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**Report Name:** Tree Nuts Annual

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**Report Highlights:**

Turkiye's pistachio production in marketing year (MY) 2024/25 is forecast to reach a new record due to multiple factors. Higher production volumes and larger-than-normal carryover stocks are expected to prompt sizeable export volumes of Turkish pistachios for the first time. While Turkiye's production of tree nuts continues to grow, the country is expected to import substantial volumes of almonds and walnuts in MY 2024/25 to meet steady consumer demand. Imports of U.S. tree nuts continue to be disadvantaged by a 10 percent retaliatory tariff that was imposed because of U.S. Section 232 duties 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, almonds and pistachios to Turkiye.

# I. PISTACHIOS

## a. PRODUCTION

Turkiye's pistachio production in marketing year (MY) 2024/25 is forecast to more than double year-over-year to a record of 385,000 metric tons (MT). There are multiple factors contributing to this projected increase, the most notable of which is this year is considered an "on-year" in the production cycle for pistachios. The growth in production is also linked to an increase in the number of bearing trees, higher yields as trees reach optimal bearing age, and favorable weather conditions during the growing season.

According to the Turkish Statistical Institute (TurkStat), there were an estimated 60.5 million bearing pistachio trees at the beginning of the current marketing year, up nearly 4 percent from last year. Market sources confirmed that many of these trees are now approaching ten-years in age, which when yields start reaching their optimal range. This age-related yield factor will contribute to higher production volumes this year and in the years ahead.

At the same time, there are about 26.6 million non-bearing trees, which is about 4.5 percent higher than a year ago. Turkiye's production of high-quality pistachios is predicted to increase in the future with the increasing number of young trees.

Market sources indicate that TurkStat might be undercounting the actual number of bearing and non-bearing trees. However, even if the number of trees is being undercounted, TurkStat's figures reconfirm the expansionary trend in the country's production of pistachios.

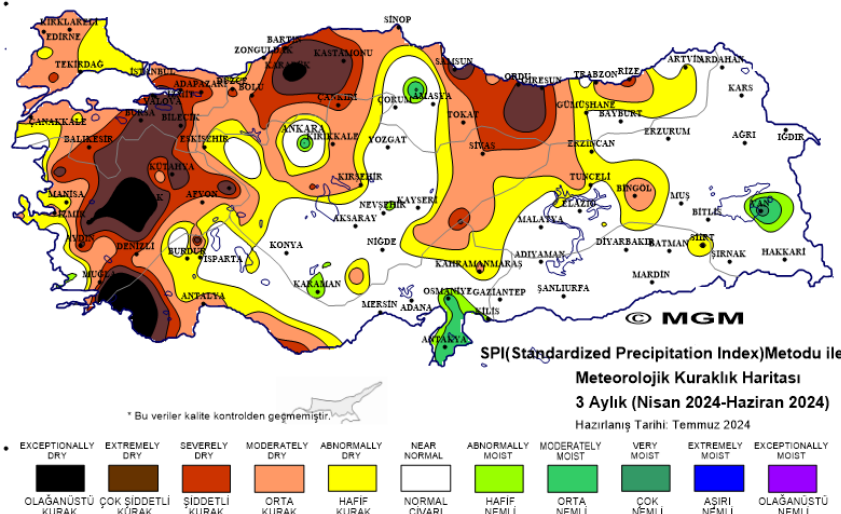
Over the last 10-15 years, pistachio growers have invested in developing and expanding their orchards, replacing old trees (some of which are 50-years old) and introducing modern growing techniques. These more sophisticated orchards with their newer trees, which are less affected by the periodicity in production, are expected to achieve higher yields and production volumes in the future. For the new

trees being planted, market sources confirmed that growers are planting more of the Siirt variety compared to earlier years, known to be less periodical than the Antep variety. However, the Antep variety still accounts for most of the pistachio trees being grown.

Good rainfall conditions in the spring of this year also contributed to the increase in pistachio production in MY 2024/25. Timely and adequate precipitation is critical since most pistachio production across Turkiye is rain-fed.

As seen in the Map 1, rainfall this spring in the southeastern part of

**Map 1:** Standard Precipitation Index (SPI) Method Draught Map for Three Months (Apr. 2024 - June 2024)



Source: General Directorate of Meteorology of Turkiye.

the country, where most of the pistachios are grown, was near normal. A sunny summer, with no major weather events, and no unexpected pest attacks also promoted higher yields this year.

Pistachio yields and production levels can vary dramatically from year-to-year with average yields during an on-year ranging from 4-6 kilograms (kg) per tree and 2-3 kg per tree during off-years. However, periodicity effects on yields have decreased in recent years with the planting of new trees, on-farm investments, and the introduction of good agricultural practices. At the same time, with the help of outside training provided by different institutions, farmers have learned how to reach higher yields by taking better care of the soil and trees. As a result of these improvements, average yields are expected to continue to slowly increase in the coming years.

One of the more notable and ongoing training programs, called “*May you have abundant pistachios,*” was launched back in 2011 by the Turkish Foundation for Combating Soil Erosion, Forestation, and Protection of Natural Habitats ([TEMA](#)), with contributions from [private companies](#). The initiative trains farmers in Gaziantep and Sanliurfa - the two biggest pistachio-producing provinces in the country - to properly care for their trees through improved pruning and trimming techniques, and better practices for applying fertilizer and pesticides. Farmers applying this training report seeing their yields double or even triple at times, while also reducing periodicity effects in off-years.<sup>1</sup> In parallel to this training program, local universities in the major pistachio growing regions have developed better production methods and plant protection measures to help farmers improve yields.

The two southeastern provinces of Gaziantep and Sanliurfa account for 80 percent of the country’s total production of pistachios. 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.

There are two main types of pistachios grown in Turkiye, the Gaziantep (Antep) and Siirt varieties. Both are unique to Turkiye and differ in size and shape compared to the pistachios grown in Iran and the United States. 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 Antep variety.

**Photo 1:** Pistachios on a tree in May 2024 in Gaziantep province of Turkiye



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<sup>1</sup> News article in Turkish: <https://www.ekonomim.com/kose-yazisi/bilimsel-temelli-tarimla-antep-fistiginda-yok-yili-bitti-verim-ikiye-katlandi/707910>



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.

## CONSUMPTION

MY 2024/25 consumption is forecast higher year-on-year at 235,000 MT, based on a projected increase in domestic pistachio production and the expectation that traders will want to draw down their record-sized stock levels as much as possible.

Turkiye continues to grapple with high inflation, including rising food prices. In August, the annual consumer price index (CPI) inflation was nearly 52 percent and annual food inflation reached almost 45 percent. See Post’s latest [Exporter Guide](#) for more information about the current economic conditions in Turkiye.

In the case of pistachios, retail (and bulk) prices during the month of August were nearly 30 percent higher in terms of Turkish Lira (TL) than the same time last year. By comparison, though, the price in U.S. dollars (USD) was almost unchanged. See table 1.

The reason retail (and bulk) pistachio prices (30 percent) did not increase as much as general food inflation (45 percent) was primarily due to the downward pressure on pistachio prices resulting from the anticipated record in production and large carryover stocks in MY 2023/24 and 2024/25. While still high, these relatively lower retail prices for pistachios will encourage increased consumption, especially among the upper- and higher-income households who are less impacted by the difficult economic realities in the country.

**Table 1:** Indicative retail price of pistachios

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
2024	597	34.000	17.56

\* Minimum price at an organized retailer

\*\* As of last week of August

**Photo 2:** Pistachio ice cream, local type, with pistachio pieces



Historically, most of the country’s pistachio crop is consumed domestically, though Turkiye is expected to export a share of its crop this year because of an anticipated oversupply. Consumption levels vary year-to-year depending on the availability of domestic supplies. About 35 percent of pistachios 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 consumers demand greater convenience and as more supermarkets spread across the country. For more information about the latest retail sector trends, please refer to Post’s latest [Retail Food Report](#).

Approximately half of the pistachios that are consumed for snacking are packaged. This percentage is expected to increase in the future

as consumers demand greater convenience and shop at discount retail outlets where packaged food products are the norm. With this shift towards increased consumption of packaged pistachios, per capita consumption (2 kg/year) and overall consumption is expected to grow.

## **b. TRADE**

### *Exports*

MY 2024/25 exports are forecast at a record 80,000 MT, assuming steady demand for re-exported pistachios and the potential for Turkiye to export domestic pistachios. Given the anticipated oversupply of domestic pistachios this year, Post expects Turkiye will export a sizeable amount of domestic pistachios to overseas markets this year. Up until this year, Turkiye only exported minor amounts of domestic pistachios, mostly in processed products. The bulk of Turkiye's exports have historically consisted of U.S. and Iranian pistachios, which are sorted and packed in Turkish free trade zones and re-exported to third markets. Looking ahead, given the yearly fluctuations in domestic pistachio production, Post expects that the re-export business will continue to dominate overall exports for the foreseeable future.

Turkiye predominantly exports shelled pistachios. The leading export destinations are Italy, Germany, Iraq, Syria, Malaysia and Saudi Arabia.

### *Imports*

MY 2024/25 imports are forecast at 35,000 MT, which is down about 27 percent from the previous year's newly revised figure as import demand is expected to slacken because of a record domestic harvest and large pistachio stocks.

MY 2023/24 pistachio import volumes are revised higher to 48,000 MT in line with the latest trade data. The United States and Iran were the largest sources of imported pistachios, with U.S. pistachios accounting for 80 percent of total imports. 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. The absence of a bilateral phytosanitary protocol also discourages imported pistachios from entering the market for domestic consumption.

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.

## **c. STOCKS**

With the record harvest, year-end stocks for MY 2024/25 are forecast to more than double from last year's newly revised estimate to 200,000 MT. This prediction assumes that traders will only sell off a portion of their inventories because stock levels are so large.

MY 2023/24 ending stocks are revised higher to 95,000 MT based on an upward revision to the pistachio production number and in alignment with market expectations.

Pistachio stocks vary considerably from year to year, in line with the cyclical nature of production. This cyclicity and the fact that neither the government of Turkiye (GoT) nor producer associations maintain ending-stock numbers leads to speculation, price fluctuations, and artificially inflated prices. According to industry insiders, pistachio traders intentionally hold onto inventories longer than normal to drive

domestic prices higher. Accurate end-stocks data would help stabilize price fluctuations and consumption levels, especially in off-years.

Municipal governments in Gaziantep and Sanliurfa have taken steps to increase transparency of pistachio stock levels in hopes of reducing speculation in the market. In June 2021, the Gaziantep Commodity Exchange (GCE) built Turkiye's first [licensed pistachio warehouse](#) with a capacity of 10,000 MT. The warehouse has an electronic trading platform as well as a laboratory for quality testing. [Sanliurfa Commodity Exchange](#) has also invested in a licensed pistachio warehouse project with 10,000 MT of storage capacity.<sup>2</sup> As these licensed warehouses represent just a small fraction of overall production, more of these facilities are needed to increase market transparency on the status of domestic stock levels. The government operates licensed warehouses for other crops, such as wheat, sunflowerseed, and cotton to create price stability.

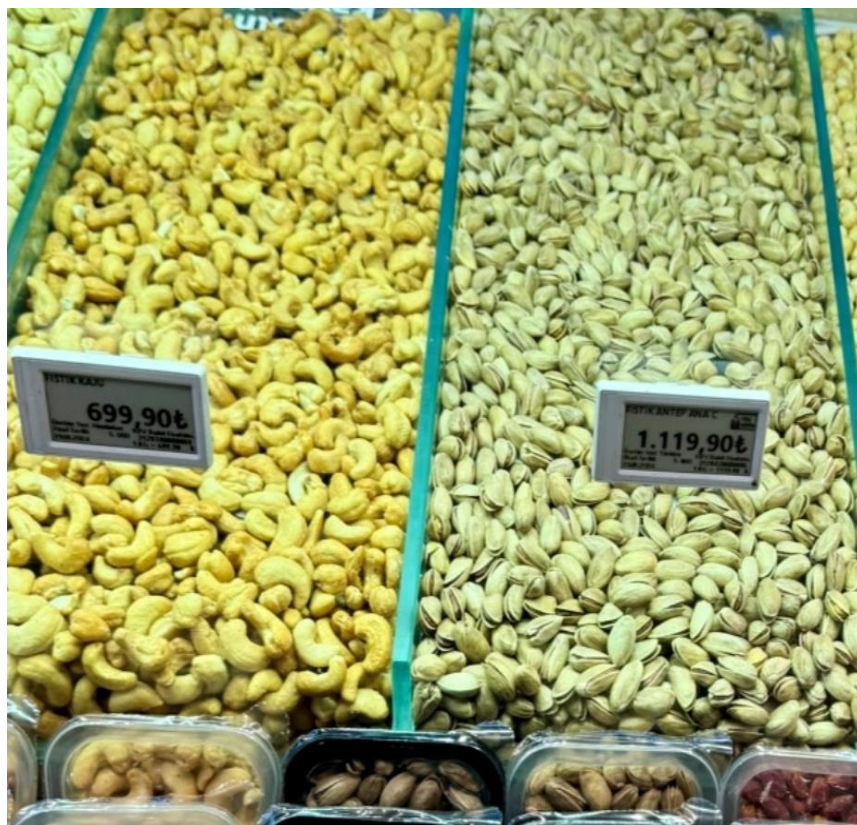
Scientists from various local universities continue supporting research applications to improve storage conditions, which is important in maintaining the quality of pistachios and in helping minimize food safety concerns, such as aflatoxin.

#### **d. POLICY**

##### *Changes on the Horizon for Agricultural Support Payments*

While the central government does not provide specific, direct support payments to pistachio or other tree nut growers, the government does offer generic subsidies that are available to all registered farmers. The amount of generic subsidies in 2024 were up year-over-year in Turkish Lira but were nearly unchanged in USD. Pistachio growers and other farmers continue to complain that the subsidy this year, like the past several years, is inadequate to cover the rising cost of inputs, such as electricity, labor, and water.

**Photo 3:** Pistachios (on the right) on display of a local nut store to be sold as bulk (packed by grams on demand)



<sup>2</sup> News in Turkish: <https://www.ekonomim.com/sehirler/fistik-ureticileri-planlama-ve-dengeli-piyasa-kosullari-istiyor-haberi-764928>



Orchards planted with standard seedlings <sup>3</sup>	400 TL/decare (da) (11.76 USD/da)*
Orchards planted with certified seedlings	1,000 TL/da (29.41 USD/da)
Organic production	50-270 TL/da (1.47-9.94 USD/da)
Good agricultural practices	50 TL/da (1.47 USD/da)
Fuel and fertilizer	138 TL/da (4.05 USD/da)

\*Note: a decare (da) is equivalent to 0.1 hectares.

On August 29, 2024, the GoT announced in a [Presidential Decision Decree \(PDD\)](#) that it was instituting a new support system that would come into effect for 2025-2027. The payment under the new system is based on a calculation in which a standard *coefficient* amount per decare (da) for all crops that is multiplied by a *multiplier* factor depending on the crop. For 2025, the coefficient has been set at 244 TL/da and the multiplier for tree nuts is fixed at the lowest level of just one. (Note: Other crops, which are considered more strategic like wheat, have a higher multiplier factor.) Thus, tree nut farmers will receive 244 TL/da (=244 TL/da x 1). The coefficient may be updated each year, depending on the overall market conditions and economic situation in the country.

Additionally, a *subsidy* payment will be paid for some products each year. The products and amount of the *subsidy* to be paid will be declared each year depending on needs of the country. Tree nuts are not expected to get a *subsidy* but only the *basic support* (as defined in this paragraph) starting 2025.

#### *Grower Groups Advocate for Gov't to Set Purchase Prices for Pistachios*

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 subsidy for pistachio producers.

While the national government has not actualized these demands, the Metropolitan municipality of Gaziantep - one of the two largest pistachio-producing provinces - appears to have taken some small steps towards establishing a set price when purchasing pistachios from local growers. In late August 2024, the municipality started purchasing pistachios for making baklava and storing these nuts

**Photo 4:** Pistachio filled local desert



<sup>3</sup> The exchange rate is 34 TL/USD as of August 28, 2024. The exchange rate was 26.624 TL/USD as of August 29, 2023. It was 18.182 TL/USD as of August 29, 2022.

in the [licensed pistachio warehouse](#) that is operated by the Gaziantep Chamber of Commerce.<sup>4</sup> At the same time, the Sahinbey district municipality in Gaziantep also started purchasing pistachios for making baklava.<sup>5</sup>

The Mayor of Sahinbey announced that the municipal government had started purchasing pistachios to keep traders from manipulating the market and stabilize prices. Supermarket chains and nut retailers have lodged similar complaints in the past. Post concurs with these claims, though prices in MY 2024/25 should soften due to increased supplies.

Gaziantep metropolitan municipality's purchase price is between 250 to 310 TL/kg (7.35 - 9.12 USD/kg), depending on product quality.<sup>6</sup> The price for same product in Gaziantep Commodity Exchange is between 265 to 320 TL/kg. (7.79 - 9.41 USD/kg), as of early September.

### *Pistachio Imports for Consumption Considered One Potential Solution to Artificially High Prices*

According to industry analysts, there are some traders and retail chains that are advocating for the GoT to remove/lower the import tariffs and other trade barriers that would enable price-competitive, imported

**Photo 5:** Pistachio tree in Gaziantep province of Turkiye in May 2024, well groomed. Not irrigated via a pressured



<sup>4</sup> News in Turkish: <https://www.ekonomim.com/sehirler/gaziantep-buyuksehir-boz-kavlak-fistigin-alimina-basladi-haberi-762045>. Gaziantep Metropolitan Municipality is administered by the same political party as central government.

<sup>5</sup> News in Turkish: <https://www.sabah.com.tr/gaziantep/2024/08/22/belediye-fistik-alimina-basladi>

<sup>6</sup> The exchange rate was 34 TL/USD as of August 28, 2024.



pistachios to enter the local market and, thereby, help stabilize the domestic price for pistachios. From Post's perspective, imports for consumption would definitely have a stabilizing effect considering that exports of in-shell U.S. pistachios from January-July of this year cost about 6.80 USD/kg whereas the retail price in Turkiye for domestic pistachios is currently around 17 USD/kg.

At the same time, market sources report that nut traders have petitioned 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.

#### *Training Growers and Processors to Comply with EU Standards*

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, reducing the use of pesticides and fertilizers, and pest management.<sup>7</sup>

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<sup>7</sup> News in Turkish <https://www.gaziantepusula.com/haber/16232569/gtbden-antep-fistigi-egitimi>

## **II. ALMONDS**

### **a. PRODUCTION**

Almond production for MY 2024/25 is forecast to marginally increase year-over-year to 27,000 MT. This projected increase is mostly attributed to an increase in the number of bearing trees and good weather conditions despite some initial worries about an early bloom resulting from warmer than usual temperatures in the main growing regions. Because of the early bloom, growers were concerned about the potential for frost damage in February and March. However, mild weather conditions prevailed during this period and there was no reported damage. Warm summer temperatures and the early bloom caused the almond harvest this year to start a few weeks ahead of schedule during the month of August in Adiyaman and Manisa, the two biggest almond-growing provinces in Turkiye.

Amid rising input costs, almond growers continue to complain that it is difficult to make a profit because the benchmark purchase price for almonds is too low, and government support payments are considered inadequate. The situation has become so dire that growers in Adiyaman province uprooted 500 hectares of almond trees earlier this year, according to the Kahta Hard Shelled Fruit Producers Union. The Union warned that the government that growers would continue uprooting their trees if they are unable to make a profit.<sup>8</sup> To protect farmers' profits, the Union is pressing the national government to increase the tariff on imported almonds from the current level of 15 percent to the maximum bound rate of 43.50 percent.

Like in years past, the Chambers of Agriculture and producer unions in Adiyaman and Kahta continue to press Turkiye's Agricultural Credit Cooperative Union (ACCU) to raise the almond purchase price and announce it earlier in the season. For the 2024 almond crop, ACCU has announced the purchase price between 240 TL/kg and 280 TL/kg (7.06 - 8.24 USD/kg), depending on product quality.<sup>9 10</sup> Private traders use the ACCU purchase price as a benchmark in setting contract prices.

**Photo 6:** Caramel ice cream, local type, with almond pieces



During the early part of the 2000s, to encourage almond production, the Turkish government provided different financial incentives, such as allocating free land for 49-years, interest free loans, along with the standard production subsidy. While these financial incentives have since come to an end, they did encourage investments in new almond orchards in different parts of the country between 2005-2015. Unless farmers uproot more trees, these earlier investments in new orchards will continue contributing to higher almond production in Turkiye for the next 5-8 years. Of note, the trees planted in 2015 are just approaching their optimal bearing age of 10-years old.

The district of Kahta within the Adiyaman province is the leading area for almond production in Turkiye, according to the Kahta Hard Shelled Fruits Producers' Union. Several years ago, the Union announced its goal of increasing almond orchard acreage in Kahta to 100,000 ha by 2023/24 in order to produce enough almonds to meet

<sup>8</sup> News in Turkish: <https://www.ekonomim.com/sehirler/ithal-badem-ciftcinin-belini-buktu-kahtada-2-bin-hektar-alan-sokuldu-haberi-752589>

<sup>9</sup> Exchange rate is 34.00 TL/USD as of August 28, 2024.

<sup>10</sup> News in Turkish: <https://www.kahtagercek.com/?kahta/2024-yili-badem-fiyatlari-aciklandi-11278h.htm>

domestic demand. The district reportedly reached its acreage goal a year ahead of schedule, 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.

## b. CONSUMPTION

Almond consumption for MY 2024/25 is forecast slightly higher year-over-year at 53,000 MT. Growth will be tempered by high prices for almonds, one of the most expensive tree nuts on the market, and difficult economic conditions in the country. The MY 2023/24 consumption estimate is adjusted slightly upward to 52,000 MT.

At the end of August 2024, the retail prices for roasted and raw almonds (shelled) were between 463 - 721 TL/kg (13.61 – 21.21 USD/kg). By contrast, prices ranged from 295 - 444 TL/kg (8.67 – 13.06 USD/kg) as of August 2023.<sup>11</sup> Retail prices vary by quality, neighborhood, and according to brand and 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 half of almonds and other tree nuts are sold pre-packaged.

## c. TRADE

### *Imports*

Almond imports for MY 2024/25 are forecast unchanged from last year's newly revised number at 59,000 MT. With demand expected to outstrip the domestic supply of almonds, Türkiye is expected to remain a net importer of almonds in MY 2024/25, with the United States remaining its top supplier. Other countries supplying almonds to Türkiye, include Australia, Spain, Uzbekistan, and Chile. The MY 2023/2024 import estimate is adjusted slightly higher to 59,000 MT to reflect the latest trade statistics.

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.

Last year, as previously reported, Türkiye issued a [Presidential Decision Decree \(PPD\)](#) in which it raised the MFN duty on imported almonds from 2-4 percent to 15 percent, starting on November 1, 2023. In addition to the MFN tariff, 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. Thus, the combined import tariff on U.S. almonds is 25 percent of the cost, insurance, and freight (CIF) value of the shipment.

**Photo 7:** Almonds in a nut store, to be sold as bulk, next to hazelnuts



<sup>11</sup> The exchange rate was 34 TL/USD as of August 28, 2024. The exchange rate was 26.624 TL/USD as of August 29, 2023. The average consumer price index (CPI) inflation in 2023 was 49.93 percent.



To discourage traders from under-invoicing imported almonds, Turkiye uses a minimum reference (oversight) price for customs valuation. As shown below, the current reference price is 4,400 USD for inshell almonds and 6,900 USD for shelled almonds. If the CIF invoice value is at or below these set reference prices, the tariff will be applied to the reference price. However, if the CIF invoice value exceeds the reference price, the tariff will be applied at the actual CIF invoice value.

<b>Table 3: Reference Prices for Imported Almonds</b>		
<b>HS CODE</b>	<b>COMMODITY</b>	<b>OVERSIGHT VALUE ON CIF (USD/MT*)</b>
080211	Inshell Almond	4,400 USD
080212	Shelled Almond	6,900 USD

\*Ton: Gross Weight

In addition to a higher MFN rate, the abovementioned PPD also raised the additional financial responsibility tax (AFRT) charged on imported almonds, as shown in the table below. The AFRT is a flat tax that is charged on a metric ton basis.

<b>Table 4: Additional Financial Responsibility Tax for Imported Almonds</b>		
<b>HS CODE</b>	<b>COMMODITY</b>	<b>AFRT ON CIF (USD/MT*)</b>
080211	Inshell Almond	580 USD
080212	Shelled Almond	942 USD

One other notable change in the PDD was the announcement of preferential access for almonds coming from the United Arab Emirates (UAE). Tariff rates for in-shell and shelled almonds coming from the UAE will be 4 percent, compared to the 15 percent MFN rate applied to all other origins. The AFRT is also half the amount applied to other origins at 226 USD/MT for in-shell almonds and 409 USD/MT for shelled almonds. This preferential treatment will likely lead to more U.S. almonds going to the UAE enroute to Turkiye.

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

### *Exports*

MY 2024/25 almond exports are forecast at 33,000 MT, which is slightly higher than the previous year's newly revised estimate. Most exports are thought to be re-exported almonds that originally came from the United States. The leading export destinations are regional countries, such as Russia, Iraq, Libya, Kazakhstan, Azerbaijan, Saudi Arabia and Algeria.

### **d. POLICY**

Please refer to pistachio policy section for more details on the types and amounts of general support payments to almond growers.

In a press interview, the Chairman of the Turkish All Nuts and Dried Fruits Industrialists and Businesspeople Association ([TUKSIAD](#)) emphasized that high tariffs and taxes on imported tree nuts were partly to blame for the exorbitant prices of tree nuts in Turkiye, which are two to three times higher

than prices in Europe. The Chairman also stressed that these excessive charges on imported nuts leads to smuggling and other predatory practices that actually end up hurting domestic consumers and producers in the long run.<sup>12</sup>

The Turkish government, alongside universities and producer associations, is working to improve the country's almond production capacity. The most recent government-sponsored investment is the opening of the Agricultural Center of Excellence in Adiyaman province during the spring of 2024. The center, which features processing facilities for almonds, fresh fruit, and vegetables, as well as a greenhouse, will provide training and other tools for almond growers and processors. The center's processing facility mirrors an earlier government investment to support the Agricultural Credit Cooperative Union in opening an almond and pistachio processing facility in Adiyaman province in 2018. In addition, since 2019, the municipal government in Adiyaman has been co-organizing a summit to discuss almond production, processing, pricing, and trade.

The [Adiyaman Hard Shelled Fruits Research Institute](#), which was established by the government back in 2017, continues to work with the [University of Adiyaman](#) and other stakeholders to conduct research and conduct training for almond growers. In 2021-2022, the Institute partnered with municipal authorities in Adiyaman to co-organize meetings for almond producers and beekeepers to come together to discuss and formalize areas of cooperation.

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<sup>12</sup> News in Turkish: <https://www.hurriyet.com.tr/ekonomi/cerezde-mensei-oyunu-42481690>

### III. WALNUTS

#### **a. PRODUCTION**

For MY 2024/25, walnut production is forecast at 67,000 MT, equal to the previous year's revised estimate. While the number of bearing trees grew this year, the anticipated increase in production coming from these bearing trees did not materialize because of warmer than normal weather in June and July and hail damage in several parts of the country. These weather conditions may negatively impact walnut quality.

Walnut trees grow in almost every province of the country, but commercial walnut orchards are still a relatively new phenomenon in Turkiye. In the early 2000s, the GoT instituted various financial incentives to increase commercial walnut production, allocating free land for 49-years, providing interest-free financing and delivering general support payments to farmers. The financial incentives, which have since come to an end, spurred farmers and others in the private sector to open new orchards throughout the country up until 2015. However, even with these new orchards, the domestic production of walnuts is still inadequate to meet the growing demand of Turkish consumers.

Up until the last 10-15 years, there was not a standard walnut variety being grown in Turkiye. 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. Turkiye's leading walnut research establishment, the Yalova Horticulture Research Institute, is developing new varieties for commercial production.

The [Turkish Walnut Producers' Association](#) (TWPA) was established in 2021 and held its first general assembly that summer. The association has close to 40 members, who are all large, commercial growers operating modernized farms with a combined area of 35,000-40,000 decares and one million walnut trees. The association aims to produce 20,000 MT, or about one-third of Turkiye's current production volumes. The Association held an [International Walnut Conference](#) in September 2022 to discuss issues confronting the sector such as production trends, climate change, and branding. TWPA's branding initiative is discussed in the policy section.

**Photo 8:** Walnuts on a tree in August 2024, few weeks before the harvest in the Trace region of Turkiye.





## b. CONSUMPTION

The MY 2024/25 consumption forecast for walnuts is adjusted slightly lower from the previous year's revised number to nearly 133,000 MT. Consumption is expected to go slightly down due to bad macro-economic conditions of the country.<sup>13</sup> Pistachio prices that are expected to stabilize due to high production will decrease usage of walnuts for example for deserts like baklavas since more pistachios are available to use. Depending on the year, around 40 to 50 percent of total walnut consumption is supplied through domestic production. Since the price of walnuts in terms of both TL and USD increased year-to-year, consumption is expected to decrease a little bit from last year.

**Photo 9:** Walnuts on display on sidewalk in front of a nut shop in Istanbul. Almonds in between walnuts.



As of August 2024, the retail price of shelled walnuts was between 300 - 680 TL/kg (8.82 - 20.00 USD/kg), compared to 275 - 510 TL/kg (10.32 - 19.15 USD/kg) a year ago. The retail price of inshell walnuts in August was between 150 - 300 TL/kg (4.41 - 8.82 USD/kg), compared to 70 - 140 TL/kg (2.62 - 5.26 USD/kg) a year ago.<sup>14</sup>

In recent years, walnut consumption has increased significantly as consumers have come to realize the health benefits from eating walnuts. The increase of packaged walnuts has also spurred increased consumption. However, most walnuts are still sold in bulk and 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 2024/25 are forecast unchanged from the previous year's newly revised number at 104,000 MT. Turkish traders import, process, pack, and re-export walnuts to third countries. Traders agree that Turkiye will continue to be a net importer of walnuts, since domestic production is insufficient to keep pace with Turkish consumers' strong demand for high-quality walnuts.

<sup>13</sup> TurkStat declared 51.97 percent consumer price index (CPI) inflation (58.94 percent, in Agt. 2023) and domestic producer price index (PPI) inflation 37.75 percent (49.41 percent in Agt. 2023) as of August 2024. There are credible NGOs which find these inflation numbers calculated intentionally quite low. Unemployment rates are at 9.3 percent as of summer 2024.

<sup>14</sup> The exchange rate was 34 TL/USD as of August 28, 2024. The exchange rate was 26.624 TL/USD as of August 29, 2023. The average consumer price index (CPI) inflation in 2023 was 49.93 percent.

The United States is the leader in supplying walnuts to Turkiye in MY 2024/25, followed by Chile, China, Uzbekistan, Kyrgyzstan and Ukraine. Additionally, U.S. walnuts are facing increasing competition from Chile and China and other markets due to price and seasonality considerations. Further, U.S. walnuts are disadvantaged by Turkiye’s retaliatory tariff, which encourages Turkish traders to buy from other countries.

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.

Last year, as previously reported, Turkiye issued a [Presidential Decision Decree \(PPD\)](#) in which it raised the MFN duty on imported walnuts from 4 percent to 15 percent, starting on November 1, 2023. In addition to the MFN tariff, imports of U.S. walnuts face [an additional 10 percent retaliatory duty](#), which was imposed in response to U.S. Section 232 tariffs on Turkish steel and aluminum. Thus, the combined import tariff on U.S. walnuts is 25 percent of the cost, insurance, and freight (CIF) value of the shipment.

To discourage traders from under-invoicing imported walnuts, Turkiye uses a minimum reference (oversight) price for customs valuation. As shown below, the current reference price is 3,500 USD for inshell walnuts and 6,500 USD for shelled walnuts. If the CIF invoice value is at or below these set reference prices, the tariff will be applied to the reference price. However, if the CIF invoice value exceeds the reference price, the tariff will be applied at the actual CIF invoice value.

<b>Table 5: Reference Prices for Imported Walnuts</b>		
<b>HS CODE</b>	<b>COMMODITY</b>	<b>OVERSIGHT VALUE ON CIF (USD/MT*)</b>
080231	Inshell Walnut	3,500 USD
080232	Shelled Walnut	6,500 USD

\*Gross weight in metric tons.

Moreover, there is an additional financial responsibility tax (AFRT) charged on imported walnuts. The AFRT for shelled walnuts is raised to 1,099 USD/MT and 416 USD/MT for inshell walnuts.

<b>Table 6: Additional Financial Responsibility Tax for Imported Walnuts</b>		
<b>HS CODE</b>	<b>COMMODITY</b>	<b>AFRT ON CIF (USD/MT*)</b>
080231	Inshell Walnuts	416 USD
080232	Shelled Walnuts	1,099 USD

\*Gross weight in metric tons.

According to the abovementioned [PDD](#), an exception to mentioned tariffs and taxes is United Arab Emirates (UAE). Tariff rates for inshell and shelled walnuts the tariff rates will be 1 percent from UAE and AFRT for inshell walnuts will be 153.50 USD/MT and 286.50 USD/MT for shelled almonds.

One other notable change in the PDD was the announcement of preferential access for walnuts coming from the United Arab Emirates (UAE). Tariff rates for in-shell and shelled walnuts coming from the UAE will be 2 percent, compared to the 15 percent MFN rate applied to all other origins. The AFRT on

product from UAE is 153.50 USD/MT for in-shell walnuts and 286.50 USD/MT for shelled walnuts, which is significantly lower than the amount applied to other origins.

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 Post's [report on this registration requirement](#).

### *Exports*

Walnut exports for 2024/25 are forecast at 38,000 MT, which is slightly more previous year's newly revised number. The export estimate for MY 2023/24 is revised lower to 36,000 metric tons based on the latest trade statistics.

Over the last decade, export volumes of walnuts have increased which caused traders to ramp up imports which are processed and re-exported to third countries. This trade has been in part fueled by the government's Inward Processing Regime (IPR) that allows Turkish companies to import walnuts duty-free, process them, and then re-export the final product to third countries. U.S. walnuts imported under IPR tend to be processed and re-exported to Middle Eastern and African countries.

**Photo 10:** A well-maintained walnut orchard in the Trace region of Turkiye, irrigated by drip irrigation.



### **d. POLICY**

Please refer to pistachio policy section for more details on the types and amounts of general support payments to walnut growers.

The Turkish Walnut Producers' Association (TWPA) continues to lobby the government to increase tariffs on imported walnuts from the current rate of 15 percent to the maximum bound level of 43.50 percent. In contrast, during a press interview, the Chairman of the Turkish All Nuts and Dried Fruits Industrialists and Businesspeople Association ([TUKSIAD](#)) emphasized that high tariffs and taxes on



imported tree nuts were partly to blame for the exorbitant prices of tree nuts in Turkiye, which are two to three times higher than prices in Europe. The Chairman also stressed that these excessive charges on imported nuts leads to smuggling and other predatory practices that actually end up hurting domestic consumers and producers in the long run.<sup>15</sup>

In June 2023, the TWPA launched a brand under its Turkish initials, CÜD, to help smaller producers come together under a single brand and sell larger quantities to retail stores in order to better compete against imported walnuts, which TWPA claims are inferior in quality to Turkish walnuts.<sup>16</sup> There was a trial sale of CÜD-branded product to select supermarkets, but Post did not observe widespread distribution. TWPA plans to increase branded sales in 2024. According to market sources, another reason for TWPA launching the CÜD brand is to bypass middlemen and improve grower profit margins.

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<sup>15</sup> News in Turkish: <https://www.hurriyet.com.tr/ekonomi/cerezde-mensei-oyunu-42481690>

<sup>16</sup> News in Turkish <https://www.yeniakit.com.tr/haber/yerli-ceviz-ceviz-ureticileri-dernege-ile-markalasiyor-1763836.html>

#### 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 60-70 percent of global production and around 70-75 percent of world exports. Production in MY 2024/25 is forecast higher year-over-year at 675,000 MT. By comparison, other market sources as shown in the adjacent table are predicting production will climb even higher. However, the general consensus among market insiders is that production will increase year-over-year but will probably be below these optimistic predictions.

Most years, the Turkish Grain Board (TMO) purchases and stores hazelnuts on behalf of the Turkish government. At the beginning of beginning of August of this year, MinAF announced the official purchase price and TMO started making purchases shortly thereafter. TMO pays the grower 21-days after receiving the hazelnuts in its warehouse.

The TMO purchase price for Giresun quality hazelnuts is 132 TL/kg (3.88 USD/kg), 57 percent higher than last year's TMO purchase price. The purchase price for Levant quality hazelnuts is 130 TL/kg (3.82 USD/kg), nearly a 58 percent increase compared to a year ago.

In addition to TMO purchases, the Union of Hazelnut Agriculture Sales Cooperatives (FISKOBIRLIK) sometimes purchases and stores hazelnuts to help keep domestic prices stable. In mid-August, the cooperative started purchasing hazelnuts at 115 TL/kg and later raised its purchase price to 118 TL/kg by the end of the month.

**Photo 11:** Hazelnuts on display at a supermarket in Istanbul.



As of early September, private buyers were paying around 113-116 TL/kg (3.32-3.41 USD/kg), lower than the price offered by TMO, but payments to growers are made immediately instead of waiting for several weeks.

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. Approximately half of Turkiye's hazelnut exports is handled by international companies, such as Ferraro.

Up until this year (MY 2024/25), Ferraro publicly announced its purchase price, which was generally lower than the TMO price. However, following an industry complaint last November, the Turkish

FAS-Turkiye	675,000 MT
TurkStat	685,000 MT <sup>17</sup>
Turkish Ministry of Agriculture & Forestry	718,000 MT
Turkish <a href="#">National Hazelnut Council</a> (NHC)	739,000 MT <sup>18</sup>
International Nut Council (INC)	785,000 MT

<sup>17</sup> First forecast done by Turkish Statistical Institute (TurkStat) in late May 2024.

<sup>18</sup> After being passive and silent for some years Turkish National Hazelnut Council announced a production amount estimate in July 2024. Market sources indicate that it is interesting that suddenly NHC decided to do an estimate after years of silence.

Competition Authority (TCA) initiated a several monthslong investigation into Ferraro’s practice of setting prices. After the investigation, Ferraro negotiated a settlement with TCA in which it agreed to stop announcing its purchase prices and to no longer purchase hazelnuts under the TMO price. Ferraro also reaffirmed its commitment to efficient and transparent markets. With Ferraro’s pricing power now constrained, some producers now believe that FISKOBIRLIK is responsible for market prices going down this year.

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 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 as many as 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.

**Photo 12:** A luxury nuts and dried fruits store display in Turkiye.





## V. PRODUCTION, SUPPLY AND DISTRIBUTION STATISTICS:

Pistachios, Inshell Basis Market Year Begins	2022/2023		2023/2024		2024/2025	
	Sep 2022		Sep 2023		Sep 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Turkey						
Bearing Trees (1000 TREES)	0	55400	0	58150	0	60550
Non-Bearing Trees (1000 TREES)	0	23700	0	25470	0	26600
Total Trees (1000 TREES)	0	79100	0	83620	0	87150
Beginning Stocks (MT)	30000	30000	85000	85000	0	95000
Production (MT)	200000	198000	160000	175000	0	385000
Imports (MT)	56000	42000	60000	48000	0	35000
Total Supply (MT)	286000	270000	305000	308000	0	515000
Exports (MT)	42600	30000	45000	40000	0	80000
Domestic Consumption (MT)	158400	155000	175000	173000	0	235000
Ending Stocks (MT)	85000	85000	85000	95000	0	200000
Total Distribution (MT)	286000	270000	305000	308000	0	515000

(1000 TREES) ,(MT)

Almonds, Shelled Basis Market Year Begins	2022/2023		2023/2024		2024/2025	
	Aug 2022		Aug 2023		Aug 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Turkey						
Beginning Stocks (MT)	500	500	500	500	0	500
Production (MT)	22500	22500	20000	24000	0	27000
Imports (MT)	51500	55000	55000	59000	0	59000
Total Supply (MT)	74500	78000	75500	83500	0	86500
Exports (MT)	27600	28000	25000	31000	0	33000
Domestic Consumption (MT)	46400	49500	50000	52000	0	53000
Ending Stocks (MT)	500	500	500	500	0	500
Total Distribution (MT)	74500	78000	75500	83500	0	86500

(MT)

Walnuts, Inshell Basis Market Year Begins	2022/2023		2023/2024		2024/2025	
	Sep 2022		Sep 2023		Sep 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Turkey						
Beginning Stocks (MT)	1300	1300	1300	1300	0	1300
Production (MT)	67000	67000	70000	67000	0	67000
Imports (MT)	100000	98000	115000	104000	0	104000
Total Supply (MT)	168300	166300	186300	172300	0	172300
Exports (MT)	40700	30000	45000	36000	0	38000
Domestic Consumption (MT)	126300	135000	140000	135000	0	132800
Ending Stocks (MT)	1300	1300	1300	1300	0	1500
Total Distribution (MT)	168300	166300	186300	172300	0	172300

(MT)

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

### Attachments:

No Attachments