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GAIN Report #TU3033

## Turkey

## Tomatoes and Products

## Semi-Annual

## 2003

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### Report Highlights:

**MY2003 tomato paste production is now estimated at 315,000 MT, about thirteen-percent higher than last year's level of 280,000 MT. Low domestic stocks and rising exports encouraged processors to benefit from favorable weather and increase production. Turkish tomato paste exports for MY2002 increased to 178,400 MT compared to 117,800 MT a year ago. MY2003 exports are expected to reach 200,000 MT. The E.U. still refuses to utilize its duty-free quota for tomato paste due to an on-going dispute over E.U. duty-free meat exports to Turkey.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Semi-Annual Report  
Ankara [TU1], TU

MY2003 production of tomato paste is estimated to be up about thirteen percent to 315,000 MT compared to 280,000 MT in MY2002. Suitable weather during the industrial tomato growing season caused the yield to improve and the season to extend. Turkish processors, who were encouraged by the low level of domestic stocks and anticipated export opportunities, took advantage of the longer season and increased their capacity-utilization. The Turkish tomato paste industry is export-dependant and must adjust to the changes in the world market. This year, quality problems in China and low levels of production in Europe due to the heat wave increased export opportunities.

Domestic tomato paste consumption, which dropped in MY2001 due to the domestic economic crisis after many years of continued increase, is improving gradually and expected to reach 107,500 MT in MY2003.

Official data indicate that during MY2002 exports of Turkish tomato paste increased to 178,421 MT compared to 134,914 MT in MY2001. Russia was the leading importer (27,553 MT) followed by Japan (22,167 MT) and Saudi Arabia (19,243 MT). Turkish paste exports are expected to increase further in MY2003 and reach 200,000 MT. The current export price for Turkish tomato paste is about US\$700 per ton FOB basis.

Domestic year-end tomato paste stocks, which were lower than usual during the last two crop years due to low production in MY2001 and larger than expected exports in MY2002, are expected to recover in MY2003.

The E.U. is not permitting Turkey to utilize its 30,000 MT duty-free paste export quota due to disagreements (lack of implementation) over Turkey's meat import obligation. Turkish tomato paste exports to the E.U. are thus subject to a 15 percent import duty

PSD Table						
Country	Turkey					
Commodity	Tom. Paste,28-30% TSS Basis				(MT)(MT, Net Weight)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		09/2001		09/2002		09/2003
Deliv. To Processors	1200000	1200000	1700000	1700000	1850000	1850000
Beginning Stocks	38121	38121	5290	5290	7790	4369
Production	185000	185000	265000	280000	275000	315000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	223121	223121	270290	285290	282790	319369
Exports	117831	117831	155000	178421	160000	200000
Domestic Consumption	100000	100000	107500	102500	110000	107500
Ending Stocks	5290	5290	7790	4369	12790	11869
TOTAL DISTRIBUTION	223121	223121	270290	285290	282790	319369

Export Trade Matrix			
Country	Turkey		
Commodity	Tom. Paste,28-30% TSS Basis		
Time period	MY2002	Units:	Metric tons
Exports for:	Sept/Aug		1
U.S.	813	U.S.	
Others		Others	
Russia	27553		
Japan	22167		
S.Arabia	19243		
Kuwait	8289		
Romania	7867		
Germany	7413		
Malasia	5987		
Taiwan	4469		
A.U.E.	3340		
Georgia	2685		
Total for Others	109013		0
Others not Listed	68595		
Grand Total	178421		0