MY 2012 tangerine production is expected to be around the same level as the previous year and be about 870,000 MT.

Despite lower level of production due to weather conditions, the quality of citrus is still good and has not been affected by the unfortunate conditions in MY 2012.

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 has 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 higher compared to MY 2011 due to lower 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. Farm gate prices vary considerably by quality and location.

Trade:

Citrus has traditionally been Turkey's leading fresh fruit export. Neighboring countries have traditionally been significant markets for Turkish citrus fruit. However, the political turmoil in the neighboring countries such as Syria is expected to affect the trade number in MY 2012.

MY 2011 was a good year for export of all citrus crops compared to the previous year. Russia and Iraq continued to be the top two export destinations for orange, lemon and mandarins. Qatar and Russia were among the top export destination for grapefruits in MY 2011. In addition to these; Ukraine, Saudi Arabia and Romania continued to be among significant export destinations.

Orange exports increase about 7 percent in MY 2011 compared to the previous year and reached 352,000 MT. Iraq, Russia and Ukraine were the top importers of Turkish citrus.

MY 2011 was a very good year for grapefruit exporters as exports increased about 16 percent and reached 178,000 MT from 153,000 MT in MY 2010.

Tangerine exports also increased slightly in MY 2011 and were recorded to be 474,000 MT. Russia, Iraq and Ukraine were also the top destinations for tangerines.

Unlike other citrus fruits, lemon exports decreased slightly in MY 2011 compared to MY 2010. Lemon exports declined about 6 percent and were 429,000 MT in MY 2011.

Lower production estimates for MY 2012 for all citrus except for mandarins is also expected to affect export volumes. Even the figures from October 1, 2012 through mid-December 2012 indicate the upcoming decline in exports in MY 2012. Orange and lemon productions are predicted to decrease about 30 percent and 20 percent respectively.

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 US $125/ MT in 2011

and is predicted to continue in MY 2012. 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	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Oct 2010		Market Year Begin: Oct 2011		Market Year Begin: Oct 2012	
	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	1,710	1,710	1,730	1,730		1,385
Imports	44	44	30	30		35

Total Supply	1,754	1,754	1,760	1,760		1,420
Exports	339	339	350	352		300
Fresh Dom. Consumption	1,315	1,315	1,310	1,308		1,025
For Processing	100	100	100	100		95
Total Distribution	1,754	1,754	1,760	1,760		1,420
HECTARES, 1000 TREES, 1000 MT						

Lemons/Limes, Fresh Turkey	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Oct 2010		Market Year Begin: Oct 2011		Market Year Begin: Oct 2012	
	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	787	787	850	850		635
Imports	1	1	0	0		5
Total Supply	788	788	850	850		640
Exports	457	457	450	429		320
Fresh Dom. Consumption	271	271	340	356		265
For Processing	60	60	60	65		55
Total Distribution	788	788	850	850		640
HECTARES, 1000 TREES, 1000 MT						

Tangerines/Mandarins, Fresh Turkey	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Oct 2010		Market Year Begin: Oct 2011		Market Year Begin: Oct 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	31,300	31,300	31,300	31,300		31,300
Area Harvested	27,450	27,450	27,450	27,450		27,450
Bearing Trees	9,150	9,150	9,150	9,150		9,150
Non-Bearing Trees	1,250	1,250	1,250	1,250		1,250
Total No. Of Trees	10,400	10,400	10,400	10,400		10,400
Production	858	858	875	875		870
Imports	5	5	5	5		5
Total Supply	863	863	880	880		875
Exports	450	450	475	474		450

Fresh Dom. Consumption	413	413	405	405		424
For Processing	0	0	0	1		1
Total Distribution	863	863	880	880		875
HECTARES, 1000 TREES, 1000 MT						

Grapefruit, Fresh Turkey	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Oct 2010		Market Year Begin: Oct 2011		Market Year Begin: Oct 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	5,200	5,200	5,200	5,200		5,200
Area Harvested	4,850	4,850	4,850	4,850		4,850
Bearing Trees	1,040	1,040	1,040	1,040		1,040
Non-Bearing Trees	65	65	65	65		65
Total No. Of Trees	1,105	1,105	1,105	1,105		1,105
Production	213	213	240	240		150
Imports	5	5	5	5		5
Total Supply	218	218	245	245		155
Exports	153	153	170	178		110
Fresh Dom. Consumption	65	65	75	67		45
For Processing	0	0	0	0		0
Total Distribution	218	218	245	245		155
HECTARES, 1000 TREES, 1000 MT						

Orange Juice Turkey	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Oct 2010		Market Year Begin: Oct 2011		Market Year Begin: Oct 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	100,000	100,000	100,000	100,000		95,000
Beginning Stocks	950	950	850	200		100
Production	8,800	8,800	8,800	8,800		8,300
Imports	6,500	6,500	6,500	7,000		7,000
Total Supply	16,250	16,250	16,150	16,000		15,400
Exports	1,400	3,000	1,300	2,600		2,400
Domestic Consumption	14,000	13,050	14,000	13,300		12,800
Ending Stocks	850	200	850	100		200
Total Distribution	16,250	16,250	16,150	16,000		15,400

MT						