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FEATURED

Turkish food exporters seek to fill void left by U.S.-China trade war

By PARIS ACHEN For the Capital Press

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Hazelnuts drying on a sidewalk in Bulancak, Giresun, Turkey. Hazelnuts are among the commodities China is buying from Turkey.

Paris Achen/For the Capital Press

As the trade war with China slashed U.S. agricultural exports to that country by more than half, Turkish food exporters moved to fill the vacuum and have found success in exporting a growing number of products to the East Asian country.

Straddling the junction of Asia and Europe, Turkey serves as a fertile fruit basket for Europe, the destination for most of its \$16.7 billion in food exports. Currently, less than 1% of its food exports goes to China, the world's second largest importer.

Hazelnuts and hazelnut products — the top Turkish agricultural export to China — reached \$80.3 million in 2019. The country's other leading exports to China were cereals and oilseeds at \$33.9 million, fish and animal products at \$30.6 million, fruit and vegetable products at \$27.6 million and dried fruit at \$22.6 million.

Turkey also exports soybean oil and fractions, tobacco, honey, fresh fruits and vegetables, olives and olive oil.

Even though the U.S. and China signed a phase one trade agreement on Jan. 15, the tit-for-tat between the two countries decimated U.S. exports to China, hurting U.S. growers and producers.

It's unclear how the phase one deal — which commits China to boosting purchases of U.S. products and services by at least \$200 billion over two years — will play out for the agricultural sector.

U.S. farmers raising corn, soybeans and wheat have been inordinately affected by the trade war, along with producers of pork, dairy, cranberry and hazelnut products.

While the trade dispute has dealt a blow to the global economy, it also presented an opportunity to exporters from other countries, including Turkey, to increase their share of exports to China.

The Mediterranean Fresh Fruit and Vegetables Exporters' Association, under the umbrella of the Mediterranean Export Associations of Turkey, recently participated in a series of international fairs to promote their agricultural products in China, Spain and United Arab

Emirates.

“Turkey has established links with China through exhibitions,” said Hasan Okan Senel, agricultural sectors manager at the Mediterranean Exporters Associations of Turkey.

Turkish exporters said they are negotiating with the Chinese government to ease certain import protocols — especially requirements concerning fumigation and quarantine that compromise the freshness of produce exports. New protocols could open the way for Turkey to send more kinds of fruits and vegetables to China.

Mid-season last year, for example, Turkish exporters succeeded in obtaining revisions to the Chinese import protocol for cherries. In just the last six months of 2019, they sent millions of pounds of cherries to China and Hong Kong after virtually none in previous years, according to the fruit and vegetable exporters association.

The Turkish Ministry of Commerce recently put out a list of food products that it would focus on adding to its exports to China. Citrus fruits topped the list.

Turkey’s relatively close proximity to China “makes citrus fruit the most likely product to increase exports to China,” the Mediterranean Exporters Associations of Turkey wrote in a statement to the Capital Press.

Turkey currently has no citrus exports to China because the import protocol prevents the fruits from remaining fresh, according to the exporters’ associations group.

Other agricultural products on the commerce ministry’s list of potential exports to China are pears, sunflowers, safflower and cottonseed oils; legumes, nuts, avocados, dates, figs, pineapples, guava, mango, mangosteens, raisins, sweet biscuits, chocolate and other sweet products, fresh and chilled fish and canned fruits and vegetables.

While Turkish exporters have focused on enhancing the variety of food products they export to China, a decline in U.S. agricultural exports to China also opened space to boost Turkey’s existing exports, such as hazelnuts and honey.

Even though China is the world's top honey producer, the country also imports Turkish honey.

“There is an understanding of the quality of honey produced in Turkey,” Senel said, “and we can connect that to our successful promotion done in China.”

In the past five years, Turkey also has more than doubled its revenue from hazelnut exports to China to a record-breaking \$87.1 million in 2019, according to the Black Sea Hazelnut and Hazelnut Products Exporters Association. Turkey exported 11.2 tons of hazelnuts to China in 2019.

In an interview with Turkish state-run Anadolu Agency in late January, Dursun Oguz Gursoy, the association's acting chairman, said China recently became an opportunity for expanding hazelnut exports.

He attributed the increase to advertising and promotional activities.