

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Syria

### TREE NUTS ANNUAL

**2009**

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**Report Highlights:**

Pistachio production is increasing in Syria. The 2009 crop is estimated at 70,000 tons. The 2009 crop had good rainfall for crop development. Imports of in shell pistachios were permitted in June 2008. Syrian pistachio production is forecasted to continue to increase as pistachio trees mature. However, drought, abnormal weather conditions and the biennial bearing pattern of pistachio trees may affect crop size in the coming years.

**Executive Summary:**

Pistachio production is increasing in Syria due to the maturing of planted trees that are still relatively young. Drought was a problem for pistachio orchards in 2008, which are mainly grown under rain fed conditions. Good rainfall in the pistachio planted areas in the spring of 2009 had a positive impact on the crop size. Prices for locally produced green pistachios went up in 2008, but are expected to go slightly down in 2009 with help from a good crop and with official approval to import in shell pistachios. This may be evident during the peak production season around the middle of September. Prices for shelled pistachios are increasing mainly due to inflation. Arabic sweets prices have increased due to higher prices of ingredients, mainly flour, sugar, butter ghee and pistachios (which are the main ingredients) in 2008, but the prices did not go back down in 2009 with the lower prices for ingredients. Syria exports green pistachios during the production season and imports shelled and in shell pistachios the rest of the year. In June 2008, imports of in shell pistachios were permitted for the first time in many years.

**Production:**

<b>Syria</b>									
<b>Pistachios, In shell Basis</b>									
<b>(HA)(1000Trees)(MT)</b>									
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
<b>Market Year Begin</b>		08/2007	08/2007		08/2008	08/2008		08/2009	
Area Planted	59000	57000	57000	57000	57000	57000		57000	
Area Harvested	53000	53000	53000	53000	53000	53000		54000	
Bearing Trees	6500	6500	6500	6500	6500	7000		7000	
Non-Bearing Trees	2500	2500	3500	3500	3500	3000		3000	
Total Trees	9000	9000	10000	10000	10000	10000		10000	
Beginning Stocks	14184	6784	14184	22184	14784	4184		9784	
Production	70000	70000	52000	70000	60000	60000		70000	
Imports	5000	5000	5000	7000	5000	5000		5000	
Total Supply	89184	81784	71184	99184	79784	69184		84784	
Exports	20000	20000	20000	25000	20000	18000		22000	
Domestic Consumption	47000	47000	47000	52000	50000	47000		52000	
Ending Stocks	22184	14784	4184	22184	9784	4184		10784	

Total Distribution	89184	81784	71184	99184	79784	69184		84784
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Pistachios are grown in Syria under rain fed conditions. According to the Pistachio Office, there is a total of 10 million trees planted on 57,000 hectares. In 2009, the number of fruit-bearing trees is estimated at about seven million, and the crop is forecasted at 70,000 tons. No major incidence of pests or diseases was reported in 2009. Pesticides are rarely used in pistachio orchards. The use of commercial fertilizer is not common and growth regulators are not used. Organic matter is generally used at planting time.

Pistachios are grown in areas unsuitable for most other crops and are, in many places, co-planted with figs, olives, and grape vines. The majority of the trees in Syria are still young and have not reached the economic fruit-bearing stage. The average yield per tree increases with the age of the tree. The Ministry of Agriculture and Agrarian Reform encourages pistachio production by selling seedlings at nominal prices. Olive tree planting compete with pistachios in newly reclaimed areas. With the increase in demand for olives and olive oil, farmers prefer to plant newly reclaimed land with olives instead of pistachios because olives are more profitable to grow. Accordingly, planted areas are not increasing, as was the case for many years. The 2007 crop is estimated by the Pistachio Office at 52,000 MT of in shell pistachios. During the production season in 2008, farm-gate prices were about 70-80 SP (USD 1.47-1.68) per kilogram of green pistachios. Prices in 2009 are higher at the beginning of the season and due to the holy month of Ramadan, but are forecasted to go back to the same level of 2008 around the peak harvest season in the middle of September.

### **Consumption:**

A significant part of the pistachio crop is consumed green in Syria. The harvesting season begins in August. Wholesale prices of pistachios that are mainly used for the production of sweets and local ice cream, range from approximately 675 SP (USD 14.67) to 800 SP (USD 17.39) per kilogram for shelled pistachios of the first grade varieties that are green in color and are used mainly for the production of ice cream. No U.S. pistachios are currently present in the Syrian market. Prices of Arabic sweets that are made from pistachios have increased due to the increase in the cost of the ingredients in 2008 and due to the high inflation in the country. According to trade sources, the relatively small crop in neighboring Turkey created additional demand for Syrian pistachios and increased prices of locally produced pistachios around the end of the harvesting season in October 2009.

# Trade

Export Trade Matrix Syria Pistachios, In shell Basis			
Period	Year	Units	Metric Tons
for	08		2009
	0		0
	6000		6000
	5000		5000
Total for Others	11000		11000
Others not Listed	7000		11000
Grand Total	18000		22000

Import Trade Matrix Syria Pistachios, In shell Basis			
Time period:	CY	Units	Metric Tons
Imports for	2008		2009
U.S.	0	U.S.	0
Others		Others	
Iran	4000	Iran	4000
Turkey	1000	Turkey	500
		Afghanistan	500
total for Others	5000		5000
Others not Listed			
Grand Total	5000		5000

Foreign trade statistics indicated a decrease in "legal" imports of shelled pistachios from 3,264 MT in 2006 to 2,620 MT in 2007, of which 91 percent came from Iran. Trade data for 2008 are not yet published, and are expected to be larger than 2007. In-shell pistachios can now be officially imported. Pistachios, shelled and in-shell are being smuggled into Syria via Lebanon from Iran and Turkey. Afghani pistachios are available in the Syrian market. An import license is necessary for all imports of pistachios. According to the new customs tariff implemented in late 2006, customs duties on shelled pistachios are set at 10 percent if they are imported in packages over 25 kilograms in weight and 30 percent if they are imported in packages less than 25 kilograms in weight.

Syrian official export numbers for green pistachios decreased from 1,065 MT of in shell pistachios in 2006 to 633 MT in 2007. Syria also exported 493 MT of shelled pistachios in 2007. Primary markets were Lebanon and other Arab countries. Official trade data for 2008 and 2009 are not yet published. Visiting tourists from Arab countries informally export large quantities of pistachios out of Syria during 3-4 months after the beginning of the harvest season every year. With high wholesale prices for local production of shelled pistachios (about 725 SP or USD 15.76/kilogram), Syria cannot compete in the international market with Iran, Turkey, Afghanistan, and the United States. However, with a record crop in 2009, exports of “green” pistachios are forecasted to increase. These unofficial exports will be mainly carried back by the record number of Arab tourists as they go back to their countries.

**Stocks:**

According to trade sources, the local supply of pistachios, plus imports (legal and illegal), usually match domestic consumption plus exports. Ending stocks are usually expected to be sufficient for a few months. Stocks are expected to rise in the future when local production increases and since in shell pistachios are imported with official approval. At the end of the marketing season in July 2009, the prices for locally-produced shelled pistachios were higher than those from Iran and Turkey, but lower than the Afghani pistachios. All stocks are held, in most case, by the traders, not by producers.

**Policy:**

The government continues to encourage pistachio production by selling seedlings at nominal prices. However, prices are determined by supply and demand conditions.

**Marketing:**

There are no Syrian standards for pistachios. Sizing, shelling, and grading are done by hand. Two private sector shelling facilities were established but can process only a small part of the crop. Private sector storage facilities are adequate. The entire pistachio trade is in the hands of the private sector.

Trade sources state that Iranian and Turkish pistachios are more suitable than American pistachios for the local Arabic sweets industry. American pistachios reportedly turn brownish in color during baking as a result of the way they are preserved. The local market preference is for a whole nut, greenish or yellowish in color that retains its color during high-temperature baking for Arabic sweets.

