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Report Name: Citrus Semi-annual

Country: Turkey

Post: Ankara

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Report Highlights:

High price increases on input costs such as electricity, fertilizer, and chemicals continue. Fertilizer prices are especially worrisome for Turkish producers, with a 60-90 percent increase in the last marketing year. In MY 2020/21, orange production is estimated to decrease 1.3 million MT, which is 23 percent lower than MY 2019/20 (1.7 million MT), due to excessive hot weather conditions in May 2020 during the blooming period of trees. In MY 2020/21, orange exports are forecast to decrease 10 percent to 263,000 MT when compared with the previous season, in correlation with low yield expectation. In MY 2020/21, Post revises tangerine production forecast to increase 14 percent to 1.6 million MT with good harvest quality due to the favorable timing of rains and temperatures. Turkish tangerine exports started well in MY 2020/21 for exports mostly to Russia, Ukraine, and Iraq and reached 890, 595 MT as of April 2021, which is 8 percent higher than the same period of the previous season.

Harmonized System (HS) Codes:

Oranges 080510

Tangerines/Mandarins 080520, 080521, 080522, 080529

Lemons 080550

Grapefruits 080540

Orange Juice 200911, 200912, 200919

Abbreviations used in this report:

FAS	USDA Foreign Agricultural Service
HA	Hectares (2.47 acres)
MT	Metric ton (1,000 kilograms)
MMT	Million Metric Tons
MinAF	Turkish Ministry of Agriculture and Forestry
MY	Marketing year
PS&D	Production, Supply and Distribution
TDM	Trade Data Monitoring
TL	Turkish Lira
TurkSTAT	Turkish Statistical Institute
USD	U.S. Dollar

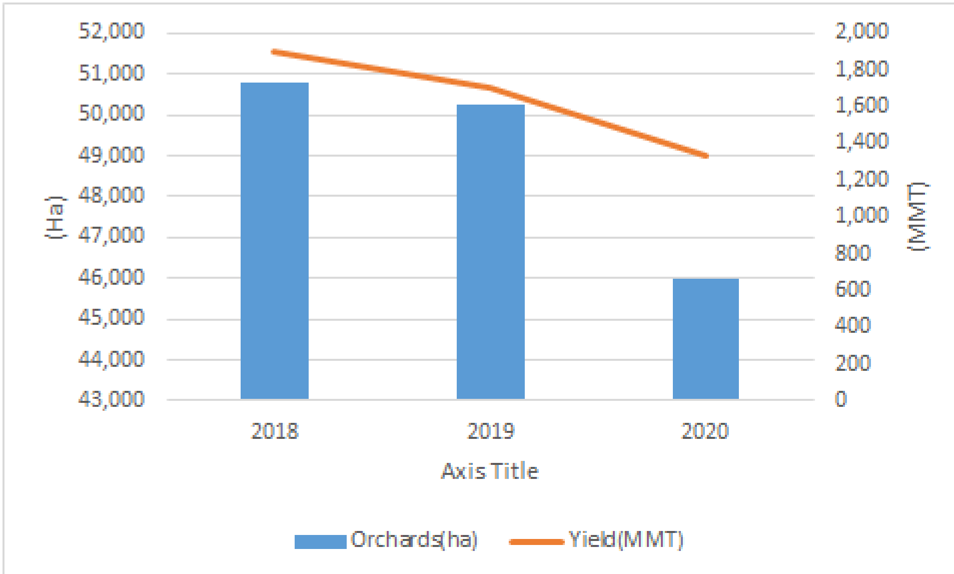
Commodities:

Oranges, Fresh

Production:

In MY 2020/21, orange production is estimated to decrease 1.3 million MT, which is 23 percent lower than MY 2019/20 (1.7 million MT), due to excessive hot weather conditions in May 2020 during the blooming period of trees. High price increases on input costs such as electricity, fertilizer, and chemicals continue. Fertilizer prices are especially worrisome for Turkish producers, with a 60-90 percent increase in the last marketing year.

Figure 1. Turkey Orange Production (MMT) vs Orchards (ha) CY 2018-2019-2020 Comparison



Source: TurkSTAT, 2021

In March 2021, crops of the Valencia variety have started harvesting in Antalya province. Most Valencia oranges are exported. In the domestic market, this variety is used for fresh juice.
In April 2020, shortly after the COVID-19 patient/death numbers started to rise significantly in Turkey, orange farm gate selling prices started to rise as citrus demand from the domestic market increased due to its high Vitamin C content, thought to help boost the immune system. The price increase is helpful for orange producers who were experiencing low farm prices for years, despite high retail market prices.

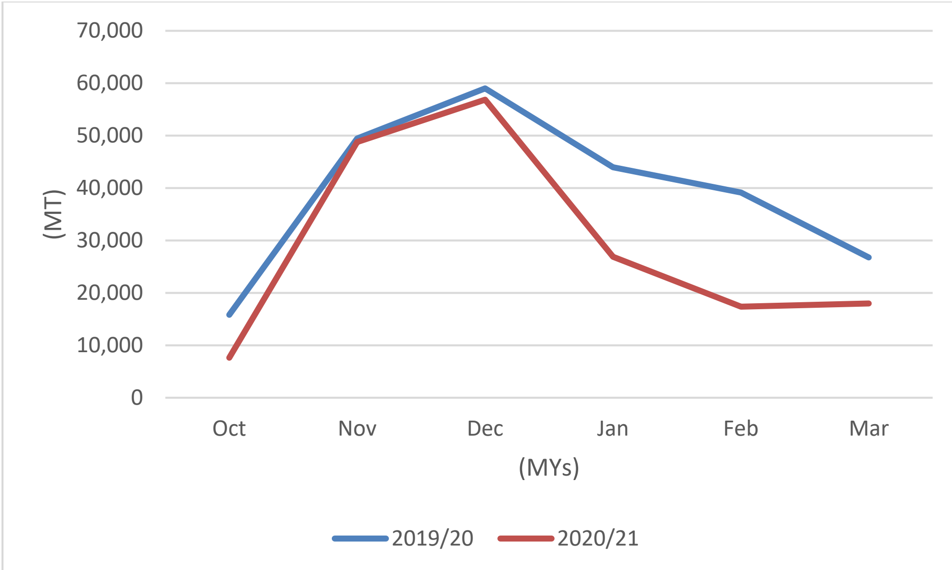
Consumption:

In MY 2020/21, orange consumption is expected to decrease to 976,000 MT in correlation with low production expectations. Consumption has been decreasing for the last three years due to low supply and high market prices. Although consumption temporarily rose during winter of MY 2020/21 due to COVID-19, it is expected to be lower than the previous year due to lower supply and higher prices. Consumption has also been negatively affected by the closure of restaurants, cafes, and pubs during the COVID-19 pandemic.

Trade:

In MY 2020/21, orange exports are forecast to decrease 10 percent to 263,000 MT when compared with the previous season, in correlation with low yield expectation. Total orange exports in the first six months of MY 2020/21 dropped 24 percent when compared with the same period of MY 2019/20. Russia is the biggest market for orange exports from Turkey; exports to Russia in the first six months of MY 2020/21 remained stable with the same period of MY 2019/20. However, orange export to Iraq, which is the second biggest export market for Turkey, dropped 45 percent when compared with the same period of MY 2019/20.

Figure 2. Turkish Orange Exports, Comparison Table for MY 2019/20 and MY 2020/21, monthly



Sources: Trade Data Monitor, LLC

At the beginning of 2021, The Ministry of Agriculture and Forestry attempted to implement a restriction on orange exports based on pesticide analysis and applied to all exported oranges. According to Turkish producers, this restriction was not the result of importing countries' requests, and it caused huge decrease in contracted orange exports at the beginning of the year. Producers believe that the restriction was applied in order to reduce high domestic orange market prices which are the direct result of lower production. Domestic market prices decreased for a short time, but the ban caused damage with orange export markets. On January 7, 2021, the Ministry announced they would lifted the restriction as a result of producers/exporter` reactions and returned to normal operations approximately 3 weeks later.

In 2019/20, Turkey exported 293,062 MT of oranges, which is 1.6 percent lower than the previous season. Oranges were the third most important citrus product from which Turkey obtained export revenue. The revenue was $127 million for MY 2019/20, which is 16 percent more than the previous year despite a small decrease on exports quantity due to higher selling prices as a result of high demand during the COVID-19 pandemic.

Chart 1. Turkey's Biggest Export Markets for Oranges, MT

	MY 2018/19	MY 2019/20	MY 2020/21*
Iraq	119,447	78,331	29,619
Russia	79,734	106,744	93,754
Georgia	11,061	11,839	7,706

Sources: Trade Data Monitor, LLC. * Data includes exports Oct-March

Production, Supply and Distribution Statistics:

Table 1: PSD Oranges, Fresh

Oranges, Fresh	2018/2019		2019/2020		2020/2021	
Market Year Begins	Oct 2018		Oct 2019		Oct 2020	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	53500	53500	53400	53400	51000	51000
Area Harvested (HECTARES)	50805	50805	50246	50246	50200	49000
Bearing Trees (1000 TREES)	13150	13150	12980	12980	12980	12306
Non-Bearing Trees (1000 TREES)	680	680	865	865	860	1151
Total No. Of Trees (1000 TREES)	13830	13830	13845	13845	13840	13457
Production (1000 MT)	1900	1900	1700	1700	1360	1300
Imports (1000 MT)	42	42	42	42	44	44
Total Supply (1000 MT)	1942	1942	1742	1742	1404	1344
Exports (1000 MT)	298	298	293	293	263	263
Fresh Dom. Consumption (1000 MT)	1539	1539	1339	1339	1036	976
For Processing (1000 MT)	105	105	110	110	105	105
Total Distribution (1000 MT)	1942	1942	1742	1742	1404	1344
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Commodities:

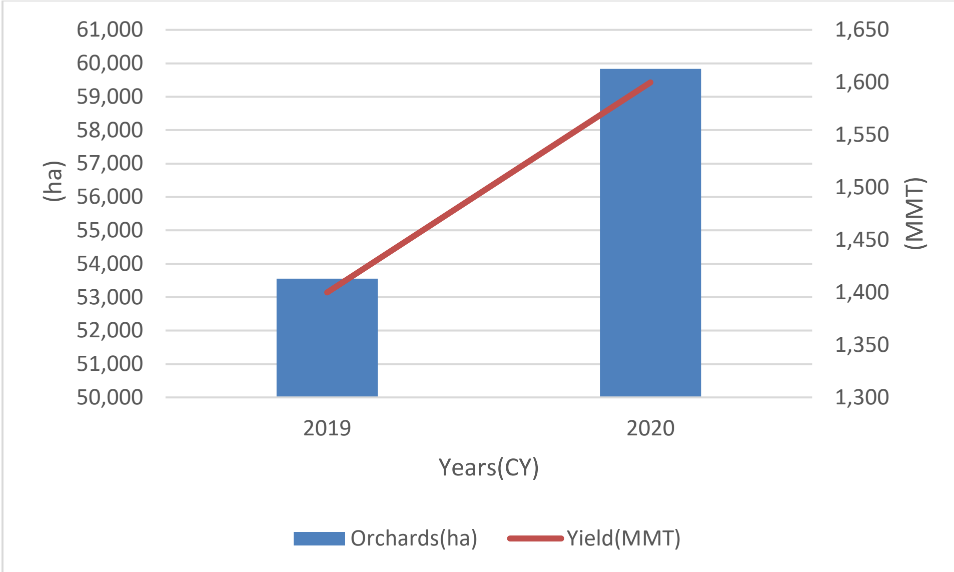
Tangerines/Mandarins, Fresh

Production:

In MY 2020/21, Post revises tangerine production forecast to increase 14 percent to 1.6 million MT with good harvest quality due to the favorable timing of rains and temperatures.

In MY 2019/20, tangerine production totaled 1.4 million MT, which is lower than the previous season due to freezing conditions and heavy storms during the blooming period of the trees. MY 2018/19 tangerine production reached 1.65 million MT.

Figure 3. Turkey Tangerine Production (MMT) vs Orchards (ha) CY 2019-2020 Comparison

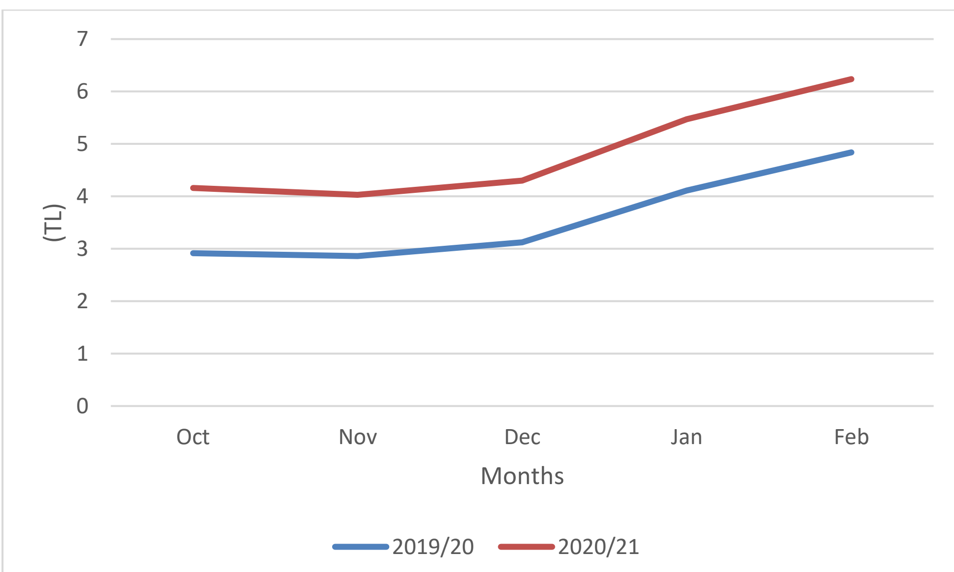


Source: TurkSTAT, 2021

Consumption:

In MY 2020/21, Turkey's domestic consumption of mandarins is estimated to increase to 729,000 MT due to higher production. In 2019/20, consumption was 602,000 MT, which is lower than the MY 2018/19 consumption level of 970,000 MT

Figure 4. Tangerine Customer Prices, MY 2019/20-MY 2020/21 Comparison by Months



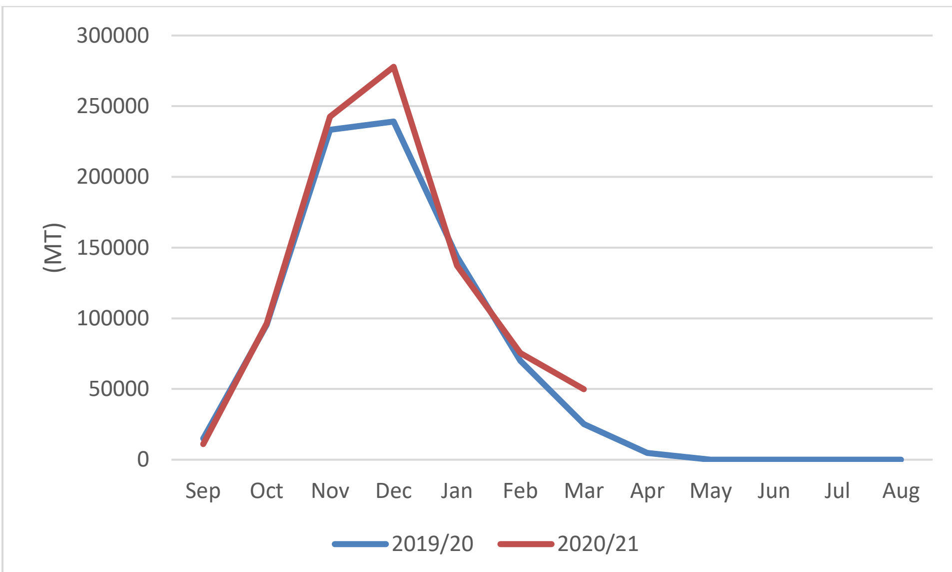
Source: TurkSTAT, 2021 (With exchange rate 8.6 TL to $1 USD as of June 2021)

The gap between the production price at orchards and the selling price at supermarkets in cities is still considered very large. Transportation is an issue and adds a considerable amount to prices at supermarkets. The supermarket prices are 80 percent more than the base price at orchards. In MY 2020/21, production prices increased 51 percent over than the previous season while consumer prices increased 31 percent.

Trade:

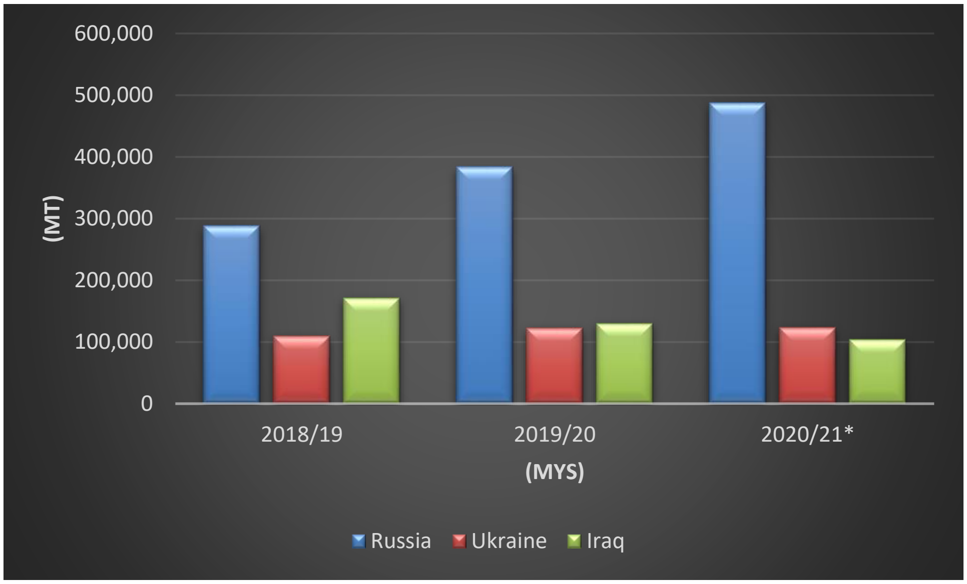
Tangerines are still the top product among all citrus exported from Turkey. In Turkey, the export season for tangerines started in September for MY 2020/21. Turkish tangerine exports started well in MY 2020/21 for exports mostly to Russia, Ukraine, and Iraq and reached 890,595 MT as of April 2021, which is 8 percent higher than the same period of the previous season. Post revised the total tangerine export forecast to reach 900,000 MT in MY 2020/21 which is 8 percent higher than MY 2019/20 (826,557 MT, a value of $403 million).

Figure 5. Turkey Tangerine Export Comparison in MT for MY 2019/20 and MY 2020/21.



Source: Trade Data Monitor, LLC (Note: MY 2019/20 data includes October-April only)

Figure 6. Turkey Tangerine Export Comparison by the Main Markets for MY 2018/19, MY 2019/20 and MY 2020/21.



Source: Trade Data Monitor, LLC (Note: MY 2020/21 data includes September- April)

Tangerine exports to Iraq have dramatically decreased because of disputes between Iraqi and Turkish consumer preferences. According to Turkish exporters, Iraq requires tangerines green and with leaves, but Turkish border officials who are checking if products comply with Turkish export requirements have not been allowing green, leaved tangerine to be exported.

The Satsuma variety is the most preferred of the exported tangerine varieties; more than half of the total exports from Turkey are Satsuma.

Table 2: Production, Supply and Distribution Statistics: Tangerines/Mandarins

Tangerines/Mandarins, Fresh	2018/2019		2019/2020		2020/2021	
Market Year Begins	Sep 2018		Sep 2019		Sep 2020	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	51590	51590	53553	53553	54500	55000
Area Harvested (HECTARES)	49000	49000	51000	51000	53500	54250
Bearing Trees (1000 TREES)	14396	14396	15183	15183	16100	15925
Non-Bearing Trees (1000 TREES)	3725	3725	4158	4158	4700	5841
Total No. Of Trees (1000 TREES)	18121	18121	19341	19341	20800	21766
Production (1000 MT)	1650	1650	1400	1400	1750	1600

Imports (1000 MT)	32	32	30	30	30	30
Total Supply (1000 MT)	1682	1682	1430	1430	1780	1630
Exports (1000 MT)	712	712	827	827	991	900
Fresh Dom. Consumption (1000 MT)	969	969	602	602	788	729
For Processing (1000 MT)	1	1	1	1	1	1
Total Distribution (1000 MT)	1682	1682	1430	1430	1780	1630
(HECTARES) ,(1000 TREES) ,(1000 MT)						

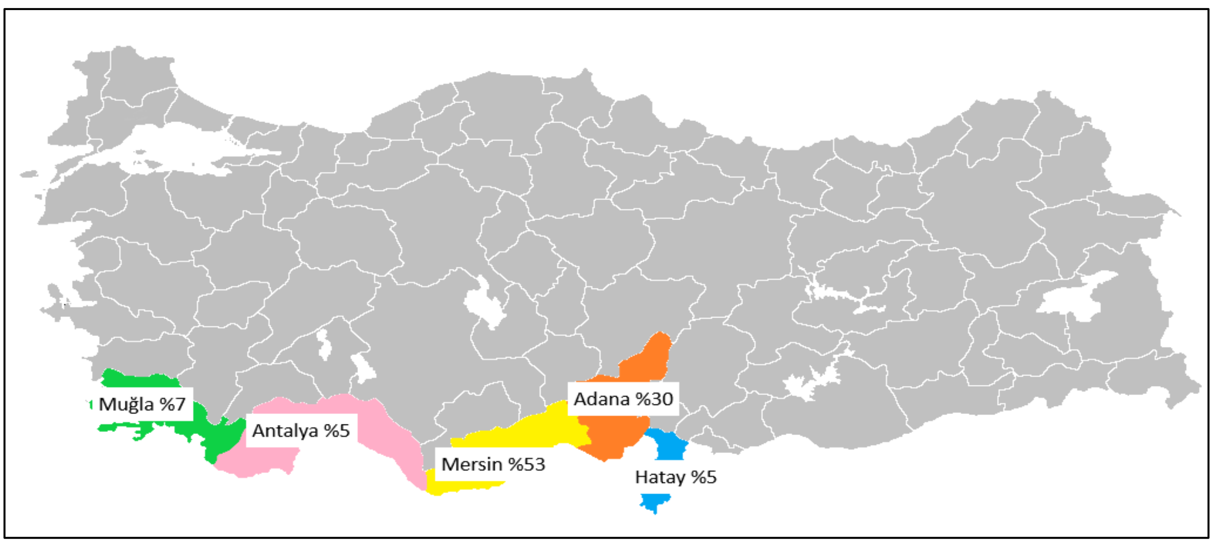
Commodities:

Lemons, Fresh

Production:

In MY 2020/21, lemon production reached 1.1 million MT, which is 13 percent higher than the MY 2019/20 season (950 MT), since excessive hot weather conditions in May 2019 did not affect total lemon production. In Turkey, the Interdonat variety is produced in the East and West Mediterranean Regions and the Aegean Region, Kutdiken (Femminello), Italian Memeli, and Lamas varieties are produced in the West Mediterranean Region and the Cyprus variety is produced in West Mediterranean Region. In MY 2020/21, Meyer variety production has been higher then the Interdonat variety since many producers in the Cukurova-Adana regions converted their citrus orchards to mostly lemon trees, increasing planting of Meyer trees due to the previous high market prices of this variety.

Figure 7. Turkey Lemon Production, Percentages by Main Producing Provinces.



Source: The Ministry of Agriculture and Forestry, 2021

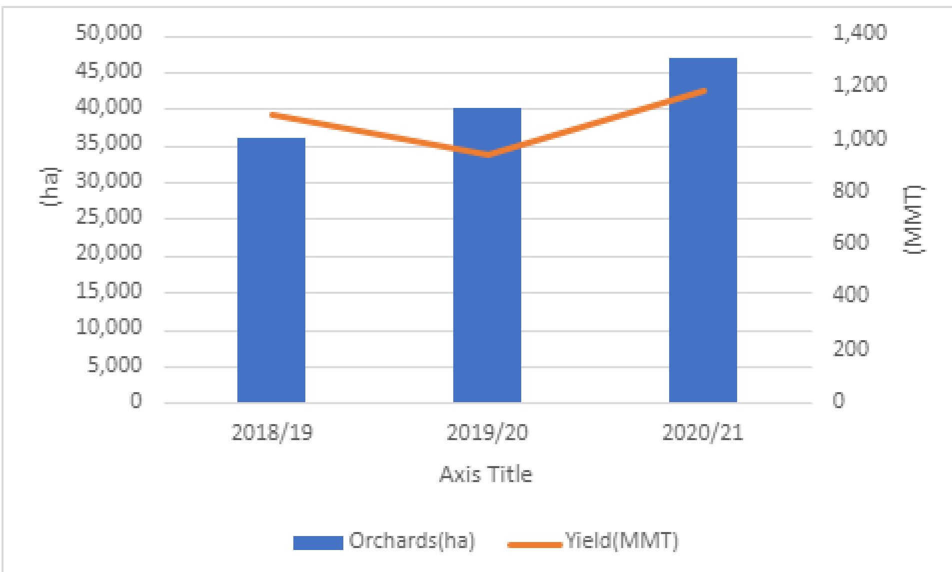
In 2021, producer prices increased 3 percent when compared with the previous year. High price increases on input costs such as electricity, fertilizer, and chemicals continue. Fertilizer prices are especially worrisome for Turkish producers, with a 60-90 percent increase in the last year.

Chart 2. Lemon Input Prices, 2018-2019-2020 Comparison

	2018	2019	2020
Lemon Price (TL/kg)	1.38	1.65	2.04
Fertilizer Price (TL/kg)	1.62	1.89	2.02
Fuel Prices (TL/lt)	5.78	6.43	6.07

Source: The Ministry of Agriculture and Forestry, 2021

Figure 8. Lemon Orchards Area and Yield (MT) Comparison, MY 2018/19-MY 2019/20-MY 2020/21



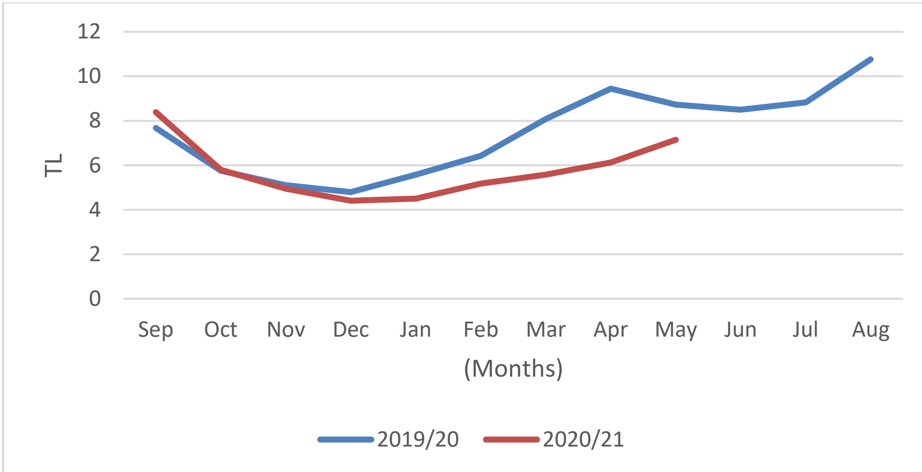
Source: TurkSTAT, 2021

Lemon production in Turkey has a longer seasonality compared to oranges and tangerines since different varieties ripen throughout the marketing year . According to Turkish producers, of the production of Kutdiken lemons, which has ability to be stored approximately 9 months without losing its traits, is an important advantage in the international market. Turkish producers are trying to expand into seedless lemon production since they believe that these kind of lemons will increase in demand in export markets.

Consumption:

Lemon consumption in MY 2020/21 is forecast to decrease to 482,000 MT, due to high export volume and low demand with the government mandated closing of cafes and restaurants because of the COVID-19 pandemic. Although market prices decreased after April 2020 as a result of the Ministry`s decision to restrict lemon exports until August 2020, decreasing lemon prices in the local market have continued due to less restaurant and hospitality consumption.

Figure 9. Turkish Lemon Prices at the Local Markets, Monthly Comparison by MYs

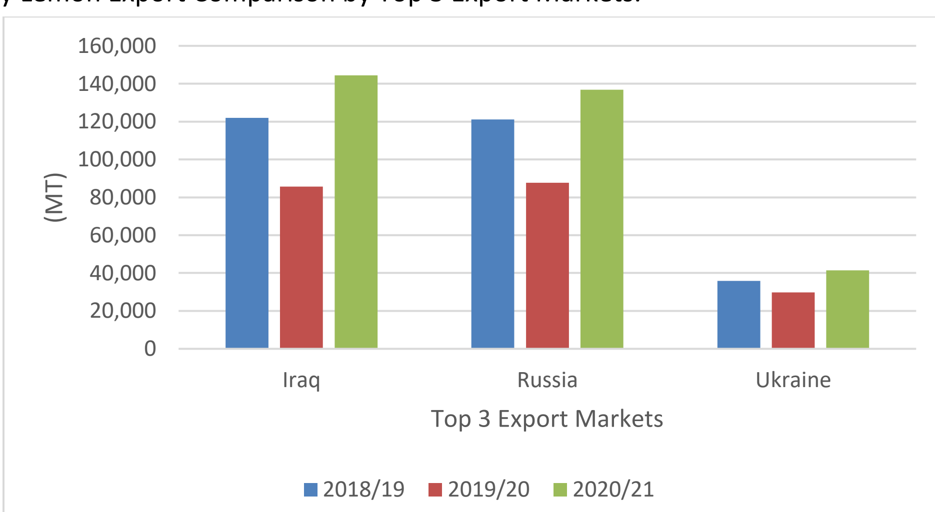


Source: TurkSTAT, 2021

Trade:

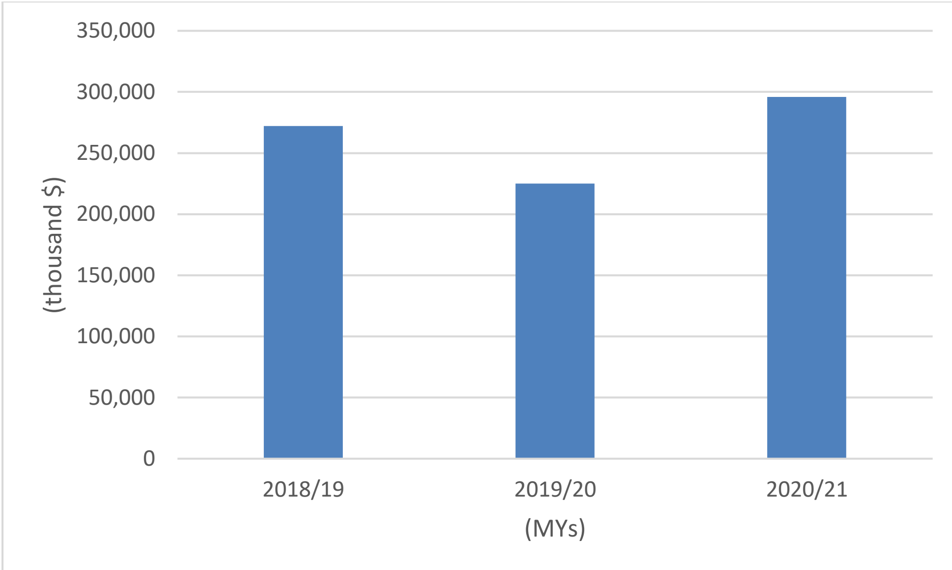
In MY 2020/21, lemon exports are expected to increase 49 percent to 570,000 MT when compared with the previous season in correlation with production increase and high demand from export markets. For the first 8 months of MY 2020/21, Turkish exports of lemon valued at $296 million in total. In MY 2019/20, lemon exports decreased 33 percent to 382,000 MT (a value of $225 million) as a result of low yields and the Turkish government's export restriction applied as of April 2020. The restriction was put in place in order to combat an increase in prices as a result of high demand from the domestic market during the initial COVID-19 outbreak. Russia, Iraq, and Ukraine are the main export markets for Turkey. For the first 8 months of MY 2020/21, lemon exports to Iraq on a dollar basis have jumped 200 percent and exports to Russia have increased 30 percent when compared with the same period of the previous year. Exports had been reduced in 2019/20 after the Turkish government's export restriction applied as of April 2020.

Figure 10. Turkey Lemon Export Comparison by Top 3 Export Markets.



Source: Trade Data Monitor, LLC (Note: MY 2020/21 data includes September-April gap)

Figure 11. Turkey Lemon Export USD Value Comparison for MY 2018/19 -MY 2020/21.



Source: Trade Data Monitor, LLC (Note: MY 2020/21 data includes September-April gap)

Turkey imported a very low quantity of lemons, mostly from Northern Cyprus and Brazil. Turkey imports lemons from Northern Cyprus to economically support its close political ally depending on the level of production there.

Table 3: Production, Supply and Distribution Statistics: PSD Lemons/Lime, Fresh

Lemons/Limes, Fresh	2018/2019		2019/2020		2020/2021	
Market Year Begins	Sep 2018		Sep 2019		Sep 2020	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	35911	35911	40154	40154	40000	41000
Area Harvested (HECTARES)	32000	32000	38000	38000	3800	38500
Bearing Trees (1000 TREES)	8733	8733	9798	9798	9900	11139
Non-Bearing Trees (1000 TREES)	2910	2910	3238	3238	3200	4391
Total No. Of Trees (1000 TREES)	11643	11643	13036	13036	13100	15530
Production (1000 MT)	1100	1100	950	950	1000	1100
Imports (1000 MT)	2	2	2	2	2	2
Total Supply (1000 MT)	1102	1102	952	952	1002	1102
Exports (1000 MT)	576	576	382	382	439	570

Fresh Dom. Consumption (1000 MT)	476	476	520	520	513	482
For Processing (1000 MT)	50	50	50	50	50	50
Total Distribution (1000 MT)	1102	1102	952	952	1002	1102
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Commodities:

Grapefruit, Fresh

Production and Consumption:

Post revises grapefruit production in 2020/21 to an expected 251,000 MT, which is 7 percent lower than the previous season, due to intensive hail in the blooming season. In MY 2019/20, production was realized at 270,000 MT, 8 percent higher than the previous season due to favorable weather conditions for grapefruit. In MY 2018/19, production was 250,000 MT. According to grapefruit producers, production costs are very high and the farm gate selling price does not compensate for their production expenses. In MY 2019/20, production costs increased 31 percent when compared with the previous season. Grapefruit production is low compared to other citrus fruit in Turkey, and 97 percent of the total production is produced in Mediterranean region, mostly in Adana province.

Grapefruit production depends on appropriately hot weather conditions, and Turkey's climate does not provide ideal conditions for grapefruit production. Turkey is only able to export grapefruit varieties that are more sour and less sweet, which creates limitations for expanding export markets.

Orchard areas and non-bearing trees have decreased in MY 2020/21 since profit margins are too small for additional investments, according to Turkish producers.

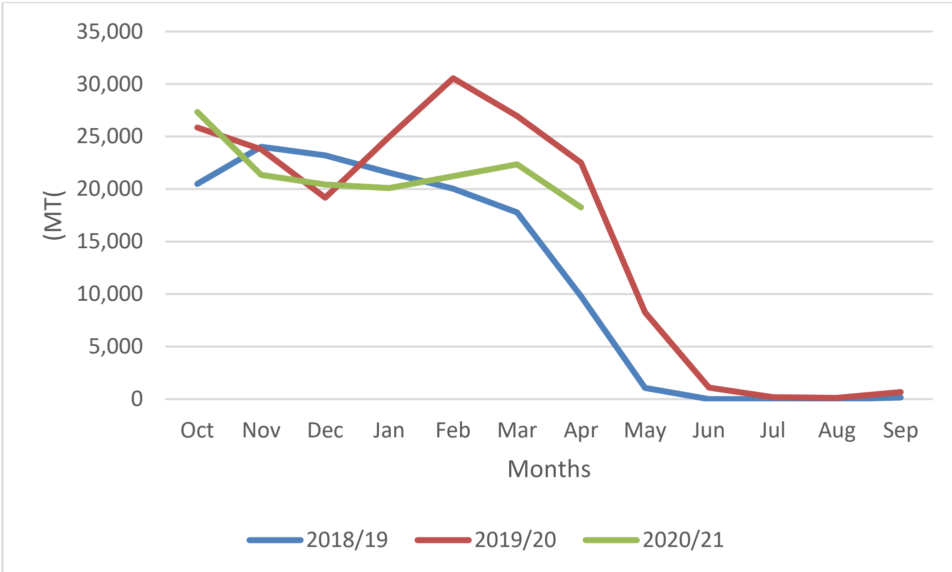
Domestic demand for grapefruit is very small in Turkey, and the fruit is mostly consumed as fresh-squeezed juice. In 2020/21, Turkey's grapefruit consumption is estimated slightly higher at 91,000 MT.

Market prices of grapefruit have increased this year due to higher demand from the domestic market for fruit with high Vitamin-C content after the spread of the COVID-19 pandemic. Although grapefruit production is comparatively quite low in Turkey, production is still six times the amount of domestic consumption.

Trade:

In 2020/21, grapefruit exports are expected to be 12 percent lower than the previous season at 161,000 MT, in correlation with lower production. Grapefruit exports were realized at 184,000 MT in MY 2019/20 while exports were 138,000 MT in MY 2018/19. Turkey exports grapefruit mostly to Russia, Poland, and Ukraine. The increase in MY 2019/20 is due to Russia's higher demand from Turkey after Russia closed its borders to imports from China due to the COVID-19 pandemic.

Figure 12. Turkey's Grapefruit Exports, MY 2018/19/20/21 Comparison by Month



Source: Mediterranean Exporters Association, 2020

Table 4: Production, Supply and Distribution Statistics: PSD Grapefruit

Grapefruit, Fresh	2018/2019		2019/2020		2020/2021	
Market Year Begins	Oct 2018		Oct 2019		Oct 2020	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	5181	5181	5222	5222	5300	5100
Area Harvested (HECTARES)	4800	4800	4900	4900	5000	4900
Bearing Trees (1000 TREES)	1248	1248	1228	1228	1250	1184
Non-Bearing Trees (1000 TREES)	61	61	42	42	45	44
Total No. Of Trees (1000 TREES)	1309	1309	1270	1270	1295	1228
Production (1000 MT)	250	250	270	270	290	251
Imports (1000 MT)	1	1	2	2	2	2
Total Supply (1000 MT)	251	251	272	272	292	253
Exports (1000 MT)	138	138	184	184	200	161
Fresh Dom. Consumption (1000 MT)	112	112	87	87	91	91
For Processing (1000 MT)	1	1	1	1	1	1

Total Distribution (1000 MT)	251	251	272	272	292	253
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Commodities:

Orange Juice

Production:

In MY 2020/21, orange juice production is forecast at 9,500 MT, the same as MY 2019/20, due to an insufficient orange supply delivered to processors. The amount of oranges sent to processing plants decreased slightly to 105,000 MT but is not expected to significantly impact production. Turkish consumers mostly prefer peach, apricot, cherry, and mixed fruit juices. Orange and apple juices are generally preferred as hundred percent fruit juice. The total fruit juice consumption in Turkey is estimated at 10 liters per year, which is considered very low when compared with European countries.

In Turkey, the fruit juice sector faces challenges due to economic dynamics, increasing input costs, and an extra tax for consumption on fruit juices (10 percent), which has affected marketing. Also, according to fruit juice producers, reports in the press regarding excessive sugar content in fruit juices and the industry using rotten fruits, especially for orange juice production, have negatively affected perceptions about juice. The new trends in the fruit juice sector are juices without sugar and additives.

Exports:

Orange juice exports are forecast at 3,000 MT for MY 2020/21, which is 19 percent lower than MY 2019/20. In 2019/20, Turkey exported 3,730 MT of orange juice mainly to Spain, the Netherlands, and China.

Imports:

Orange juice imports are estimated to reach 2,000 MT in MY 2020/21, lower than MY 2019/20 which were only 2,214 MT. Imports are mainly from Northern Cyprus and Brazil, especially frozen orange juice.

Table 5: Production, Supply and Distribution Statistics: PSD Orange Juice

Orange Juice	2018/2019		2019/2020		2020/2021	
Market Year Begins	Oct 2018		Oct 2019		Oct 2020	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors (MT)	105000	105000	110000	110000	105000	105000
Beginning Stocks (MT)	150	150	150	150	150	150
Production (MT)	9500	9500	9500	9500	9500	9500

Imports (MT)	449	449	2214	2214	2300	2000
Total Supply (MT)	10099	10099	11864	11864	11950	11650
Exports (MT)	5150	5150	3729	3729	3500	3000
Domestic Consumption (MT)	4799	4799	7985	7985	8300	8500
Ending Stocks (MT)	150	150	150	150	150	150
Total Distribution (MT)	10099	10099	11864	11864	11950	11650
(MT)						

Attachments:

No Attachments