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Turkey

Raisin Annual

2013 Turkey Raisin Annual Report

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Report Highlights:
Raisin production is expected to decrease as much as 20% to 242,635 MT in MY2013 due to cold weather and freeze damage on the yields. Post expects this decrease in the supply to reflect a price increase. EU countries are currently the top export destinations for Turkish raisins.

Executive Summary:

According to the Raisin Production Forecast Commission (which has members from the Izmir Commodity Exchange, Izmir Chamber of Commerce, Manisa Commodity Exchange, Alasehir Commodity Exchange, Aegean Exporters Union and MINFAL Grape Research Center) raisin production in the Aegean region which accounts for most of the production, will be 242,635 MT from a harvested area of 96,760 hectares.

Turkish raisin production is predicted to decrease 20% in MY 2013 compared to the previous year due to severe weather conditions and will be 242,635 MT. The cold weather and freeze in the spring hurt the crops in most raisin producing areas this year. MY 2012 production had exceeded post expectations of 270,000 MT and reached 286,575 MT. European countries continued to be the top export destination in MY 2012.

Commodities:

Raisins

Production:

Turkey produces approximately 4.2 MMT of grapes annually. Table grapes make up 25-30% of the production, drying grapes make up 35-38%, grapes for traditional products such as *pekmez* (molasses) make up 20-25%, and grapes used for alcoholic beverage production make up approximately 10-15% of this total.

Grapes are grown throughout Turkey, and there are over 1,200 different grape varieties in Turkey. Harvest season begins around August 15. Seedless grape production expanded significantly in Turkey in the 1990's due to more intensive cultivation and adaption of better irrigation techniques. 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 the Aegean (western) part of Turkey. While the Aegean region produces seedless grapes, the Marmara, Central Anatolia and Southeast Anatolia regions produce table and wine grapes.

Official total grape production that was 4,185,126 MT in MY 2012 is expected to decrease 2.4% in MY 2013 due to the above stated reasons to become 4,085,000 MT. Every year approximately 10 percent of the grape harvest is dried.

The table below shows the breakdown of seedless grape production in the Aegean Region according to the cities in MY 2012 and the yield expectations for MY 2013:

2013-14 Aegean region raisin yield forecast				
Regions	2012/13	2013/2014		
	Production (MT)	Harvested area (Da)*	Yield (Kg/Da)	Production (MT)
Menemen	11,010	27,320	256	6,986
Kemalpaşa	3,018	28,765	164	4,712
Torbalı	1,860	7,900	273	2,157
Manisa	27,339	85,638	259	22,210
Saruhanlı	22,233	82,545	309	25,539
Turgutlu	26,481	76,800	218	16,773
Ahmetli	15,170	50,425	296	14,913
Gölmarmara	5,559	25,000	364	9,100
Akhisar	6,769	17,550	364	6,388
Salihli	45,543	96,215	336	30,693
Alaşehir	74,502	182,500	408	48,361
Sarıgöl	29,315	78,450	455	23,202
Buldan	8,876	31,700	614	7,789
Çal	5,950	125,000	197	17,279
Bekilli	950	9,940	197	1,963
Denizli (and others)	2,000	41,858	109	4,571
TOTAL	**286,575**	**967,606**	**---**	**242,635**

** 1 da (dekar) is 1000 m2 (square meters)*

The Sultana Raisins Association, which was established in 1934, formed the basis of "TARIS Raisins Agricultural Sales Cooperatives Union". Generally, TARIS purchases around 15-20 percent of total production. The cooperatives of the union are spread across the Aegean Region, located in the western part of Turkey. Of 75,000 ha of total production area, approximately 39,000 ha belong to the members of TARIS. The vineyards of TARIS members have always set a very good example in the region regarding the yield and the quality of the product.

TARIS has recommended in recent years that producers limit their seedless grape orchard areas because the export market was supposedly saturated. The size of an average farm is less than 3 hectares in Turkey. Therefore, as with other commodities, seedless grapes are generally 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.

Consumption:

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 advance procurement prices in the beginning of the season and the latter is the main cash market for raisins.

Domestic raisin consumption fluctuates depending upon the supply and quality of the raisin crop. Despite's Turkey's leading role in the production of raisins, domestic consumption is quite low, and most of the production is exported. Low quality raisins are also used for distillation production such as *raki* (a strong anise based 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, and the wine grape production barely meets this demand. According to estimates, the capacity of the Turkish wine industry is 120 million liters.

Trade:

EU countries continued to be the top export destinations for Turkish raisins both in MY 2011 and MY 2012, and are predicted to be so in MY 2013 as well. Exports increased 5% compared to MY2011 and reached 225,000 MT in MY 2012. United Kingdom, Germany and Holland continued to be the top three importers of Turkish raisins. Due to the decrease in yields in MY 2013, post expects a decrease in the amount of exports and an increase in prices in MY 2013.

As the price of grapes vary from 1 to 1.3 TL per kilogram depending on the variety, the export price of raisins goes up to 4.5 TL/kg. (1 Turkish Lira = $0.52)

Production, Supply and Demand Data Statistics:

Raisins Turkey	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Sep 2011		Market Year Begin: Sep 2012		Market Year Begin: Sep 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	85,000	85,000	85,000	96,000		96,000
Area Harvested	85,000	85,000	85,000	96,000		90,000
Beginning Stocks	4,500	4,500	3,500	8,900		19,300
Production	250,000	250,000	270,000	264,500		242,500
Imports	1,500	1,900	1,000	1,400		1,500
Total Supply	256,000	256,400	274,500	274,800		263,300
Exports	216,475	207,500	225,000	215,500		220,000
Domestic Consumption	36,025	40,000	45,000	40,000		42,000
Ending Stocks	3,500	8,900	4,500	19,300		1,300
Total Distribution	256,000	256,400	274,500	274,800		263,300
HA, MT						