

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Turkey

### Raisin Annual

## Turkish Sultana Raisins Exports Continuing

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**Report Highlights:**

Raisin production forecast in Turkey in MY 2018/19 is 295,000 MT, down slightly from MY 2017/18 due to quality issues from heavy rains during the late spring and summer in the Aegean region. Turkey exports more than 90 percent of its domestic raisin production due to stable demand from Europe for sultana variety raisins, though exports are expected to decrease to 250,000 MT in MY 2018/19 in parallel with the drop in production. The Turkish Grain Board announced the procurement price for raisins in September 2017 and procured 4,682 MT of raisins from farmers.

## Turkey Raisin Annual Report 2018

### Production

Turkey is one of the world's major raisin producers and exporters with over 1,200 different grape varieties being grown in the country. Turkey produces approximately 4 million MT of fresh grapes for all purposes, including raisins. The Aegean region is the most important grape producer and mainly produces seedless grapes used for raisins. The Marmara region surrounding Istanbul as well as Central Anatolia and Southeast Anatolia produce table and wine grapes. Table grapes make up about 50 percent of production, whereas drying grapes make up 35 percent, and the remainder is used for the production of traditional products such as *pestil* (*dried fruit snack*), *pekmez* (grape molasses), and 10-15 is for alcoholic beverage production, such as raki and wine.

Harvest starts around mid-August and ends at the beginning of September. Raisin production is estimated at 306,000 MT for MY 2017/18 from a planted area of 105,000 hectares. The MY 2018/19 raisin production forecast in Turkey is 295,000 MT, down four percent from MY 2017/18 due to heavy rains and hail damage during the late spring and summer in some parts of Manisa and Izmir. The districts of Alasehir, Salihli and Saruhanli in Manisa Province produce about half of the raisins in Turkey.

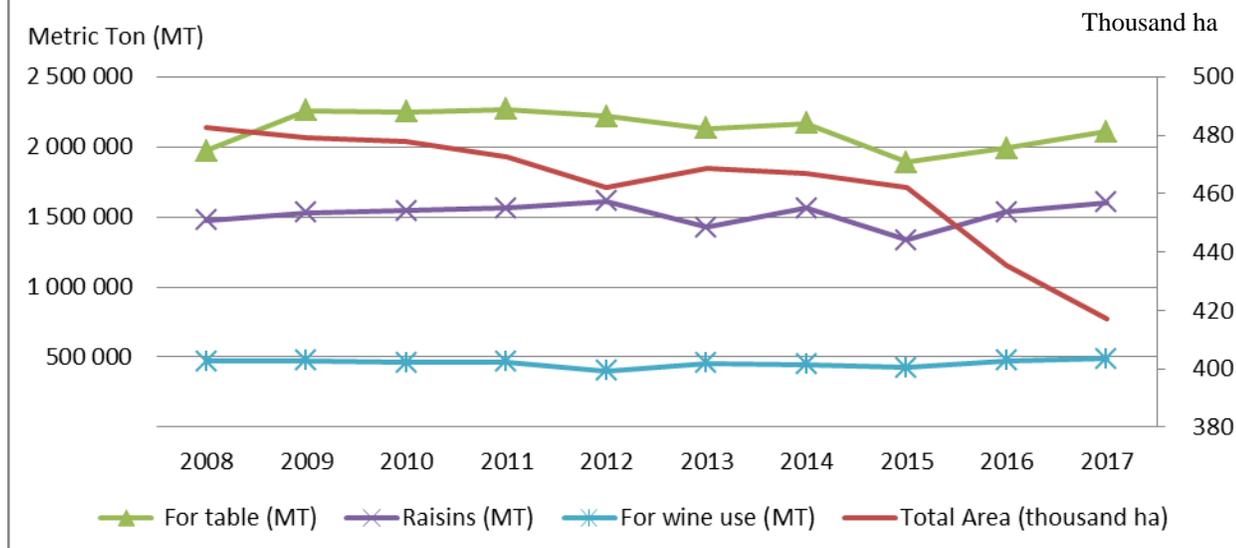
MY 2018/19 planted area is expected to remain the same as this year at 105,000 ha, however harvested area is expected to be lower because of hail damage. Seedless raisin production expanded significantly in Turkey in recent years due to export opportunities and good returns. Planting area doubled compared to the 1980s and increased 25 percent compared to the 2000s. Yields vary from 2 MT/ha to 6 MT/ha, according to the geographic location. Use of irrigation systems in vineyards has been increasing in recent years, which positively affects yields. Over half of the vineyards in Manisa are irrigated.

Over the last ten years, increasing yields have compensated for the reduction in grape planted area (see reduction of planted area noted in Chart 1). While wine grape production has remained stable, raisin and table grape production has increased marginally in last decade. It is estimated that there are nearly 65,000 growers who produce seedless grapes in Turkey. Like other commodities, seedless grapes are generally grown on small farms averaging about 1.3 hectares, though there are some larger farms as well.

Seedless grape production is about 1.6 million MT. Twenty percent of this production is consumed as fresh and the rest is dried. When dried, approximately 4 kg of grapes result in 1 kg of raisins. Almost all exported dried seedless raisins are the variety sultana, which means "fit for sultans." The name dates back to the 19th century.

### Chart 1: Grape Planted Area and Grape Production between 2008-2017

## Grape Planted Area and Grape Production in Turkey over the Last Decade



Sources: Turkish Statistic Institute

### Consumption

Despite Turkey's leading role in the production of raisins, domestic consumption is comparatively low compared to exports. Most of the production (generally around 90 percent) is exported. Domestic raisin consumption fluctuates between 30,000-50,000 MT, depending upon the supply and export demand of the raisin crop. Raisin consumption is estimated at 35,000 MT in MY 2017/18, down 30% from 50,000 MT last year, due to high domestic prices which doubled in a year triggered by strong exports. Raisin consumption is forecast at 46,000 MT for MY 2018/19, assuming enough raisins will remain after exports to supply the domestic market. However there are quality concerns after hail, especially in the Manisa region, which may lead to more products being available for the domestic market. Domestic consumption consists of direct human consumption and industrial usage in bakery products, such cakes and biscuits.

### Trade

Turkey has exported 240,000 MT of raisins in the first ten month of marketing year 2017/18. European countries continue to be the top export destinations for Turkish raisins, accounting for 90 percent of Turkey's raisin exports. The United Kingdom (60,000 MT), Germany (29,000 MT), and the Netherlands (28,000 MT) are the main destinations for Turkish raisins in the same period. It is estimated that Turkey's raisin exports will reach 275,000 MT in MY 2017/18. For MY 2018/19, raisins exports from Turkey are forecast at 250,000 MT, down 25,000 MT from MY 2017/18, due to quality concerns for the upcoming harvest. Exporters complain about lower export prices this year. Turkey also imports a small quantity of raisins each year, usually around 2,000- 3,000 MT.

The [TARIS Sultana Raisins Cooperative](#) Union was established in the 1930s, and is the main buyer and exporter of raisins in Turkey. Generally, TARIS purchases around 15-20 percent of total production. The thirteen cooperatives of the union are spread across the Aegean Region, located in the western part of Turkey and there are 15,000 grower members in total. The vineyards of TARIS members have always set a good example in the region for high yields and good quality products.

TARIS typically announces a procurement price just after the harvest in order to set a market price. Contrary to previous years, this year the Turkish Grain Board intervened as domestic prices dropped sharply after the harvest. The Prime Minister of Turkey announced MY 2017/18 raisin intervention prices on September 12, 2017 to support farmers after the harvest. He announced the intervention price for ‘nine quality’ raisins at 4 TL/kg, which is about \$1.20/kg. Note that as of September 2017, \$1 USD was 3.5 TL and as of July 2018, \$1 USD is 4.8 TL. This devaluation of the Turkish Lira against foreign currencies supports exports. On behalf of the Government of Turkey, the Turkish Grain Board procured 4,682 MT of raisins up until November 2017, in cooperation with TARIS and the main Commodity Exchanges in Izmir and Manisa. They subsequently sold them so there are not any raisin stocks held by TMO.

In recent months, raisins are traded at 6.00 – 7.00 TL/kg at spot markets in Turkey. Daily and historical prices of raisins can be followed at the Izmir Commodity Exchange website: <https://itb.org.tr/en/SultanasRaisinsOnlineTransactions>

## Policy

Exporter unions, commodity exchanges in the region, and other parts of the GOT also made efforts to update raisin standards, and they are creating projects on better farming activities in this marketing year. Meanwhile licensed warehouse systems are developing in Turkey and some of these are being used for raisins and dried fruits, though the majority of the new storage capacity is used for grains. The Izmir Commodity Exchange has a new licensed warehouse that was developed to prevent price decreases during harvest season and it is partially being used for raisins.

Following the decision of the EU, the Government of Turkey announced on January 19, 2018 that they will stop issuing import permits for the plant protection products which contain Iprodione as an active substance. For the products placed on the market already, they can continue to be used until June 8, 2018 in compliance with EU.

Post revised ending stock number down to 1,477 MT due to high export expectations in MY 2017/18. In MY 2018/19, ending stocks are forecast at 2,477 MT, assuming exports will be slightly lower compared to the previous year.

## Production, Supply and Distribution Data

Raisins	2016/2017	2017/2018	2018/2019
Market Begin	Aug 2016	Aug 2017	Aug 2018

<b>Year</b>						
<b>Turkey</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>	0	105000	0	105000	0	105000
<b>Area Harvested</b>	0	104000	0	101000	0	100000
<b>Beginning Stocks</b>	6177	6177	2977	2977	0	1477
<b>Production</b>	310000	310000	295000	306000	0	295000
<b>Imports</b>	1800	1800	2500	2500	0	2000
<b>Total Supply</b>	317977	317977	300477	311477	0	298477
<b>Exports</b>	265000	265000	240000	275000	0	250000
<b>Domestic Consumption</b>	50000	50000	50000	35000	0	46000
<b>Ending Stocks</b>	2977	2977	10477	1477	0	2477
<b>Total Distribution</b>	317977	317977	300477	311477	0	298477
(HA) ,(MT)						