

**Required Report:** Required - Public Distribution

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## **Report Name:** Raisin Annual

**Country:** Turkey

**Post:** Ankara

**Report Category:** Raisins

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### **Report Highlights:**

In MY 2020/21, Turkish sultana raisin production is expected to decrease to 280,000 MT from a planted area of 74,000 hectare (ha) due to lower yields expectations in some regions of Manisa where farmers suffered from hail damage in early June 2020. Turkey exports more than 90 percent of its domestic raisin production due to continuing stable demand from Europe for sultana variety raisins. The Turkish Grain Board announced the annual procurement price for raisins in September 2019 and procured about 10,000 MT.

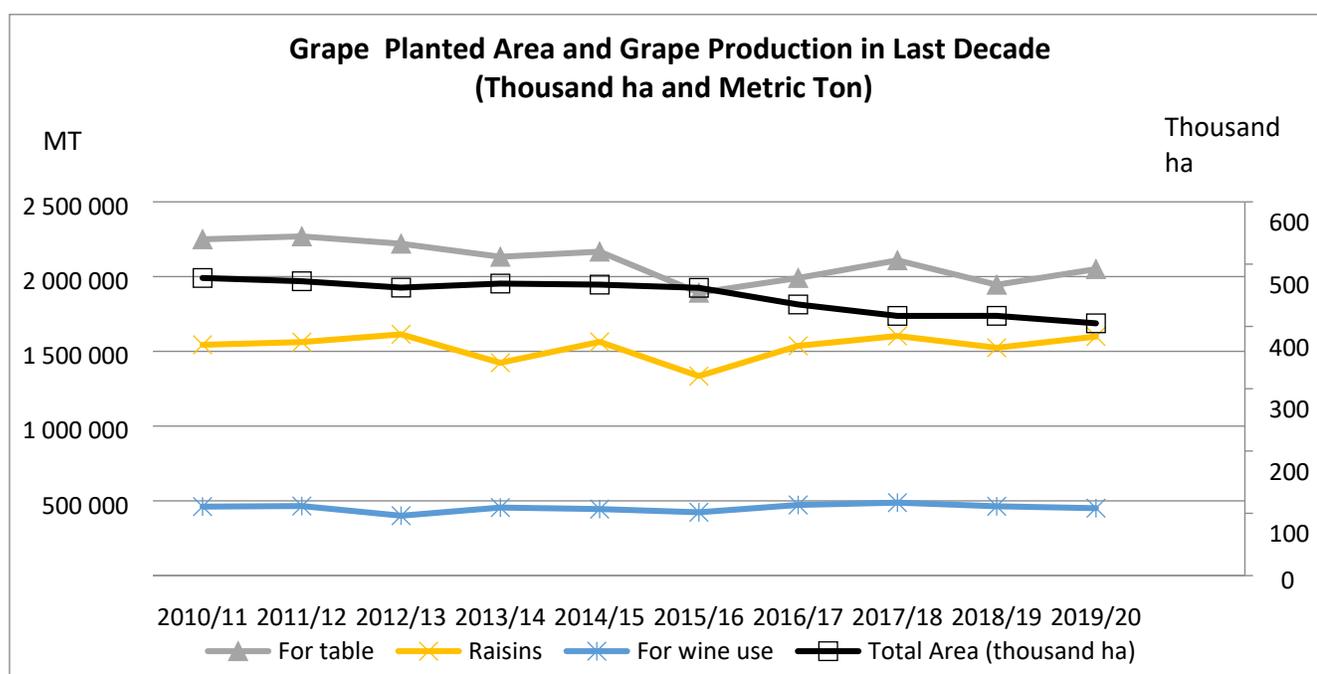
**Production:**

This report focuses specifically on sultana raisins, which are a dried seedless grape variety indigenous to the Aegean region of Turkey and grown mostly in the regions of Manisa, Izmir, and Aydin.

Turkey is one of the world’s major raisin producers and exporters with over 1,200 different grape varieties being grown in the country, making Turkey one of the genetic centers for grapes in the world. There are around 50-60 grape varieties grown that have some commercial importance.

Turkey produces approximately 4 million MT of fresh grapes for all purposes, including raisins. The Aegean region is the most important grape producer and mainly produces seedless grapes used for raisins. Table grapes make up about 50 percent of production, whereas drying grapes make up 35 percent, and 15 percent is for alcoholic beverage (wine and raki) production. The Marmara region surrounding Istanbul as well as Central Anatolia and Southeast Anatolia produce table and wine grapes. Total plating area for all grapes is 405,000 ha in MY 2019/20 with a decrease of more than ten percent in last decade, mainly in table grape production.

**Figures 1: Grape Planted Area and Grape Production by Types between 2010-2019**



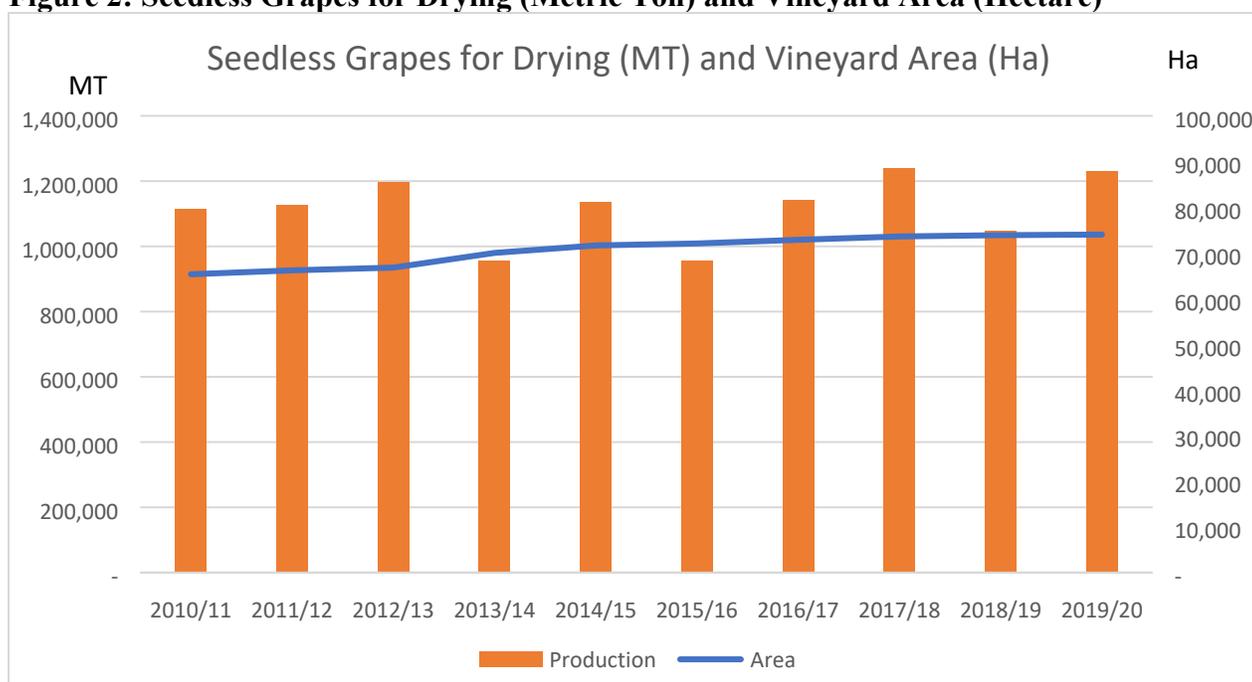
Source: TurkSTAT, 2020

In MY 2020/21, Turkish sultana raisin production is expected to decrease to 280,000 MT from a planted area of 74,000 hectare (ha) due to lower yields in some regions of Manisa where hail damaged occurred in early June 2020.

In MY 2019/20, Turkish sultana raisin production is 305,000 MT thanks to favorable weather conditions after a drastic decrease in yields in MY 2018/19.

Seedless grape production expanded significantly in Turkey in the 1990s due to more intensive cultivation and adoption of better irrigation techniques. Fluctuating year by year, seedless grape production averages about 1.2 million MT, which constitutes around 35 percent of Turkey’s total grape crop. Seedless grapes are grown only in the Aegean (western) part of Turkey. The use of irrigation systems in vineyards has increased in recent years with government support. Over half of the vineyards are drip irrigated. More than eighty percent of this production is dried with around twenty percent consumed fresh. One kilogram of raisins requires about 4 kilograms of fresh grapes. As seen in Figure 2 in orange below, there has been a steady increase in vineyard planted area in Turkey, but production fluctuates due to weather.

**Figure 2: Seedless Grapes for Drying (Metric Ton) and Vineyard Area (Hectare)**



Source: TurkSTAT, 2020

**Consumption:**

Despite Turkey’s leading role in the production of raisins, domestic consumption is not stable. Domestic consumption varies based on production levels and quality, exports, and domestic price. In MY 2020/21, sultana raisin domestic consumption is expected to be about 37,000 MT, assuming 250,000 MT of exports, even with a decrease in production.

**Trade:**

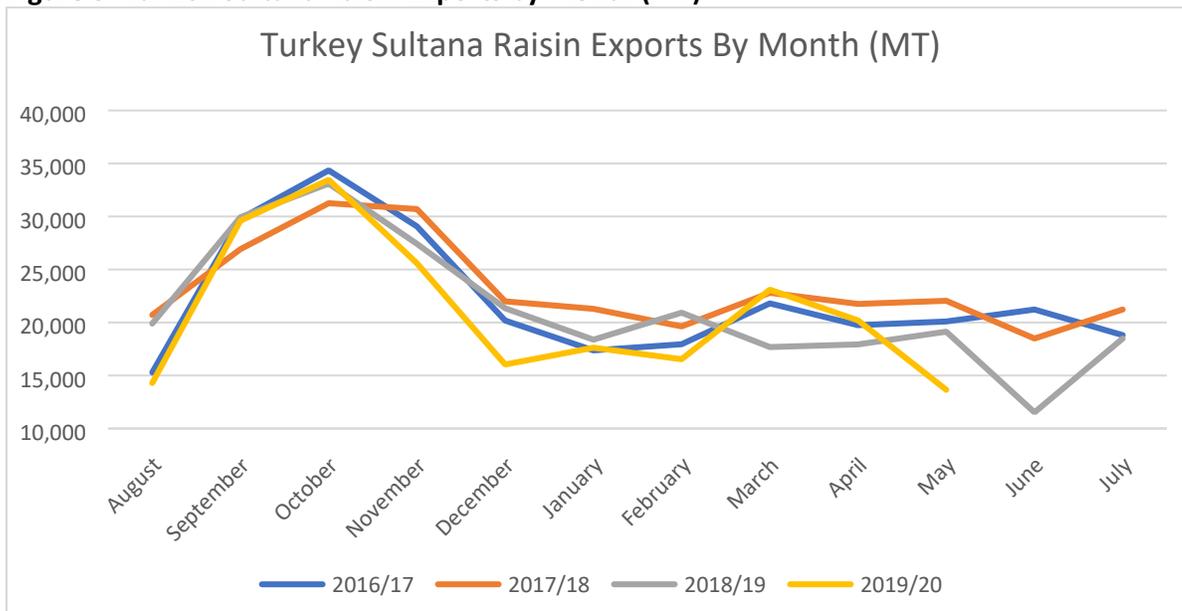
Turkey is the world’s leading raisin exporter accounting for about 40 percent of total global raisin exports. Eighty percent of all Turkey’s raisin exports are to the European Union. TARIS Sultana Raisins Cooperative and the Izmir Commodity Exchange are the two price determinants in the market. The former announces the advance procurement prices in the beginning of the season and the latter is the main cash market for raisins.

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. The vineyards of TARIS members have a good reputation in the region regarding the yield and the quality of the product.

According to TARIS, seedless grapes are generally grown on small farms averaging about 1.3 hectares. They estimate that nearly 65,000 growers produce seedless grapes in Turkey, and 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. TARIS is the largest exporter of raisins from Turkey. Although there are numerous firms in the dried fruit processing and export business in Turkey, the top ten firms are estimated to control about 80 percent of the raisin export market.

Turkish raisin exports are expected to be 240,000 MT in MY 2019/20, a slight decrease compared to the previous year. In the first ten months of MY 2019/20 Turkey exported 210,000 MT of raisins, compared to 226,000 MT in the same period of MY 2018/19. Turkey exported about 256,000 MT of raisins valued at about \$500 million in MY 2018/19 which is expected to increase in MY2019/20.

**Figure 3: Turkish Sultana Raisin Exports by Month (MT)**



Source: Trade Data Monitor, 2020

EU countries continue to be the top export destinations for Turkish raisins, accounting for 80 percent of Turkey’s raisin exports. The United Kingdom (60,000 MT), Germany (25,000 MT), and the Netherlands

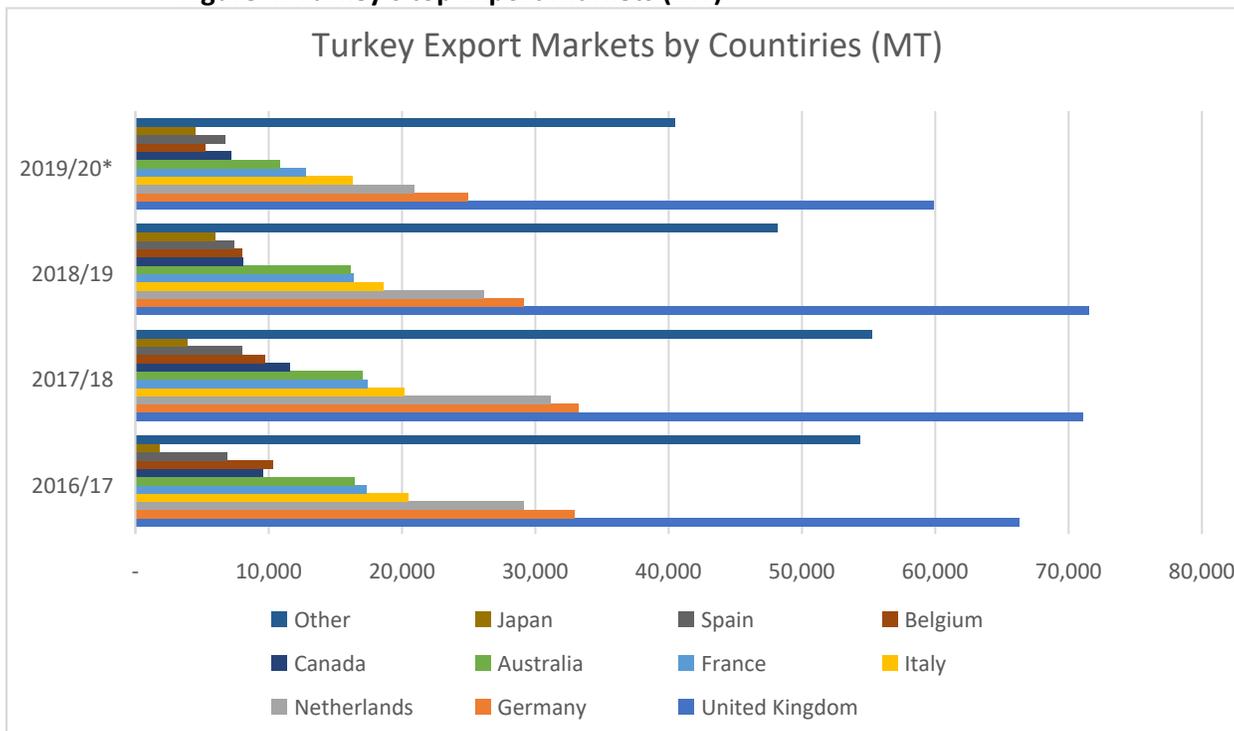
(21,000 MT) continue to be the top three importers of Turkish raisins in MY 2019/20. So far in MY 2019/20, Australia (10,900 MT), Canada (7,000 MT), and Japan (4,500 MT) are other main export destinations.

For MY 2020/21, raisins exports are forecast at 250,000 MT assuming stable demand from the EU and other destinations continues.

For MY 2020/21, raisins imports into Turkey are forecast at 1,400 MT, similar to previous years.

Currently, raisins from MY 2019/20 are traded at 9-12 Turkish Lira (TL)/kg at the Izmir Commodity Exchange (1 US dollar = 6.9TL as of the date of this report), compared to 8-12 TL/kg last marketing year. Daily current prices of raisins can be followed at the Izmir Commodity Exchange website: <https://itb.org.tr/en/SultanasRaisinsOnlineTransactions>

**Figure 4: Turkey's top Export Markets (MT)**



Source: Trade Data Monitor, 2020

## Policy

In order to regulate the domestic raisin market for sustainable production and keep the export price at a stable level, the government, exporters, and producers work together. The Turkish Grain Board (TMO), a government affiliated company, announced an intervention price for raisins at between 8.5 and 10.5 TL/kg in September 2020. According to market sources, TMO procured about 10,000 MT of raisin from the farmers and commodity exchanges. In April 2020, TMO also announced its intention to sell its raisin stocks at 9.5 TL and 10.90 TL.

Licensed warehouse systems and their integration with commodity exchanges are developing in Turkey. The Izmir Commodity Exchange has a new licensed warehouse that was developed to prevent price decreases during the harvest season, and it is partially being used for raisins.

## Stocks

Domestic stocks vary based on production levels and exports. In MY 2020/21, ending stocks are forecast at 23,400 MT, down 5,600 MT compared to MY2019/20 in parallel with decreased production and assuming a stable demand from export markets. In the long run, Turkish exporters aim to improve export markets and increase stock capacity to 50,000 MT to prevent volatility in export prices.

## Production, Supply, and Distribution

Raisins Market Year Begins Turkey	2018/2019		2019/2020		2020/2021	
	Aug 2018		Aug 2019		Aug 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	0	74000	0	74000	0	74000
Area Harvested (HA)	0	0	0	0	0	0
Beginning Stocks (MT)	1500	1500	0	1200	0	29000
Production (MT)	280000	265000	0	305000	0	280000
Imports (MT)	1500	1500	0	1400	0	1400
Total Supply (MT)	283000	268000	0	307600	0	310400
Exports (MT)	250000	255800	0	240000	0	250000
Domestic Consumption (MT)	31800	11000	0	38600	0	37000
Ending Stocks (MT)	1200	1200	0	29000	0	23400
Total Distribution (MT)	283000	268000	0	307600	0	310400
(HA) ,(MT)						

## Attachments:

No Attachments