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## **Turkey**

### **Citrus Semi-annual**

## **Turkey Citrus Semi-Annual Report 2019**

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**Report Highlights:**

The Turkish citrus sector reported good yields for MY 2018/19 despite the Mediterranean fruit fly problem and rough weather conditions. In order to mitigate those negative factors and not face export rejections, Turkish producers started to harvest their products earlier than normal. Other factors also affected production such as high input costs, which are almost totally dependent on exchange rates. For MY 2018/19, orange production estimate is slightly lower than last year at 1.9 million MT and tangerine production is estimated at 1.65 million MT (MMT), up from 1.55 MMT last year. Orange exports are estimated at 350,000 MT, tangerines at 710,000 MT, and lemon exports estimate is 571,000 MT for MY 2018/19. The main reasons for the decline are economic turmoil in neighboring countries and the Mediterranean fruit fly problem, which is the most important reason for rejections by importing countries, mainly Russia.

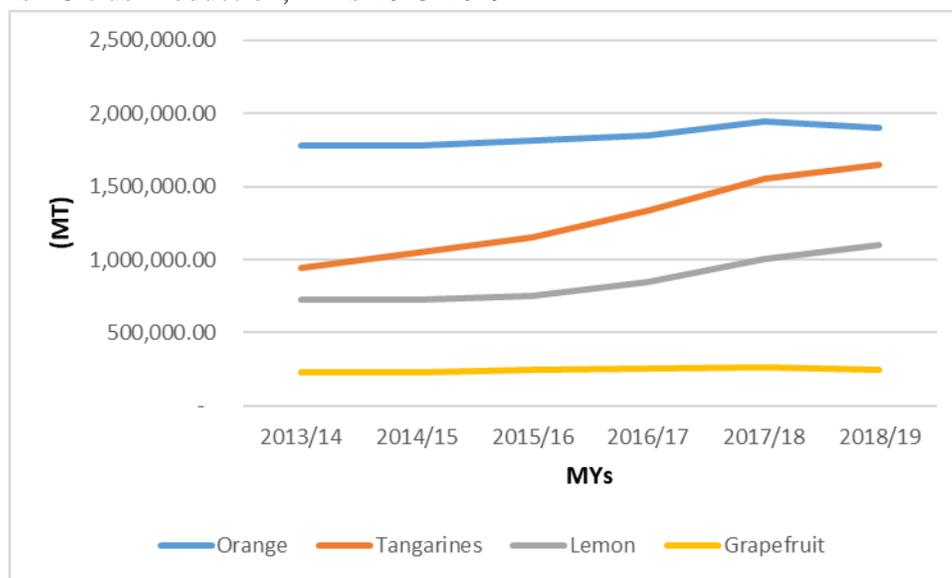
**Harmonized System (HS) Codes:**

- 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
- GTA Global Trade Atlas
- 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
- TRY Turkish Lira
- TurkSTAT Turkish Statistical Institute
- USD U.S. Dollar

**Figure 1.** Turkish Citrus Production, MYs 2013-2019



Source: TurkSTAT, 2019

The trends in citrus production in Turkey can be seen in Figure 1. In addition to a large domestic market, Turkey exports one-third of total citrus production and 70 percent of total exports are sent to Russia, Iraq and Ukraine. The most exported citrus items are lemons and tangerines, both of which have been increasing in production in recent years.

**Commodities:**

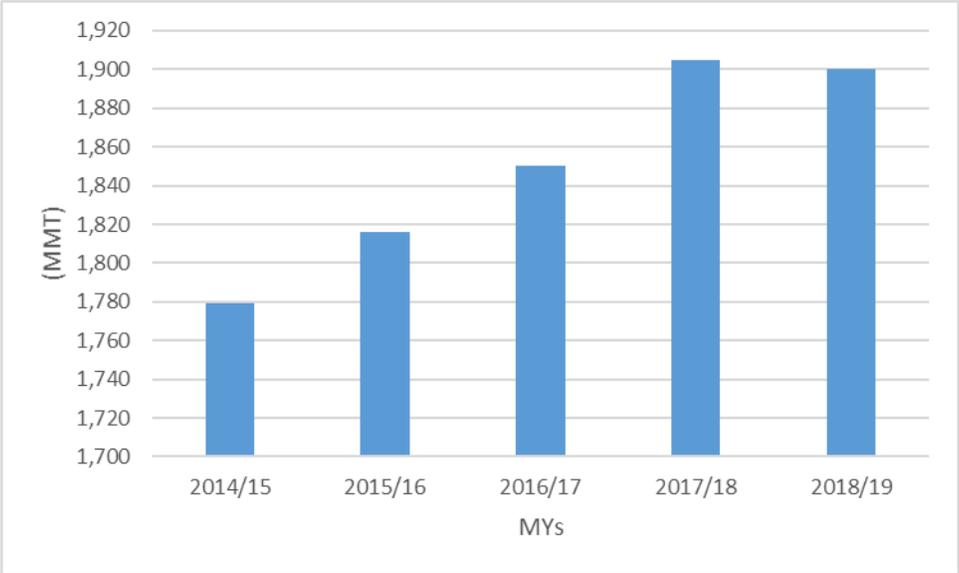
Oranges, Fresh

**Production:**

According to the Turkish Statistical Institute, MY 2018/19 production has reached 1.9 million MT, which is slightly lower compared to the previous season. The reason for stagnation in production after several years of increases is fruit putrefaction due to Mediterranean fruit fly, which has an impact on fruit quality. Heavy rains and windstorms also affected production.

Producers are planning to harvest and sell their products much earlier than normal in order to prevent exposure to harmful flies.

**Figure 2.** Turkey Orange Production, MY 2014/15-MY 2018/19 Comparison

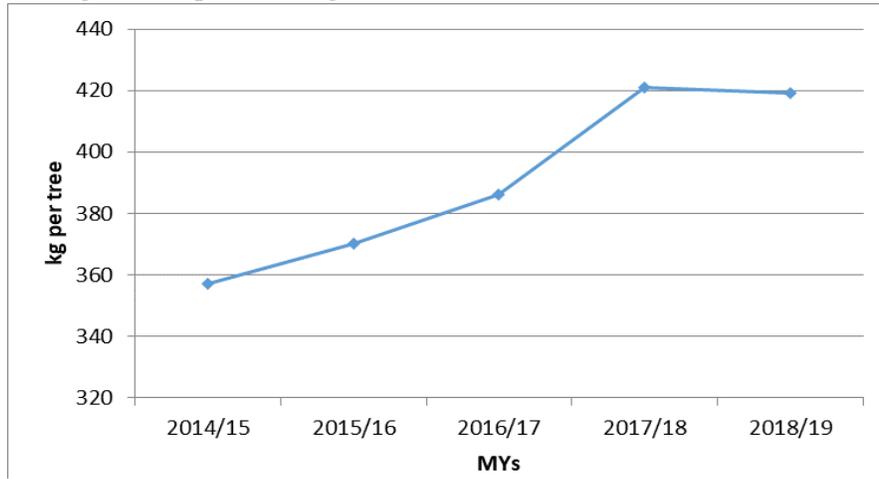


Source: TurkSTAT, 2019

**Consumption:**

The gap between the production price at orchards and the selling price at supermarkets in cities are considered to be very large. This has long been a complaint of farmers. The market price of oranges at supermarkets is 300 percent more than the base price at orchards. In spite of this, consumption remains high, though there are also losses throughout the distribution chain and oranges which are not sold are thrown away. These are included in the consumption figure in the PSD table. Post increased the consumption estimate to 1.46 MMT in MY 2018/19. Post revises and increases the estimate for oranges sent to processing to 105,000 MT for MY 2018/19 since the Turkish juice sector has been improving in recent years and demand is growing.

**Figure 3.** Turkey Orange Yield per tree (kg)

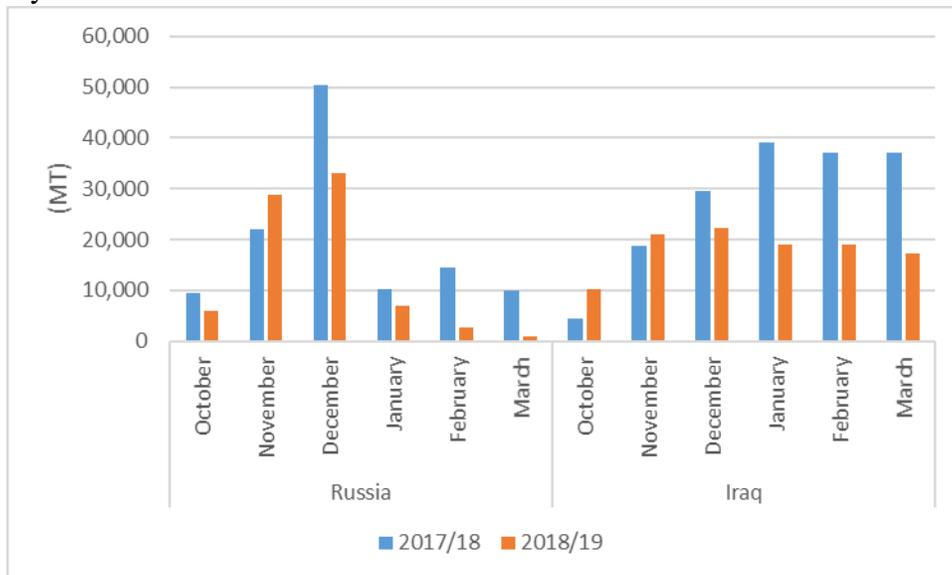


Source: TurkSTAT, 2019

**Trade:**

Orange exports in the first six months of MY 2018/19 dropped 30 percent when compared with the same period of MY 2017/18. After December 2018, orange exports to Iraq and Russia, which are the biggest export markets for Turkey, significantly decreased because of political disputes with the countries and mainly Russia’s strict citrus import rules. Russia has rejected many Turkish shipments in late 2018 and at the beginning of 2019 due to Mediterranean fruit fly and black fir sawyer beetle (*Monochamus urussovi fisch*). These issues are the top concerns of Turkish orange exporters.

**Figure 4.** Turkish Orange Exports to Russia and Iraq, Comparison Table for MY 2017/18 and MY 2018/19, monthly



Sources: GTA, 2019

Post reduced its MY 2018/19 estimate for exports to 350,000 MT because of the export issues with Russia and Iraq.

### Production, Supply and Distribution Statistics:

**Table 1: PSD Oranges, Fresh**

Oranges, Fresh Market Begin Year	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Oct 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Turkey</b>						
Area Planted	54550	54550	54000	54000	53500	53500
Area Harvested	53300	53300	52300	52300	51339	51339
Bearing Trees	13900	13900	13861	13861	13123	13123
Non-Bearing Trees	900	900	710	710	916	916
Total No. Of Trees	14800	14800	14571	14571	14039	14039
Production	1850	1850	1905	1905	1885	1900
Imports	49	49	33	33	40	20
Total Supply	1899	1899	1938	1938	1925	1920
Exports	397	397	454	454	430	350
Fresh Dom. Consumption	1402	1402	1386	1386	1400	1465
For Processing	100	100	98	98	95	105
Total Distribution	1899	1899	1938	1938	1925	1920
(HECTARES) ,(1000 TREES) ,(1000 MT)						

### Commodities:

Tangerines/Mandarins, Fresh

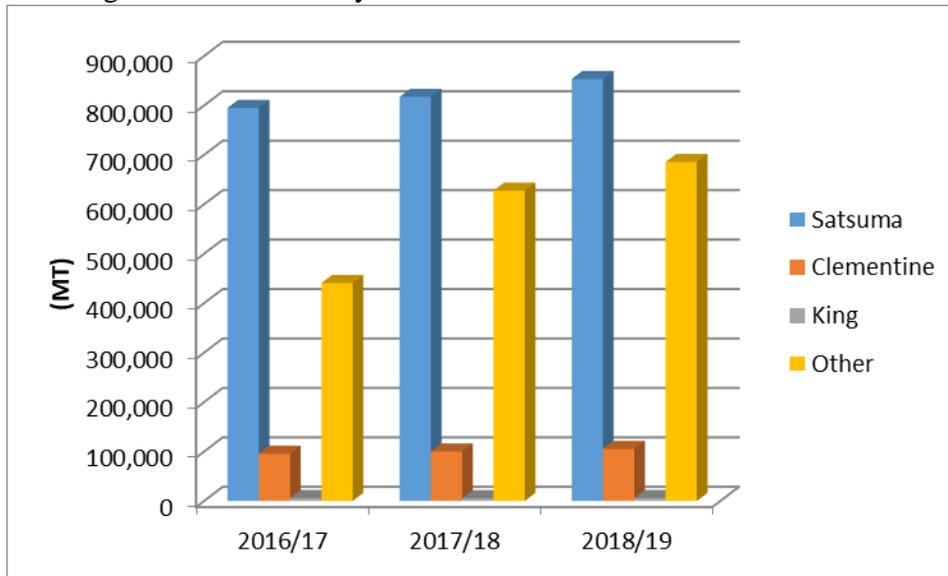
#### Production:

According to the Turkish Statistical Institute, MY 2018/19 tangerines production reached 1.65 million MT, which is a six percent increase when compared with the previous season. In MY 2017/18, tangerine production was 1.55 million MT. This yield in MY 2018/19 is higher than the expectation since the Aegean region had favorable weather conditions in the fall and quality was high. As seen in the below chart, producers have been tending towards new mandarin varieties ('other' in the 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 most preferred.

#### Consumption:

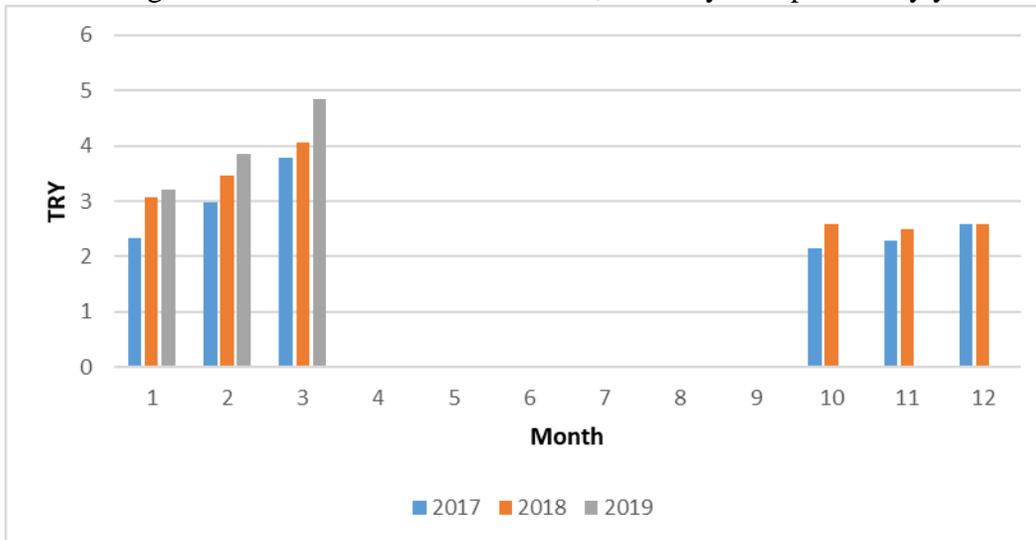
In MY 2018/19, Turkey's domestic consumption of mandarins is estimated at 965,000 MT, which is 18 percent higher than the MY 2017/18 consumption level of 813,000 MT. Tangerines also have losses along the production chain and problems with unsold product (which are included as part of the consumption figure in the PSD table), but it is less than oranges and grapefruits. The gap between farmer wholesale prices and retail market prices remains a concern for farmers. In the first months of 2019, the market price of tangerines increased 25 percent when compared to the previous year, though this is in line with Turkey's food inflation growth rate more generally.

**Figure 5.** Turkish Tangerine Production by Varieties



Source: TurkSTAT, 2019

**Figure 6.** Turkish Tangerines Prices at the Local Markets, Monthly Comparison by year

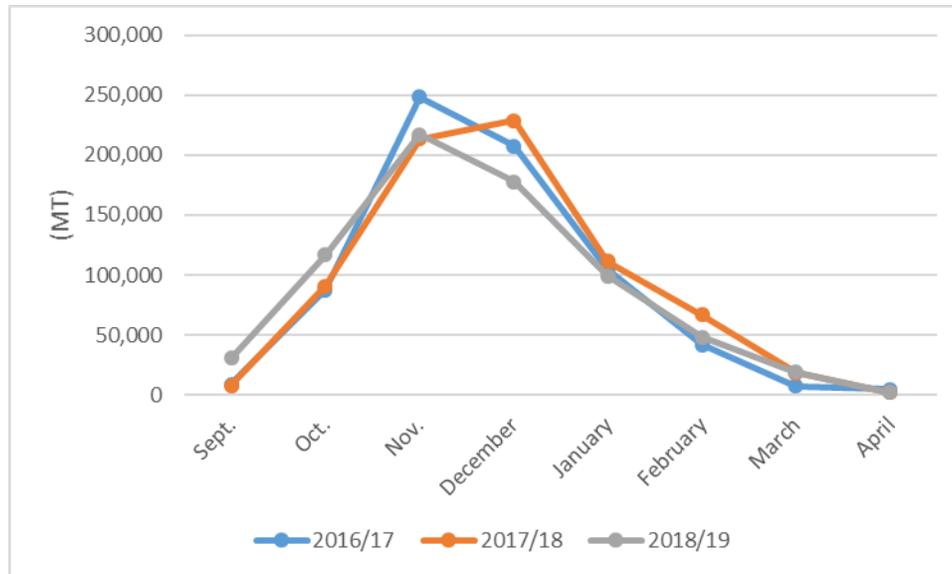


Source: TurkSTAT, 2019 (note these figures are not adjusted for inflation)

**Trade:**

Tangerines are still the top exported product among all citrus exported from Turkey. Tangerine exports in MY 2018/19 were approximately 710,000 MT which is *lower* than Post’s original estimate and three percent lower than MY 2017/18. This is due to problems with Mediterranean fruit fly in exports, where Russia rejected some shipments of Turkish tangerines due to the Mediterranean fruit fly and press reports noted there were rejections for another pest called the ‘laboratory fly’ (*Megaselia scalaris*) which causes diptera disease.

**Figure 7.** Turkey Mandarin Export Comparison in MT for MY 2016/17-MY 2017/18 and MY 2018/19.



Source: GTA, 2019

Since foreign market prices are low, Turkish citrus exporters were expecting revenue from exports to be low. As of May 2019, Turkey exported tangerines in MY 2018/19 worth with \$283 million, which is 22 percent lower than MY 2017/18 revenue, as exporters expected.

**Table 2: Production, Supply and Distribution Statistics: Tangerines/Mandarins**

Tangerines / Mandarins, Fresh Market Begin Year	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Oct 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Turkey</b>						
<b>Area Planted</b>	41740	41740	41750	41750	45760	45760
<b>Area Harvested</b>	39450	39450	40000	40000	43000	43000
<b>Bearing Trees</b>	10900	10900	11300	11300	13000	13000
<b>Non-Bearing Trees</b>	2500	2500	2700	2700	3000	3000
<b>Total No. Of Trees</b>	13400	13400	14000	14000	16000	16000
<b>Production</b>	1300	1300	1310	1550	1180	1650
<b>Imports</b>	25	25	26	26	26	26
<b>Total Supply</b>	1325	1325	1336	1576	1206	1676
<b>Exports</b>	710	710	762	762	710	710
<b>Fresh Dom. Consumption</b>	614	614	573	813	495	965
<b>For Processing</b>	1	1	1	1	1	1
<b>Total Distribution</b>	1325	1325	1336	1576	1206	1676

(HECTARES) ,(1000 TREES) ,(1000 MT)

**Commodities:**

Lemons, Fresh

**Production:**

MY 2018/19 lemon production has reached 1.1 million MT, which is 10 percent more than the MY 2017/18 season. According to TurkSTAT, lemon production was 1 million MT in MY 2017/18.

**Consumption:**

Despite high market prices, lemon consumption in MY 2018/19 increased to 482,000 MT, higher than MY 2017/18, which was realized at 443,000 MT. Post updated the MY 2017/18 and MY 2018/19 consumption estimate to reflect available supply.

**Trade:**

In MY 2018/19, lemon exports are expected to increase 11 percent to 571,000 MT. In MY 2017/18, Turkey exported 510,000 MT of lemons. Russia and Iraq are still the main export markets for Turkey. Producers expect to increase exports since the yield is very high. However, they believe that Argentina and Spain are the most competitive exporters compared to Turkey and they may reduce Turkish exports if the export price is not competitive. Turkish Exporters report that the lemon exports have increased to EU countries, especially to Italy and the Netherlands.

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

Lemons/Limes, Fresh Market Begin Year	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Oct 2018	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	30000	30000	31000	31000	32500	32500
Area Harvested	27000	27000	27500	27500	30000	30000
Bearing Trees	7500	7500	7600	7600	8200	8200
Non-Bearing Trees	1000	1000	1000	1000	1500	1500
Total No. Of Trees	8500	8500	8600	8600	9700	9700
Production	750	850	825	1000	948	1100
Imports	4	4	3	3	3	3
Total Supply	754	854	828	1003	951	1103
Exports	495	495	581	510	610	571
Fresh Dom. Consumption	219	319	197	443	291	482
For Processing	40	40	50	50	50	50
Total Distribution	754	854	828	1003	951	1103

(HECTARES) ,(1000 TREES) ,(1000 MT)

**Commodities:**

Grapefruit, Fresh

**Production:**

In MY 2018/19, production is estimated at 250,000 MT, which is 3 percent lower than MY 2017/18’s production level of 260,000 MT. Since domestic demand is very small, production is not expanding.

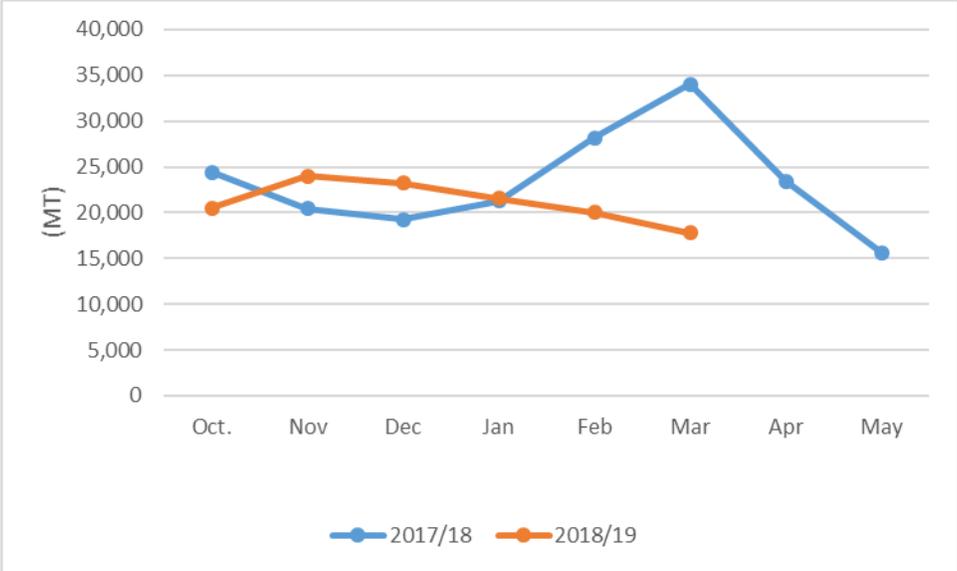
**Consumption:**

Post has revised Turkey’s grapefruit consumption estimate to 91,000 MT in MY 2018/19 and 71,000 MT in MY 2017/18 to reflect available supply. Consumption figure includes losses in the distribution chain.

**Trade:**

Post revised the MY 2018/19 grapefruit export estimate to 160,000 MT and MY 2017/18 estimate to 190,000 MT. Since the beginning of the season, foreign market demand started low this year, and grapefruit exports have declined.

**Figure 8:** Turkey’s Grapefruit Exports, MY 2017/18/19 Comparison by Month



Source: Mediterranean Exporters Association, 2019

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

Grapefruit, Fresh Market Begin Year	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Oct 2018	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	6347	6347	6200	6200	6250	6250

<b>Area Harvested</b>	5300	5300	5300	5300	5500	5500
<b>Bearing Trees</b>	1395	1395	1390	1390	1200	1200
<b>Non-Bearing Trees</b>	75	75	100	100	60	60
<b>Total No. Of Trees</b>	1470	1470	1490	1490	1260	1260
<b>Production</b>	253	253	265	260	270	250
<b>Imports</b>	3	3	2	2	2	2
<b>Total Supply</b>	256	256	267	262	272	252
<b>Exports</b>	125	125	190	190	200	160
<b>Fresh Dom. Consumption</b>	131	131	76	71	71	91
<b>For Processing</b>	0	0	1	1	1	1
<b>Total Distribution</b>	256	256	267	262	272	252
(HECTARES) ,(1000 TREES) ,(1000 MT)						

### Commodities:

Orange Juice

### Production:

In MY 2018/19, orange juice production is forecast at 9,500 MT. The amount of oranges sent to processing increased to 105,000 MT.

### Trade:

Orange juice exports forecast is 9,150 MT for MY 2018/19. In 2018/19, Turkey's total orange juice exports are mainly to Libya, Iraq, and Afghanistan. Imports are mainly from the northern region of Cyprus, especially frozen orange juice.

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

Orange Juice Market Begin Year	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Oct 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Turkey						
<b>Deliv. To Processors</b>	90000	90000	95000	95000	95000	105000
<b>Beginning Stocks</b>	150	150	150	150	150	150
<b>Production</b>	8550	8550	9000	9000	9500	9500
<b>Imports</b>	3700	3700	3900	3900	4000	4000
<b>Total Supply</b>	12400	12400	13050	13050	13650	13650
<b>Exports</b>	8000	8000	8600	8600	9150	9150
<b>Domestic Consumption</b>	4250	4250	4300	4300	4350	4350
<b>Ending Stocks</b>	150	150	150	150	150	150
<b>Total Distribution</b>	12400	12400	13050	13050	13650	13650
(MT)						