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Report Highlights:

The “off-year” for production will push Turkiye’s pistachio production lower in Marketing Year (MY) 2023/24. The production of almonds and walnuts is forecast slightly higher but hazelnut production is expected to go down. Even though domestic tree nuts production continues to grow, Turkiye is projected to import sizeable volumes of almonds and walnuts in MY 2023/24 to meet steady consumer demand. Imports of U.S. tree nuts continue to be disadvantaged by a 10 percent retaliatory duty, which Turkiye imposed after the United States levied Section 232 tariffs on Turkish steel and aluminum. However, despite this additional tax and growing competition, the United States is still the one of the top suppliers of walnuts and almonds to Turkiye.

I. PISTACHIOS

a. PRODUCTION

Turkiye's pistachio production in Marketing Year (MY) 2023/24 is forecast at 160,000 metric tons (MT). Production volumes will decrease compared to the previous MY since MY 2023/24 is considered an "off-year" in the production cycle for pistachios. Still, production will not be as low as some of the earlier off-years. Production will be buoyed by an increase in the number of bearing trees. According to the Turkish Statistical Institute (TurkStat), there were an estimated 58 million bearing pistachio trees at the beginning of the current marketing year, up nearly 5 percent from last year. There are also about 25 million non-bearing trees, which is about 7 percent higher than a year ago.

A few [large earthquakes in February 2023](#) struck the two largest pistachio producing provinces, Sanliurfa and Gaziantep. The Government of Turkiye (GoT) and market resources indicate that the earthquake had minimal effect on pistachio production in the area, though.

MY 2023/24 pistachio production, which is mostly rain-fed, will also benefit from improved rainfall conditions during the 2023 spring. However, there were two large floods in March 2023 in Sanliurfa which adversely affected some pistachio trees. Sanliurfa also saw some frost over a few nights in April and May 2023. Farmers tried to protect their orchards by making big bonfires. According to market sources, this method protects some of the fruits from freezing, though not all of them. Since the effects of these adverse events is limited in area, the effect on total production is minimal.

Pistachio growers continue to replace their older trees, some of which are more than 50 years old, with younger trees in hopes of improving yields and increasing profit margins. Younger trees are less affected by the periodicity. Market sources also indicate that planting of the Siirt variety, known to be less periodical, is also increasing, though the Antep variety is still dominant in Turkiye.

With improved farmer training over the last decade, growers now appreciate and understand the importance of planting male trees in their orchards. At the same time, market sources report that in recent years some farmers, who were looking for higher profit margins, stopped planting lentils, barley, and even wheat to start growing pistachio trees. The new trees and orchards being planted will help lift Turkiye's overall yields and production levels in the coming years.

Pistachio yields and production levels can vary dramatically between on- and off-years. The average pistachio yield is around 4 kilograms (kg) per tree in on-years and around 2 kg per tree during off-years. However, periodicity effects on yield have decreased in recent years due to the reasons explained above.

Pistachio production is widespread throughout Turkiye, with 56 of 81 provinces growing pistachios, according to the Gaziantep Commodity Exchange ([GCE](#)). However, the two southeastern provinces of Gaziantep and Sanliurfa account for 80 percent of total production. The southeastern provinces of Adiyaman, Siirt, Kilis, Kahramanmaras, Mardin, and Diyarbakir account for another 15 percent of total production. The remaining five percent is thinly spread across the Aegean, Mediterranean, and Marmara regions, where production has slowly increased over the last decade.

There are two main types of pistachios grown in Turkiye, the Gaziantep (Antep) variety and the Siirt variety. Both are unique to Turkiye and differ in size and shape compared to the pistachios grown in Iran and the USA. The Antep variety accounts for 85 percent of pistachios grown in Turkiye. The Siirt variety makes up the remaining 15 percent of production; the Siirt variety is considered a higher-yielding variety than the Gaziantep variety.

The quality standards for Turkish pistachios are directly related to the size of the nut. 90 nuts or fewer per 100 grams is considered first quality; 90-100 nuts are second quality; 100-120 nuts are third quality; and more than 120 nuts are fourth quality. Turkiye’s production of high-quality pistachios is predicted to increase in the future with the increasing number of new trees.

In recent years, to mitigate the natural “off year/on year” production cycle, pistachio growers have started using good agricultural practices, especially in parts of southeastern Turkiye. With support from local universities and other institutions, farmers are gradually realizing that higher yields can be achieved with “good” soil conditions, better tree care, and irrigation. While the number of irrigated orchards has grown in the last few years due to abnormal drought conditions, only a fraction of total production is irrigated.

Since 2011, the Turkish Foundation for Combating Soil Erosion, Forestation, and Protection of Natural Habitats ([TEMA](#)), with contributions from [private companies](#), has undertaken a project to increase the pistachio yields in the Gaziantep and Sanliurfa provinces. The project, which is called “*May you have abundant pistachios,*” trains farmers how to properly care for their trees. The training focuses on improving pruning and trimming techniques, as well as better fertilizer and pesticide application practices. Farmers who have been trained under this program and applied these best practices have seen their yields triple. Meanwhile, universities in the major pistachio growing regions in Turkiye have developed better production methods and plant protection measures to help farmers improve yields.

CONSUMPTION

MY 2023/24 consumption is forecast at 155,000 MT, equal to the previous MY. This forecast is based on the anticipated increase (for an “off-year”) in domestic pistachio production and larger than expected carry-over stocks from the previous year. The MY 2022/23 consumption estimate is slightly increased to 155,000 MT in parallel to market expectations.

Turkiye continues to grapple with record inflation, including soaring food prices. A weak Turkish Lira is partly to blame for the inflation. (See our [Retail Food Report](#) for more information about the current economic conditions in Turkiye.) In the case of pistachios, national retail prices during the month of August were nearly 135 percent higher in Turkish Lira (TL) than the same time last year. See chart. Similarly, retail prices in terms of U.S. dollars (USD) increased during this same period by 60 percent.

Retail Prices of Pistachios			
	TL/kg*	TL/USD**	USD/kg
2018	60	6.687	8.97
2019	90	5.728	15.71
2020	105	7.353	14.28
2021	107	8.362	12.80
2022	197	18.176	10.84
2023	463	26.622	17.39

* Minimum price at an organized retailer

** As of last week of August

The price of bulk shelled green pistachios, which are generally used in making baklava and other traditional deserts, ranged from 750 – 850 TL/kg (~12.70-14.50 USD/lbs.) during the month of August¹. Bulk prices more than doubled since last year in terms of TL and increased 40 – 50 percent in terms USD.

These high prices will hold pistachio demand in check during MY 2023/24. While the higher prices persist, some consumers and end-users will pull back on consumption. Those middle- and high-income, who are less impacted by inflation, will continue eating pistachios and pistachio-filled desserts.

¹ The exchange rate was 26.624 TL/USD as of August 29, 2023. It was 18.182 TL/USD as of August 29, 2022, and 8.374 TL/USD on August 30, 2021. The rate was 5.957 TL/USD as of January 2, 2019.

Most of Türkiye's pistachio crop is consumed domestically. Consumption levels vary year-to-year depending on the availability of domestic supplies. About 35 percent of pistachios in Türkiye are consumed as snacks and the remaining 65 percent are used in making confectionary products, especially traditional desserts like baklava. In addition, during the last decade, more pistachios are being used in other desserts, such as chocolate and ice cream.

In the last few years, consumers in larger cities increasingly prefer to buy packaged pistachios and other nuts from retail supermarkets instead of buying them from a traditional bulk nut store. This trend is expected to continue as more supermarkets spread across the country. (For more information about the latest retail sector trends, please refer to our latest [Retail Food Report](#).) About one-third of total pistachio production is packaged. This percentage is expected to increase in the future as consumers demand greater convenience. The increased availability of packaged pistachios is expected to increase per capita consumption, which is currently about 1.5 kg/year.

b. TRADE

Exports

MY 2023/24 exports are forecast at a record 40,000 MT. This forecast assumes steady demand for imported pistachios for processing and/or re-export, high domestic production volumes for an off-year, and larger than anticipated carryover stocks that local traders want to sell off to foreign buyers at higher prices. The weakening TL is also expected to make pistachio exports more attractive to foreign buyers.

The MY 2022/23 pistachio export number is revised lower to 30,000 MT to reflect the latest trade data. Since the prices of Turkish Pistachios went up in terms of USD compared to last MY and they were more expensive than pistachios of other origins such as USA, exports of pistachios were lower than expected. Most pistachio exports were shelled. The leading export destinations were Italy, Iraq, Germany, and Russia.

Türkiye generally consumes most of its domestic pistachio crop, though there is a small but growing amount that is exported. All pistachio imports come into Turkish free trade zones for processing and re-export.

Imports

MY 2023/24 import volumes are forecast slightly down from the previous year's newly revised estimate to 35,000 MT. This forecasted decline is partly due to a weakened currency that makes imports relatively more expensive. The United States and Iran are leading sources of Türkiye's imported pistachios.

The Most Favored Nation (MFN) duty on imported pistachios is 43.2 percent. However, [since May 2019](#), imported pistachios from the United States have been subject to an additional 10 percent retaliatory tariff, bringing the total applied tariff rate to 53.2 percent. The retaliatory duty was imposed in response to U.S. Section 232 tariffs on Turkish steel and aluminum. According to market sources and Post observations, imported pistachios are typically not sold on the domestic market because of the high import taxes but are instead brought into free trade zones for processing and re-export.

c. STOCKS

Year-end stocks for MY 2023/24 are forecast to be equal to the newly revised estimate for MY 2022/23 at 85,000 MT. High year-end stocks for MY 2023/24 are based on already high stock carryover from MY 2022/23 and projected better than expected off-year domestic pistachio production.

Year-end stocks for MY 2022/23 are revised higher and in line with market expectations at 85,000 MT. Market sources indicate that traders held on to inventory of pistachios to manipulate pistachio prices up in USD terms, which seems to be working. In the current macro-economic conditions of Turkiye, where alternative investment options did not pay off nearly well enough to overcome the high inflation of the TL, this kind of investment in pistachio stocks became a way for traders to make money.

Pistachio stocks vary considerably from year to year, in line with the cyclical nature of production. Moreover, stock statistics are not maintained by the GoT or producer associations. According to tree nut producers, better data on the amount of ending-stocks would help minimize price fluctuations, especially in low production years, and would thereby help stabilize consumption levels from year to year.

The Gaziantep Commodity Exchange (GCE) recently instituted a licensed warehouse system to help minimize price fluctuations in the marketplace. In June 2021, the GCE, with grants received from GoT, built Turkiye's first [licensed pistachio warehouse](#) with 10,000 MT capacity. The warehouse, which is in the major pistachio growing area of Gaziantep, has an electronic trading platform as well as an authorized classification laboratory to evaluate the quality of the pistachio stocks. While this first warehouse is a step in the right direction, additional warehouses are needed to meet existing storage needs and provide greater market transparency on the status of domestic stock levels.

Scientists from various local universities continue supporting research applications to improve storage conditions for pistachios. Improved storage conditions are important in maintaining quality and in helping minimize food safety concerns, such as aflatoxin.

d. POLICY

The GoT does not provide specific, direct supports to pistachio or other tree nut farmers. However, tree nut growers are eligible for general agricultural subsidies that are available to all farmers who are registered in the Farmers Registration System. The subsidies from 2022, which were largely unchanged from the previous year in terms of Turkish Lira (TL), were increased for 2023. By comparison, the amount of support increased a bit year-over-year in terms of the U.S. dollar (USD). Pistachio growers and other farmers continue to complain that level of support is inadequate to cover the rising cost of inputs.

- 250 TL/da (9.39 USD/da) and 800 TL/da (30.05 USD/da) respectively for the establishment of orchards that are planted with standard seedlings and certified seedlings.² Note: a decare (da) is equivalent to 0.1 hectares.
- 30-180 TL/da (1.13 USD/da to 6.76 USD/da) for organic agriculture
- 30 TL/da (1.13 USD/da) for good agricultural practices
- 107 TL/da (4.02 USD/da) for fuel and fertilizer

Some agriculture-related non-governmental organizations (NGOs) in the Sanliurfa and Gaziantep provinces are demanding that the GoT, through the Turkish Grains Board (TMO), establish official purchase prices for pistachios like it does for hazelnuts. These groups argue that pistachios are just as strategic as hazelnuts to the wellbeing of the Turkish economy. These groups are also advocating for specific, direct government support for pistachio producers.

Market sources indicate that traders and some retail chains are lobbying the GoT to temporarily remove the import tariffs and other trade barriers that would enable price-competitive, imported pistachios to enter the local market and, thereby, help stabilize the domestic price for pistachios. Baklava and other

² The exchange rate is 26.624 TL/USD as of August 29, 2023. It was 18.182 TL/USD as of August 29, 2022.

traditional desert producers continue to complain about pistachio prices being unsustainable and hurting business. As a result of the rising cost of pistachios and other inputs, such as sugar, the Baklava and Desert Producers Association ([BAKTAD](#)) reported that baklava production had dropped.

At the same time, according to market sources, nut traders were petitioning the government to allow pistachios to be imported duty-free for processing and re-export under the Inward Processing Regime (IPR). The IPR allows companies to bring in certain goods tax free for processing inside the country and re-export. At present, pistachio imports can only enter duty free inside a tax-free zone. The IPR customs arrangement offers companies greater flexibility to process and re-export from anywhere in the country.

The Gaziantep Commodity Exchange ([GCE](#)), in cooperation with the German Institute of International Cooperation ([GIZ](#)), is conducting trainings for people who work or would like to work in the pistachio industry. These trainings include processing and roasting, marketing, foreign trade, and sustainability. Additionally, there are trainings, in cooperation with GIZ, for GCE member companies on topics covering the EU Green Transformation Agreement, EU Carbon Decreasing Mechanisms, EU Field to Fork Strategy, and EU Supply Chain Regulations. For farmers, there will be trainings about smart agriculture applications, decreasing use of pesticides and fertilizers, and pests.³

³ News in Turkish <https://www.gaziantepusula.com/haber/16232569/gtbden-antep-fistigi-egitimi>

II. ALMONDS

a. PRODUCTION

Almond production for MY 2023/24 is forecast to increase year-over-year to 24,000 MT. This projected increase is attributed to an increase in the number of bearing trees.

The devastating earthquakes of February 2023 in the southeast region of Turkiye affected Adiyaman and 10 other provinces. Adiyaman province is the largest almond growing region in Turkiye, Kahta being the leading area of production. Market sources confirm the GoT's assessment that almond production was not affected by the earthquake. Although there was a problem related to human resources in the immediate aftermath of the quakes due to evacuations, by the harvest these challenges were reduced, if not totally solved.

In March 2023 there were heavy rains and floods also affecting Adiyaman. Sources indicate that there was some frost and hail in April and May which hindered yields this year in the localities where those weather patterns occurred.

In line with past practice, the Chambers of Agriculture in Adiyaman and Kahta continue to press Turkiye's Agricultural Credit Cooperative Union (ACCU) to fix a higher purchase price for almonds and to set it earlier in the season. As of mid-September, though, ACCU has not yet set a purchasing price. Private traders use the ACCU purchase price as a benchmark in setting contract prices. The president of the Kahta Almond Producers Union indicated that a price needs to be announced and asked GoT to raise the customs tariffs, as he claims they have been gradually lowered in recent years.⁴ In August, the president of the Kahta Chamber of Agriculture declared that the purchase prices to be declared by ACCU should be a minimum of 50 – 55 TL/kg for inshell almonds, although that number was about 30 TL/kg in the previous harvest.⁵

Almond growers continue to plant new trees and break ground on new orchards in response to strong domestic demand for almonds and with support from the GoT's various support programs. The GoT encourages producers to establish new orchards by allocating free land for 49-years, providing interest-free financing, and delivering general support payments to farmers. In 2020, the Turkish [Ministry of Agriculture and Forestry](#) (MinAF) published an investor guide on its website to assist investors looking to plant new almond orchards. (Note: the guide was taken down from MinAF's website a year after publication.) The guide explained the technical and financial aspects of starting a 100-hectare orchard. The guide noted that a return on investment was to be expected after seven years.

As a result of the aforementioned government support programs, and the attractive nature of the investment, the private sector has concentrated on planting new almond orchards in Izmir, Manisa, Mugla, Denizli, Sanliurfa, Canakkale, Adiyaman and Karaman provinces. The investments in new orchards, once fully realized, will increase almond production in the medium term.

The district of Kahta within the Adiyaman province has been the leading producer of almonds in Turkiye since 2016, according to the [Kahta Union of Almond Producers](#). The group's plan is to increase almond orchard acreage to 100,000 ha by 2023/24 in order to produce enough almonds to meet domestic demand. According to the [Kahta Chamber of Agriculture](#), the district will reach its acreage goal as of MY 2022/23, though many of the newly established orchards still have large numbers of non-bearing trees. As for the Union's production target, it seems unreachable for the time being.

⁴ News in Turkish <https://www.iha.com.tr/adiyaman-haberleri/badem-ureticileri-fiyat-aciklamasi-bekliyor-33113180>

⁵ News in Turkish <https://www.dunya.com/sectorler/gida/badem-ureticisinin-fiyat-beklentisi-50-55-tl-haberi-701090>

In earlier decades, MinAF has instituted special afforestation projects aimed at increasing the number of planted almond trees. While the number of planted trees has increased as a result of these projects, almond production has not significantly increased, since the trees were planted in marginal areas and were not carefully tended.

b. CONSUMPTION

Almond consumption for MY 2023/24 is forecast higher year-over-year at 49,000 MT. Growth will be tempered by high prices for almonds, the most expensive tree nut on the market, and a weakening domestic currency. The MY 2022/23 consumption estimate is adjusted upward to 49,500 MT. The relatively stable value of the TL, which was intentionally kept high against major currencies like USD and Euro going into the elections in 2023 despite the high inflation rates, caused almond prices to be relatively stable and increased the consumption.

At the end of August, the retail prices for roasted and raw almonds (shelled) had stayed relatively stable compared to other food stuff, in terms of local currency from the same time last year to about 295 – 444 TL/kg (5.09-7.56 USD/lbs.) It was as of 230-320 TL/kg (3.91-5.45 USD/lbs.) as of August 2022.⁶ Retail prices vary by neighborhood and according to retailer.

Almonds are mainly consumed as a snack food, and limited amounts are used in the confectionary and cosmetics industries. As with pistachios, the packaging of tree nuts, including almonds, has increased in recent years. Currently, about one-third of almonds and other tree nuts are sold pre-packaged.

c. TRADE

Imports

Almond imports for MY 2023/24 are forecast a bit lower from the previous year's revised number at 50,000 MT. The MY 2022/2023 import estimate is revised upward based on the latest trade statistics to 55,000 MT. With demand expected to outstrip domestic almond supplies, Turkiye is expected to remain a net importer of almonds in MY 2023/24, with the United States as its top supplier. Other countries supplying almonds to Turkiye, include Australia, Iran, Chile, and Spain.

There are several taxes on imported almonds, including the MFN import duty, a minimum reference price, and additional financial responsibility tax. No import taxes are levied for almonds imported under the Inward Processing Regime (IPR) for processing (e.g., shelling, packaging) and re-export.

The MFN import duty on imported almonds is 2 percent. However, imports of U.S. almonds face [an additional 10 percent retaliatory duty](#), which was imposed in response to U.S. Section 232 tariffs on Turkish steel and aluminum. The combined import tariff on U.S. almonds is 12 percent of the cost, insurance, and freight (CIF) value of the shipment. The MFN import tariff is zero for almonds from countries with which Turkiye has a free trade agreement (FTA), such as Chile.

Turkiye also has a minimum reference (oversight) price for imported almonds. If the CIF invoice value of the inshell almond is at or below 4,400 USD, the MFN duty will be applied at 4,400 USD per ton. If the per ton CIF invoice value is greater than 4,400 USD, the tariff will be applied at the actual CIF invoice value. The tariff for shelled almonds is based on a minimum CIF per ton value of 6,900 USD or greater. The purpose of the minimum reference price is to discourage importers from under-invoicing the price of the shipment.

⁶ The exchange rate was 26.624 TL/USD as of August 29, 2023. The exchange rate was 18.176 TL/USD as of August 26, 2022. The average consumer price index (CPI) inflation in 2022 was 72.31 percent.

HS CODE	COMMODITY	OVERSIGHT VALUE ON CIF (USD/MT*)
080211	In Shell Almond	4,400 USD
080212	Shelled Almond	6,900 USD

*Ton: Gross Weight

For all origins except FTA countries, there is an additional financial responsibility tax (AFRT) charged on imported almonds. The AFRT for shelled almonds is 818 USD/MT and 452 USD/MT for inshell almonds.

Starting in May 2020, a new regulation came into effect that requires foreign suppliers of almonds, walnuts, cashews, and other agricultural items to register in an online system. Suppliers are asked to upload company information and other customer-verified documents into the online system. The purpose of the registration requirement is to discourage unofficial imports. For more information, please see our [report on this registration requirement](#).

Exports

MY 2022/23 almond exports are forecast at 25,000 MT, which is a bit lower than the previous year's newly revised estimate. The MY 2022/2023 import estimate is revised upward based on the latest trade statistics to 25,000 MT. The leading export destinations are regional countries, such as Iraq, Kazakhstan, Russia, Algeria, and Libya.

d. POLICY

The government, alongside universities and producer associations, is working to improve production capacity. In 2017, the GoT established the [Adiyaman Hard Shelled Fruits Research Institute](#) which partners with the [University of Adiyaman](#) to conduct research into new varieties and provide training to growers. At the same time, the GoT is encouraging farmers in the Adiyaman province to invest in almond orchards by increasing awareness of the potential benefits of growing almonds. The GoT has also supported the Agricultural Credit Cooperative Union in establishing an almond and pistachio processing facility in Kahta, which opened in spring 2018.

In 2021, the Adiyaman Agriculture and Forestry Directorate, the [Adiyaman Hard Shelled Fruits Research Institute](#), and the Governorship of Adiyaman co-organized a gathering for almond producers and beekeepers to discuss areas of cooperation. The group met a second time in 2022 to sign a protocol under which almond producers will pay beekeepers per hive to help pollinate their trees. This arrangement is expected to help boost future yields.

The Adiyaman Almond Summit is held annually since it was first organized in September 2019. The Adiyaman Agriculture and Forestry Directorate and the Ipekyolu Development Agency are the summit co-organizers. Summit participants discuss solutions to issues related to almond production, processing, pricing, and trade.

As mentioned in the pistachio policy section, the GoT does not provide specific, direct support to tree nut growers. However, tree nut farmers who are registered in the "Farmers Registration System" are eligible for general support that is available to all farmers. Please refer to pistachio policy section for more details on the types and amounts of general support payments.

III. WALNUTS

a. PRODUCTION

For MY 2022/23, walnut production is forecast at 69,000 MT, slightly up from the previous year. Although the number of bearing trees increased, there have been droughts throughout the country from fall 2022 to spring 2023, and again in summer 2023. Spring 2023 saw excess rainfall, causing floods in several areas. There was also frost and hail damage seen in several areas of the country. Under the circumstances, production has remained stable.

Walnut trees grow in almost every province of the country, but commercial walnut orchards are still a relatively new phenomenon in Türkiye. The GoT has instituted various programs to increase commercial production, allocating free land for 49-years, providing interest-free financing, and delivering general support payments to farmers. This support has spurred farmers and others in the private sector over the last couple of decades to open new orchards throughout the country, including the Aegean, Marmara, southeastern Anatolia, and Mediterranean regions. However, even with these new orchards, the domestic production of walnuts is still inadequate to meet the growing demand of Turkish consumers.

Over the last 20 years, MinAF has undertaken special afforestation projects, in an attempt to boost commercial walnut production. However, these initiatives did not yield the expected results since many of the trees were planted in marginal soils or unsuitable locations. Irrigation to these afforested lands is generally unavailable or too costly. In contrast, the newer commercial orchards are more successful since they use up-to-date techniques, and many have access to irrigation.

Up until the last 10-15 years, there was not a standard walnut variety being grown in Türkiye. However, as growers have come to appreciate that certain propagation techniques result in higher yields, the use of standard varieties has now become more widespread. Chandler is the most popular walnut tree variety. However, there is still a need for introducing higher-yielding varieties that are suitable for local growing conditions. Türkiye's leading walnut research establishment, the Yalova Horticulture Research Institute, is developing new varieties for commercial production in different parts of the country.

The [Turkish Walnut Producers Association](#) (TWPA) was established in 2021 and held its first general assembly that summer. The association has about 30 members, who are all large, commercial growers by Turkish standards. As of 2022, association members collectively own 35,000-40,000 da of orchard land that is covered with 1 million trees. The Association's members employ modern agriculture techniques on their mechanized commercial operations. The association aims to produce 20,000 MT, which is equivalent to about one-third of Türkiye's current production volumes, within the next 2-3 years. The association held Türkiye's first "[International Walnut Conference](#)" in September 2022, though as of August 2023 there are no signs that they will have a second one.

As of June 2023, TWPA announced that they will establish a brand in order to better market domestic walnuts. TWPA has stated that it is very hard for small domestic producers to get onto shelves of supermarket chains, because organized retail chains demand a steady supply of large amounts of walnuts, and are therefore bound to sell imported walnuts which can be steadily supplied. In order to get market access to small domestic producers, TWPA is establishing a brand under their Turkish acronym, CÜD. This brand will pack walnuts inshell in net bags of 1 kg to be sold in supermarkets with the 2023 harvest season. As of mid-September, though, they are not in stores. TWPA claims domestic production is tastier than any imported walnuts and is presented to the consumers at a better quality since they are

not fumigated.⁷ Moreover TWPA is lobbying the GoT to increase customs tariffs to 43 percent, as they were before 2018.

b. CONSUMPTION

The MY 2023/24 consumption forecast for walnuts is slightly up from the previous year's revised number at 136,000 MT. The consumption for MY 2022/23 is now estimated at 135,000 MT. Consumption is expected to hold steady amid rising inflation and a weakening currency.⁸ The walnut consumption figures are supported by high pistachio prices.

As of August, shelled walnuts were priced from 275-510 TL/kg (~4.69-8.69 USD/lbs.). In contrast for the same month from a year ago, shelled walnuts were selling at 215-320 TL/kg (~3.66-5.45 USD/lbs.).⁹ In terms of local currency, shelled walnut prices during this period doubled. The price for inshell walnuts in August was between 70-140 TL/kg (~1.19-2.39 USD/lbs.) compared to 40-85 TL/kg (~1-2 USD/lbs.) from the same time last year.

While food inflation in the country is high, the price of walnuts did not increase as much as many other food items. Therefore, stable consumption is predicted.

Walnuts are the second most-purchased nut by Turkish consumers, after hazelnuts. Walnut consumption has increased significantly in recent years as consumers have come to realize the health benefits from consuming walnuts. The increase of packaged walnuts has also spurred increased consumption. However, most walnuts are still sold in bulk, inshell. Turkish consumers purchase walnuts to use as an ingredient in everyday foods and eat them as snacks.

Walnuts are commonly used in desserts, just like pistachios. Turkish desserts such as pestil and köme are made by combining walnuts with mulberries and grapes. Walnuts are also used in baklava, ice cream, halva, cookies/cakes, breads/bakery, pastries, and in the dried fruit industry as well.

c. TRADE

Imports

Walnut imports for MY 2023/24 are forecast to increase slightly year-over year to from 95,000 MT to 100,000 MT. The most important reason for the increase in imports was the increase in the exports. Turkish traders process and pack the imported walnuts to export to third countries.

Traders agree that Türkiye will continue to be a net importer of walnuts, since domestic production is insufficient and there is demand for high-quality product by Turkish consumers. Depending on the year, around 40 to 50 percent of total walnut consumption is supplied through domestic production. Due to the strong demand for high quality walnuts in the Turkish market, the remaining amount is imported.

Chile narrowly surpassed the United States supplying walnuts to Türkiye in MY 2023/24, followed by China, Argentina, and Brazil. Additionally, U.S. walnuts are facing increasing competition from China and other markets due to price and seasonality considerations. Further, U.S. walnuts are disadvantaged by Türkiye's retaliatory tariff, which encourages Turkish traders to buy from other countries.

⁷ News in Turkish <https://www.yeniakit.com.tr/haber/yerli-ceviz-ceviz-ureticileri-dernegi-ile-markalasiyor-1763836.html>

⁸ TurkStat declared 58.94 percent consumer price index (CPI) inflation (80.21 percent, in Agt. 2022) and domestic producer price index (PPI) inflation (143.75 percent in Agt. 2022) as of August 2023. There are credible NGOs which find these inflation numbers calculated intentionally quite low.

⁹ The exchange rate was 26.624 TL/USD as of August 29, 2023. The exchange rate was 18.176 TL/USD as of August 26, 2022. The average consumer price index (CPI) inflation in 2022 was 72.31 percent.

There are several taxes on imported walnuts, including the MFN import duty, a minimum reference price, and additional financial responsibility tax. No import taxes are levied for walnuts that are imported under the Inward Processing Regime (IPR) for processing (e.g., shelling, packaging) and re-export.

The MFN import tariff for inshell and shelled walnuts is 4 percent. The MFN import tariff is zero for walnuts from countries with which Turkiye has a free trade agreement (FTA), such as Chile. However, in the case of the United States, there is an additional 10 percent retaliatory duty on U.S. walnuts and other tree nuts. This retaliatory duty was imposed in response to U.S. Section 232 tariffs on Turkish steel and aluminum. With this retaliatory duty the applied tariff rate on U.S. walnuts is 14 percent. For more information about retaliatory duties, please refer to our [previous reports](#).

Turkish customs also has a minimum reference (oversight) price for imported walnuts. For example, even if a Turkish trader has purchased a metric ton of inshell walnuts for 3,300 USD, which is below the oversight price, the tariff will be calculated using 3,500 USD. However, if the actual price is more than 3,500 USD then the GoT will use the real invoice price for calculating taxes. The following oversight (or reference) prices are also in effect:

HS CODE	COMMODITY	OVERSIGHT VALUE ON CIF (USD/MT*)
080231	Inshell Walnut	3,500 USD
080232	Shelled Walnut	6,500 USD

*Gross weight in metric tons.

Furthermore, for all origins except FTA countries, walnut imports are subject to an additional financial responsibility tax, 307 USD/MT for inshell walnuts and 573 USD/MT for shelled walnuts.

Starting in May 2020, a new regulation came into effect that requires foreign suppliers of almonds, walnuts, cashews, and other agricultural items to register in an online system. Suppliers are asked to upload company information and other customer-verified documents into the online system. The purpose of the registration requirement is to discourage unofficial imports of these products. For more information, please see our [report on this registration requirement](#).

Exports

Walnut exports for 2023/24 are forecast at 33,000 MT, which is slightly higher than the previous year's newly revised estimate. The export estimate for MY 2022/23 is revised higher to 30,000 metric tons based on the latest trade statistics.

Imports of both inshell and shelled walnuts, and exports of walnuts have increased substantially in recent years. Importers can utilize the Inward Processing Regime (IPR) for walnuts that are imported to be further processed and exported to third countries. With the IPR, importers do not pay import tariffs if they export a value-added end product. U.S. walnuts imported under IPR tend to be processed and re-exported to Middle Eastern and African countries.

d. POLICY

See pistachio section for explanation of the general support payments that tree nut growers are eligible to receive, as long as they are registered in the Farmers Registration System.

IV. HAZELNUTS

Note: USDA does not maintain a Production, Supply and Distribution for hazelnuts.

Turkiye is the largest producer and exporter of hazelnuts in the world, accounting for about 70 percent of world production and around 75 percent of world exports. Production in MY 2023/24 is forecast lower year-over-year at 600,000 MT. By comparison, TurkStat is predicting production will reach 730,000 MT and the Turkish Union of Chambers of Agriculture predicted 718,000 during this period before the harvest started. Market sources believe this number is too high, though. During the harvest, it is understood that yields were not as high as expected.

Most years, the Turkish Grain Board (TMO) purchases and stores hazelnuts on behalf of the Turkish government. In the beginning of August this year, the President of Turkiye announced the official purchase price that TMO will pay for hazelnuts. The purchase price for Giresun quality hazelnuts is 84 TL/kg, almost double last year's. The purchase price for Levant quality hazelnuts is 82.50 TL/kg, nearly a 60 percent increase compared to a year ago. Growers book appointments online to sell their hazelnuts to TMO. TMO pays the grower 21-days after receiving the hazelnuts in its warehouse. Since the actual crop was much less than predicted by GoT, the market price of hazelnuts surpassed these official prices reaching about 90 TL/kg quickly after harvest started, so not many were willing to sell their crop to TMO this year. TMO was advised to increase purchase prices if they wanted to stock hazelnuts on behalf of the GoT. In addition to TMO, the Union of Hazelnut Agriculture Sales Cooperatives (FISKOBIRLIK) sometimes purchases and stores hazelnuts to help keep domestic prices stable. As of September 15th, FISKOBIRLIK is purchasing the lowest quality Giresun variety hazelnut for 98 TL/kg.

The largest single buyer of Turkish hazelnuts is [Italy's Ferraro Hazelnut Company](#), the owner of the [Nutella](#) brand. Ferraro is the biggest hazelnut trader in Turkiye, buying about one-third of Turkiye's annual hazelnut export volumes. Ferraro's announced purchase price is slightly lower than the TMO rate at 80 TL/kg as of September. Approximately half of Turkiye's hazelnut exports are handled by international companies, such as Ferraro.

Although hazelnuts are grown in more than 48 provinces around Turkiye, production is primarily concentrated along Turkiye's Black Sea coast. Hazelnut orchards are typically located within 30 km of the coast. In the western Black Sea region, the growing region starts at Zonguldak (east of Istanbul on the Black Sea coast) and extends east along the entire Black Sea and the mountains until close to the Georgian border. There are approximately 500,000 producers and 4 million people directly or indirectly employed by hazelnut production in Turkiye on an area of around 725,000 hectares.

Hazelnuts require relatively little effort to cultivate and input requirements are low. However, with better maintenance, the yield efficiency of Turkish hazelnut orchards could easily be improved. Due to socio-economic reasons, Turkish hazelnut orchards are not well maintained, and the trees are aged with some orchards dating back 70 years. Turkish hazelnuts usually mature between early and late August, depending on the altitude of the orchard and weather conditions. Hazelnuts are hand-picked from the trees and dried in the sun. Harvesting takes place during several weeks in August and September.

V. PRODUCTION, SUPPLY AND DISTRIBUTION STATISTICS:

Pistachios, Inshell Basis Market Year Begins Turkiye	2021/2022		2022/2023		2023/2024	
	Sep 2021		Sep 2022		Sep 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Bearing Trees (1000 TREES)	0	54548	0	55400	0	58150
Non-Bearing Trees (1000 TREES)	0	22722	0	23700	0	25470
Total Trees (1000 TREES)	0	77270	0	79100	0	83620
Beginning Stocks (MT)	68100	68100	30000	30000	0	85000
Production (MT)	87000	87000	210000	198000	0	160000
Imports (MT)	26700	24000	38600	42000	0	35000
Total Supply (MT)	181800	179100	278600	270000	0	280000
Exports (MT)	40200	39000	45000	30000	0	40000
Domestic Consumption (MT)	111600	107000	168600	155000	0	155000
Ending Stocks (MT)	30000	30000	65000	85000	0	85000
Total Distribution (MT)	181800	176000	278600	270000	0	280000

(1000 TREES), (MT)

Almonds, Shelled Basis Market Year Begins Turkiye	2021/2022		2022/2023		2023/2024	
	Aug 2021		Aug 2022		Aug 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Bearing Trees (1000 TREES)	0	10380	0	12400	0	13600
Non-Bearing Trees (1000 TREES)	0	7093	0	6700	0	7600
Total Trees (1000 TREES)	0	17473	0	19100	0	21200
Beginning Stocks (MT)	300	300	500	500	0	500
Production (MT)	20000	20000	22500	22500	0	24000
Imports (MT)	37000	40000	40000	55000	0	50000
Total Supply (MT)	57300	60300	63000	78000	0	74500
Exports (MT)	17300	17500	20000	28000	0	25000
Domestic Consumption (MT)	39500	42500	42500	49500	0	49000
Ending Stocks (MT)	500	500	500	500	0	500
Total Distribution (MT)	57300	60500	63000	78000	0	74500

(1000 TREES), (MT)

Walnuts, Inshell Basis Market Year Begins Turkiye	2021/2022		2022/2023		2023/2024	
	Sep 2021		Sep 2022		Sep 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Bearing Trees (1000 TREES)	0	12400	0	13800	0	15350
Non-Bearing Trees (1000 TREES)	0	11500	0	12700	0	12250
Total Trees (1000 TREES)	0	23900	0	26500	0	27600
Beginning Stocks (MT)	1300	1300	1300	1300	0	1300
Production (MT)	68000	68000	67000	67000	0	69000
Imports (MT)	94000	95000	100000	98000	0	100000
Total Supply (MT)	163300	164300	168300	166300	0	170300
Exports (MT)	32600	23000	35000	30000	0	33000
Domestic Consumption (MT)	129400	140000	132000	135000	0	136000
Ending Stocks (MT)	1300	1300	1300	1300	0	1300
Total Distribution (MT)	163300	164300	168300	166300	0	170300

(1000 TREES), (MT)

Source for PSDs: USDA forecasts, Post forecasts, TurkStat estimates for tree numbers.

Attachments:

No Attachments