

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Turkey

Raisin Annual

Raisin Annual 2012

Approved By:

Jess K. Paulson, Agriculture Attaché

Prepared By:

Yasemin Erkut

Report Highlights:

Raisin production is predicted to increase compared to the previous year and reach 270,000 MT in MY 2012. In line with higher production level, exports are also expected to increase slightly. EU countries continued to be top export destinations.

Executive Summary:

Turkish raisin production is predicted to increase slightly in MY 2012 compared to the previous year and reach 270,000 MT. The weather conditions were rather good in most raisin producing areas this year.

MY 2011 production was recorded to be lower than earlier predictions, and at 250,000 MT was the same as the MY 2010 level.

European countries continued to be the top export destination in MY 2011. Raisin exports reached 85% (213,500 MT) of production in MY 2011. Exporters anticipate increased exports in MY 2012 due to the higher production estimate.

Commodities:

Raisins

Production:

Turkey produces approximately 4.2 MMT of grapes annually. Table grapes make up 25-30% of production, whereas drying grapes make up 35-38%, grapes for traditional products such as *pekmez* (molasses) 20-25%, and grapes for alcoholic beverage approximately 10-15%.

Grapes are grown throughout Turkey. Seedless grape production expanded significantly in Turkey in the 1990's due to more intensive cultivation and better irrigation techniques. Seedless grapes, virtually all of which are '*Vitis viniserae L*', constitute about 40 percent of Turkey's total grape crop and are grown only in Aegean (western) part of Turkey. There are over 1,200 different grape varieties in Turkey. The Aegean region produces seedless grapes, the Marmara region produces table and wine grapes, and Central Anatolia and Southeast Anatolia produce table and wine grapes.

Every year approximately 10 percent of the grape harvest is dried. Seedless grapes are mainly produced in the Aegean region, especially in Manisa, Turgutlu, Salihli, Akhisar, Menemen, Kemalpaşa, Çal and Çivril.

Despite expectations, raisin production was the same in MY 2011 as in MY 2010. Production was recorded to be 250,000 MT in MY 2011, which was lower than predicted due to unfavorable weather conditions in some production areas. Production in MY 2012, however, is expected to improve as the conditions were favorable this season. Industry contacts estimate an 8 percent increase, and therefore raisin production is predicted to reach 270,000 MT in MY 2012.

The Sultana Raisins Association, which was established in 1934, formed the basis of "TARIS Raisins Agricultural Sales Cooperatives Union". In general, TARIS purchases around 15-20 percent of total production. The cooperatives of the union spread across the Aegean Region, which is located in the western part of Turkey. Of 75,000 ha of total area in production approximately 39,000 ha belongs to the members of TARIS. The vineyards of the members of TARIS have always set a very good example in the region regarding the yield and the quality of the product.

TARIS has recommended in recent years that producers limit their seedless grape orchard areas because the export market was supposedly saturated. Seedless grapes are generally grown on small farms averaging about 1.3 hectares. It is estimated that nearly 65,000 growers produce seedless grapes in Turkey. 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.

Consumption:

There are numerous firms in the dried fruit processing and export business in Turkey; however, the top ten firms are estimated to control about 80 percent of the raisin market.

TARIS’s role in procuring and marketing raisins has been decreasing in conjunction with IMF backed reforms to reduce the government’s role in agriculture. In general, TARIS has been the buyer of last resort, purchasing a large percentage of lower quality raisins. The quantity of raisins TARIS procured has varied from as low as 9,000 MT to as high as 75,000 MT during the last ten years due to variable production levels and quality.

TARIS 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.

Domestic raisin consumption fluctuates depending upon the supply and quality of the raisin crop. Low quality raisins are also used for distillation purposes in *raki* production (raki is a strong Turkish alcoholic drink). The exact quantity of raisins being used for raki production changes according to demand. The Raki industry usually demands 350,000 MT of grapes, which is equivalent to 85,000 MT raisins. The brandy and wine industries demand about 80,000 MT of grapes annually. According to estimates, the capacity of the Turkish wine industry is 120 million liters.

Trade:

EU countries continued to be the top export destinations for Turkish raisins both in MY 2011 and are predicted to be in MY 2012 as well. Exports reached 213,500 MT (85% of total production) in MY 2011. United Kingdom, Germany and Holland became the top three importers of Turkish raisins in the previous marketing year. Due to the predicted increase in production in MY 2012, exporters expect higher sales to the EU.

Table: 1 Production, Supply and Demand Statistics

Raisins Turkey	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Sep 2010		Market Year Begin: Sep 2011		Market Year Begin: Sep 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post

Area Planted	85,000	85,000	0	85,000		85,000
Area Harvested	85,000	85,000	0	85,000		85,000
Beginning Stocks	4,700	4,700	4,500	4,000		3,500
Production	250,000	250,000	260,000	250,000		270,000
Imports	2,100	1,000	2,000	1,500		1,000
Total Supply	256,800	255,700	266,500	255,500		274,500
Exports	212,000	210,000	215,000	213,500		225,000
Domestic Consumption	40,300	41,700	47,000	38,500		45,000
Ending Stocks	4,500	4,000	4,500	3,500		4,500
Total Distribution	256,800	255,700	266,500	255,500		274,500
HA, MT						