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Syria

Tree Nuts

Annual

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Report Highlights:

Syrian pistachio production continues to increase. Legal imports of shelled pistachios dropped 74 percent in 2001 and are estimated to stay at the same low level in 2002 and 2003. This drop is compensated for by illegal imports through Lebanon. In-shell pistachios are not permitted to be imported. Syria exports significant quantities of "green" pistachios to neighboring countries, but cannot compete in world markets with cheaper pistachio exports from Iran, Turkey, and Afghanistan.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Cairo [EG1], SY

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Production

PSD Table						
Country:	Syria					
Commodity:	Pistachios, Inshell Basis					
		2002		2003		2004
	Old	New	Old	New	Old	New
Market Year Begin		08/2002		08/2003		08/2004
Area Planted	60000	60000	60500	60500	0	61000
Area Harvested	50000	50000	50500	50500	0	51000
Bearing Trees	5500	5500	5600	6000	0	6500
Non-Bearing Trees	4500	4500	4400	4000	0	3500
Total Trees	10000	10000	10000	10000	0	10000
Beginning Stocks	7184	7184	7184	5184	0	6184
Production	45000	42000	48000	50000	0	52000
Imports	4000	4000	4000	4000	0	4000
TOTAL SUPPLY	56184	53184	59184	59184	0	62184
Exports	11000	10000	12000	13000	0	14000
Domestic Consumption	38000	38000	40000	40000	0	42000
Ending Stocks	7184	5184	7184	6184	0	6184
TOTAL DISTRIBUTION	56184	53184	59184	59184	0	62184

Pistachios are grown in Syria under rainfed conditions. The 2002 crop is estimated at 42,000 tons of in-shell pistachios. In 2003, the number of fruit-bearing trees is estimated at about 6 million and the crop is forecast at 50,000 tons due to the very good rainfall. Syria has a total of 10 million trees planted on 61,000 hectares.

No major incidence of pests or diseases was reported in 2002 and 2003. 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 that are usually not suitable 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 fairly young and have not reached the economic fruit bearing stage. The average yield per tree increases with the age of the planted trees. The Ministry of Agriculture and Agrarian Reform encourages pistachio production by selling seedlings at nominal prices.

The farm-gate prices are forecasted at 75-100 SP (USD 1.50-2.00) per kilogram of "green" pistachios depending on the variety. This price may drop to as low as 60 SP (USD 1.20) per kilogram of green pistachios as the crop comes to full maturity in late summer.

Consumption

A significant part of the crop is consumed "green" in Syria. The harvesting season starts in August. Wholesale prices of shelled pistachios that are mainly used for sweets production and for local ice cream production have gone back to normal levels. Prices range from about 350 SP (USD 7.0) to 480 SP (USD 9.60) per kilogram for shelled pistachios of first grade varieties. Illegally imported Iranian pistachios sell at about 350 - 400 SP (USD 7 - 8) per kilogram. No American pistachios are present in the Syrian market.

Trade

Import Trade Matrix			
Country:		Units:	Metric Tons
Commodity:			
Time period:	CY		
Imports for	2002		2003
U.S.	0	U.S.	0
Others		Others	
Iran	3000	Iran	3000
Turkey	500	Turkey	500
Afghanistan	500	Afghanistan	500
Total for Others	4000		4000
Others not listed			
Grand Total	4000		4000

Export Trade Matrix			
Country:		Units:	Metric Tons
Commodity:			
Time period:	CY		
Exports for	2002		2003
U.S.	0	U.S.	0
Others		Others	
Lebanon	5000	Lebanon	6000
Jordan	2000	Jordan	2000
Total for Others	7000		8000
Others not listed	3000		5000
Grand Total	10000		13000

Foreign trade statistics indicate a decrease in "legal" imports of shelled pistachios from 1,304 MT in 2000 to 338 MT in

2001, of which 200 MT came from Iran. Trade data for 2002 are not yet published. In-shell pistachios cannot be imported. Pistachios, shelled and in-shell, are being smuggled into Syria via Lebanon from Iran, Turkey, and Afghanistan. All roasted non-local in-shell pistachios sold in Syria are unofficially imported through Lebanon and Turkey or brought by Iranian tourists. An import license is necessary for the importation of pistachios. Customs duties on shelled pistachios are set at 15 percent plus a unified tax of 14 percent, while customs duties in neighboring Lebanon are only 5 percent.

Syrian official exports of green pistachios tripled from 3,673 MT in 2000, to 10,264 MT in 2001 mainly to Lebanon (9,754 MT) and other Arab countries. Lebanese customs trade data (which are more up to date than Syrian foreign trade statistics) indicate exports of 3,920 MT of "green" pistachios from Syria to Lebanon in 2002. Significant quantities of pistachios are informally exported out of Syria by visiting tourists from Arab countries for about 3-4 months every year during the harvesting season. Syrian exports of shelled pistachios are negligible. With high prices for local production of shelled pistachios (about 400-500 SP/kilogram USD 8 -10/kilogram), Syria cannot compete in the international market with Iran, Turkey, Afghanistan, and the United States.

There are many exchange rates for the Syrian pound (SP). The official exchange rate is 11.20 SP/USD. The neighboring country rate is currently pegged at 51.50 SP/USD. Throughout this report, the rate of 50 SP/USD is utilized.

Stocks

According to trade sources, the local supply of pistachios, plus the legal and illegal imports, match domestic consumption. Ending stocks are not expected to change much from one year to another. All stocks are held generally by the traders, not the producers. It is important to note that around the end of the marketing season in July 2003, the prices of locally produced shelled pistachios were higher than those for Iranian, Turkish, or Afghani pistachios.

Policy

The government continues to encourage pistachio production by selling seedlings at nominal prices. The government does intervene in some areas of pistachio trade such as banning the imports of in-shell pistachios, but prices are determined by supply and demand conditions. Imports of shelled pistachios require an import license and are subject to a 15 percent customs duty as well as a unified tax of 14 percent.

Marketing

There are no Syrian standards for pistachios. Sizing, shelling, and grading are all done by hand. 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 sweet 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.

In order to return to the Syrian market, U.S. suppliers should avoid the problems which have occurred in the past, i.e. the method of preparation and preservation that cause color change and become dark during baking. Suitable processing of U.S. pistachios would enable the product to be competitive in quality with hand-processed pistachios from Iran and Turkey.