

NEWS | MINORS

Turkey and Greece prepare for new season fruit

By Andrew Ciclitira, MD, Demos Ciclitira

This week sees the end of Ramadan with much of Turkey closed for the public holiday. The release of Turkey's sultana and raisin crop forecast last week has been greeted favourably by some as the anticipated tonnage was larger than expected but met with scepticism by others who claim that the forecast includes growing areas which had not previously been taken into account.

The harvest in Turkey will be earlier and there are no reports to date of any quality issues. New crop offers should become more readily available next week when Turkish packers return from holiday. Most industry experts foresee prices of sultanas remaining at present levels for the time being, but as fruit comes to market prices will reduce. It is unclear what tonnage of Turkish raisins will be produced, but if the market is in short supply it would seem unlikely that farmers will dry a large quantity of raisins this year.

High level pricing

Last year's prices opened at TRY3.50-3.60

(USD1.81-1.87) per kilo and soon started to reduce until the market reached TRY2.75-2.85 (USD1.42-1.48) per kilo. By June this year prices had increased to TRY4.10-4.20 (USD2.13-2.18) per kilo which is the highest level of the season. This is where prices remain at present, so it would seem reasonable to expect them to reduce in time.

Reports from the UK indicate a lack of activity with most major buyers covered for their requirements of both vine and tree fruits either until the new crop or even further forward.

The exception will be particular items such as Turkish figs which are now fully sold out at origin. Early indications suggest that the first shipment dates will not be until mid-September at the earliest as the Turkish authorities are mindful that last season there was a high level of rejections throughout the EU for aflatoxin.

This year will see the first complete season with higher permitted levels, and with good weather packers and importers are hopeful that there will not be a repeat of last years problems.

New season offers have been received from Chinese packers of sultanas ranging from USD1,950-2,050 per tonne c&f Felixstowe.

This is a competitive price compared to the Turkish equivalent which remains at USD2,400-2,450 per tonne fob Izmir for specially cleaned standard no.9 sultanas. This is perhaps why Turkish fruit may need to reduce in price as the season progresses, as Turkey may well see a reduction in market share particularly for the lucrative UK and German markets.

Greek crop

Meanwhile Greece's current crop looks set to be one of the largest for several years. As a result of new planting and a more realistic approach taken on the cost, Greece will be able to reverse the decline in sales.

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IGC increases forecast for global wheat production

ments for China, for which local assessments suggest feed use in past years was higher than previously assumed," the report said. "However, the lower forecast also incorporates a significant reduction for the eight major exporters. At 50.2 mln tonnes, their combined carryovers at the end of 2013/14 are placed 3.0 mln tonnes lower than previously."

The reduced figure includes a 1.4 mln-tonne cut to a six-year low of 15.7 mln tonnes (compared with 19.5 mln tonnes last year) for the US, where increased crop expectations are more than outweighed by higher domestic use and exports. Forecasts are also trimmed slightly for Argentina, Australia, Russia and Ukraine.

Corn outlook

While, world corn production is forecast by the IGC to jump by 10% year-on-year with record crops expected in many Northern Hemisphere countries including the US (350 mln tonnes), China (214 mln tonnes) and Ukraine (24 mln tonnes), the IGC has lowered its total production estimate to 942 mln tonnes, down 4 mln tonnes compared with July.

The downgrade largely reflects a dip of 5 mln tonnes in expected US output due to the hot, dry conditions in some growing areas, partly offset by improved figures for Ukraine (up 1 mln tonnes from last month) and India (up 1.3 mln tonnes to 22.3 mln tonnes).

The forecast for EU28 production is lowered marginally by 100,000 tonnes month-on-month to 66 mln tonnes but 18% higher than last year, mostly

due to increased output in France (16. mln tonnes from 15.7 mln tonnes in 2012/13), Romania (9 mln tonnes/5.6 mln tonnes) and Hungary (8 mln tonnes/4.7 mln tonnes).

World corn consumption is expected to rise by 5% year-on-year to 915 mln tonnes, from mln tonnes last year with both feed and industrial use seen up 6%.

"Rising demand for meat and other animal proteins is forecast to lift corn feed demand to 520mt [from 489 mln tonnes last year]," the IGC said. "Although slightly lower than before, forecast US feed/residual use is placed at 129.5 mln tonnes. After a number of recent animal health scares in China, some improvement in consumer confidence is likely and, twinned with the long term upswing in meat demand, feed consumption is forecast to increase to 144.0 mln tonnes."

Global trade in corn is expected to hit a six-year high, driven in the most part by China. For the 2013/14 marketing year, which runs from October to September shipments to China are forecast to increase to 7.0 mln tonnes from 3.0 mln tonnes in 2012/13.

The IGC attributed the jump in forecast corn imports by China to rising minimum purchase prices in the Asian country. In early July, China's National Development and Reform Commission (NDRC) announced that the minimum purchase price for corn in four northeastern producing provinces would be increased by 5 to 6%, while average procurement prices have increased by almost 50% since 2008, contributing to strong local markets.

"Assuming that domestic values remain firm, close to the minimum purchase levels, and global prices are pressured by the more comfortable supply outlook in the US and elsewhere, the resulting wider price gap is expected to result in buoyant import demand," the IGC explained.

Global corn stocks are expected to be rebuilt in 2013/14 to 148 mln tonnes (down 1 mln tonnes from last month), compared with the multi-year low of 120 mln tonnes in 2012/13. Inventories in the four main exporters are forecast at a nine-year high.

Total global grains production (wheat and coarse grains) is pegged at a record 1.920 billion tonnes in the 2013/14 marketing year, up marginally from the 1.919 bln tonnes estimated in July, and much higher than last year's 1.786bnt. The volume for this year also exceeds the 1.850 bln tonnes produced in 2011/12.

Global grain consumption is also tipped to rise to 1.887 bln tonnes, up 4 mln tonnes from the previous month and compared with 1.821 bln tonnes in the previous year, with world grain trade up 3 mln tonnes month-on-month to 266 mln tonnes.

Forecast end of season stocks for 2013/14 are lowered 6 mln tonnes month-on to 362 mln tonnes, although they are still expected to rise 10% year-on-year, largely due to the significantly increased corn stocks. "The downward revision to forecast inventories partly reflects a revised carryover from the previous year, but anticipated consumption has also been increased by 4 mln tonnes, mainly due to a higher estimate for feed wheat use," the IGC said.

WEEKLY MINORS SNAPSHOT

RAISINS ▲
1622.00 0.0%
Californian TSR CIF UK, GBP/A, Thurs

SULTANAS ▼
2014.21 -1.8%
Orange River CIF UK, GBP/A, Thurs

RAISINS ▼
1740.28 -1.8%
South African TSR CIF UK, GBP/A, Thurs

CURRENTS ▲
1908.39 0.0%
Greek Vostizza, CIF UK, GBP/A, Thurs

DATES ▼
982.93 -1.8%
Iranian pitted Sayer CIF UK, GBP/A,

Turkey sending mixed messages on sultana crop

By Andrew Ciclitira

The past week has seen growing concerns from UK buyers about the size and availability of this year's **Turkish sultana** and **raisin** crop.

First new crop arrivals have been received on the local Izmir Bourse and these have been traded at relatively high levels. The quality of the fruit is reported to be good, but with a lower bunch count.

Reports are that the fruit will be larger with an average berry count perhaps as low as 220-240 berries per 100 grams. This means that there may be a shortage of both medium and midget fruits which are traditionally used by manufacturing customers.

The reality is that the recent sharp increases in price for Turkish sultanas and raisins has made packers more cautious and few are willing to offer unless they actually have fruit in their hands.

Some local producers are reportedly doing their best to persuade farmers not to give their fruit on consignment, presumably in the hope that by creating a shortage of raw material, prices will increase.

Some rain fell over the weekend in the Izmir city area and in some of the growing areas. Damage is reported to be slight. This may however be used as a further justification to increase prices.

Indicative prices of new season specially cleaned No.9 are between USD2,400 and

USD2,500 per tonne fob Izmir. However, with very limited quantities available, the main difficulty for buyers at present is the lack of firm offers.

The Turkish sultana and raisin situation will bring the global availability of raisins into sharper focus. This will be good news for the US industry where the harvest began earlier this week.

Sources in Fresno **California** report that this year's crop will be between 340,000 and 350,000 short tons. There is also a significant carry in from last year's crop. Prices of select Californian seedless Thompson raisins are between USD1.14 and USD1.15 per lb c&f Felixstowe, for shipment from September to the end of December. US raisins seem a good buy at present, but as the season advances prices may increase.

There is better news for new season **Turkish apricots** and **figs** and apricot prices have eased now that most of the harvest has been completed successfully.

This week saw the annual meeting of the Turkish fig exporters at which they generally set a first shipment date.

The crop is predicted to be a good one in terms of tonnage and quality at over 65,000 tonnes. The harvest should begin shortly with the most critical time being when the figs are in the open drying.

Opening prices are expected to be high, as there is virtually no carry in this year. There is

also the psychological effect of this year's high sultana and raisin prices.

News from Greece is optimistic with this year's **Greek currant** crop forecasted to be up to 20% larger in tonnage terms.

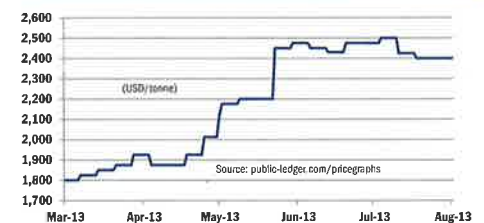
There is also a modest carry in. Early indications suggest that prices will be between EUR2.05 (USD2.74) and EUR2.15 per kg fob Piraeus for good quality provincial fruit.

The difficulty for the UK market however, is the relatively poor rate of exchange between the euro and the pound. Currants do however remain as a slightly niche product for the UK dried fruit market.

They do however have a loyal following and are an essential ingredient for seasonal products such as mince pies and Christmas cakes.

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Peanut buyers frustrated by delays

forecast for the US crop, putting this at 3.85 billion pounds (1.923 million short tons), down 43% from last year.

The area for harvest was expected to total 1.06 mln acres, unchanged from the June estimate but 34% lower than 2012. Based on conditions as of August 1, the average yield for the US was forecast at 3,620 pounds per acre, down 572 pounds from last year. A record high yield was expected in Oklahoma where most of the peanut growing area has received sufficient rainfall.

As of August 4, 63% of the US peanut area was rated good to excellent, compared with 69% the previous year. Pegging was at 88%, 2% behind last year but 1% ahead of the five-year average.

Aldebaran pointed out that on in-shell peanuts the US was sold out a long time ago and was not very keen on offering new crop yet.

It observed that one of the problems with the current wet weather in the US was that the in-shells could come out with dark or blackened shells not suitable for selling as in-shell.

Price indications were a lot higher than last year at around USD1,600/tonne for Fancies and USD 1,700 for Jumbos, both categories being for shipment from October onwards.

China was still able to ship current crop during August and September at USD1,625/tonne for 11/13s, and USD1,725 for 9/11s, although quantities were limited, particularly on the 9/11 counts.

The USDA commented that in Georgia, lingering heavy rainfall forced some producers to postpone fungicide applications, while others employed the use of aerial sprays to treat their fields.

It explained that peg development advanced rapidly in most states throughout July. Above-average rainfall continued throughout much of the southeast during July, leaving standing water and drowned out crops in many areas.

By the end of the month, disease presence in untreated peanut fields had negatively impacted yield potential and crop development in portions of Alabama.

US expects bumper raisin grape output

By Julian Gale

California raisin grape growers are expected to have a bumper crop this year, the USDA announced in an August 12 report.

The California raisin-type variety grape production was forecast at 2.40 million tonnes, up 25.5% from 2012 final output, in an objective measurement report from the California Department of Agriculture, California Agricultural Statistics Service.

The forecast was based on the results of the raisin grape objective measurement survey conducted in July and the report was produced with the co-operation of the USDA's National Agricultural Statistics Service.

The USDA said 200,000 acres were of bearing age, which meant a record high yield was expected. "The 2013 California raisin-type grape crop is shaping up to be the largest crop since 2008. Weather conditions have been good for crop development, which is a few days ahead of normal. Mildew pressure was low, but mites were significant," it added.

Based on the objective measurement survey, bunches per vine totalled a record 47.7 compared with 29.1 in 2012, the report stated.

WEEKLY MINORS SNAPSHOT

RAISINS

1621.00

▼ -0.4%

Californian TSR CIF UK, GBP/A

SULTANAS

2007.03

◆ 0.0%

Orange River CIF UK, GBP/A

RAISINS

1734.07

◆ 0.0%

South African TSR CIF UK, GBP/A

CURRENTS

1890.96

▼ -0.9%

Greek Vostizza, CIF UK, GBP/A

DATES

979.43

◆ 0.0%

Iranian pitted Sayer CIF UK GBP/A