

Agriculture, Livestock, Fishery and Food Industry in Turkey



FMConsulting prepares market snapshot reports from selected trusted sources in Turkey which are regularly updated. These reports are brief presentations overviewing available facts & figures on major industries in Turkey. If you need a specific research on different segments, please contact with our Head of Market Research Department Mrs. Berna Gurleyen (b.gurleyen@fmconsulting.com). We would be happy to support you.



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▶ Position in the World

- Suitable **ecological conditions and climate** for agricultural production, wide variety of fruits and vegetables.
- Main processed agricultural products are **fruits, vegetables, cereals, tobacco, sugar beet, milk, meat and poultry.**
- **World's** largest producer of (2013):
 - Apricots
 - Cherries
 - Figs
 - Hazelnuts
 - Poppy seed
 - Quinces
- **Europe's** largest producer of (2013):
 - Apples
 - Beans (Dry and green)
 - Chestnut
 - Chick peas
 - Green chillies and peppers
 - Cotton lint, cotton seed
 - Cucumbers and gherkins
 - Dates
 - Eggplants
 - Grapefruits
 - Groundnuts
 - Leeks
 - Lemons
 - Lentils
 - Melons
 - Okras
 - Onions
 - Pistachios
 - Safflower seed
 - Sesame seed
 - Spinach
 - Strawberries
 - Tea
 - Tobacco
 - Tomatoes
 - Vanilla
 - Vetches
 - Walnuts
 - Watermelons



► Position in the World

- Turkey ranks **7th** in the world and **1st** in Europe in terms of agricultural production.

Rank	Country	Gross Production Value, Agriculture (USD mn, 2013)
1	China	1,284,599
2	USA	311,084
3	India	256,782
4	Brazil	219,402
5	Indonesia	126,047
6	Russian Federation	96,939
7	Turkey	73,680
8	France	73,142
9	Japan	71,147
10	Iran	69,830

Source: FAOSTAT, 2016

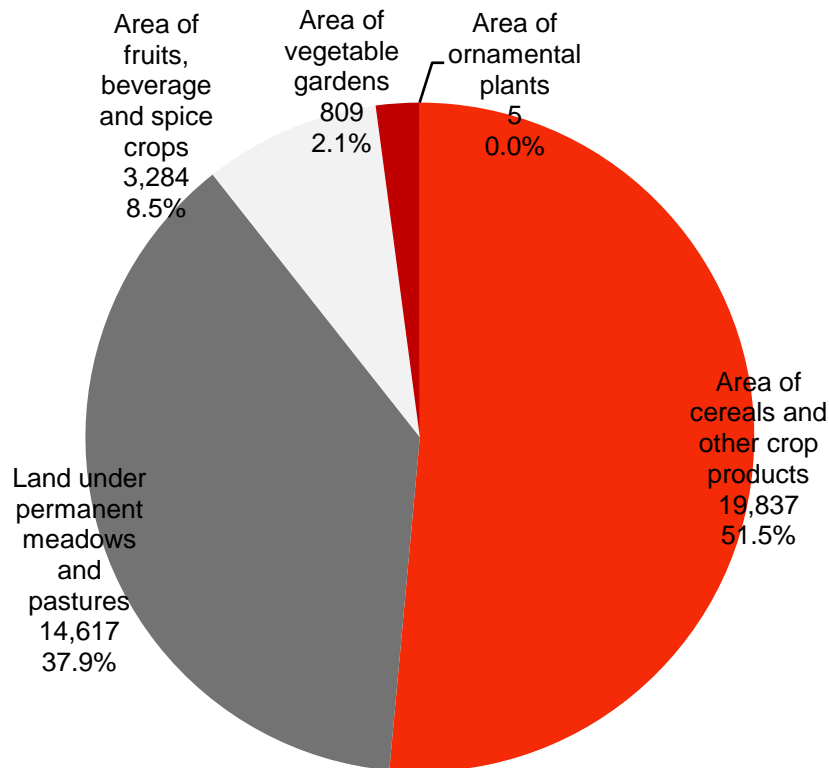


A. Agriculture & Livestock

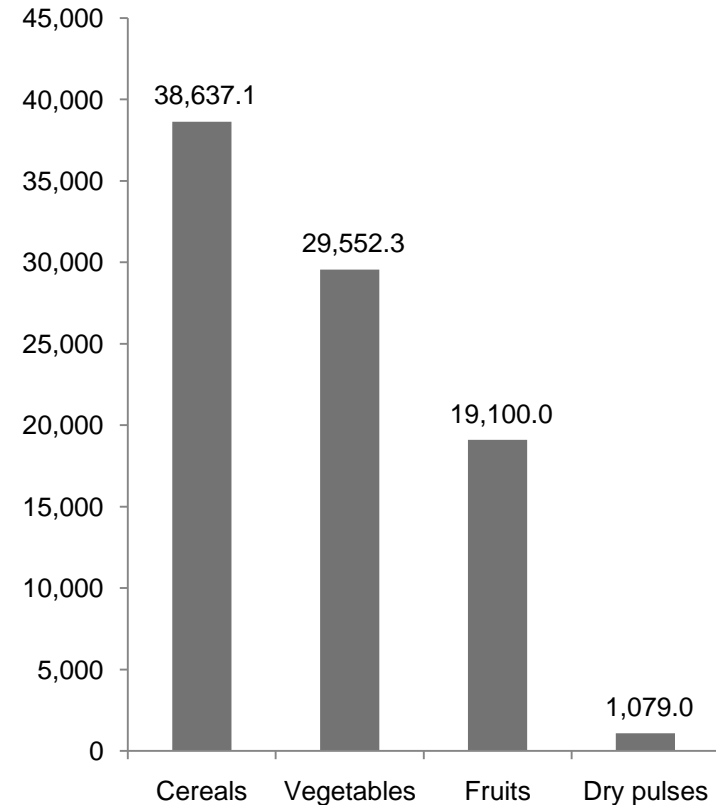
▶ Crop Production

- Total utilized agricultural land in Turkey is **38.6 mn hectares**.

**Distribution of Agricultural Land, 2015
(Thousand Hectares, Percentage)**



Crop Production, 2015, '000 tons

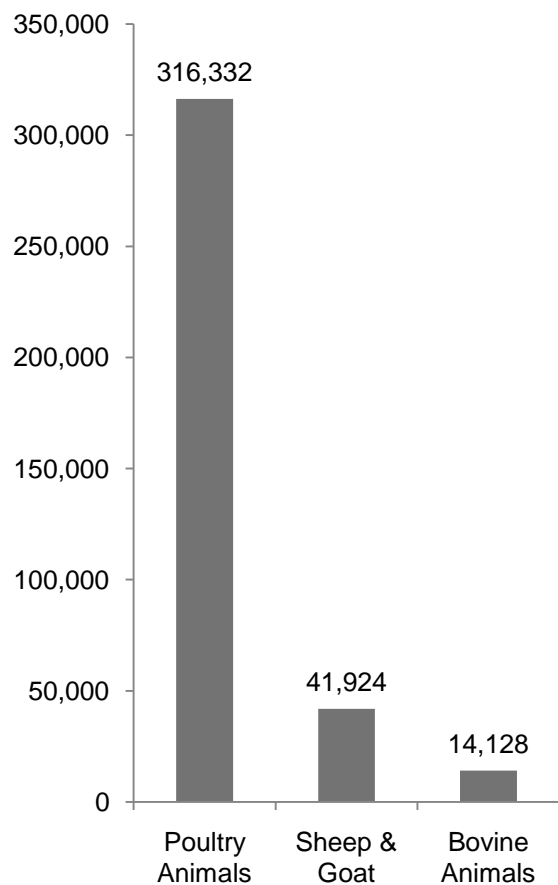




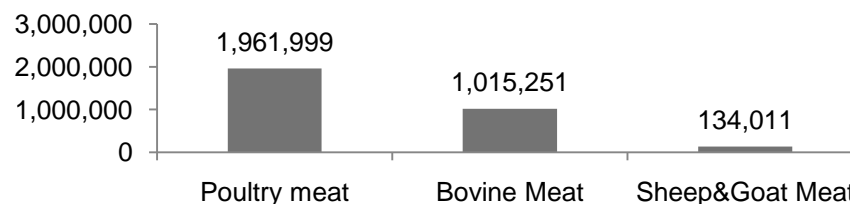
A. Agriculture, Livestock & Fishery

▶ Livestock

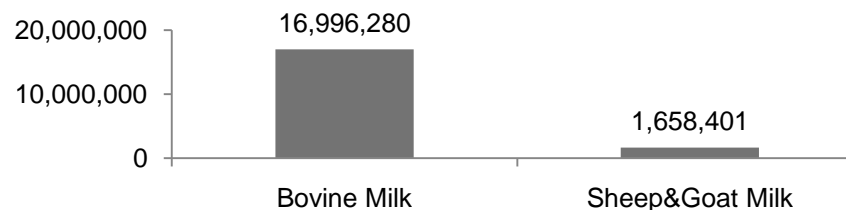
Number of Animals, '000, 2015



Meat Production, tons, 2015



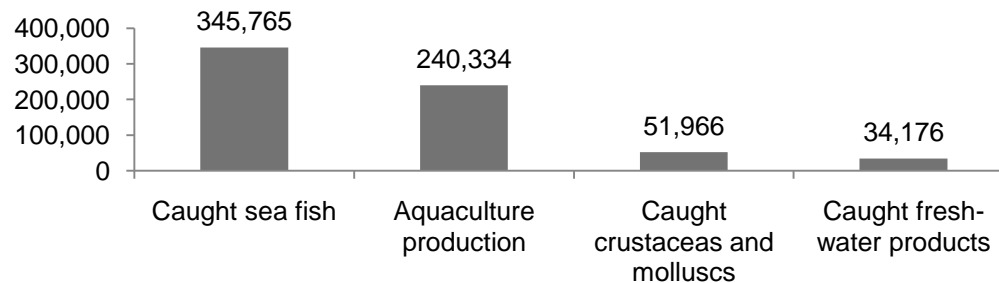
Milk Production, tons, 2015



Number of Hen Eggs, '000, 2015



Fishery, tons, 2015









A. Agriculture, Livestock & Fishery






► Growth in Production

Crops

000 tons	Cereals	Vegetables	Fruits	Dry Pulses
2005	36.471,6	26.472,2	15.982,7	1.433,4
2015	38.637,1	29.552,3	19.100,0	1.079,0
CAGR (2005-2015)	 0,6%	 1,1%	 1,8%	 -2,8%





Source: TUIK, 2016

Animal Products

000 tons	Sheep&Goat Meat	Bovine Meat	Poultry Meat	Sheep&Goat Milk	Bovine Milk
2005	86,1	323,3	979,4	1.043,6	10.064,3
2015	134,0	1.015,3	1.962,0	1.658,4	16.996,3
CAGR (2005-2015)	 4,5%	 12,1%	 7,2%	 4,7%	 5,4%

Source: TUIK, 2016

Fishery

000 tons	Caught Sea Fish	Caught Crustaceas, Molluscs	Aquaculture Production	Caught Fresh-Water Products
2005	334,2	46,1	118,3	46,1
2015	345,8	52,0	240,3	34,2
CAGR (2005-2015)	 0,3%	 1,2%	 7,3%	 -3,0%

Source: TUIK, 2016

 High Growth

 Low Growth

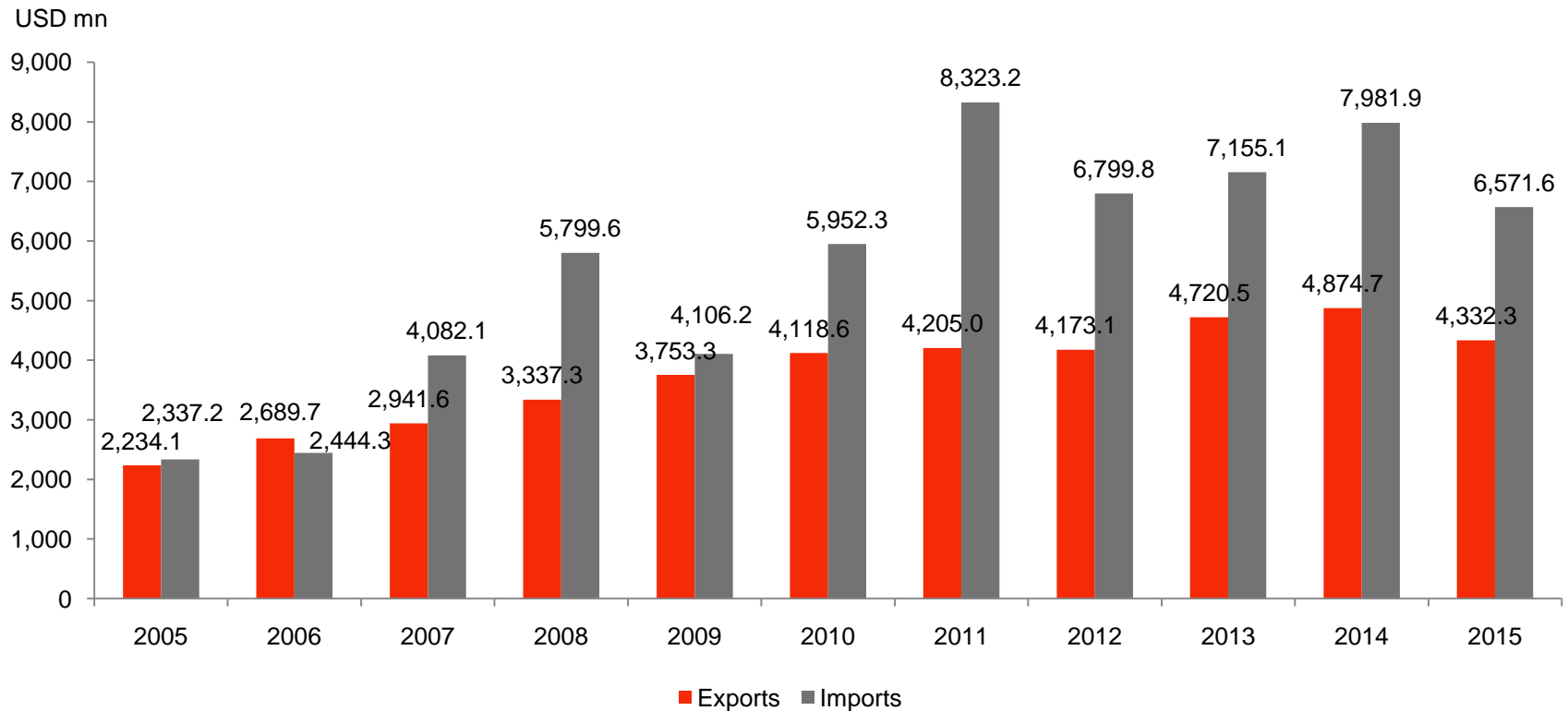
 Decrease



A. Agriculture, Livestock & Fishery

▶ Foreign Trade

- Turkey is a **net importer** in the agriculture, livestock and fishery industry.
- **CAGR (2005-2015):**
 - Exports: **6.8%**
 - Imports: **10.9%**

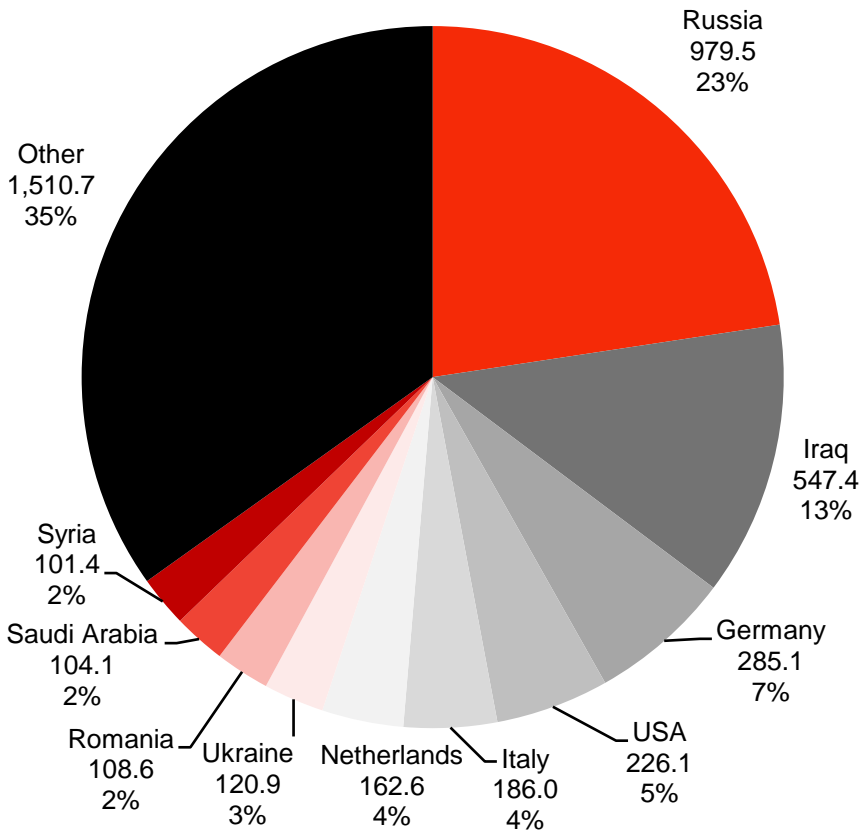




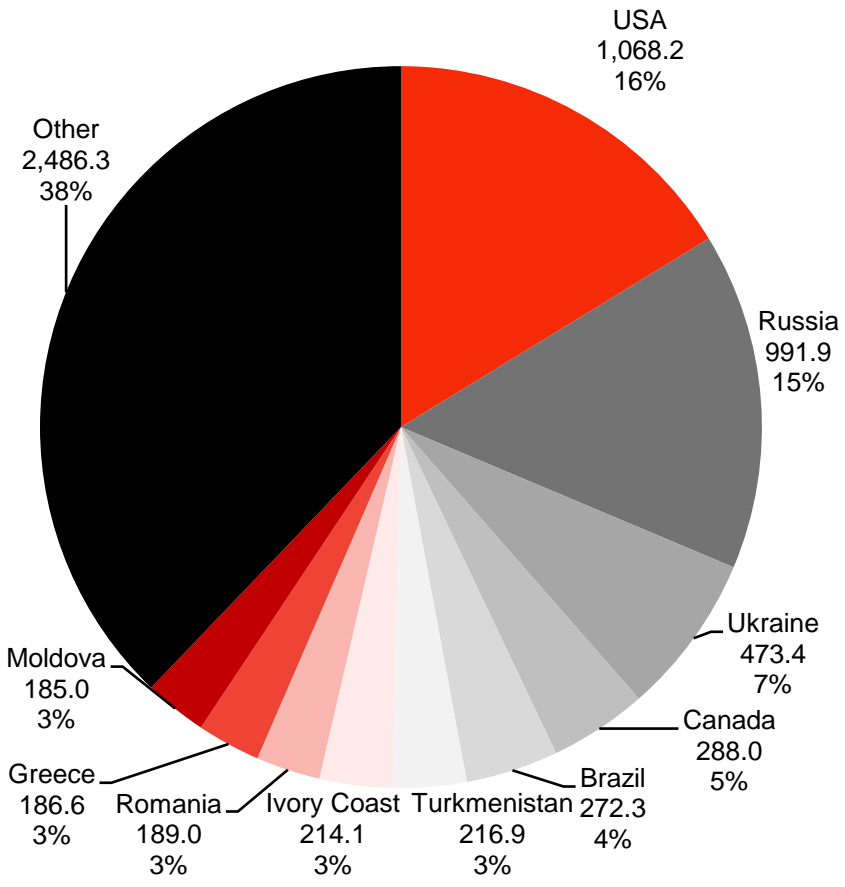
A. Agriculture, Livestock & Fishery

▶ Foreign Trade

Main Destinations of Exports
USD mn, % Share



Main Sources of Imports
USD mn, % Share



Includes crop and animal production, hunting and related service activities, fishing and aquaculture
Source: TUIK, 2016



▶ Industry Overview

- **41,571** food manufacturers and **649** beverage manufacturers as of August 2016. (Source: Social Security Institution, 2016)
- **460,778** people were employed in the food and beverage (F&B) industry as of August 2016. (Source: Social Security Institution, 2016)
- F&B industry has **19.0%** share in GDP in 2015. (Source: Federation of Food & Drink Industry Association of Turkey/TGDF, 2016)
- F&B and tobacco expenditures have the second largest share in total household consumption expenditures with **24.4%** in 2015, following housing and rent expenditures. (Source: TUIK, 2016)
- **77%** of the food retail in Turkey belongs to traditional retailers and **23%** belongs to organized retailers in 2015. (Source: TUIK, AC Nielsen and PwC, 2016)



▶ FDI

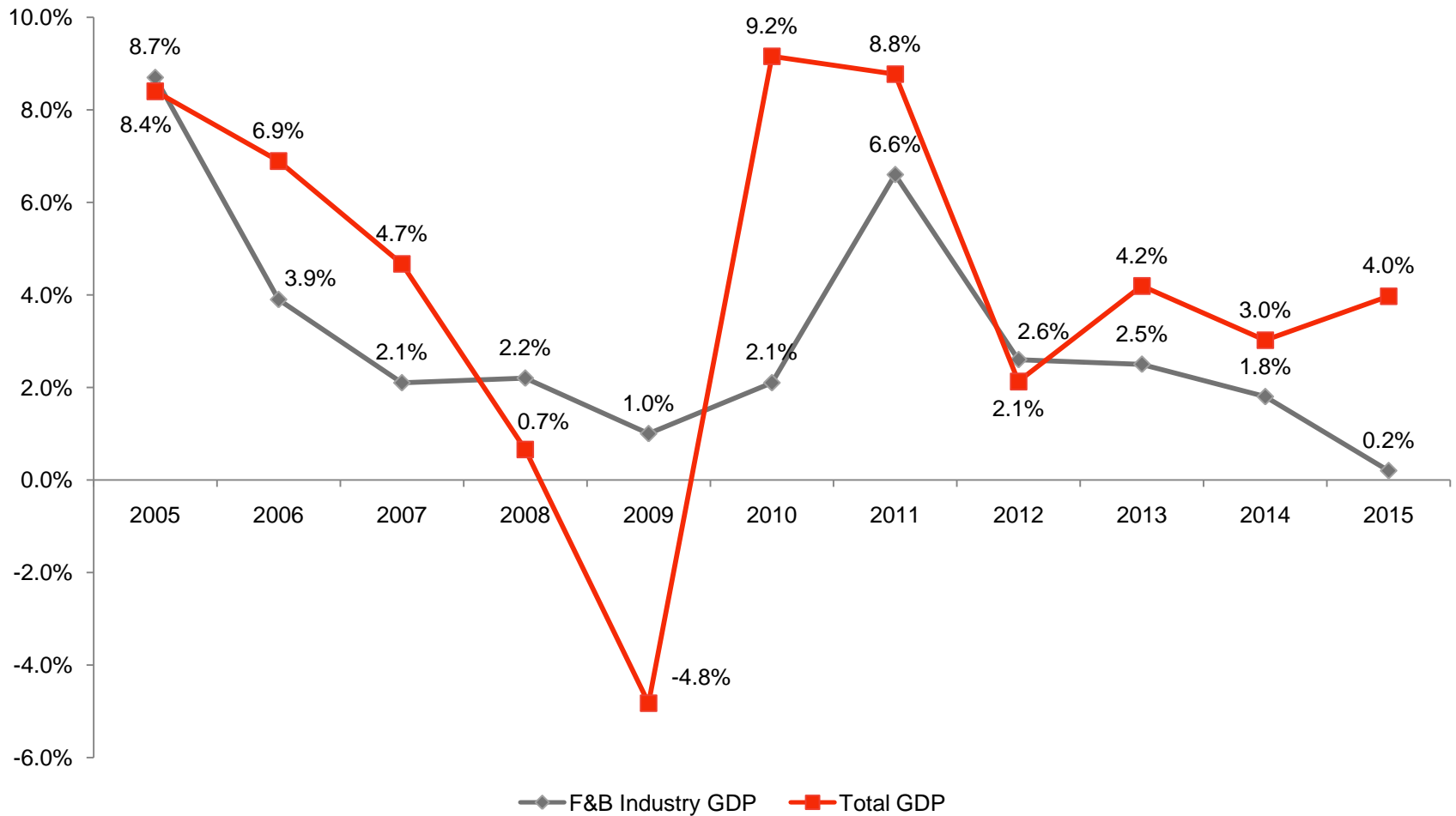
- **568** foreign capital manufacturers operate in the F&B and tobacco industry as of June 2016, **281** of them are in Istanbul. (Source: Ministry of Economy, 2016)
- Main origin of foreign investors is the EU, led by Germany with **100** companies. (Source: Ministry of Economy, 2016)
- More than **USD 4.7 bn** FDI inflow to the F&B and tobacco industry btw. 2011-2015. (Source: Central Bank of the Republic of Turkey, 2016)
- Share of the F&B and tobacco industry in the FDI inflows to the total manufacturing industry was **27%** btw. 2011-2015, which is the highest share among all industries. (Source: Central Bank of the Republic of Turkey, 2016)



B. Food & Beverage

► Growth

- **CAGR (2010-2015) in F&B Industry GDP: 2.7%**

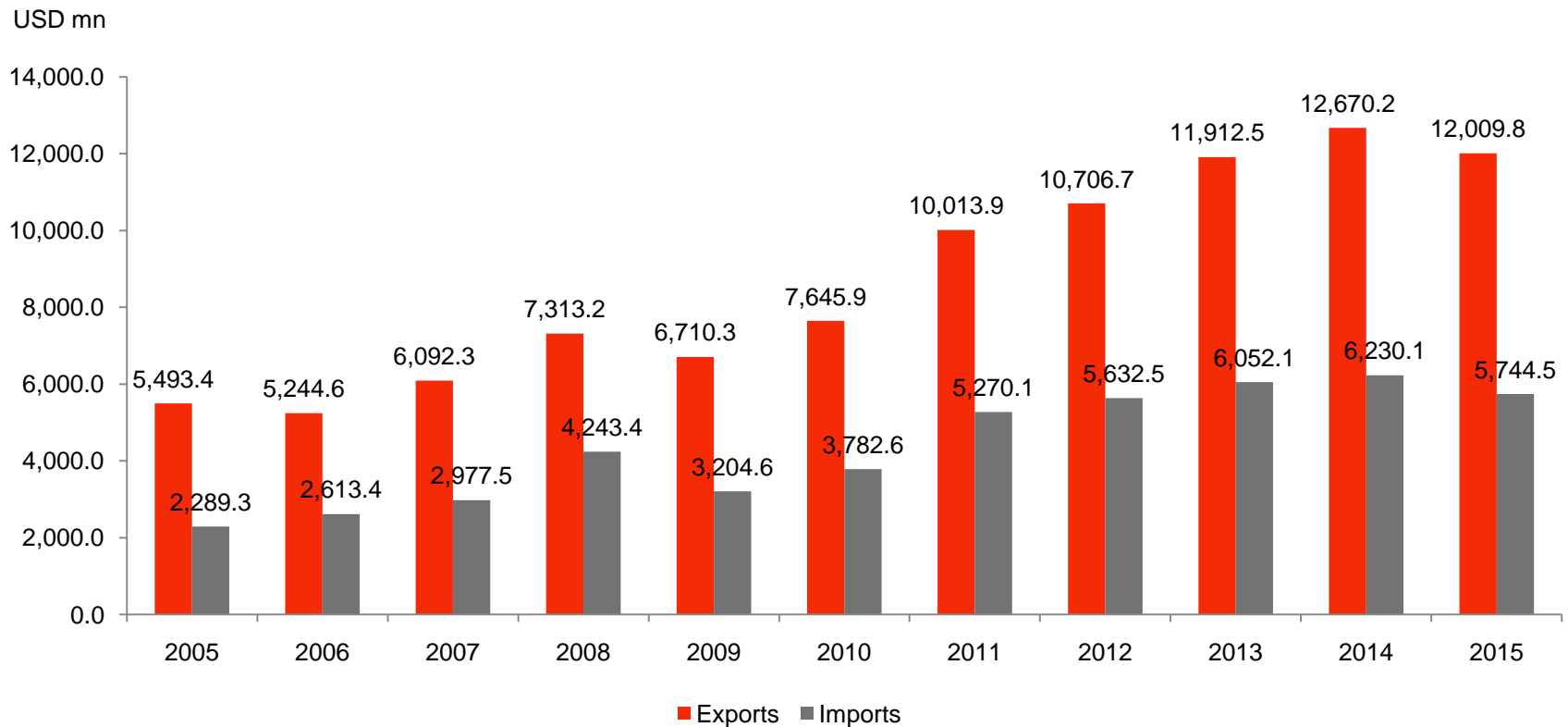




B. Food & Beverage

▶ Foreign Trade

- Turkey is a **net exporter** of F&B products.
- **CAGR (2005-2015):**
 - Exports: **8.1%**
 - Imports: **9.6%**

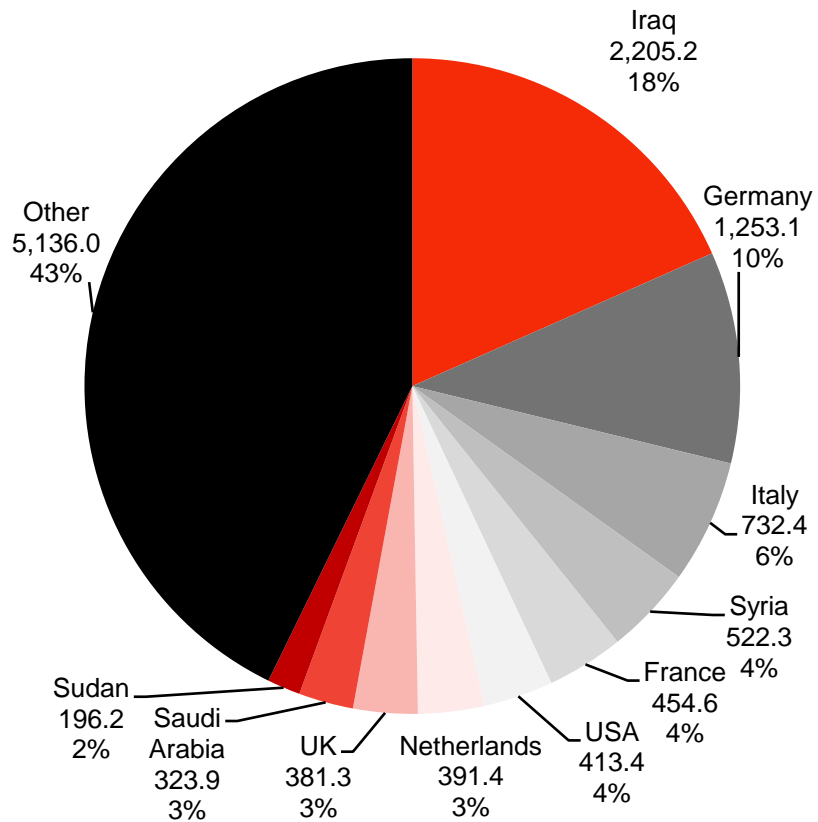




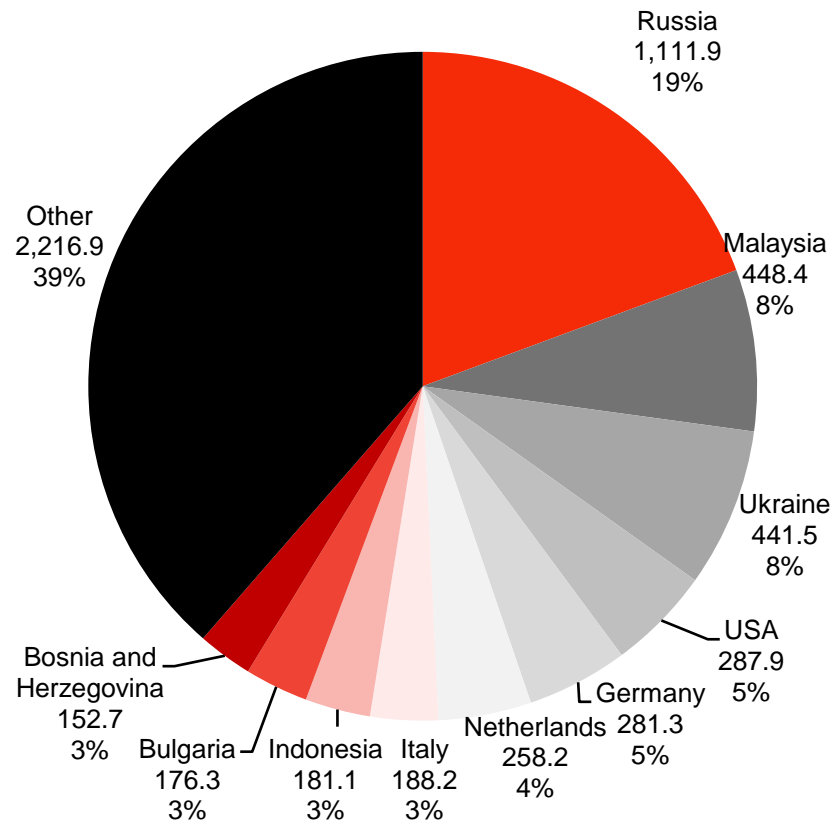
B. Food & Beverage

Foreign Trade

Main Destinations of Exports USD mn, % Share



Main Sources of Imports USD mn, % Share



Source: TUIK, 2016



▶ Main State-Owned Enterprises in the F&B Industry

- The largest **state-owned** enterprises in the agriculture and food industry:
 - **Turkiye Seker Fabrikalari** (Turkey Sugar Factories): Has 25 sugar plants and is in the process of privatization.
 - **Caykur** (General Directorate of Tea Enterprises): Is the leading tea producer in Turkey with a 60-65% market share in dry tea.
 - **Et ve Sut Kurumu** (Meat and Milk Board): Has 12 meat production facilities and aims to support the development of the domestic livestock industry.
- The largest **privatization** in the agriculture and food industry was the sale of the tobacco and alcohol manufacturer **TEKEL**:
 - The alcohol manufacturing part of the enterprise was privatized in 2004. Diageo Plc acquired whole shares in 2011.
 - The tobacco manufacturing part of the enterprise was sold to British American Tobacco in 2008.



C. Main Companies

▶ Largest Private Manufacturers in the Food Industry

Company	Net Sales (TRY mn, 2015)*	Product Groups
Coca-Cola Icecek	6,723.9	Soft Drinks
Unilever**	4,089.8	Tea, Ice Cream, Sauce, Margarine, Soup
Tiryaki Agro Gida	3,507.5	Agricultural Products
Anadolu Efes***	3,481.3	Beer
Mey Icki	3,282.1	Alcoholic Beverages
Ulker Biskuvi (Yildiz Holding)	3,075.1	Biscuit
Eti Gida	2,672.1	Biscuit, Chocolate
Philsa Philip Morris Sabanci	2,421.8	Tobacco
Konya Seker	2,164.1	Sugar
Banvit	2,001.1	Poultry
Sutas	1,886.6	Dairy
Abalioglu Yem	1,693.5	Feed
Tekozel Gida (Yildiz Holding)	1,535.1	Private Label
Besler Gida (Yildiz Holding)	1,340.5	Vegetable Oil and Margarine
Altinmarka	1,304.9	Coffee
Arbel Bakliyat	1,265.6	Pulses
JTI Tutun Urunleri	1,231.6	Tobacco
Namet Gida	1,225.8	Meat Products
Onem Gida (Yildiz Holding)	1,217.4	Raw Materials for Chocolate Production
Bunge Gida	1,198.6	Oil Seed

*EUR 1 = TRY 3.021 in 2015.

**Includes non-food sales of Unilever

***The sales volume of Coca Cola Icecek, which is a subsidiary of Anadolu Efes, is deducted.

Source: Fortune and Capital magazines, 2016



▶ Future Trends

- Main **factors and trends** influencing future F&B production and consumption:
 - Young and fast increasing **population** willing to try new brands and products (half of the population is under the age of **31**, population growth rate in 2015: **1.34%**)
 - **Urbanization** (Population living in urban areas **92%** in 2015)
 - Increasing number of **working women** (Women's share in the labor force: 26% in 2005, **31%** in 2015)
 - Increasing demand for **packaged, ready-to-eat** and **frozen foods**
 - Increasing **hygiene** standards
 - **Healthy** nutrition trends
 - Increasing production and consumption of **organic** food (Organic crop production: 421,934 tons in 2005; 1,829,291 tons in 2015. CAGR (2010-2015): **6.4%**)
 - Proliferation of **mass grocery retail** outlets
 - **Tourism** industry supports the domestic market (Number of visitors: 20.3 mn in 2005, **39.5 mn** in 2015), despite the slowdown in 2015 and 2016.

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