

Ministry of Agriculture and Agrarian Reform

NAPC

National Agricultural Policy Center

COMMODITY BRIEF NO 5

Table Grape Trade in Syria

Hajar Baghasa

NAPC Researcher

June, 2006

Project GCP/SYR/006/ITA



Food and Agriculture
Organization of
the United Nations



COOPERAZIONE
ITALIANA



Ministry of Agriculture
and Agrarian Reform

Introduction

The selection of grape varieties started at almost the same time in many countries around the black sea and in south and central Asia

Historical studies have shown that grapes were grown in Syria 5000 years ago while in Europe, grapes have been grown for only 3000 year. Many scientific researches indicate that some varieties of table grape are derived from crosses with Syrian landraces. Daity de-Beirut in France, Afourzeli in Turkey, and Bulgare and Alep in Romania all show evidence of Syrian landraces (ICARDA 2001)

The grape grows in general from temperate to tropical regions, but most vineyards are planted in areas with temperate climates. Grape is a crop consumed fresh in addition to some major food products made from grapes are wine, table grape, grape paste, and raisins

The Grape's Production in the World

Grape is the most widely planted fruit crop in the world, covering an area of approximately 10 million hectares. The most concentrated cultures are in Europe.

Production of the world has ranged between 61-66 million tons over the last few years .In leading countries except the USA, there has been a trend to reduce or stabilize production, although other areas of the world continue to grow. Italy typically had 11-12 million tons, France 9-10 million, and Spain 5.5-6.5 million in the 1980's. In 2004, Italy produced 7.9, France 6.8, and Spain 5.6 million tons.

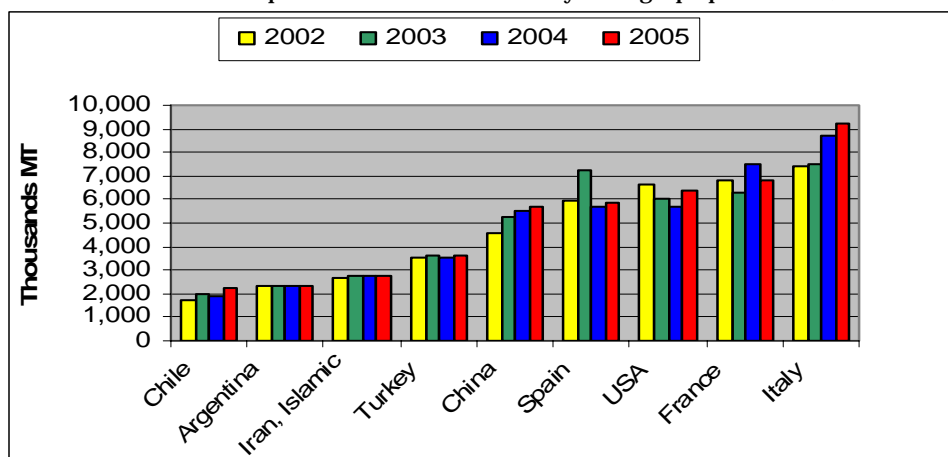
The top 4 producers have been constant for several years, but China has risen to the 5th place, whereas it was well outside the top 10 twenty years ago. Chile and Australia surpassed the perennial grape producer Germany, knocking them out of the top 10 only recently with rapidly expanding wine and table grape industries in the southern hemisphere.

In contrast to Europe, production in the USA increased steadily during the 80's, but leveled off in the early 1990's. The USA enjoys one of the highest production efficiencies in the world - yields of 7.4 tons/acre¹, twice the worldwide average which are 3.7 tons/acre

Grape is the second most extensively cultivated temperate fruit crop in the world after olive. Worldwide, there were 7.4 million ha in 2004; down from 1980 levels 9.1 million ha. Over 60% of the area is in Europe. Again, decreases have occurred in Europe, and increases elsewhere. Hectares in Spain has fallen by 481,267 since 1980, but Spain still holds the highest ranking in grape area cultivated in the world 1,176,133 ha

¹ 1 hectare = 2.4711 acres

Chart 1. The most important countries ranked by total grape production, 2002-2004



Source: FAOSTAT statistic

International Trade

In terms of value in 2004, the world grape imports valued at \$ 4077 million. The United States is the top table grape importing country in the world with 21.5%, followed by Germany 11.5% United Kingdom 11%, and Netherlands 7%. These four countries accounted together for more than 51% of total world import value. The United States imports of grape almost doubled during 2005 reaching 471,253 in 2004. (Table 1)

Table 3. Top 10 importers of grape in the world, 2004

Country	Grape value (Million US\$)	Of world import (%)
United States of America	878.6	21.5
Germany	466.8	11.4
United Kingdom	453.2	11.1
Netherlands	282.4	6.9
Canada	277.0	6.8
France	185.8	4.6
Belgium	152.1	3.7
Russian Federation	151.8	3.7
China, Hong Kong	134.1	3.3
Mexico	93.3	2.3
Sum of top importers	3,075.3	75.4
World	4,077.5	100.0

Source: FAOSTAT statistic

On the other side, the largest exporters of table grape in the world are Chile 18%, USA 18%, Italy 14.7%, South Africa 8.6% and Netherlands 7.6%, accounting together for 67% of world exports. The data in the following table illustrate the top exporter in the world.

Table 4- Top 10 exporters of grape in the world, 2004

Country	Grape value (Million US\$)	Of world exports (%)
Chile	592.3	18.0
United States of America	591.6	18.0
Italy	482.1	14.7
South Africa	282.8	8.6
Netherlands	249.8	7.6
Belgium	131.1	4.0
Spain	124.7	3.8
Mexico	108.6	3.3
Greece	91.9	2.8
Turkey	81.7	2.5
Sum of top exporters	2,799.5	85.2
World	3,286.8	100.0

Source: FAOSTAT statistic

In terms of wine, the next tables (1 and 2) show the largest exporters and importers of wine in the world in 2004.

Table 1- Top 10 exporters of wine in the world, 2004

Country	Wine export value (1000\$)	Share of world exports %
France	6,919,726	35
Italy	3,550,372	18
Australia	2,001,889	10.1
Spain	1,835,577	9.3
Chile	835,486	4.2
United States America	745,256	3.8
Portugal	660,693	3.3
Germany	592,425	3
South Africa	533,227	2.7
New Zealand	245,451	1.2
World	19,757,455	100

Source: FAOSTAT statistic

Table 2- Top 10 importers of wine in the world, 2004

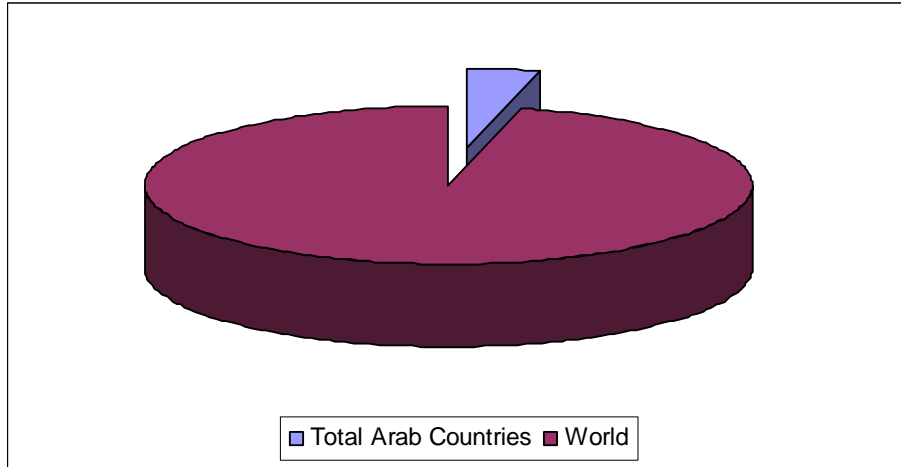
Country	Wine import value (1000\$)	Share of world imports%
United Kingdom	4,248,918	21.3
United States of America	3,577,778	17.9
Germany	2,286,155	11.5
Japan	1,050,216	5.3
Belgium	989,108	5.0
Canada	908,175	4.6
Netherlands	814,676	4.1
Switzerland	792,017	4.0
France	603,053	3.0
Denmark	522,623	2.6
World	19,941,326	100

Source: FAOSTAT statistic

Grape Trade in the Arab Countries

In 2004, the Arab countries accounted for 4% of the total world production, while Syria accounted for 0.4% of the world production. Syria accounted for 10% of the total Arabic countries production which was 2731912 tons in 2004. The major producers of grape in the Arab countries were Egypt with 1,275,288 tons, Syria 300,000 tons, Algeria 275,000 tons, Morocco 267,000 tons and Yemen 196,000 tons, together they accounted for 84% of total Arab production. (Chart 2)

Chart 2- Share of the Arab countries of the world, 2004



Source: FAOSTAT statistic

Grape Production in Syria

Grape is one of the most economic plants commodities in Syria, and it is a profitable source of income and livelihood for a large number of Syrian farmers. Grape is cultivated in all governorates in Syria, but the most concentrated production area in Damascus Rural, Homs, Hama, and Aleppo.

Grape is a crop plant of many uses, depending on their purpose: table, raisin, treacle, juice, wine, grape paste, and the residue of the wine used as a feed for animal and organic fertilizer to improve the type of soil

In the recent years, Syria has kept its rank of 28th grape producing country in the world, accounting for 0.4% of total world production.

The data in the following table shows the planted area, production, and number of fruit bearing. There was a negative trend that prevailed from 1998 until 2004.

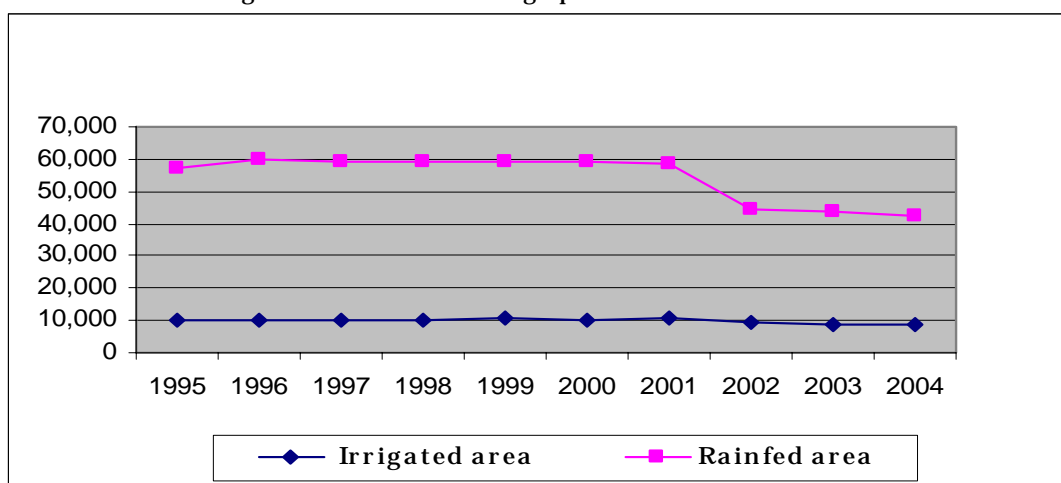
Table 5- Grape area and production in Syria 1995-2004

Year	Area/ha	Total No. of trees (000)	Fruit bearing	Production /Ton
1995	67343	53125	43597	383980
1996	70066	55113	46634	540059
1997	69434	53764	43934	451720
1998	69495	55300	47000	590000
1999	69874	52706	45785	386986
2000	69288	49353	43922	409450
2001	68816	48589	41770	388989
2002	54312	35773	30384	341886
2003	52037	33375	27734	307343
2004	51277	46265	27720	242746

Source: MAAR statistic

The irrigated and rainfed grape area in Syria has fallen by annual growth rate -1.4 and -3.2 respectively since 1995. The area of grape in Syria has decreased significantly since 1997- 2004 from 69,434 ha in 1997 to 51,277 ha in 2004. Much of this decline has been due to replacement of grape with other fruit species that offer higher economic return such as olive and apple. Whether, the obvious differences in production from year to year specially in rainfed area due to climatic changes such as, frost, hailstones and various pests, and temperature rise

Chart 3- The irrigated and rainfed area of grape



Source: MAAR statistic

Grape is available in Syria through on July to November. The ripeness starts from 10 June to July for precocious varieties, 1-30 August for intermediate variety and from 1 September to 1 November for lag variety, but some producers substitute to more early harvest varieties to get higher prices for their products. Time of harvest is determined mostly by appearance; including color and size of berries the stems of the cluster also turn a wood or straw color when berries are mature. Vines are harvested 2-3 times over a period of several weeks.

Packing and shipping occur immediately after harvest when possible, but some storage may be necessary when volume exceeds demand. Grapes are -cooled in forced-air rooms, and fumigated with SO₂ to reduce fungal decay.

There are a number of varieties cultivated in Syria. They differ in their length of growth period, their precocious or ripeness, their ability for processing, their productivity and qualities, and

their resistance to diseases. The varieties can be categorized according to their fruit colors, and shape into three types: whit Varieties (spherical and elongated), red varieties (spherical), and black Varieties (spherical and rectangular).

However, the mostly table grape diffused varieties in Syria are the following Al Baladi account for 20% of grape production, Helwany 30% , Zeni 13% and the rest others, and the most important processing varieties is salty which account for 20% of Syrian grape production. The most breeding methods of grape are: trumpet vine, vertical vines and trellised vine (Department of Agricultural Affairs)

Grape Species in Syria

Vitis Vinifera is the most important genetic source for many races of and grape stocks, which are planted in the rest of the world. There are around 5-10 thousand varieties of grapes in the world that have been classified. Syria is the richest one in the Middle East country in terms of available species (about 100 varieties spread throughout).

The General Commission for Agricultural Research selects the preferred and convenient varieties and delivers them to the Ministry of Agriculture to be used in the mother's nurseries for production of adaptable stocks and seedling distribution to farmer.

Vines are grown either from seed origins or from breeding (selection, crossing etc). The most important stocks in Syria are: B41, rokjry and fyrcal which are all resistant to lime, phylloxera, drought, and sensitive to humidity in addition to enjoy a high rooting rate.

Vine hazards in Syria include fungal, insects, birds, frost. Disease development depends on weather. The most damaging grape insects in Syria is Phylloxera², Totrix Ambigulla, Eudemis Bottrana, Bostrychidne and Eriophis vitis. On the other hand, the main diseases on grape are: Plasmopara viti cola, oidium disease and Antrachnose. Diseases affect production, harvesting, processing, marketing, and the consumer. They lower quality, reduce yield, and the cost of production.

Grape onsumption in Syria

Domestic table consumption in Syria is around 152 thousand tons. Per capita consumption during 2004 is estimated at 1.3 kg with a population of 18 million. Grape is consumed either fresh or processed. In 2004, about 63% of the production was consumed as fresh market grapes, while 5% are dried for raisin, 9.9% for treacle and 22.6% for wine. Most domestically produced grapes find their way into Syrian markets. Local demand for grape is subject to income increase and population growth. However, there is relatively rising incomes has little influence on the demand of grape. The apparent total consumption of fresh grape in Syria has decreased with annual growth rate of -6% and per capita -7 %.(Table 4)

² Phylloxera: is an insect of the world wild distribution. It's only known host is grapes. The life cycle of phylloxera is complex, some individuals feed on roots and others feed on foliage.

Table 6- Grape total production and consumption in Syria , 1995-2004, (production, export, import thousand tones), population (thousand- consumption kg per capita)

Grape	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Annual growth Rate
Production	384	540	452	590	387.0	409.0	389	342	307	243	-5
Imports	-	-	-	-	-	-	0.03	-	2.9	0.6	3
Exports	21	13	20	20	38.8	21.2	30	28	13	9	-9
T.Supply	363	527	432	570	348.2	387.8	359.03	314.1	296.9	234.6	-5
Population	14285	14670	15100	15597	15891	16320	16720	17130	17665	17924	3
Per capita consumption	0.025	0.036	0.029	0.037	0.022	0.024	0.021	0.018	0.017	0.013	-7
Fresh consumption	263	373	304	418	252	260	250	235	341	152	-6
for raisin	44	53	49	50	47	32	40	24	21	12	-13
for treacle	22	33	21	29	21	49	49	29	27	24	1
for wine	53	79	77	92	66	67	49	54	67	55	0

Source: MAAR statistic

Grape Marketing in Syria

Marketing of fruit in the wholesale and retail markets in Syria is subject to market forces.

The Wholesale market for fruit and vegetables are the Souq El-Hal, which exist in several governorates. Grape is located to the traditional Syrian domestic markets in which farmer bring their product from all over rural areas to central market. The wholesale receive the grape from the producers and reassemble it for retail delivery.

The production is distributed through three branches: local consumption, processing, and export. Most production is locally consumed and the rest is either processed or exported mostly to Arab countries. Normally, at the wholesale market the commissioner makes a partial sorting of products. Only for export, there is a need to sort more strictly, but the final sorting has normally to be made by the exporter. Exporters either purchase fruit and vegetable directly from farmers or, alternatively, from wholesale markets. Farmer's production may be sold through local commission agents or directly to the packing houses, to the exporters or to the wholesale market.

This traditional distribution system usually suffers from lack of adequate cold storage, warehouse and refrigerated delivery vehicle and ineffective packing materials. These reasons can cause losses or degradation of substantial portion of the product and increase the rate of rejection in destination

The marketing system in Syria lacks an information system and is in urgent need to improve information delivery and dissemination to make it available across the country.

Syrian Grape Trade

Syria has not imported grape since 1995-2000. During the last years, Syrian grape imports have grown slightly, but still a small share of domestic consumption. The greatest import was in 2003 with 2.9 thousand tons, valued at SP 13.9 million. The main sources were Egypt, Jordan, and Lebanon which accounted together for 98% of the total value of grape import in 2003. Since January 2005, imports of agriculture products from great Arab Free Trade Area (GAFTA) member countries are exempted from tariffs it is expected that imports from such countries will continue to grow.

On export side, Syria has not been traditionally a significant exporter of grape. The annual growth rate since 1995-2004 was -9%.

Syrian export of grape is mostly to Arab countries, in 2004, the main destination were S. Arabia with 33%, United Arab Emirate 22.5%, Kuwait 16.4%, Jordan 12.3%, Oman 6.4% Qatar 4.2% and Bahrain 3.5%, with export value US\$ 2.3 million. The greatest value of Syrian grape export was US\$ 25.1 million, in 2001. (Table 7)

Table 7- Syrian Grape Export and Destination Countries, 1995-2004

Years	Exports		Unit value US\$/Ton	Main destination Countries (%)
	Ton	Million US\$		
Av 95-97	18,079	19.5	1,076.0	S. Arabia 42.8, UAE 28.8, Kuwait 15.8, Bahrain 6.6, Qatar 2.7
Av 02-04	16,700	9.4	559.9	S. Arabia 34.5, UAE 20.3, Jordan 16.2, Kuwait 13.4, Oman 6.4, Qatar 4.4, Bahrain 3.5
2000	21,205	14.6	690.0	S. Arabia 43.1, UAE 22.4, Kuwait 13, Jordan 6.9
2001	30,475	25.1	823.9	S. Arabia 43.9, UAE 25.4, Kuwait 13.2, Jordan 6.5
2002	28,003	20.7	740.6	S. Arabia 36.2, UAE 20.3, Jordan 14.8, Kuwait 13
2003	13,022	5.0	386.7	S. Arabia 27.8, Jordan 23.7, UAE 19.4, Kuwait 13.5, Qatar 4.8, Russian Fed 3.9, Bahrain 3.1, Oman 3.0
2004	9,076	2.3	251.1	S. Arabia 33.3, UAE 22.5, Kuwait 16.4, Jordan 12.3, Oman 6.4, Qatar 4.2, Bahrain 3.5

Source: General Department of Customs and SAT 2005

Note: The exchange rate used for calculating values in Us\$ was increased in 2000 from SP/US \$ 11.25 to SP/US\$ 46.5 for imports and from SP/US\$ 11.20 to SP/US\$ 46 for exports.

In addition, as GAFTA has removed all import duties, it is expected that Syria will expand its exports to the member countries, and those will improve increased market accession.

Syrian agricultural exports to the EU have been negligible, mainly due to EU agricultural policies imposing very high taxes on imported agricultural goods (raw and manufactured) such as high custom taxes, high entry prices, in addition to strict implementation of standards relating to agricultural good (raw and manufactured). On the other hand, the Syrian agricultural goods suffer from a very weak export capacity.

Currently, Syria is focusing on improving its fruit and vegetables export to EU market that represent the second main destination after the Arab countries specially after initialization of the Syrian Association Agreement with the European Union ³

Trade Policy for Fruit and Vegetables

In the last years, Syria has undertaken several of policy, aimed to promote the process of export. It is allowance to exporter to keep the whole foreign currency eared from export of fruit and vegetable and 75% for the rest of other products, exempting fruit and vegetables from agricultural production tax and agricultural products, reducing the income tax on fruit and vegetables exporter from 1.9% to 1%, , eliminating the fees applied on the conversion in sp of hard currency earning from exports of fruit and vegetables⁴, and exempting the imported refills for products which are prepared for export from the whole fees and taxes.

Recently, efforts have been heavily focused to issue the legislation to establish the export development commission, aiming at improving the export, assistance in developing the quality of Syrian products, and activate Syrian product export to external markets.

³ The AA with EU will allow to Syria to export 3000 tons of table grapes and unlimited quantities of grape juice with free of import duties.

⁴ The tax for selling proceedings deriving from exports of vegetable and fruit originally established at 0.5 sp per 1 SUS was reduced to 0.1SP per SUS and recently eliminated.

But the exporting of agricultural products still depression comparing with the Volume of production and the total exports, due to some obstacles which are face the exporting and marketing the agricultural products: there is no specific plan to assimilation the production by finding external market to it, there is no agricultural production assurance system, weakness of marketing and export extensions process for agricultural products, and reduction the number of sorting and packing centers which response the external markets requirements.

On the Import side, Syria has recently started introducing some economic changes to meet up GAFTA and other international rules. In the context of GAFTA, Syria has removed most import bans on products of member countries origin. Nevertheless, does not imply the removal of certain standards on agricultural imports like the compliance certifications with the sanitary and phyto-sanitary regulations to be obtained from the Ministry of Agriculture and Agrarian Reform. It includes quarantine measures on imported plants, animals, and other organic materials. Any agricultural or food imported product has to be accompanied with two.

Conclusion

Inspite of the importance of agricultural activities in Syria, there are no active institutions to promote exports of local agricultural goods, except for individual companies of limited resources. There are also other deficits, weak packaging facilities, the failure to meet the standards of export market in EU and the Gulf States, the absence of centers providing information about major markets

There is a real need for developing the local capacity to export agricultural good to the EU, Gulf States and Saudi Arabia which are having a weak agricultural produce and high purchase capacity. So, to overcome the weakness of agricultural export sector, establishing of trade union specialized in certain goods such as union for producer and manufacturers and exporter of fruits, vegetables. These unions shall coordinate their activities towards a more planned production starting from farming to processing and exporting activities, within this framework, farmer will developed their work to suit manufactures needs. This will finally lead to products of high quality and packaging capable to compete on export and local markets.

References

1. FAOSTAT Statistical Database, www.fao.org.
2. Agricultural Extension Abstract
3. José-María García-Alvarez-Coque, (2003): *Opportunities for Syrian fruit and vegetable exports in the EU market*, National Agricultural Policy Center, Damascus, Syria.
4. *Grape in Syria*, 2001, Conservation and Sustainable Use of Dryland Agrobiodiversity <http://www.icarda.org/Gef/Agro4.pdf>