

## **SCREENING WITH TURKEY**

### **OLIVE OIL AND TABLE OLIVES**

#### **Non-exhaustive list of issues and questions to facilitate preparations for bilateral meetings**

#### **1. BASIC INFORMATION**

*(in tonnes, for marketing years 1992/93-2004/05 – i.e. from 1/11 to 31/10)*

##### **OLIVE OIL**

- Domestic production
- Total domestic use (consumption)

While the number of the olive trees as well as the production figures for table olives and olives for oil are available at the Turkish Statistics Institute (TURKSTAT), there is currently no statistical data on the amount of olive oil produced. Moreover, calculation of olive oil production derived from the production amount of the olives for oil is not possible due to lack of a fixed oil productivity coefficient as oil productivity depends on regional and periodical conditions. However, it is possible to make calculations based on some assumptions. It is argued that oil productivity could vary between 15-22 % . If the lowest percentage in the oil productivity and olive for oil is taken into account, the production of olive oil is calculated as 180.000 tonnes for the production year of 2004.

Olive oil is also produced with traditional methods by the small enterprises in the production regions. These are not represented in the official data. Total amount of the oil production increases when these quantities are taken into consideration. Given these facts, it is clear that a joint study has to be carried out by the relevant institutions in order to have more reliable data. A project for this particular issue will be launched.

Table -1: Turkey's olive oil production and consumption (in tonnes)

<b>Production Season</b>	<b>Production(*)</b>	<b>Consumption(*)</b>
1992/93	56,000	50,000
1993/94	48,000	54,000
1994/95	160,000	55,000
1995/96	40,000	63,000
1996/97	200,000	75,000
1997/98	40,000	85,500
1998/99	170,000	85,000
1999/00	70,000	60,000
2000/01	175,000	72,500
2001/02	65,000	55,000
2002/03	140,000	50,000
2003/04	79,000	46,000
2004/05(Temporary)	145,000	60,000

**Source:** Ministry of Agriculture and Rural Affairs (MARA)

**Imports : by quality (extra-virgin, virgin, lampante, etc.)**

**Table-2: Turkey's Olive oil Imports (tonnes)**

	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05
Lampant	0	890	0	107	0	0	0	0	0	0	0	0	0
Other Virgin *	0	107	0	49	22	14	160	880	29	1,306	1,770	0	0
Other**	0	145	0	1	0	0	8	340	0	74	39	27	65
<b>Total</b>	<b>0</b>	<b>1,142</b>	<b>1</b>	<b>156</b>	<b>22</b>	<b>14</b>	<b>167</b>	<b>1,219</b>	<b>29</b>	<b>1,380</b>	<b>1,809</b>	<b>27</b>	<b>65</b>

Source: Undersecretariat for Foreign Trade (UFT)

(\*) Other virgin: extra natural, fine natural

(\*\*) Other: Refined and other oils

**-inward processing:** No data is available.

**Exports: by quality (extra-virgin, virgin, lampante, etc.)**

**Table- 3: Turkey's Olive oil Export by Quality (tonnes)**

	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05
Lampant	0	0	0	45	9	30	733	1	1	7	1	2	0
Other Virgin*	3,503	6,507	13,389	3,858	14,222	27,716	74,958	12,046	70,745	15,957	39,441	29,804	64,002
Other**	2,909	4,165	44,750	18,435	34,381	14,896	28,443	2,637	20,403	9,594	31,750	18,252	29,441
<b>Total</b>	<b>6,411</b>	<b>10,677</b>	<b>58,139</b>	<b>22,338</b>	<b>48,612</b>	<b>42,642</b>	<b>104,134</b>	<b>14,684</b>	<b>91,149</b>	<b>25,552</b>	<b>71,192</b>	<b>48,057</b>	<b>93,443</b>

Source: UFT

(\*) Other virgin: extra natural, fine natural

(\*\*) Other: Refined and other oils

- **packaging (small packages, bulk over 5 litres):** No data is available.
- **inward processing:** No data is available.

**TABLE OLIVES****-Domestic production****-Total domestic use (consumption) (tonnes)****Table- 4: Turkey's domestic production and total domestic use of Table Olive (in tonnes)**

<b>Production Period</b>	<b>Production</b>
1992/93	231,000
1993/94	200,000
1994/95	350,000
1995/96	206,000
1996/97	435,000
1997/98	200,000
1998/99	430,000
1999/00	240,000
2000/01	490,000
2001/02	235,000
2002/03	450,000
2003/04	350,000
2004/05(Temporary)	400,000

**Source:** Turkish Statistics Institute (TURKSTAT)

Average estimated consumption in table olive, which is calculated by taking into account production and export figures in the last five years, is 337,000 tonnes.

**Table- 5: Turkey's Import and Export of Table Olive (tonnes)**

<b>Years</b>	<b>Import</b>	<b>Export</b>
1992/93	57	15,724
1993/94	18	10,007
1994/95	122	15,724
1995/96	957	27,460
1996/97	570	29,708
1997/98	1,012	25,726
1998/99	435	27,656
1999/00	341	27,889
2000/01	315	41,214
2001/02	363	37,880
2002/03	786	44,958
2003/04	1,026	52,894
2004/05	876	58,243

**Source:** UFT

## **2. STRUCTURE**

### **-Surface covered with olive trees in ha.:**

According to TURKSTAT 2004 data, existing surface cultivated with olive trees is 644,000 hectares. And also there are 166 olive trees per hectare

### **-Number of olive trees:**

According to TURKSTAT 2004 data the number of olive trees is 107,100,000

### **- New plantations since 1998 (number of trees)**

New plantations have been encouraged in order to attain optimum olive tree number per ha. This initiative is a component of structural measures for regional and rural development where climatic and agricultural conditions are suitable. However there is no reliable data for new plantations since 1998.

### **-Average annual growth rates since 1992/93 (production, yield)**

**Table-6: Annual Rates of Growth**

Production Season	Change in Grain Olive (%)	Change in Yield (%)
1992/93	17.2	18.0
1993/94	-26.7	-26.8
1994/95	154.5	151.9
1995/96	-63.2	-41.7
1996/97	249.5	242.0
1997/98	-71.7	-75.5
1998/99	223.5	254.6
1999/00	-63.6	-63.3
2000/01	200.0	197.5
2001/02	-66.7	- 66.7
2002/03	200.0	190.3
2003/04	-51.8	-53.2
2004/05	88.2	82.7

Source: TURKSTAT.

### **-Total number of olive oil and/or table olives producers**

According to the agriculture census of the TURKSTAT in 2001, the number of the olive oil and table olive producers are 196,000.

### **- Number of producers' groups and Association of Cooperatives**

Currently, for the producers of olive and olive oil there is an opportunity to organise in accordance with the Law no 4572 on Agricultural Sales Cooperatives and the Law no 5200 on Producer

Association of cooperatives. However, producers have generally organised as cooperatives. Currently, there is one olive oil producer association (Union).

Agricultural Sales Cooperatives and Association of Cooperatives (ASCUs) which operate in accordance with the Law no 4572 purchase, process, stock and sell the olive and olive-oil of their members and if necessary the producers that are not their members. These organisations are able to purchase and process approximately 16% of total production. Association of cooperatives and number of members are given in Table-7.

**Table -7: The number of Cooperatives and Members of ASCUs**

<b>Name of The Association of Cooperatives /Cooperatives</b>	<b>Area of Profession</b>	<b>The Number of The Association of Cooperative Members</b>	<b>The Number of Cooperatives</b>
TARİŞ OLIVE-OIL ASSOCIATION OF COOPERATIVE	Olive-Oil and Table Olive	26,900	33
MARMARABİRLİK	Table Olive and Olive-Oil	30,607	8
GÜNEYDOĞUBİRLİK	Olive-Oil	4,945	3
Agricultural Development Cooperatives	Olive-Oil	6,292	37*
Total Number of Organised Growers	Olive and Olive Oil	68,774	81

**Source:** Ministry of Industry and Trade (MIT)

\* Currently active cooperatives. But the total number of agricultural development cooperatives is 70 all over the country.

The Association of cooperatives of Olive-oil and table olives have widespread organizational network with their purchase centres and cooperatives that are commonly established in Marmara, Aegean and East Mediterranean regions, which are also the coastal regions that the olive production areas exist. The 32% of olive and olive-oil producers are the member of these bodies. In addition, considering the agricultural development cooperatives, total number of organised growers is approximately 35% of total olive oil producers in Turkey.

Cooperatives and Association of Cooperatives provide the significant part of production inputs and then distribute them. They generally give the provided input to the producers by credit in kind. And also depending on their financial abilities they provide cash credit to their members. Furthermore, they provide information on production techniques to their members.

Cooperative members commit to give at least 50% of the amount of production to the Cooperative. And they may sell the other part of production to the other buyers depending on the market conditions.

There is no any public institution or body that provides the storage of olive –oil in Turkey. Until recently, ASCUs have acted as a storage body. They have purchased most part of olive-oil and table oil, stored them for a long period and sold depending on the market conditions.

Currently, the efforts on the establishment of the Warehousing System continue and necessary legislation was adopted (Law no. 5300 on Warehousing of Agricultural Products). Olive oil is covered by the law. There are studies to include table olives under this scheme.

**- Number of Mills:**

According to MARA 1992/93 season data, there were 1,005 olive press facilities in total.

As of 2005, there are 290 olive press facilities that employ 5 and more employee. (Source: MIT)

**- Structure (detailed number of mills by the capacity):** Total capacity of mills is 343,000 tons olive oil. (Source: MARA)

**-Olive-oil processing facilities**

i) **Refining facilities:** 15 (Source: MARA)

ii) **Facilities for producing olive pomace oil:** 18 (Source: MARA)

iii) **Olive oil bottling/canning plants:** 100 (Source: UFT)

iv) **Number of enterprises and table olive packaging stations:** As of 2005, there are 478 process and packaging facilities of table olives employing 5 and more employee. (Source: MIT)

### 3. MARKET PRICES

Average producer and wholesale prices level of: extra-virgin olive oil and lampante olive oil (annual since 1992/93, monthly as of 01/11/2004).

**Table -8: Domestic Prices (EURO/Tonnes)**

Production Period	Purchase Prices from the Producers		Wholesale Price	
	Extra-Virgin Olive-oil(2)	Lampante (5 Acide Unrefined Oil-(2)	Price of Extra-Virgin Olive-oil	Lampante
1992/93(1)	2,137.80	1,503.86	0.00	1,272.50
1993/94(1)	2,619.72	1,656.59	0.00	1,541.78
1994/95	2,763.92	2,404.61	0.00	981.74
1995/96	4,321.29	3,200.96	0.00	2,374.15
1996/97	3,039.40	2,659.48	3,323.11	2,390.97
1997/98	2,025.58	1,702.66	2,436.74	1,613.59
1998/99	2,152.77	1,722.22	2,351.58	1,050.90
1999/00	2,930.24	2,321.65	2,686.80	1,867.22
2000/01	2,420.15	2,176.39	2,907.83	1,629.77
2001/02	2,654.11	2,288.03	3,531.39	2,264.92
2002/03	2,637.94	1,959.73	3,451.67	1,617.53
2003/04	2,281.90	1,896.65	3,448.88	1,906.62
2004/05	2,319.88	1,895.51	3,349.68	2,052.80
2005/06	3,629.83	2,994.91	0.00	2,647.82

(1) State intervention prices

Source: MIT- TARİŞ Olive and Olive-oil Association of cooperative, İzmir Commodity Exchange

**Table-9: Monthly Domestic Prices (EURO/Tonnes)**

Months	Purchase Prices from the Producers	Wholesale Prices	
	Lampante (5 Acid Base) Purchase Price	Lampante(5 acid)	Extra - virgin oil
01.11.2004	1,895.55	2,098.86	0,00
01.12.2004	1,895.55	1,538.10	0,00
01.01.2005	2,006.59	1,700.39	0,00
01.02.2005	2,006.59	1,796.95	0,00
01.03.2005	2,006.59	1,951.06	2.545,67
01.04.2005	2,006.59	1,976.57	2.575,62
01.05.2005	2,006.59	1,987.07	2.575,62
01.06.2005	2,006.59	1,898.22	0,00
01.07.2005	2,006.59	2,165.73	2.575,62
01.08.2005	2,006.59	2,302.77	3.384,25
01.09.2005	2,006.59	2,425.17	3.294,40
01.10.2005	2,006.59	2,594.88	3.444,14
01.11.2005	2,994.91	2,625.28	0,00
01.12.2005	2,994.91	Not available	

Source: MIT- TARİŞ Olive and Olive-oil Cooperatives Union, İzmir Commodity Exchange, Edremit Commodity Exchange

#### **4. CONTROL MEASURES /LEGISLATION**

- **Control measures**

##### **Legislation for standards on marketing, labelling and packaging of olive oil. Dispositions for enforcement.**

In Olive Oil, The Communiqué on “Turkish Food Codex Cooking Olive Oil and Cooking Pomace Oil” entered into force upon promulgation on the Official Gazette on 25 April 1998.

For labelling, besides the special provisions of the abovementioned Communiqué, provisions of the Communiqué on “Turkish Food Codex on Labelling of Foodstuffs and Nutritional Labelling” dated 25 August 2002 also applies. This communiqué is compatible with 2000/13/EC on “Labelling, presentation and advertising of foodstuffs” and 90/496/EC on “Nutrition Labelling”.

Packaging should be compatible with Packaging Section of By-law on Turkish Food Codex dated 16 November 1997.

In order to harmonize the Turkish legislation with the Commission Regulation no.1019/2002 on Marketing Standards of Olive-oil, above mentioned Turkish Communiqué on olive-oil is under revision.

According to the Food Law No. 5179 dated 05.06.2004, market surveillance and inspection of enterprises, which produce and sell olive oil, other olive and oil products, are conducted by MARA in appropriate frequency which is defined in proportion to risk of food. These enterprises are also inspected in case of complaints and suspicions.

Olive oils are also subject to quality control for marketing standards in foreign trade. The quality controls for marketing standards of olive oils at export and import stages are carried out by the Inspectors of Undersecretariat for Foreign Trade according to the related TS (Turkish Standard) 341 on Cooking olive oil, TS 342 on Cooking olive oil-test and analysis methods, TS 5269 on Olive-pomace oil standards. All these standards are compatible with the related Commission Regulation on marketing standards of olive oil.

##### **Legislation for standards on marketing, labelling and packaging of table olives. Dispositions for enforcement.**

There is no Turkish Food Codex-Product Communiqué on Table Olive. Currently, controls and inspections are carried out by MARA in accordance with TS No. 774 on Table Olive.

Turkish Food Codex Communiqué on Labelling of Foodstuffs and Nutritional Labelling dated 25 August 2002 also applies to table olives. For packaging, packaging section of Turkish Food Codex By-law applies.

##### **Legislation for standards on marketing, labelling and packaging of other edible oils. Dispositions for enforcement.**

For other edible oils, Turkish Food Codex Communiqué on Edible Vegetable Oils Called by Plant Names is in force.



Turkish Food Codex Communiqué on Labelling of Foodstuffs and Nutritional Labelling dated 25 August 2002 also applies to table olives. For packaging, packaging section of Turkish Food Codex By-law applies.

Horizontal provisions of Turkish Food Codex compatible with the related EU Legislation applied to all additives, contaminants, residues and hygiene rules.

**National Authority(ies) responsible for the controls of the marketed olive oil /table olives (from the farm to the shelf).**

MARA is responsible for production and domestic market controls.

UFT is responsible for import/export stage controls.

**Is there any Intervention Agency for olive oil /table olives? If yes, its role, responsibilities, type and conditions of intervention during the last years.**

There is no Intervention Agency.

## **5. TRADE**

**Is there any system (e.g. licence system) for trade (imports/exports) with third countries? If so, description of the system (delivery documents, type of control, securities, validity of certificates etc.).**

Under the current Import /Export Regimes, no import/export licenses are required for olive oil.

**Custom duties applied to imports of olive oil (by quality) and table olives.**

Custom duties for all kinds of table olives are 19.5 %, and 31.2 % for olive oil.

**Are there quality or quantity restrictions for imports or exports of olive oil /table olives? Same question for other edible oils.**

There are no quantitative restrictions on exports/imports of olive oil/table olives.

**Are there any subsidies for exports of olive oil /table olives (direct aids for traders, warranty or assurance on credits, fiscal exemptions etc.)?**

-150 \$/ton export refund provided for the olive oil exported in the packages above 1 kg, but not exceeding 5 kg,

-300 \$/ton export subsidy provided for the olive oil exported in the packages less than 1 kg and if exported with a registered Turkish Trade Mark and labelled with “Made in Turkey” on the packages,

-68 \$/ton (quantitative limit of 51%) export refund provided for the olives exported in the packages above 5 kg. but not exceeding 18 kg,

-88 \$/ton (quantitative limit of 51%) export refund provided for the olives exported in the packages above 1 kg but not exceeding 5 kg,

-108 \$/ton (quantitative limit of 51%) export refund provided for the olives exported in the packages less than 1 kg and if exported with a registered Turkish Trade Mark and labelled with “made in Turkey” on the packages,

(Communiqué No. 2005/1, issued in the Official Gazette dated March 15, 2005 and numbered 25756).

**Are there any import/export agreements regarding olive oil/table olives with third countries (PECO, GATT and others with reduction rate applied in front of normal duties for a certain quota, or other dispositions facilitating bilateral trade flows)?**

**Table-10: Turkey’s preferential import arrangements (olive oil)**

TURKEY-BOSNIA AND HERZEGOVINA FREE TRADE AGREEMENT			
CN CODE	DESCRIPTION	QUOTA	DUTY
1509		Unlimited	0

**Table-11: Turkey’s preferential export arrangements (olive oil)**

THE EUROPEAN UNION			
CN CODE	DESCRIPTION	QUOTA	DUTY
1509 10 10	Lampante virgin olive oil	unlimited	10% reduction
1509 10 90	Other virgin olive oil	unlimited	10% reduction
1509 90 00	Other olive oil than virgin	unlimited	5% reduction
1510 00 10	Crude olive oil	unlimited	10% reduction
1510 00 90	Other olive oil	unlimited	5% reduction

TURKEY-ROMANIA FREE TRADE AGREEMENT			
CN CODE	DESCRIPTION	QUOTA	DUTY
1509 10 90	Olive oil	Unlimited	18.8%

TURKEY-MACEDONIA FREE TRADE AGREEMENT			
CN CODE	DESCRIPTION	QUOTA	DUTY
1509 10 90	Olive oil	100 ton	0%

TURKEY-EFTA FREE TRADE AGREEMENT-SWITZERLAND			
CN CODE	DESCRIPTION	QUOTA	DUTY
ex 1509.10.00	Virgin olive oil	Unlimited	50% red MFN
ex 1509.90.00	Other olive oil and its fractions	Unlimited	50% red MFN

TURKEY-EFTA FREE TRADE AGREEMENT-NORWAY			
CN CODE	DESCRIPTION	QUOTA	DUTY
1509	Olive oil and its fractions, whether or not refined, but not chemically modified	Unlimited	0%

TURKEY-EFTA FREE TRADE AGREEMENT-ICELAND			
CN CODE	DESCRIPTION	QUOTA	DUTY
1509	Olive oil and its fractions, whether or not refined, but not chemically modified		
.10	Virgin olive oil	Unlimited	0%

.90	Other olive oil and its fractions	Unlimited	0%
<b>TURKEY-BOSNIA AND HERZEGOVINA FREE TRADE AGREEMENT</b>			
<b>CN CODE</b>	<b>DESCRIPTION</b>	<b>QUOTA</b>	<b>DUTY</b>
1509		Unlimited	0

**Table-12: Turkey's preferential export arrangements (table olives)**

<b>THE EUROPEAN UNION</b>			
Ad valorem duty exemption in accordance with Turkey-EU Association Council Decision No. 1/1998 (CN 0709.90.31, 0710.80.10, 0711.20.10, 2001.90.65, 2004.90.30, 2005.70.10, 2005.70.90)			

<b>TURKEY-ROMANIA FREE TRADE AGREEMENT</b>			
<b>CN CODE</b>	<b>DESCRIPTION</b>	<b>QUOTA</b>	<b>DUTY</b>
0710 80 10	Other vegetables, frozen (olives)	Unlimited	18.8%
2005 70 10	Olives	5.000 ton	0
2005 70 90			

<b>TURKEY-BULGARIA FREE TRADE AGREEMENT</b>			
<b>CN CODE</b>	<b>DESCRIPTION</b>	<b>QUOTA</b>	<b>DUTY</b>
2005 70	Olives in brine	3.000 ton	8.5%

<b>TURKEY-SYRIA FREE TRADE AGREEMENT</b>			
<b>CN CODE</b>	<b>DESCRIPTION</b>	<b>QUOTA</b>	<b>DUTY</b>
0710 80	Other vegetables, frozen	300 ton	50

<b>TURKEY-EFTA FREE TRADE AGREEMENT-SWITZERLAND</b>			
<b>CN CODE</b>	<b>DESCRIPTION</b>	<b>QUOTA</b>	<b>DUTY</b>
ex 0709.90.90	Olive, fresh or chilled	Unlimited	50% red MFN
0711.20.00	Olives, provisionally preserved but unsuitable in that state for immediate consumption	Unlimited	50% red MFN
ex 2001.90.29	Olives, prepared or preserved by vinegar or acetic acid	Unlimited	0%

<b>TURKEY-EFTA FREE TRADE AGREEMENT-NORWAY</b>			
<b>CN CODE</b>	<b>DESCRIPTION</b>	<b>QUOTA</b>	<b>DUTY</b>
ex 0709.90.90	Olives and courgettes	Unlimited	0%
ex 0710	Vegetables (uncooked or cooked by steaming or boiling in water), frozen	Unlimited	0%
0711	Vegetables provisionally preserved, but unsuitable in that state for immediate consumption	Unlimited	0%
2005.70	Olives	Unlimited	0%

<b>TURKEY-EFTA FREE TRADE AGREEMENT-ICELAND</b>			
2204.90.22	Olives (black)	Unlimited	0%
2204.90.23	Olives (green)	Unlimited	0%
2005.70	Olives	Unlimited	0%

<b>TURKEY-MACEDONIA FREE TRADE AGREEMENT</b>			
<b>CN CODE</b>	<b>DESCRIPTION</b>	<b>QUOTA</b>	<b>DUTY</b>
2005 70	Preserved olive	700 ton	0%

<b>TURKEY-BOSNIA AND HERZEGOVINA FREE TRADE AGREEMENT</b>			
<b>CN CODE</b>	<b>DESCRIPTION</b>	<b>QUOTA</b>	<b>DUTY</b>
All table olives		Unlimited	0

**Table- 13: Turkey's preferential import arrangements (table olives)**

TURKEY-BOSNIA AND HERZEGOVINA FREE TRADE AGREEMENT			
CN CODE	DESCRIPTION	QUOTA	DUTY
All table olives		Unlimited	0

**Is there any national programme aiming at the promotion of olive oil/table olives in third countries? If yes please detail its scope, targets, beneficiaries, budget etc.**

No