

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Turkey**

### **Tree Nuts Annual**

### **Tree Nuts Annual**

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**Report Highlights:**

Post forecasts hazelnut production at 570,000 MT in MY 2010. Post estimates almond production as 14,500 MT in MY 2010, as climate conditions in April and May 2010 were bad. Total pistachio production forecasted at 110,000 MT in MY 2010. Due to cold climate condition walnut production dropped to 85,000 MT in MY 2010

## **Executive Summary:**

In the early forecast of MY 2010, Hazelnut production was forecasted at 700,000 MT but due to bad weather conditions in March and April, especially a freeze in Mid of March, 2010, production forecast decreased almost 20% to 570,000 MT. The yield is low compared to early forecast but the quality of the hazelnuts is higher than MY 2009. Late heat also damaged the hazelnut yield.

Due to high export price of hazelnut, hazelnut exports decreased 15% in MY 2009 compare to MY 2008, however, export values increased because of high hazelnut export price.

TMO had 515,355 MT in hazelnut stocks in September 2009. TMO sent MY 2006 hazelnut to crushers in order to produce oil. MY 2007 and MY 2008 hazelnut stocks were used as a tool to regulate the market in MY 2009. TMO has 322,126 MT hazelnut stocks in September, 2010.

Post estimates almond production as 14,500 MT in MY 2010, as climate conditions in April and May 2010 were bad. Although some almonds are grown in most parts of the country, commercial production is concentrated in the Aegean, Marmara, and Mediterranean Regions

Because this is an “on” year in the natural cycle, pistachio production in MY 2010 is forecast to be much higher than the MY 2009 crop. MY 2010 pistachio harvest started in late August and early September depending on the region. There are three major regions where pistachio are grown in Turkey; Gaziantep, Sanliurfa and Siirt. Gaziantep and Sanliurfa pistachio varieties are similar but Siirt pistachio has different variety. In a normal year Gaziantep region produces 40,000 -45,000 MT, Sanliurfa region produces 35,000-45,000 MT and Siirt region produces 10,000 MT -15,000 MT.

In MY 2010, Gaziantep region pistachio production is forecasted at 39,000 MT and Sanliurfa pistachio production forecasted at 41,000 MT, Siirt region forecasted at 15,000 MT. Total pistachio productions is forecasted at 110,000 MT in MY 2010.

Pistachio consumption dropped 60,000 MT in MY 2009 as domestic pistachio prices reached record levels due to reduced supplies.

In MY 2009, Pistachio exports dramatically decreased due to a shortage of production to satisfy the domestic market, total pistachio export, including process pistachio dropped 75% in MY 2009 compare to MY 2008. Pistachio export will reach to 6,500 MT in MY 2010

Walnut production has been increasing gradually due to improved varieties and a growing number of orchards. Official production figures, however, are considered to overstate commercial production by a factor of two. The Turkish Statistic Institute lowered its MY 2009 production forecast to 177,298 MT, while the consensus forecast of the trade is currently at 88,000 MT in MY 2009. Due to cold climate condition walnut production dropped to 85,000 MT in MY 2010. Some quality problems were observed because of cold climate conditions.

## Abbreviations and Definitions Used in this Report

Conversion factors used to convert shelled to in-shell tree nuts:

Almonds: 1:3 Hazelnuts: 1:2

Walnuts: 1:2.5 Pistachios: 1:2

HS Codes:

Almonds: Shelled 080212; In-shell 080211

Walnuts: Shelled 080232; In-shell 080231

Filberts/Hazelnuts: Shelled 080222; In-shell 080221

Pistachios: 080250

MY Marketing Year

Almond, Walnut, Hazelnuts and Pistachios: September

### **Commodities:**

Filberts, Inshell Basis

### **Production:**

Turkey is the world's leading hazelnut producer, accounting for about 75 percent of world supply. Although hazelnuts have been grown in more than 48 provinces around Turkey, production is primarily concentrated along Turkey's Black Sea coast. Hazelnut orchards are typically located within 30 km of the coast, and inland. In the western Black Sea area, the growing region starts from Zonguldak (east of Istanbul) and extends east over the entire Black Sea and the mountains almost until the Georgian border. There are approximately 4,000,000 people directly or indirectly employed by hazelnut production in Turkey, on an area of 600-650 thousand hectares

The Black Sea region is divided into three distinct growing areas: (1) the hilly region from Ordu to Trabzon, centered around Giresun, which in a normal year produces about 55 percent of the crop, (2) the flatter, mixed farming region west of Ordu to Samsun, which produces about 15 percent of the crop, and (3) the area west of Samsun, which produces the remaining 30 percent. Hazelnuts require relatively little effort to cultivate and inputs are low.

Turkish hazelnuts usually ripen between early and late August depending on the altitude of the orchard and climatic conditions. Hazelnuts are hand-picked from the trees and dried in the sun.

Harvesting takes place during several weeks in August and September. Due to high temperature Hazelnut harvest started one week earlier than normal harvest time on end of July at lower altitude (0-

250 m), first week of August at middle altitude (250-500 m) and finally started on the second week of August at higher altitudes (above 500 m)

Hazelnut yield depends on the climate condition during December to May. In the early forecast of MY 2010, Hazelnut production forecasted at 700,000 MT but due to bad weather condition in March and April especially froze in Mid of March, 2010, production forecast decreased 20% from the first forecast. Yield is low compare to early forecast but quality of hazelnut is higher than MY 2009. Late heat damaged hazelnut yield. Post forecast hazelnut production at 570,000 MT in MY 2010.

In MY 2010, hazelnut yield is high in the high altitudes and low in the low altitudes. High temperature and dry season badly affected yield in valley of Samsun, Ordu and Akcakoca. But yield is high in the high altitudes of same provinces. Strong wind, low pollination and hazelnut weevil decreased production

Even tough government support to decrease hazelnut area, plantation area has not changed considerably in MY 2009.

**Table 1: Area of Hazelnut Production in Different Provinces (ha)**

<b>Turkey: Area of Hazelnut Production in Different Provinces (ha)</b>							
<b>Year</b>	<b>West Black Sea Region</b>	<b>Samsun</b>	<b>Ordu</b>	<b>Giresun</b>	<b>Trabzon</b>	<b>Other</b>	<b>Total</b>
2007	205,657	89,565	207,260	101,263	50,238	15,138	669,121
2008	192,835	90,291	212,566	101,350	52,964	-	650,006
2009	172,196	88,341	212,566	101,727	59,000	19,513	653,343

Source: Ordu CME

There are two organizations who do official hazelnut production forecast, one is the Ministry of Agriculture and Rural Affairs and the other is the national hazelnut council. Ministry of Agriculture and Rural Affairs staff forecast hazelnut production by field trip and actual counting. National Hazelnut Council rely on field trip of their staff and market information.

<b>Turkey: Official hazelnut production estimate</b>				
<b>Provinces</b>	<b>MARA *forecast</b>		<b>MARA *forecast</b>	<b>UFK** forecast</b>
	<b>MY 2008</b>	<b>MY 2009</b>	<b>MY 2010</b>	<b>MY 2010</b>

	(MT/In-Shell)	(MT/In-Shell)	(MT/In-Shell)	(MT/In-Shell)
Giresun	139,764	76,273	63,776	75,838
Ordu	210,583	91,758	201,183	198,505
Samsun	115,706	71,656	82,693	73,875
Trabzon	74,307	36,307	45,730	46,824
Sinop	1,615	1,847	1,567	1,745
Rize	1,408	2,147	2,566	2,036
Artvin	8,350	11,572	9,954	7,458
Gümüşhane	NA	NA	663	554
<b>Sub-Total</b>	<b>551,733</b>	<b>291,560</b>	<b>408,132</b>	<b>406,835</b>
Düzce	90,972	72,689	80,368	66,172
Sakarya	115,262	84,012	117,231	93,241
Zonguldak	24,736	24,079	25,887	17,145
Kocaeli	13,595	14,409	13,598	7,405
Kastamonu	5,396	4,721	6,466	5,073
Bartın	2,852	3,455	3,530	1,922
<b>Sub-Total</b>	<b>252,813</b>	<b>203,365</b>	<b>247,079</b>	<b>190,958</b>
Others	NA	NA	NA	5207
<b>Grand Total</b>	<b>804,546</b>	<b>494,924</b>	<b>655,211</b>	<b>603,000</b>

Source : Ministry of Agriculture and Rural Affairs.

\*MARA: Ministry of Agriculture and Rural Affairs.

\*\*UFK: National Hazelnut Council

### Consumption:

Actual domestic hazelnut consumption in MY 2010 is projected to at 100,000 MT.

The current retail price for shelled roasted hazelnuts in Ankara is about YTL 18 (about USD 12) per kilogram. TMO was very active on retail market in order to decrease high amount of hazelnut stock and increase consumption.

<b>Turkey: Roasted hazelnut retail price of TMO</b>	
<b>Size of Packaging</b>	<b>Price (TL)</b>
Roasted hazelnut, 250 Gr.	2,75
Roasted hazelnut ,500 Gr.	5,00
Roasted hazelnut, 1 kg	9,90
Shelled hazelnut (1 kg)	10,00
Refined hazelnut oil (1 Lt)	3,20

### Trade:

Due to high export price of hazelnut, hazelnut export decreased 15% in MY 2009 compare to MY 2008.

<b>TURKEY: HAZELNUT FOREIGN TRADE (in-shell basis)</b>				
<b>MONTH</b>	<b>IMPORT MY 2008 (MT)</b>	<b>IMPORT MY 2009 (MT)</b>	<b>EXPORT MY 2008 (MT)</b>	<b>EXPORT MY 2009 (MT)</b>
September	300	87	90,354	46,629
October	90	66	75,574	63,883
November	217	480	56,738	53,146
December	858	318	29,403	35,925
January	585	132	28,520	25,547
February	607	330	26,843	26,291
March	792	225	24,391	29,911
April	546	69	21,882	27,229
May	240	0	17,936	23,433
June	84	72	22,817	19,454
July	390	0	19,191	21,683
August	330		25,352	
<b>MY TOTAL</b>	<b>5,039</b>	<b>1,779</b>	<b>439,001</b>	<b>373,131</b>

Hazelnut export and import which was given in the above table covers only in-shell and shell hazelnut export and import. Black sea exporter union export data shows in the below table covers total hazelnut export. Hazelnut conversion from shell to in-shell is used as 1:2

<b>Turkey: Total hazelnut export including process hazelnut (in-shell)</b>				
Months	<b>MY 2009</b>		<b>MY 2010</b>	
	Quantity (MT)	Value (USD)	Quantity (MT)	Value (USD)
September	95,298	262,130,590	55,810	151,825,351
October	74,532	183,589,567	62,892	200,858,971
November	55,520	123,852,967	48,272	156,348,325
December	32,162	71,089,074	39,346	123,646,807
January	33,568	74,260,047	30,344	96,195,460
February	29,976	64,181,388	31,132	97,056,259
March	28,418	59,571,635	31,368	99,552,113
April	26,818	58,284,767	31,604	105,070,749
May	26,288	59,691,141	26,880	88,278,170
June	28,746	70,390,703	24,250	78,300,279
July	30,240	76,300,823	30,368	101,771,743
August	27,690	74,758,788	14,834	47,617,264
<b>Total</b>	<b>489,256</b>	<b>1,178,101,490</b>	<b>426,284</b>	<b>1,343,910,078</b>

Source: Black sea exporters union

EU countries are the major destination for hazelnut export. Italy, Germany and France are the top three destinations for Turkish hazelnut export. Hazelnut is the competitive products of almond in chocolate manufacturing in EU.

<b>Turkey: Quantity of hazelnut exported from Turkey</b>			
Countries	MY 2007 (MT)	MY 2008 (MT)	MY 2009 (MT)
Italy	110,466	164,733	113,805
Germany	57,438	68,733	45,975
France	38,997	33,777	42,066
Switzerland	19,833	24,798	19,125
Belgium	12,363	18,930	13,605
United States	9,870	7,059	4,545
Others	105,029	120,971	134,010
<b>Total</b>	<b>353,996</b>	<b>439,001</b>	<b>373,131</b>

Even though the amount of hazelnut export decreased in MY 2009 export value increased because of high hazelnut export price.

<b>Turkey: Hazelnut Foreign Trade Data</b>				
YEAR	IMPORTS (MT)	IMPORTS (\$)	EXPORTS (MT)	EXPORTS (\$)
MY 2007	5,598	14,856,552	353,996	880,094,991
MY 2008	5,039	9,107,559	439,001	707,967,242
MY 2009	1,779	3,825,045	373,131	778,697,651

Quantity of in-shell and shelled hazelnut export decreased in MY 2009 but quantity of processed hazelnut export remained almost same compare to MY 2008.

<b>TURKEY: PROCESSED HAZELNUT FOREIGN TRADE</b>				
MONTH	IMPORT MY 2008 (MT)	IMPORT MY 2009 (MT)	EXPORT MY 2008 (MT)	EXPORT MY 2009 (MT)
September	251	240	16,949	13,410
October	202	156	14,538	14,318
November	207	234	12,535	12,310
December	427	453	10,205	13,399
January	270	261	11,810	11,575
February	284	393	11,241	12,134
March	426	332	11,423	13,566
April	206	231	10,789	11,453
May	507	473	10,264	10,955
June	290	387	10,408	10,941
July	257	314	11,668	12,230
August	207		11,001	
<b>MY TOTAL</b>	<b>3,534</b>	<b>3,474</b>	<b>142,831</b>	<b>136,291</b>

**Stocks:**

TMO had 515,355 MT hazelnut stocks in September 2009. TMO sent MY 2006 hazelnut to crushers in order to produce oil. MY 2007 and MY 2008 hazelnut stocks used as a tool to regulate market in MY 2009. TMO has 322,126 MT hazelnut stocks in September, 2010.

<b>Turkey: TMO hazelnut stocks</b>				
REGION	MY 2006	MY 2007	MY 2008	TOTAL
AKCAKOCA	835	21,227	133,761	155,823
SAMSUN	3,750	11,165	14,119	29,034
ORDU	1,780	12,027	33,709	47,516
GIRESUN	0	3,775	51,463	55,238
TRABZON	99	6,815	27,601	34,515
<b>TOTAL</b>	<b>6,464</b>	<b>55,009</b>	<b>260,653</b>	<b>322,126</b>

Source: TMO

**Policy:**

TMO started to procure hazelnuts in MY 2006 and continued in MY 2007 and MY 2008. TMO, in total procured 694, 000 MT of hazelnut and paid 2.83 billion TL.

According to a new hazelnut strategy which was published in the official gazette dated July 15, 2009, licensed hazelnut producer gets 1500 TL/ha income support in 2009, 2010 and 2011. Non-licensed producer gets 3000 TL/ha in 2009, 1500 TL/ha in 2010 and 2011 if they agree to up-root hazelnuts and started to produce alternative crops.

TMO sold 142,000 MT of in-shell hazelnut to market since 2008. TMO stopped hazelnut sales in July 30, 2010 due to the start of new harvest season.

<b>Turkey: Quantity of TMO retail sale (MT)</b>					
Types of products	2007	2008	2009	2010	Total
In-shell hazelnut	112	62			174
Roasted shelled hazelnut	23	239	4,632	2,013	6,907
Hazelnut cream		42	239	86	367
Refined hazelnut oil			415	574	989



## Marketing:

In MY 2008, producers didn't sell hazelnut immediately after harvest. Therefore, the price of hazelnut started to increase in May 2009 and reached a peak in November 2009. TMO was not involved in the market. TMO has not announced any procurement price so far. They are not willing to announce procurement price since market price is in favor of producer at the moment.

<b>Turkey: In shell hazelnut price at the ordu commodity exchange</b>			
Months	2008 (TL/KG)	2009 (TL/KG)	2010 (TL/KG)
January	4.21	2.93	4.10
February	4.22	2.87	4.14
March	4.02	2.99	4.32
April	3.85	3.08	4.58
May	3.92	3.43	4.57
June	3.72	3.50	4.69
July	3.52	3.50	4.68
August	3.30	3.37	3.74
September	2.54	3.77	
October	2.50	4.27	
November	2.45	4.18	
December	2.50	4.03	

Price difference in different region is the result of quality of hazelnut changes by region. Giresun hazelnut price is higher than other region price because of high quality variety.

<b>Turkey: in-shell round type hazelnut price at the market in September 2010</b>						
REGION	GİRESUN	DÜZCE	AKÇAKOCA	ÜNYE	ORDU	TRABZON
Minimum price (TL / KG)	4,30	3,75	3,60	3,75	3,55	3,60
Maximum price (TL / KG)	4,40	3,85	3,70	3,80	3,60	3,70

Due to high domestic hazelnut price, hazelnut export price increased in MY 2009. Export prices increase lead to conflicts between exporters and producers. Collective and persistent approach of producer not to sell at low price kept hazelnut price high in MY 2009.

**Turkey: Hazelnut export price**

<b>2009/10</b>	<b>Average Prices USD/MT-FOB</b>
Standard Hazelnut (13-15 mm, shelled)	645
Unshelled, Whole, Processed	716
Diced/Sliced	714
Meal, Flour	541
<b>2008/09</b>	
Standard Hazelnut (13-15 mm, shelled)	574
Unshelled, Whole, Processed	593
Diced/Sliced	523
Meal, Flour	352

### **Commodities:**

Pistachios, Inshell Basis

### **Production:**

Because this is an “on” year in the natural cycle, pistachio production in MY 2010 is forecast to be much higher than MY 2009 crop. MY 2010 pistachio harvest started in late August and early September depending on the region. There are three major regions where pistachio grown in Turkey; Gaziantep, Sanliurfa and Siirt. Gaziantep and Sanliurfa pistachio varieties are similar but Siirt pistachio has different variety. In a normal year Gaziantep region produces 40,000 -45,000 MT, Sanliurfa region produces 35,000-45,000 MT and Siirt region produces 10,000 MT -15,000 MT.

In MY 2010, Gaziantep region pistachio production forecasted at 39,000 MT and Sanliurfa pistachio production forecasted at 41,000 MT, Siirt region forecasted at 15,000 MT. Total pistachio productions is forecasted at 110,000 MT in MY 2010. Pistachio quality is also very good. There are some region in Gaziantep and Siirt where late heat damaged the quality of products. Increased amount of new sapling plantation in Sanliurfa and Siirt region, pistachio production will increase in the following year. Due to the better variety selection cycling problem will not be observed in the following years. According to the official statistics 1million new sapling is planted for every year.

Most Turkish pistachios are the Gaziantep type, thinner and smaller than Iranian-type pistachios. Siirt pistachios, about 15 percent of the total production, are somewhere between Gaziantep and Iranian pistachios. The Siirt type yields are not only higher but fluctuate less than the Gaziantep type. In Turkey, quality is directly related to size: 90 nuts or fewer per 100 grams is considered first quality, 90-100 nuts are second quality, 100-120 nuts are third quality, and more than 120 nuts are fourth quality.

### **Consumption:**

Pistachios are widely eaten as a snack food and used in the production of confectionary products, especially desserts and bakery products

Pistachio consumption dropped 60,000 MT in MY 2009 as a result of record high domestic pistachio prices resulting from lower supplies. Not only confectionary consumers but also baklava (special Turkish dessert) consumer badly affected by high pistachio price.

Confectionary pistachio price in MY 2008 was around 20 TL/kg and increased to 40 TL in May, 2010 at the market. Shelled pistachio price which is used for baklava manufacturing increased from 42 TL/kg in MY 2008 to 50 TL/kg in MY 2009.

In-Shell pistachio price is 12 TL/ kg, Roasted pistachio is 37 TL/kg and shelled pistachio is 67 TL/kg at the market..

### Trade:

In MY 2009, Pistachio export dramatically decreased. Due to shortage of production to satisfy domestic market, total pistachio export, including process pistachio dropped 75% in MY 2009 compare to MY 2008. Pistachio export will reach to 6,500 MT in MY 2010.

<b>TURKEY: PISTACHIO FOREIGN TRADE (in-shell basis)</b>				
<b>MONTH</b>	<b>IMPORT MY 2008 (MT)</b>	<b>IMPORT MY 2009 (MT)</b>	<b>EXPORT MY 2008 (MT)</b>	<b>EXPORT MY 2009 (MT)</b>
September	0	22	223	13
October	0	0	659	31
November	25	22	916	47
December	20	0	354	37
January	15	0	516	32
February	0	0	423	28
March	45	0	300	32
April	0	0	220	17
May	20	4	348	14
June	0	0	294	51
July	72	10	97	12
August	0		52	
<b>MY TOTAL</b>	<b>197</b>	<b>58</b>	<b>4,402</b>	<b>314</b>

Major pistachio export markets are the EU countries. Pistachio promotion council targets Germany, Italy, England, Spain and Russia to increase pistachio sales. Due to shortage of budget, pistachio promotion council was not as active as hazelnut promotion council.

<b>Turkey: Quantity of Pistachio (in-shell) foreign trade</b>			
<b>Countries</b>	<b>MY 2007 (MT)</b>	<b>MY 2008 (MT)</b>	<b>MY 2009 (MT)</b>

	Import	Export	Import	Export	Import	Export
Belgium	0	77	0	367	20	26
Italy	15	406	77	675	4	45
Germany	2	142	10	163	0	57
United Arab Emirates	0	4	0	13	0	7
United Kingdom	0	17	0	12	0	6
United States	33	9	0	54	0	12
Iran	0	0	0	0	22	0
Saudi Arabia	0	0	0	257	12	0
Others	0	173	110	2,861	0	10
<b>Total</b>	<b>50</b>	<b>828</b>	<b>197</b>	<b>4,402</b>	<b>58</b>	<b>314</b>

<b>Turkey: Pistachio Foreign Trade Data</b>				
<b>YEAR</b>	<b>IMPORTS (MT)</b>	<b>IMPORTS (\$)</b>	<b>EXPORTS (MT)</b>	<b>EXPORTS (\$)</b>
MY 2007	50	643,083	828	12,312,792
MY 2008	197	1,046,510	4,402	40,551,875
MY 2009	58	597,377	314	6,118,938

### **Stocks:**

Pistachio stocks vary considerably from year to year in line with cyclical production. High level of production resulted in high amount of stocks in MY 2008. In MY 2009, stocks level decreased.

### **Policy:**

The government stopped giving direct supports to pistachio farmers several years ago, and since 2004 GUNYDOGUBIRLIK has not announced any procurement prices for pistachios.

There is, however, a government support of 300 TL/ha for the establishment of new orchards that are planted with certified seedlings.

There are no subsidies, taxes or other restrictions on pistachio exports but pistachio imports to Turkey are not allowed at any time of the year. There is evidence that Iranian pistachios enter Turkey and are exported labeled as Turkish product.

### **Marketing:**

The Antep Pistachio Promotion Group was established in January, 2006. The Aegean, Southeast Anatolian and Istanbul Exporters Unions each have two members on the Board of Directors. Also the Undersecretariat of Foreign Trade names one member. The goal of group is to organize and manage research and marketing activities to increase the consumption and exportation of Antep pistachios.

The group participated to the following meetings in 2009

- ISM 2009 fair on 01-04 of February in Koln/Germany
- IFE International Food and Beverages Fair on 15-18 of March in London/UK

GUNEYDOGUBIRLIK, which is located in Gaziantep Province, is the only sales cooperative union for pistachios; this sales cooperative follows domestic and foreign trade issues, provides information, conducts market research, and sponsors promotional events

Note: PSD production estimates are based on in shelled nuts with a conversion factor of 1:2

**Commodities:**

Almonds, Shelled Basis

**Production:**

Almonds were considered a minor crop and were not cultivated commercially in Turkey until recently. Turkish almond production is estimated as 18,044 MT by the Turkish Statistics Institute; many industry sources, however, suggest that 14,500 MT is more accurate. Due to cold weather condition in upper part of almond produced region almond production dropped dramatically in some part of Turkey.

Post estimates almond production as 14,500 MT in MY 2010, as climate conditions in April and May 2010 were bad. Although some almonds are grown in most parts of the country, commercial production is concentrated in the Aegean, Marmara, and Mediterranean Regions. PSD production estimates are based on shelled nuts with a conversion factor of 1:3.

There are several rural development projects to increase almond production but commercial investment to almond orchard is very limited.

There is no special organization for almond producers. Almond orchard establishment is getting popular in Turkey. Some big companies have started to invest almond orchards in Turkey. TUKSIAD (Turkey Dried Fruits and Nuts Traders and Businessman Association) is actively promoting almond orchard establishments in Turkey. They established demonstration orchard in Denizli province. Due to the efforts of government and private sector, almond orchard area increased significantly in Denizli and Mugla provinces

**Trade:**

<b>TURKEY: ALMOND FOREIGN TRADE (shelled basis)</b>				
<b>MONTH</b>	<b>IMPORT MY 2008 (MT)</b>	<b>IMPORT MY 2009</b>	<b>EXPORT MY 2008 (MT)</b>	<b>EXPORT MY 2009 (MT)</b>

		(MT)		
September	365	226	182	136
October	372	581	117	296
November	528	675	331	296
December	902	866	153	392
January	406	532	463	330
February	440	684	423	315
March	629	674	511	222
April	699	975	421	292
May	844	986	415	316
June	466	496	195	397
July	705	739	307	437
August	605		189	
<b>MY TOTAL</b>	<b>6,962</b>	<b>7,435</b>	<b>3,707</b>	<b>3,430</b>

Almond imports increased to 7,500 MT in MY 2010. United States is the major almond supplier to Turkey. Due to the high quality and better price there is high demand to almond importer. Better marketing can increase almond imports. There is a lack of information at the market about United States almond quality and price. In MY 2010, Almond import is forecast to increase to 8,000 MT and almond export will increase to 3,500 MT.

In-shell almond price at the commodity exchange is 12 TL/kg and roasted almond price is 35 TL/kg at the retail market.

<b>Turkey: Quantity of Almond (shelled) foreign trade</b>						
<b>Countries</b>	<b>MY 2007 (MT)</b>		<b>MY 2008 (MT)</b>		<b>MY 2009 (MT)</b>	
	Import	Export	Import	Export	Import	Export
United States	4,210	0	6,542	0	6,891	0

Spain	206	0	103	36	181	0
Chile	41	0	58	0	79	0
Iran	22	0	0	851	0	658
Iraq	0	903	0	997	0	511
Egypt	0	16	0	235	0	294
Lebanon	0	0	0	79	0	272
Libya	0	316	0	504	0	166
Others	127	907	259	1,005	285	1,529
<b>Total</b>	<b>4,606</b>	<b>2,142</b>	<b>6,962</b>	<b>3,707</b>	<b>7,435</b>	<b>3,430</b>

US exporters should not only target Turkey but also should target Middle East countries through Turkish marketing channel. Inward process regime and re-export opportunities should be evaluated by exporters.

High hazelnut price also increased almond imports in MY 2009. Hazelnut price will be high in MY 2010 as well. Similar effect should be expected in MY 2010.

<b>Turkey: Almond Foreign Trade Data</b>				
<b>YEAR</b>	<b>IMPORTS (MT)</b>	<b>IMPORTS (\$)</b>	<b>EXPORTS (MT)</b>	<b>EXPORTS (\$)</b>
MY 2007	4,606	35,800,053	2,142	26,693,038
MY 2008	6,962	56,445,840	3,707	38,882,578
MY 2009	7,435	58,364,466	3,430	25,708,906

Turkey primarily imports in-shell almond and exports shelled almond. There are many claims of illegal almond shipments entering across Turkey's eastern border. Not only almond but also walnut and pistachio enter illegally. At the moment it is very difficult to guess the amount of illegal tree nuts entering Turkey

### **Commodities:**

Walnuts, Inshell Basis

### **Production:**

Walnut production has been increasing gradually due to improved varieties and a growing number of orchards. Official production figures, however, are considered to overstate commercial production by a factor of two. Turkish Statistic Institute lowered its MY 2009 production forecast to 177,298 MT,

while the consensus forecast of the trade is currently at 88,000 MT in MY 2009. Due to cold climate condition walnut production dropped to 85,000 MT in MY 2010. Some quality problems observed especially because of cold climate effect.

As demand has risen and prices become favorable, walnut production has been increasing with a growing number of orchards and better varieties. There are festivals around Turkey to promote walnut production and consumption. These include the Bitlis Province Adilcevaz Walnut Festival, the Kirsehir Province Kaman Walnut Festival, the Tokat Province Niksar Walnut Festival and the Giresun Province Sebinkarahisar Walnut Festival. Walnuts grow throughout the country and increased demand and good prices have encouraged walnut cultivation in recent years. Major producer provinces are Karaman, Kastamonu, Hakkari, Bursa and Tokat.

The major problem for walnut producers in Turkey is low yields.

There is great need for improved varieties. Yalova Horticulture Research Institute, which is located in Yalova in the Marmara Region, is Turkey's leading walnut research facility and developer of new varieties. Commercial production of the improved varieties developed by the institute has begun in Balikesir, Denizli, Bursa and Maras provinces.

Reportedly one million walnut seedlings were sold in Turkey in 2009, but there is a shortage of certified, standardized seedlings of improved walnut cultivars in Turkey.

Until 1970 walnuts had been propagated only by seeds and therefore until the last decade it was very difficult to find established orchards of standard cultivars. However the importance of propagation by grafting and budding is now understood and as a result orchards established of standard cultivars are becoming increasingly widespread

Almost all walnut trees in Turkey are grown without the use of pesticides and chemical fertilizers. This explains why, in recent years in some areas, organic walnut production has become popular

### **Consumption:**

Walnut consumption has increased significantly in recent years. Per capita consumption, which was estimated earlier as 1.5 kilograms/year, is now estimated to be almost 2 kilograms. Consumption has increased due to perceived health benefits and the availability of inexpensive imported walnuts.

Walnuts are commonly used in dessert production. Also, by combining walnuts with mulberries and grapes, special products such as *pestil* and *köme* are made. Walnuts also are used in ice cream and *halva* production, and in the dried fruit industry. The leaves and green shells are used as a pigment in Turkey.

Retail prices of shelled walnuts vary greatly because of large differences in quality. A kilogram of top quality domestically grown shelled walnuts is sold for TL 46 and lower quality walnuts may be sold for as low as TL 20/kg in retail stores in Ankara. Imported high quality shelled walnut price is TL 35/kg. Shelled walnut price was recorded at TL 15/kg at the Gaziantep commodity exchange in August, 2010.



**Trade:**

The processing industry has grown in recent years. Imports of both inshell and shelled walnuts and export of shelled walnuts have increased substantially. However, turkey remains a net importer of walnuts.

Walnut import remained stable in MY 2009 compare to MY 2008. It is expected to increase in MY 2010. On the other hand walnut export increased in MY 2009. Inward processing regime and increased demand from Middle Eastern countries lead walnut export increase in MY 2009. Walnut import and export is forecasted to increase in MY 2010.

<b>TURKEY: WALNUT FOREIGN TRADE (in-shell basis)</b>				
<b>MONTH</b>	<b>IMPORT MY 2008 (MT)</b>	<b>IMPORT MY 2009 (MT)</b>	<b>EXPORT MY 2008 (MT)</b>	<b>EXPORT MY 2009 (MT)</b>
September	3,538	2,027	250	115
October	1,211	2,147	235	335
November	3,043	4,944	256	4
December	4,055	8,399	176	388
January	4,556	5,669	348	333
February	2,026	3,900	430	930
March	2,563	3,671	238	708
April	2,207	2,618	175	1,163
May	2,501	1,760	243	860
June	3,190	1,986	353	860
July	4,601	2,341	73	1,208
August	3,484		345	
<b>MY TOTAL</b>	<b>36,972</b>	<b>39,461</b>	<b>3,120</b>	<b>6,901</b>

<b>Turkey: Quantity of Walnut (In-shell) exported from Turkey</b>						
<b>Countries</b>	<b>MY 2007 (MT)</b>		<b>MY 2008 (MT)</b>		<b>MY 2009 (MT)</b>	
	Import	Export	Import	Export	Import	Export
United States	7,353	835	12,971	0	17,900	0
Ukraine	8,540	0	2,690	0	4,512	0
Moldova	868	0	1,996	0	617	0
Bosnia & Herzegovina	1,230	0	1,127	0	5,241	0

Romania	1,660	0	2,191	0	2,414	0
Kyrgyzstan	5,489	0	3,850	0	1,445	0
Uzbekistan	7,055	0	956	0	2,038	0
Chile	1,389	0	4,755	0	3,486	0
Iran	514	100		1,402		1,463
Others	6,210	2,626	6,438	1,718	1,808	5,38
<b>Total</b>	<b>40,308</b>	<b>3,561</b>	<b>36,972</b>	<b>3,120</b>	<b>39,461</b>	<b>6,901</b>

<b>Turkey: Walnut Foreign Trade Data</b>				
<b>YEAR</b>	<b>IMPORTS (\$)</b>	<b>IMPORTS (MT)</b>	<b>EXPORTS (\$)</b>	<b>EXPORTS (MT)</b>
MY 2007	82,687,625	40,308	13,325,872	3,561
MY 2008	72,861,762	36,972	11,099,166	3,120
MY 2009	79,464,561	39,461	19,987,948	6,901