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# GAIN Report

Global Agricultural Information Network

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## **Turkey**

### **Raisin Annual**

#### **Turkey Raisin Annual 2010**

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**Report Highlights:**

Post revised the MY 2009 raisin production estimate to 260,000 MT, and MY 2010 production is forecasted at 240,000 MT. Production dropped in MY 2010 due to cold weather and frost in March. The harvest has just started in some regions and is expected to finish in September.

**Executive Summary:**

Turkish raisin production reached a record 310,000 MT in MY 2008 and decreased to 260,000 MT in MY 2009. In the early forecast of MY 2009 production was forecasted at 280,000 but due to late rainfall in September, production was just 260,000 MT. MY 2010 production is forecasted at 240,000 MT.

MY 2008 exports reached 285,000 MT and MY 2009 exports reached 192,000 MT as of July. MY 2009 total exports are estimated at 220,000 MT. A forecast for low production levels in MY 2010 will decrease MY 2010 exports to 205,000 MT. The demand for grapes by the wine industry is expected to increase in MY 2010. This demand will slightly decrease raisin production in MY 2010.

**Commodities:**

Grapes, Table, Fresh

Raisins

**Production:**

Grapes are grown throughout Turkey. 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 part of Turkey. There are 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 5-10 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 Civar. Seedless grape production is 10 percent of total grape production.

The Sultana Raisins Association, which was established in 1934, formed the basis of “TARIS Raisins Agricultural Sales Cooperatives Union”. The cooperatives of the union spread across the Aegean Region, which is located in the Western Part of Turkey. In this region, the area used for the cultivation of Taris raisins comprises a total of 75,000 ha and 39,000 ha of this total belongs to the grower partners of Taris. The vineyards of the grower members of Taris have always set a very good example in the region regarding the yield and the quality of the product

Seedless grape production expanded significantly in Turkey in the 1990’s due to more intensive cultivation and better irrigation techniques. TARIS has recommended in recent years that producers limit their seedless grape orchard areas because the export market was supposedly saturated. Seedless grapes generally are 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. In general TARIS purchases around 15-20 percent of total production.

The table below shows the amount of raisin production in different parts of the Aegean region. Every year a group of people from different commodity exchanges, universities, Taris and related institutes visit farms for production estimates. The table below is the result of the MY 2008 and MY 2009 surveys. Farmer associations and exporter association argue on production numbers. Farmer associations sometimes claimed that the exporters union and commodity market exchanges (CMEs) deliberately exaggerate production numbers to decrease the farm gate price of raisin. Usually there is a 10-15 % difference between farmers' union estimates and CME and exporters union production estimates.

**Table 1: Aegean region raisin production in MY 2008 and MY 2009**

<b>Turkey: Aegean region raisin production</b>						
<b>Regions</b>	<b>MY 2008</b>			<b>MY 2009</b>		
	Vineyard (Ha)	Yield (MT/ha)	Production (MT)	Vineyard (Ha)	Yield (MT/ha)	Production (MT)
MENEMEN	3,600	3	10,800	3,600	295	10,620
MANİSA	7,800	4.05	31,590	7,800	335	26,130
SARUHANLI	5,800	4.2	24,360	5,800	355	20,590
TURGUTLU	7,850	3.3	25,905	7,850	260	20,410
AHMETLİ	3,700	4.05	14,985	3,700	360	13,320
GÖLMARMARA	1,100	4.75	5,225	1,100	475	5,225
SALİHLİ <sup>1</sup>	10,200	5	48,450	10,200	390	37,791
ALAŞEHİR <sup>2</sup>	19,000	5.75	81,938	19,000	535	76,238
SARIGÖL <sup>3</sup>	6,800	6.3	27,846	6,800	650	28,730
BULDAN <sup>4</sup>	3,500	7.95	11,130	3,500	750	10,500
ÇAL <sup>5</sup>	8,900	1.55	8,967	8,900	135	7,810
BEKİLLİ	1,000	1.55	1,550	1,000	135	1,350
AKHİSAR	1,425	5	7,125	1,425	400	5,700
TORBALI	805	3.5	2,818	620	325	2,015
HONAZ+SARAYKÖY+ÇİVRİL	1,926	1.93	3,712	2,000	150	3,000
KEMALPAŞA	1,676	2.3	3,856	1,676	200	3,353
<b>TOPLAM</b>	<b>85,082</b>	<b>3.65</b>	<b>310,256</b>	<b>84,971</b>	<b>3.21</b>	<b>272,781</b>

Source: Izmir CME

1- Table grape, 2-25% Table grape, 3-35% Table grape, 4-60 % Table grape  
5-35% Table grape

A group comprised of the Izmir CME, Manisa CME, Ege Exporters Union, Manisa Vineyard Research Institute, Taris Raisin Cooperative, Alasehir CME, and the Izmir Chamber of Trade established a committee to forecast MY 2010 production and organized a field trip from July 15-August 1, 2010. The results of the field trip are summarized in the table below.

**Table 2: Aegean region raisin production in MY 2010**

<b>Turkey: Aegean region raisin production</b>
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Regions	MY 2010			
	Vineyard (Ha )	Yield (MT/ha)	Production (MT)	Observation
MENEMEN	3,600	260	9,360	Mildew on grape leaves and Esca observed
MANİSA	7,800	280	21,840	Frost damage, partly mildew damage on leaf and grapes, generally Esca and powdery mildew observed
SARUHANLI	5,800	330	19,140	Coulure, Esca, powdery mildew and some freeze damage observed
TURGUTLU	7,850	255	20,018	Mildew on grape leaves, powdery mildew, Esca and some freeze damage observed
AHMETLİ	3,700	312	11,544	Mildew on grape leaves, powdery mildew and some freeze damage observed
GÖLMARMARA	1,100	405	4,455	Esca disease observed
SALİHLİ <sup>1</sup>	10,200	377	36,531	Mildew on grape leaves, powdery mildew, Esca and some freeze damage observed
ALAŞEHİR <sup>2</sup>	19.000	464	66,120	Coulure, Esca, Powdery mildew and some freeze damage observed.
SARIGÖL <sup>3</sup>	6,800	604	26,697	Mildew on grape leaves and Esca observed
BULDAN <sup>4</sup>	3,500	700	9,800	Partly esca observed
ÇAL <sup>5</sup>	8,900	150	8,678	Powdery mildew, Esca observed
BEKİLLİ	1,000	150	1,500	Powdery mildew, Esca and mildew observed
KEMALPAŞA	5,721	224	12,864	
<b>TOPLAM</b>	<b>84,971</b>	<b>342</b>	<b>248,547</b>	

Source: Ege exporters union

1- Table grape, 2-25% Table grape, 3-35% Table grape, 4-60 % Table grape  
5-35% Table grape

According to the results of field trip, rainfall patterns and temperatures showed high variation compared to previous years. In MY 2010 missing vines were a common problem. In the valley part of the Aegean region, frost problems were observed. Due to heavy rainfall, chemical sprays couldn't be effectively applied to many vineyards. Mildew disease, which has not been seen much in the region, was observed in several places. Esca and Phomopsis were observed in all parts of Aegean region. Powdery mildew and Coulure were observed in some places. New table grape variety plantation increased in MY 2010.

In the Aegean region commodity exchanges, where almost all raisins are registered, the amount of raisins registered was 237,405 MT in the first 10 months of MY 2009. In July 2010, an additional 10,000 MT of raisins are expected to be registered. CME registration will reach to 260,000 MT in MY 2009.

The Chamber of Agriculture, Manisa TARİS and Ministry of Agriculture's Manisa Provincial Directorate conducted a survey in the Aegean region at the end of July 2010. Their production forecast

for MY 2010 was 220,000 MT. the Izmir CME and Aegean Exporters Union are accused by the Chamber of Agriculture of announcing high production numbers to lower the price.

**Table 3: Aegean region CME's raisin registration in MY 2009**

<b>Turkey: Aegean region CME's raisin registration in MY 2009 (September-June)</b>								
	<b>Name of Commodity Exchanges in Aegean Region</b>							
<b>Month</b>	İzmir	Denizli	Manisa	Salihli	Alaşehir	Turgutlu	Akhisar	<b>TOTAL</b>
September 2009	1,885	35	8,594	7,742	7,500	7,098	0	32,854
October	4,007	1115	15,404	8,457	19,834	6,179	673	55,669
November	3,786	883	7,187	4,390	13,316	4,507	150	34,219
December	2,398	579	8,531	3,423	8,407	5,130	66	28,534
January 2010	2,025	291	4,090	2,319	4,836	2,026	9	15,596
February	1,456	329	6,250	2,783	3,766	2,187	67	16,838
March	909	357	3,096	2,631	4,425	2,507	10	13,935
April	841	240	2,830	2,881	4,847	2,568	0	14,207
May	1,000	387	3,467	2,502	3,103	3,055	25	13,539
June	699	381	2,218	2,246	4,595	1,875	0	12,014
July	1,069	464	2,537	4,868	5,873	2,833	0	17,644
<b>Total</b>	<b>20,075</b>	<b>5,061</b>	<b>64,204</b>	<b>44,242</b>	<b>80,502</b>	<b>39,965</b>	<b>1,000</b>	<b>255,049</b>

Source: Izmir CME

Official grape production numbers are collected by provincial offices of the Ministry of Agriculture and Rural Affairs. The Turkish Statistics Institute (TUIK) evaluates and publishes official statistics for grape production, which are often higher than actual levels. Most raisins are produced in the Aegean region, and so field trips by commodity exchanges in the Aegean region typically give more reliable data than other institutes.

**Table 4: Official grape production**

<b>Turkey: Official grape production</b>				
<b>Types of grape</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Wine grape	444,199	482,292	470,285	475,888
Table grape	1,564,009	1,487,602	1,490,185	1,695,307
Table Grape (seedless)	496,158	424,937	480,501	561,538
Grape for drying	370,764	355,010	321,142	402,094
Grape for drying (seedless)	1,124,933	882,940	1,156,329	1,129,893
<b>Total</b>	<b>4,000,063</b>	<b>3,612,781</b>	<b>3,918,442</b>	<b>4,264,720</b>

Source: TUIK

According to official statistics, Turkey produces 4.2 MMT of grapes. Table type grapes comprise a 25-30% share, drying type grapes comprise a 35-38% share, grapes for traditional products such as pekmez (molasses) comprise a 20-25% share and alcoholic beverage type grapes comprise a 10-15% share.

#### **Consumption:**

Domestic raisin consumption fluctuates depending upon the supply and quality of the raisin crop. Turkey is estimated to consume about 30,000 MT of raisins for confectionary purposes. 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.

Up until 2004 the Turkish alcoholic beverage market was regulated by the Government via TEKEL organization (literally translated as “monopoly”). Regulatory changes in early 2004 privatized the alcoholic beverage industry, allowing entrepreneurs to enter the market with new brands. Due to liberalization in the market, competition increased and new companies invested in this sector. According to estimates, the capacity of the Turkish wine industry is 120 million liters.

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.

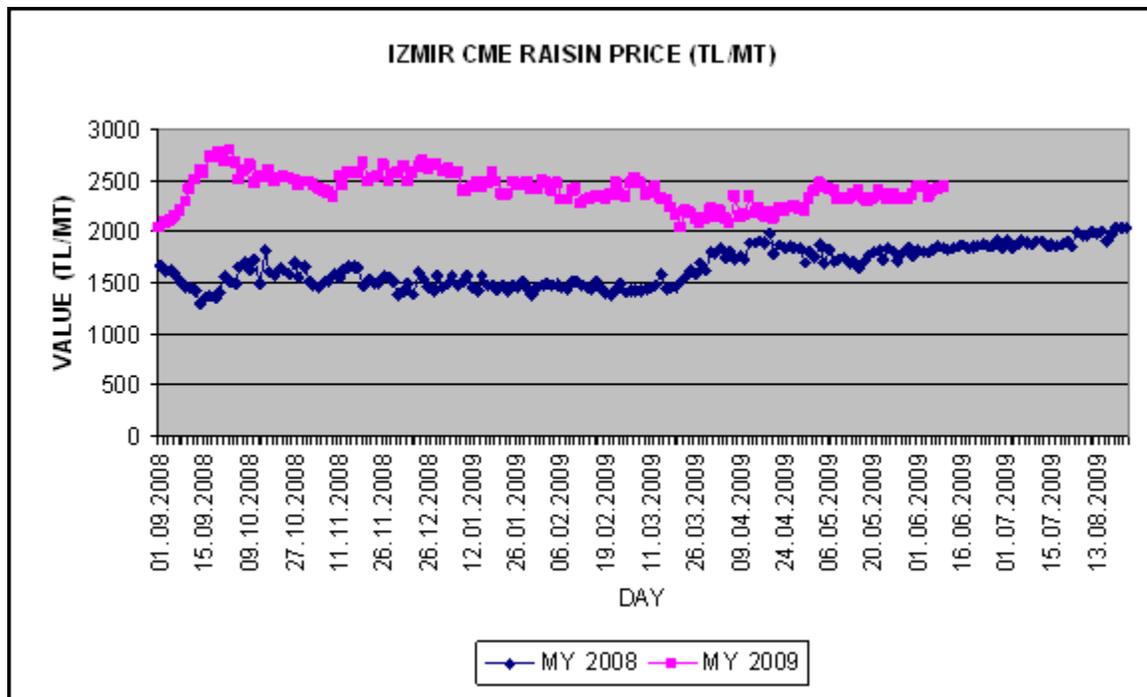
TARIS’s role in procuring and marketing raisins has been decreasing in conjunction with IMF backed reforms to reduce the government’s role in agriculture. In general, TARIS has been the buyer of last resort, purchasing a large percentage of lower quality raisins. The quantity of raisins TARIS procured 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 procurement prices in the beginning of the season and the latter is the main cash market for raisins.

TARIS normally announces its procurement price at the beginning of the marketing year; accordingly, TARIS announced the MY 2009 raisin procurement price in September 2009 as 2 TL/kg.

According to the Chamber of Agriculture, the cost of raisin production was 2.5 TL/kg in MY 2010, so they determined that the raisin procurement price should be at 3.25 TL/kg. It is very unlikely that this will be the actual procurement price that is announced, and instead the TARIS procurement price is expected to be about 2.25 TL/kg.

**Figure 1: Raisin price in Izmir Commodity Exchange**



Source: Izmir CME

### Trade:

EU countries are the major export market for Turkish raisins. United Kingdom, Germany and Holland kept their position as the biggest raisin markets for Turkey in MY 2009.

**Table 5: Raisin exported in MY**

<b>Turkey: Quantity of raisin exported</b>			
<b>Countries</b>	<b>MY 2007 (MT)</b>	<b>MY 2008 (MT)</b>	<b>MY 2009 (MT)*</b>
United Kingdom	53,290	59,051	41,725
Germany	30,163	46,550	29,643
Holland	28,919	32,947	24,836
Italy	17,340	17,802	13,514
France	14,156	16,178	12,683
Australia	11,907	17,295	9,666
U.S	150	161	43
Others	40,630	95,274	41,694
<b>Total</b>	<b>196,555</b>	<b>285,258</b>	<b>173,804</b>

September-June

Source: TUIK

In MY 2010, raisin exports are expected to reach 220,000 MT.

**Table 6: Raisin exported in September-June**

<b>Turkey: Quantity of raisins exported (September-June)</b>			
Countries	MY 2007 (MT)	MY 2008 (MT)	MY 2009 (MT)
United Kingdom	46,346	47,981	41,725
Germany	27,310	37,383	29,643
Holland	26,064	27,538	24,836
Italy	15,631	15,007	13,514
France	12,891	13,673	12,683
Australia	11,440	14,647	9,666
U.S	150	160	43
Others	36,814	80,672	41,694
Total	176,646	237,061	173,804

**Table 7: Turkish raisin foreign trade**

YEAR	EXPORTS (MT)	EXPORTS (USD)	IMPORTS (MT)	IMPORTS (USD)
MY 2007	196,555	329,362,973	4,478	3,041,569
MY 2008	285,258	421,779,809	2,081	3,719,826
MY 2009*	192,379	355,387,130	3,036	5,755,605

\*September 2009-July 2009

**Production, Supply and Demand Data Statistics:**

**Production, Supply and Demand Statistics:**

Raisins	Turkey	2008		2009			2010		
		2008/2009		2009/2010			2010/2011		
		Market Year Begin: Sep 2008		Market Year Begin: Sep 2009			Market Year Begin: Sep 2010		
		USDA Official Data	Old Post	USDA Official Data		Old Post	USDA Official Data	Jan	
			Data			Data		Data	
Area Planted	85,000	85,000	85,000	85,000	85,000	85,000		85,000	(HA)
Area Harvested	85,000	85,000	85,000	85,000	85,000	85,000		85,000	(HA)
Beginning Stocks	19,000	19,000	19,000	15,000	30,000	5,823		7,823	(MT)
Production	310,000	310,000	310,000	280,000	280,000	260,000		240,000	(MT)
Imports	1,000	1,000	2,081	1,000	1,000	2,000		2,000	(MT)

Total Supply	330,000	330,000	331,081	296,000	311,000	267,823			249,823	(MT)
Exports	275,000	260,000	285,258	250,000	250,000	220,000			205,000	(MT)
Domestic Consumption	40,000	40,000	40,000	40,000	40,000	40,000			40,000	(MT)
Ending Stocks	15,000	30,000	5,823	6,000	21,000	7,823			4,823	(MT)
Total Distribution	330,000	330,000	331,081	296,000	311,000	267,823			249,823	(MT)