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## Turkey

### Fresh Deciduous Fruit Annual

### 2014 Fresh Deciduous Fruit Annual

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**Report Highlights:**

Turkey's production of all deciduous fruits were reduced in marketing year (MY) 2014 from last year due to a spring frost in late March 2014. Apple production is down 24 percent, pears 29 percent and grapes 12 percent compared to MY 2013. Deciduous fruit exports are eventually estimated to decrease in MY 2014. Turkey's industry expects Russia's ban on the import of products from Europe to increase Turkish exports of fresh deciduous fruits, which has already increased the prices of all fruits even though it has not yet been actualized. Prices are estimated to remain high throughout MY 2014 due to decreased production.

**Executive Summary:**

Yields in deciduous fruits were badly hit by the frost that occurred on March 30, 2014. Production of apples decreased about 23 percent in MY 2014 compared to the previous year and became 2,233,000 metric tons (MT).

Table grape production decreased from 220,000,000 MT in MY 2013 to 1,920,000 MT in MY 2014.

Pear production also decreased 24 percent in MY 2014 compared to MY 2013 and became 295,000 MT.

Saudi Arabia, Syria, Egypt, Iran and Iraq continue to be the leading export destinations for Turkish apples and pears, and Russia is the leading market for grape exports in MY 2014. Exports of all deciduous fruits are predicted to decrease in MY 2014 due to decreased production figures and the eventual increase in prices.

**Commodities:**

Apples, Fresh

Grapes, Table, Fresh

Pears, Fresh

**Production:**

Turkey is the second largest producer of apples and pears in Europe, though most of these are not of commercial varieties. Deciduous fruit producers usually run small operations; however a few large commercial orchards were established in recent years, which use better quality seedlings and modern agriculture methods. Most of the production in large and commercial orchards is exported, as they grow new varieties which are in high demand in importing countries. There is an increasing trend of establishing new orchards, specifically for export-oriented production that is more profitable.

Apple plantation area has not increasing, but there is a notable switch from traditional apple trees to modern shrub-type varieties. Today almost half of the total apple production is modern varieties. In previous years the post did not break out total non-commercial production from the total. In MY 2014/15, post estimates non-commercial production to be 200,000 MT which accounts to roughly 9 percent of total production.

**Apples**

Apples have traditionally been the most economically significant deciduous fruit crop for Turkey, followed by table grapes and pears. Turkey's diverse geographic regions allow production of 460 varieties of apples but only 10 of these are commercially viable.

Apples are grown in many regions across Turkey but approximately 50 percent of all commercial apple production comes from three provinces; *Isparta*, *Karaman* and *Nigde*. These provinces are located in the southern part of Central Anatolia and the Northern Mediterranean Regions. Commercial apples are also grown in *Antalya*, *Eregli*, *Denizli*, *Yalova* and *Amasya*.

About half of the apples grown in Turkey are Red Delicious (Starking) and about one third are Golden Delicious. Amasya is the most popular local variety (shown in the below picture) and constitutes about 10 percent of total production. Granny Smith, Fuji, Gala, Jonagold, and Braeburn varieties are increasingly popular. New varieties are also becoming increasingly popular among growers due to their higher export potentials. Approximately 3 percent of Turkey's total apple production is certified organic.



Apple production in most parts of Turkey was reduced due to weather conditions in MY 2014. The spring frost especially hit red apple varieties. In the east of Central Anatolia the yield loss rate has been between 50 – 70 percent, and in the largest apple producing city (Isparta) the rate of loss is about 20 percent. The blooming rate was normal but the frost led to scarce fruit setting. Red Delicious was the most affected variety, the production of which went down from 1,300,000 MT in MY 2013 to 700,000 MT in MY 2014. The other varieties were not affected as were the Red Delicious and total apple production is 2.233 MMT (2.033 MMT in commercial and 200,000 MT in non-commercial production).

### **Table Grapes**

Grapes are grown in many regions throughout Turkey and are a significant commercial crop. Seedless grapes are mainly grown in the Aegean region. The Marmara region produces grapes for wine production and for fresh consumption. The earliest varieties come from the Mediterranean region.

Harvest season begins in early May from the Mediterranean Region and continues until late October throughout Turkey.

In MY 2014, table grape production was hit by hail and frost in the spring. In the Marmara region, heavy rains also hit during blooming season. All these factors led to a 12 percent decrease in production compared to the previous year. The rainy season also decreased the quality of the remaining fruit. Total grape production decreased from 2.22 MMT in MY 2013 to 1.92 MMT in MY 2014.

### **Pears**

Pear production was also hit severely by weather conditions in MY 2014. Production decreased from 390,000 MT in MY 2013 to 295,000 MT in MY 2014. Production is expected to return to normal levels in MY 2015 if weather conditions are favorable.

Many different varieties of pears are grown in Turkey and are harvested throughout the year. Almost 50 percent of production comes from the Marmara region, followed by the Aegean and northern Mediterranean regions, concentrated in cities like Bursa, Yalova, Antalya, Ankara, Konya, and Burdur.

Both domestic and foreign pear varieties are grown in Turkey. The major varieties are Santa Maria, Akca, Mustafabey, Cassia, Williams, Ankara and Deveci.

Below are some pictures of local varieties:

#### **Akca Variety**



#### **Lemon Variety**





**Deveci Variety**



**Consumption:**

Deciduous fruit consumption is quite price-sensitive in Turkey as with other fruits and vegetables as they are not staple products. In MY 2014, as a result of the decreased production figures and increased prices, domestic production is expected to go down in all deciduous fruits.

**Apples**

Traditionally about 90 percent of Turkey's apple production is consumed as fresh fruit. About 5 percent is processed into juice, canned products, vinegar or dried products, and less than 4 percent are exported. The remainder is lost to damage, and is added into domestic consumption in the production, supply and demand tables in this report.

Consumers in big cities recognize apples according to their colors (such as red, yellow and green).

There is a lack of awareness in terms of varieties. Turkish consumers usually prefer red apple varieties and 43 percent of total apple production is composed of red varieties. Turkish consumers prefer sweet and strong flavored varieties, therefore Gala and Fuji varieties are increasingly popular.

Amasya variety is the most important among local varieties and their market demand is increasing. Red Delicious is preferred more at the beginning of the harvest season, and Golden Delicious after the New Year. This is because Red Delicious apples become softer a few months after they are harvested unless they are kept in cold storage properly. Controlled atmosphere storage facilities, however, allow apples to be marketed throughout most of the year. Amasya apples can be marketed longer than Delicious without controlled storage facilities. Current cold storage capacity is about 1 million MT and almost half of this capacity (450 thousand tons) is located in Isparta.

In MY 2014 domestic consumption of apples is estimated to decrease to 2.095 MMT due to decreased production and increased prices.

### **Table Grapes**

Industry sources estimate that about 53 percent of Turkey's total grape production is consumed as fresh table grapes, about 36 percent is dried (including seedless sultana primarily for export markets), and about 11 percent is processed, primarily for molasses, wine production (which has been growing rapidly in recent years), *raki* (a traditional distilled alcoholic drink), juice, and vinegar. Of the 53 percent marketed as fresh grapes, 41 percent is seeded varieties and 12 percent is seedless varieties.

In MY 2014 fresh grape consumption is expected to be 1,750,750 MT.

### **Pears**

About 90 percent of pears are consumed fresh, three to five percent are exported, two to three percent are canned, and the remainder is unsuitable for use. Annual per capita consumption of pears is 5 kilograms. Rusty varieties like Conference and Comice are not preferred by Turkish consumers. The most preferred varieties are Santa Maria (which constitutes 30% of total production), Deveci (20%), Ankara (10%), Williams (10%), Keiffer (5%) and Akca (5%).

In recent years Santa Maria, Deveci and Williams varieties are cold stored and sold in the markets until March.

In MY 2014 domestic pear consumption is expected to be 273,250 MT.

### **Trade:**

Although Turkey is among the top deciduous fruit producing countries, exports traditionally have not been high compared to production. The major reason for the low export volume has been the lack of

new varieties which are preferred in many importing countries. The turmoil in the Middle East has also affected exports due to logistics.

In MY2014 Russia announced a ban on its food imports from the EU. This ban created an expectation in the industry that Russian demand would fuel Turkish exports. This speculation, combined with reduced yields resulted in a 35-40 percent increase on the prices of all fruits in Turkey, including deciduous fruits.

Even though it is not yet certain how Russia will proceed with her import policies, as a result of reduced production combined with higher prices, exports of all deciduous fruits are forecast to decrease in MY 2014.

### **Apples**

Iraq, Egypt and Syria were the top three export destinations for Turkish apples in MY 2013, making up for 89 percent of all Turkish apple exports. Turkish apple exports were recorded as 200,000 MT in MY 2013 compared to 41,400 MT in MY 2012. This was mainly due to the geographic competitive advantage of Turkish apples. Post estimates MY 2014 apple exports to decrease to 40,000 MT.

### **Table Grapes**

Russia and Ukraine are the top destinations for Turkish table grape exports. In MY 2013, Turkey exported 204,000 MT of fresh grapes. Russia imported 60 percent of all fresh grape exports, Ukraine and Bulgaria each imported 10 percent, and Germany imported 6 percent. As with the other deciduous fruits, grape exports are also expected to decrease in MY 2014 and be 170,000 MT.

Depending on the year, 85 - 95 percent of all exported fresh grapes are seedless varieties. Imports are negligible and decreasing every year.

### **Pears**

Pear exports decreased to 25,200 MT in MY 2013 (July 2013-June2014) compared to 28,700 MT in MY 2012, and are predicted to decrease further in MY 2014. Iran, Iraq, Russia and Saudi Arabia have been the top export destinations for pears. From EU countries, Greece and Macedonia imported Deveci variety, and Romania imported Santa Maria from Turkey in MY 2013. Exports are estimated to be 12,000 MT in MY 2014.

### **Stocks:**

Apples and pears are stored mostly in cold storage facilities. Of all storage facilities, 85 percent are cold storage and the rest are atmosphere-controlled facilities. Although there is no data for stocks, the total storage capacity is 1 million tons. Table grapes are not stored for notable periods of time, whereas for apples and pears the harvested prime quality produce goes directly to cold storage and is marketed from there. Lower quality produce, which generally accounts for 20 – 25 percent of the apple harvest, is sent to the juice sector. The majority of stocks are released from cold storage facilities to the market takes place until January, and the larger sized fruits go first. No stocks remain at the end of the season.

### **Policy:**

The Ministry of Economy published a communiqué on export subsidies for apples on April 6, 2011.

According to this communiqué, the Turkish government provides US\$ 50 per MT to apple exporters annually. This subsidy is not given in cash, but can be deducted from utility costs such as electricity and water, or can be deducted from taxes.

There are no subsidies provided to pear and grape exporters. Producers of all fruits can benefit from the 350 Turkish Lira (TL)/decar government support when they are establishing a new orchard. This support is given only to producers who prefer to buy certified saplings.

Duties for imports of fresh apples, pears, and table grapes are provided below.

**Table- 1: Import Duties for Fresh Apples, Pears, and Table Grapes Product**

Product	Tariff Code	Duty (%)	Effective Date (since)
Fresh Apples	0808.10	67	January 1, 2013
Fresh Pears	0808.30	67	January 1, 2013
Fr. Table Grapes	0806.10	61	January 1, 2013

### Marketing:

Fresh deciduous fruits are mostly sold domestically and a relatively smaller amount is exported through private traders and specialized marketing cooperatives. There are a number of cooperatives in each growing region throughout Turkey, but none of them are remarkably large and their budgets are usually limited. They help small growers market their products domestically and do not do any marketing overseas.

In MY 2014 Russia's announcement to ban food imports from Europe is perceived by the industry as an expectation in the increase of exports of fresh deciduous fruit exports (among other products) and coupled with a low harvest, prices of all fruits including apples, pears and grapes increased considerably. Apples are sold in the markets for 3 TL/kg, pears are sold for 4.5 TL/kg and grapes are sold for 2.8 TL/kg as of November 2014 (average domestic prices). Generally speaking, one third of the retail price gives the ex-field prices of these fruits (i.e. what the producers earn).

### Production, Supply and Demand Data Statistics:

Apples, Fresh Turkey	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Jul 2012		Market Year Begin: Jul 2013		Market Year Begin: Jul 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	165,000	165,000	165,000	165,000		170,000
Area Harvested	165,000	165,000	165,000	165,000		170,000
Bearing Trees	40,000	40,000	40,000	40,000		45,000



<b>Non-Bearing Trees</b>	12,000	12,000	12,000	12,000		12,000
<b>Total Trees</b>	52,000	52,000	160,000	52,000		57,000
<b>Commercial Production</b>	2,900,000	2,900,000	2,900,000	2,900,000		2,033,000
<b>Non-Comm. Production</b>	0	0	0	0		200,000
<b>Production</b>	2,900,000	2,900,000	2,900,000	2,900,000		2,233,000
<b>Imports</b>	2,900	2,900	2,100	2,100		2,000
<b>Total Supply</b>	2,902,900	2,902,900	2,902,100	2,902,100		2,235,000
<b>Fresh Dom. Consumption</b>	2,761,500	2,761,500	2,602,100	2,602,100		2,095,000
<b>Exports</b>	41,400	41,400	200,000	200,000		40,000
<b>For Processing</b>	100,000	100,000	100,000	100,000		100,000
<b>Withdrawal From Market</b>	0	0	0	0		0
<b>Total Distribution</b>	2,902,900	2,902,900	2,902,100	2,902,100		2,235,000
HA, 1000 TREES, MT						

<b>Grapes, Fresh Turkey</b>	<b>2012/2013</b>		<b>2013/2014</b>		<b>2014/2015</b>	
	<b>Market Year Begin: Jun 2012</b>		<b>Market Year Begin: Jun 2013</b>		<b>Market Year Begin: Jun 2014</b>	
	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Area Planted</b>	295,000	295,000	295,000	295,000		295,000
<b>Area Harvested</b>	295,000	295,000	295,000	295,000		295,000
<b>Commercial Production</b>	2,200,000	2,200,000	2,200,000	2,000,000		1,770,000
<b>Non-Comm. Production</b>	0	0	0	200,000		150,000
<b>Production</b>	2,200,000	2,200,000	2,200,000	2,200,000		1,920,000
<b>Imports</b>	700	700	600	595		750
<b>Total Supply</b>	2,200,700	2,200,700	2,206,000	2,200,595		1,920,750
<b>Fresh Dom. Consumption</b>	1,991,600	1,991,600	2,002,000	1,996,595		1,750,750
<b>Exports</b>	209,100	209,100	204,000	204,000		170,000
<b>For Processing</b>	0	0	0	0		0
<b>Withdrawal From Market</b>	0	0	0	0		0
<b>Total Distribution</b>	2,200,700	2,200,700	2,206,000	2,200,595		1,920,750
HA, MT						

<b>Pears, Fresh Turkey</b>	<b>2012/2013</b>		<b>2013/2014</b>		<b>2014/2015</b>	
	<b>Market Year Begin: Jul 2012</b>		<b>Market Year Begin: Jul 2013</b>		<b>Market Year Begin: Jul 2014</b>	
	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Area Planted</b>	215,000	215,000	215,000	215,000		220,000
<b>Area Harvested</b>	215,000	215,000	215,000	215,000		220,000
<b>Bearing Trees</b>	10,000	10,000	10,000	10,000		15,000
<b>Non-Bearing Trees</b>	20,000	20,000	20,000	20,000		20,000
<b>Total Trees</b>	30,000	30,000	30,000	30,000		35,000
<b>Commercial Production</b>	390,000	390,000	390,000	370,000		280,000

