# Annual report 2005

# Turkey

# Agri.Med

## Agriculture, fishery, food and sustainable rural development in the Mediterranean region

## Annual report 2005

## Turkey

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# *1 Agriculture and macroeconomic situation*

## 1.1 - The national economy

Following the slump of 2001, Turkish economy entered a healing phase in 2002. In spite of the early elections in November 2002, the growth rate reached 7.8 and the inflation rate declined to 29.7, both developments were positive and above expectations. The program called "Strengthening the Turkish Economy" continued. The primary objectives of the 2003 program were determined as disinflation, reduction of the dept burden and the attainment of sustainable high growth rates.

**Table 1 - Economic Indicators**

| | Growth and Accumulation | | | | | | |
|---|---|---|---|---|---|---|---|
| | GDP (USD billion)[a,1] | Real GDP Growth (percent)[1] | GDP per capita (USD)[2] | Real GDP per capita Growth (percent)[2] | GDP per capita PPP (USD)[3] | Gross fixed investments (USD billion)[4] | Share of Ag. in Gross fixed inv.(percent)[4] |
| 1996-97 | 186,0 | 7,3 | 2,932 | 5,3 | 5,685 | 48,6 | 5,8 |
| 1998-99 | 192,3 | -0,8 | 2,928 | -2,6 | 5,729 | 45,6 | 5,1 |
| 2000 | 199,9 | 7,4 | 2,963 | 5,5 | 6,189 | 45,8 | 4,4 |
| 2001 | 145,7 | -7,5 | 2,123 | -9,0 | 5,790 | 27,3 | 4,2 |
| 2002 | 184,5 | 7,9 | 2,644 | 6,2 | 6,176 | 31,5 | 4,6 |
| 2003 | 241,1 | 5,8 | 3,402 | 4,1 | na | 42,2[e] | 4,0[e] |

| | Distribution | | | | | | |
|---|---|---|---|---|---|---|---|
| | Inflation - CPI (percent)[5] | Unemloyment Rate - Turkey (percent)[6] | Unemployment Rate - Rural (percent)[6] | Employment in Agriculture (million)[6] | Share of Ag, in Employment (percent)[6] | Share of Agriculture in GDP (percent)[1] | Growth of Agricultural VA (percent)[1] |
| 1996-97 | 89,4 | 6,2 | 3,5 | 8,9 | 44,1 | 13,9 | 1,0 |
| 1998-99 | 69,3 | 7,2 | 3,5 | 9,0 | 41,0 | 13,9 | 1,7 |
| 2000 | 39,0 | 6,5 | 3,9 | 7,8 | 36,0 | 13,4 | 3,9 |
| 2001 | 68,5 | 8,4 | 4,7 | 8,1 | 37,6 | 13,6 | -6,5 |
| 2002 | 29,8 | 10,3 | 5,7 | 7,5 | 34,9 | 13,4 | 6,9 |
| 2003 | 18,4 | 10,5 | 6,5 | 7,2 | 33,9 | 12,4 | -2,5 |

**Table 1 (continued)**

| | Distribution | | | | | | |
|---|---|---|---|---|---|---|---|
| | Agricultural VA per employed (USD)[7] | | | Growth of Ag. VA per employ. (percent)[7] | | Domestic TOT - Ag/Non-Ag (1987=100)[1] | |
| 1996-97 | 3,253 | | | 3,5 | | 119,6 | |
| 1998-99 | 3,517 | | | -1,2 | | 129,3 | |
| 2000 | 3,622 | | | 22,8 | | 112,4 | |
| 2001 | 2,173 | | | -10,2 | | 93,2 | |
| 2002 | 2,862 | | | 15,9 | | 89,2 | |
| 2003 | 3,941 | | | 1,2 | | 99,5 | |
| | Internationalization | | | | | | |
| | Imports/GDP[5] | Exports /GDP[5] | Exports/I mports[5] | Stock of External Debt (USD billion)[b,5] | Foreign TOT (1994=100)[5] | Ag. Imports /Total[c,8] | Ag. Exports /Total[c,8] |
| 1996-97 | 24,8 | 13,3 | 53,7 | 81,7 | 100,2 | 10,6 | 21,1 |
| 1998-99 | 22,5 | 13,9 | 62,1 | 99,7 | 101,7 | 8,9 | 17,7 |
| 2000 | 27,3 | 13,9 | 51,0 | 118,7 | 92,5 | 7,6 | 13,9 |
| 2001 | 28,4 | 21,5 | 75,7 | 113,8 | 90,4 | 7,4 | 13,9 |
| 2002 | 27,9 | 19,5 | 69,9 | 130,9 | 89,8 | 7,8 | 11,2 |
| 2003 | 28,5 | 19,5 | 68,4 | 147,3 | 91,6 | n,a, | n,a, |

Notes: [a] all in current USD. [b] new definition. [c] HS from 1 to 24 plus agricultural raw materials. [e] estimate, n.a. not available.

Source: http://www.dtm.gov.tr/ead/gosterge/ekgosterge.xls.

The wholesale price inflation which was 30.8 percent in 2002, decreased to 13.9 percent by the end of 2003 (Central Bank, Annual Report 2003). The macro economic targets have been met well in 2003, yet, not for agriculture.

### 1.2 - Economic crises and agricultural reform

The agricultural value added which increased 7.4 percent in 2002 decreased by 2.5 percent in 2003. Only fishery has grown positively (1.4%). Crop and Livestock sector declined by 2.3 percent, forestry products decreased even sharper, 8.6 percent. Unfavorable weather conditions were one of the main reasons of this development.

Agricultural reform in Turkey was a piecemeal process like in many other countries. It was the macroeconomic problems in 1990's that led to a major reform, reform of agricultural sector subsidization. Budget deficits and high dept levels have caused in Turkey a highly volatile growth period during the 1990's. At the same period the Turkish economy was highly vulnerable against domestic and international shocks, especially against negative developments in the financial markets. The government of Turkey started after several attempts a disinflation policy again in early 2000. The

basic recipe was to correct the budget and current account deficits through low government spending and higher revenues through privatization and extra taxes. The reduction of subsidies was hoped to play a significant role in the new stabilization program. Yet, nor was agriculture the sole cause of the crises or the reductions could be a final solution to the problem. Agriculture had to sacrifice like all other sectors. Indeed, it contributed.

The reform of agricultural subsidies in Turkey has created issues parallel to the CAP reform. Decoupling, modulation and rural development are on Turkey's agenda, too. However, all these take place in a different context. The reform is a result of an economic crisis and is expected to serve first to stabilization of the macro economy. Price support has been replaced in Turkey with direct payments, too. No one talks or asks or measures "decoupling" but whether the reform program is contributing significantly to fiscal stabilization or not?

Even if the target is macro economic stabilization, the reform has its impact on the agricultural sector, production, consumption and trade. But it is quite difficult to read the impact of this reform from the available 2001, 2002 and (2003) data. The data contains the negative impact of the crises in general; second, there has been a severe drought in the same year (2001) as direct payments replaced price and input subsidies; third, direct payments were not distributed necessarily in the same year they were supposed to. The payments of 2001 were made (for example) in many provinces in 2002, i.e., some provinces received in 2002 two payments; forth, the regulation for direct payments has been revised each year, so the number of beneficiaries changed, too, fifth, output has been affected in 2003 by unfavorable weather conditions again.

### 1.3 – Agriculture in the economy

The relative importance of the agricultural sector in the economy remained unchanged in spite of the crises and drought. The critiques of the reform were pointing to a potential out migration from rural Turkey because of phasing out the old subsidy system. This has not been observed (yet). Agriculture is still a significant employer and a major contributor to the GDP, exports and to industrial growth. Turkey is the fourth largest producer and exporter of agricultural products around the Mediterranean region. The disproportion between low GNP share by around 13% and high employment, by about 35% of the active population is indicating actually to a persistent productivity problem. It is partly because of "structural problems in agriculture" and partly because of "insufficient demand" created by the rest of the economy.

Agricultural trade statistics in Turkey do not include forestry or food processing. Agricultural trade is presented in the next table. The share of agricultural imports totaled to 3.73 percent in 2003 and agricultural imports have exceeded agricultural exports again. Total exports were in 2003 at around 47 billion dollars. Agricultural exports constituted 5.41 percent of the total exports.

**Table 2 - Share of Agriculture in Foreign Trade (Million $)**

| Years | Exports | Agricultural Exports | Share of Agricultural Exports (%) | Imports | Agricultural Imports | Share of Agricultural Imports (%) |
|---|---|---|---|---|---|---|
| **1980** | 2 910 | 1 672 | 57 46 | 7 909 | 51 | 0,64 |
| **1981** | 4 703 | 2 219 | 47,18 | 8 933 | 125 | 1,40 |
| **1982** | 5 746 | 2 140 | 37,24 | 8 843 | 176 | 1,99 |
| **1983** | 5 728 | 1 881 | 32,84 | 9 235 | 138 | 1,49 |
| **1984** | 7 134 | 1 749 | 24,52 | 10 757 | 418 | 3,89 |
| **1985** | 7 958 | 1 719 | 21,60 | 11 343 | 375 | 3,31 |
| **1986** | 7 457 | 1 886 | 25,29 | 11 105 | 457 | 4,12 |
| **1987** | 10 190 | 1 853 | 18,18 | 14 158 | 782 | 5,52 |
| **1988** | 11 662 | 2 341 | 20,07 | 14 335 | 499 | 3,48 |
| **1989** | 11 627 | 2 146 | 18,29 | 15 792 | 1 041 | 6,59 |
| **1990** | 12 959 | 2 347 | 18,11 | 22 302 | 1 318 | 5,91 |
| **1991** | 13 594 | 2 683 | 19,74 | 21 047 | 808 | 3,84 |
| **1992** | 14 719 | 2 204 | 14,97 | 22 870 | 1 178 | 5,15 |
| **1993** | 15 348 | 2 365 | 15,41 | 29 429 | 1 664 | 5,65 |
| **1994** | 18 105 | 2 457 | 13,57 | 23 270 | 1 209 | 5,20 |
| **1995** | 21 636 | 2 133 | 9,86 | 35 708 | 2 444 | 6,84 |
| **1996** | 23 224 | 2 455 | 10,57 | 43 627 | 2 885 | 6,61 |
| **1997** | 26 261 | 2 679 | 10,20 | 48 559 | 3 093 | 6,37 |
| **1998** | 26 974 | 2 700 | 10,01 | 45 921 | 2 597 | 5,66 |
| **1999** | 26 588 | 2 394 | 9,00 | 40 671 | 1 814 | 4,46 |
| **2000** | 27 775 | 1 998 | 7,19 | 54 503 | 2 129 | 3,91 |
| **2001** | 31 334 | 2 264 | 7,23 | 41 399 | 1 413 | 3,41 |
| **2002** | 36 059 | 2 089 | 5,79 | 51 554 | 1 707 | 3,31 |
| **2003** | 47 068 | 2 545 | 5,41 | 68 808 | 2 567 | 3,73 |
| **2004** | | | | | | |

Source: http://www.tarim.gov.tr and Undersecretary for Foreign Trade.

# *2 Trends in agro-food production, consumption and trade*

## 2.1 - Crop and livestock production

Has there been a change in production decisions of the farmers? The advocates of the new 'direct payment' support system were expecting it. As direct payments were done according to landownership it was thought that distortions created by price support would cease and shifts in crop production patterns would be observed. There are still two main difficulties for verifying this assumption. The second year of the reform and the first year of direct payments (2001) was a severe drought year. Major changes have been observed from 2000 to 2001 but it is uncertain whether this was because of economic or natural causes? Comparison of 2001 with 2002 might be a misleading rush to judgment. Besides such analysis requires comparable household data by crops and State Institute of Statistic does not produce this type of information. It is more realistic to expect that farmers would decrease the production of those crops for which support decrease has caused serious drop in profitability and this wouldn't alter the general land use pattern as most of the changes will be within the same land use category and intra regional changes may be offsetting each other, too.

**Table 3 - Land Use (%)**

| | 1980 | 1991 | 2001 |
|---|---|---|---|
| Field Crops | 16 | 22 | 23 |
| Fruit Orchards and Permanent Crops | 2 | 4 | 4 |
| Vegetables and Flower Gardens | 1 | 1 | 1 |
| Fallow Land | 6 | 6 | 6 |
| Unused but Potentially Productive Land | 6 | 3 | 3 |
| Permanent Pasture and Meadow | 18 | 19 | 22 |
| Forests and Woodland | 29 | 29 | 28 |
| Non-Agricultural Land | 22 | 17 | 14 |
| **TOTAL** | **100** | **100** | **100** |

Source: Agricultural Census 2001.

The last agricultural census (2001) gives the developments in a broader perspective. The most striking finding of the census is the drop in total area. In the last twenty years, total area covered by the census fell by 19.31 per cent and from 1991 to 2001 by 2.36 per cent.

The share of area covered by field crops, fruit orchards, other permanent crops, pastures and meadows has increased. Fallow land, vegetables and flower gardens are almost constant, the share of non-agricultural land, forests, woodland, unused productive land has decreased.

Here is Turkey has just over 66,8 million hectares of total land. 14 percent of this area is unsuitable for cultivation. 28 percent is covered with forests, 23 percent is crop area and 22 percent is grassland, 6 percent is left for fallow. The rest, 5 percent is allotted for fruits and vegetables (Agricultural Census 2001).

Total number of households is in the settlements (all villages and centers of provinces and districts having less than 5000 inhabitants) is 5.160.264. Only 3.697.742 of these households is engaged in an agricultural activity. 28 percent of rural households living in settlements with a population less than 5.000 are engaged in non-agricultural activities. When compared to 1991 this share is increasing and it shows among regions considerable variation (see Table 2). The census gives the same figure also for all villages and centers of provinces and districts having less than 25.000 inhabitants. Total number of households is here 6.189.351. 66 percent of these households are engaged in an agricultural activity, while 34 percent are engaged in non-agricultural activities.

**Table 4 - Rural Households Engaged in Agriculture**

(All villages and centers of provinces and districts having less than 5000 inhabitants)

| | No. of households | Engaged in agriculture | No. of households | Engaged in non-agriculture |
|---|---|---|---|---|
| Central North | 422 679 | 76% | 136 267 | 24% |
| Aegean | 684 413 | 67% | 337 602 | 33% |
| Marmara | 293 693 | 46% | 344 545 | 54% |
| Mediterranean | 467 008 | 63% | 274 359 | 37% |
| Northeast | 221 659 | 88% | 30 747 | 12% |
| Southeast | 327 685 | 83% | 67 414 | 17% |
| Black sea | 614 539 | 84% | 118 969 | 16% |
| Central East | 288 181 | 86% | 48 759 | 14% |
| Central South | 377 886 | 78% | 103 859 | 22% |
| Turkey | 3 697 743 | 72% | 1 462 521 | 28% |

Source: SIS (2004) Agricultural Census 2001.

Non-agricultural, rural population is 54% in the Marmara region. The last column in Table two might be interpreted as an indicator of rural policy need other than agricultural policy, especially in the western and central regions of the country.

Agricultural land per household (engaged in agriculture) is 58 decare in 2001. Area per household is highest in Central South Region with 93 decare and smallest around the Black Sea Region with 26 decare.

Crop production constitutes three-quarters of the value of agricultural output and the remaining quarter comes from livestock output. Wheat constitutes the largest share in cereal value with two-thirds share, followed by barley (one fifth) and maize (around eight percent). Tobacco, cotton and sugar beet constitute most of the production value

of industrial crops. Chickpeas, dry beans and lentil are the important pulses, while sunflower and potato are the two important oil and tuber crops, respectively.

Turkey is an important producer of grain, tobacco, cotton, sunflower, chickpeas, lentils, hazelnuts, grapes, figs, apricots apples, citrus, tomatoes and tea. Cereal production occupies three quarters Turkey's fields. With a wheat production of around 18-20 million tons, and barley production of 8-10 million tons, Turkey is one of the world's largest wheat and barley producers. Besides cotton and tobacco, sugar beet is an important industrial crop. Wheat and barley are grown all over the country; yet, Central Anatolia grows about 40 percent. Turkey is the largest wheat producing country in the Middle East, third largest producer of durum and the fifth largest barley producer in the world. Barley is the most important feed grain. About 90% is used for feed. Chickpeas are also grown mainly in Central Anatolia where it ranks as the third most important crop. The climate in Turkey is quite arid. Especially cereal production areas are a great deal dependent on rainfall. Turkey may increase its irrigated area from 4.5 million hectares up to 8.5 million hectares in future, but the largest part of agricultural land will remain under rain fed conditions (Çağatay and Güzel 2004).

**Table 5 - Rank of Turkey in the Top-10 of the World, Selected Products, 2003**

| Crop | Rank | Production (1 000 mt) | Crop | Rank | Production (1,000 mt) |
|---|---|---|---|---|---|
| Field Crops | | | Perennials | | |
| Barley | 6 | 8 000 | Almonds | 7 | 50 |
| Chick-peas | 3 | 630 | Apples | 5 | 2 200 |
| Chilies and Peppers | 3 | 1 500 | Apricots | 1 | 580 |
| Cotton | 5 | 946 | Figs | 1 | 265 |
| Cucumber | 2 | 1 750 | Grapes | 5 | 3 850 |
| Eggplants | 3 | 970 | Grapefruit | 7 | 140 |
| Lentils | 2 | 545 | Hazelnuts | 1 | 600 |
| Onion | 4 | 2 050 | Lemons | 9 | 400 |
| Rye | 9 | 240 | Olives | 4 | 1 800 |
| Sugar beet | 5 | 13 355 | Pistachios | 4 | 50 |
| Tobacco | 6 | 154 | Tea | 6 | 150 |
| Tomatoes | 3 | 9 000 | **Livestock Products** | | |
| Watermelons | 2 | 3 900 | Goat meat | 9 | 47 |
| Wheat | 10 | 19 000 | Sheep meat | 6 | 290 |
| | | | Sheep milk | 3 | 723 |

Source: FAO (2004).

Natural conditions in Turkey are also suitable for livestock production. According to 2003 figures, there are around 10 million cattle, and 25 million sheep and about 7 million goats in the country. (See Table 6)

**Table 6 - Production of Selected Crops (tons)**

| | 2000 | 2001 | 2002 | 2003* |
|---|---|---|---|---|
| Wheat | 21 000 000 | 19 000 000 | 19 500 000 | 19 000 000 |
| Barley | 8 000 000 | 7 500 000 | 8 300 000 | 8 100 000 |
| Maize | 2 300 000 | 2 200 000 | 2 100 000 | 2 800 000 |
| Chickpeas | 583 706 | 535 000 | 650 000 | 600 000 |
| Dry beans | 230 000 | 225 000 | 250 000 | 250 000 |
| Lentils | 353 000 | 520 000 | 565 000 | 540 000 |
| Tobacco | 200 280 | 144 786 | 152 856 | 160 252 |
| Sugar beets | 18 821 033 | 12 632 522 | 16 523 166 | 12 576 019 |
| Cotton | 2 260 921 | 2 357 892 | 2 541 832 | 890 622 |
| Sunflower | 800 000 | 650 000 | 850 000 | 800 000 |
| Dry onions | 2 200 000 | 2 150 000 | 2 050 000 | 1 750 000 |
| Potatoes | 5 370 000 | 5 000 000 | 5 200 000 | 5 300 000 |
| Tomatoes | 8 890 000 | 8 425 000 | 9 450 000 | 9 820 000 |
| Apples | 2 400 0*00 | 2 450 000 | 2 200 000 | 2 600 000 |
| Apricots | 530 000 | 470 000 | 315 000 | 460 000 |
| Olive | 1 800 000 | 600 000 | 1 800 000 | 850 000 |
| Citrus | 2 222 200 | 2 478 000 | 2 493 000 | 2 487 650 |
| Pistachios | 75 000 | 30 000 | 35 000 | 90 000 |
| Hazelnuts | 470 000 | 625 000 | 600 000 | 480 000 |
| Figs | 240 000 | 235 000 | 250 000 | 280 000 |
| Grapes | 3 600 000 | 3 250 000 | 3 500 000 | 3 600 000 |
| Tea | 758 038 | 824 946 | 791 700 | 869 000 |

* Temporary

Source: State Institute of Statistics and Ministry of Agriculture.

Turkish orchards and vineyards are usually small and fruit are grown with a number of other crops. Among pomes fruits apple ranks first, followed by pears. Apple production was about 26 million tons in 2003. Among stone fruits, olive also as a special fruit of Mediterranean region ranks first. The output has a seasonal pattern it fluctuates from 600 000 tons (2001) to 1,8 million tons (2002). It dropped to 850 000 tons in 2003 again. Oranges rank first among citrus, followed by lemons and mandarins. Total citrus output was in 2003 about 2.4 million tons. Among nuts, hazelnut is the most important one. It is also one of Turkey's main export products. Hazelnut production decreased from 600 000 tons in 2002 to 480 000 tons in 2003. As these are natural shrubs, output fluctuations are mainly the result of natural conditions. Among (grape-like fruits) berries, grapes rank by far on the top. These are mainly table grapes. Seedless raisins are grown in the Aegean region and are again important export products of Turkey.

Tomatoes are Turkey's most important fruit bearing vegetable. Annual production is around 9 million tons (9,8 million tons in 2003). Marmara and Aegean regions

are main growing areas. Tomato production is labor intensive and the mass of production crop up on small, family farms. There is also increasing greenhouse, under-cover production.

**Table 7 - Numbers of Selected Livestock**

| | 1999 | 2000 | 2001 | 2002 | 2003 |
|---|---|---|---|---|---|
| Cattle | 11 054 000 | 10 761 000 | 10 548 000 | 9 804 000 | 9 766 000 |
| Sheep | 30 256 000 | 28 492 000 | 26 972 000 | 25 173 706 | 25,431 000 |
| Goat | 7 774 000 | 7 201 000 | 7 022 000 | 6 780 000 | 6 772 000 |
| Chicken | 239 748 000 | 258 168 000 | 217 575 000 | 245 776 000 | 277 533 000 |

Source: http://www.tarim.gov.tr

## 2.2 - Agro-food processing industry

Agro-food industry in Turkey is export oriented and is growing faster than the overall growth rate. Between 1995 and 2002 economy has grown by 2,8% and food processing by 3,2 %. So the share of food processing in gross domestic product increased in the last fifteen years from 4,6% to 4,8%. The margin might be small but it indicates that food processing is keeping pace with the rest of the economy.[1]Food industry has a 20% share in total production of manufacturing sector by 2002.[2]Food sector employs more than 100 thousand registered workers and technical staff.

Agro-Food Processing Industry ranges from small individual firms to large and small cooperatives, to multinational firms. There are also small to modest-sized specialty and craft businesses that offer limited but high quality products, often using traditional methods and recipes. Number of firms has increased from 1994 by 25% to 28.000. 65% of these firms are operating in the milling and pastry, 11% in milk and dairy, 12% in processed fruits and Vegetables, 3,5% vegetable oil, 3% in sugar and 1% in meat processing industry. However, large firm with advanced technologies amount to 2000. There is considerable foreign direct investment in these relatively large firms. Foreign direct investment prefers mainly milk product, vegetable and fruit processing.

[1] T. Kıymaz (2004) Gıda Sanayi Raporu,TMMOB Gıda Mühendisleri Odası, 2004, Ankara.
[2] Web page of State Planning Office (Sector Profiles of Turkish Industry: A General Outlook).

**Table 8 - Food Industry (million USD at 1998 Prices)**

| | 1990 | 1995 | 2000 | 2002 | % (1990-2002) |
|---|---|---|---|---|---|
| Domestic Consumption | 18 931 | 21 938 | 25 737 | 25 347 | 2,4 |
| Production | 19 002 | 22 101 | 26 159 | 25 526 | 2,5 |
| Export | 915 | 1 813 | 1 710 | 1 662 | 5,0 |
| Import | 1 097 | 1 642 | 1 608 | 1 581 | 3,0 |

Source: SPO, web page, "Sector Profiles of Turkish Industry: A General Outlook".

Pastry and milling industry products: wheat flour, semolina, cracked wheat, bread, macaroni and biscuits account for approximately half of the agro industrial output value. Turkish domestic wheat crop is usually blended with imports of high protein wheat. Turkey is the world's fifth largest flour exporter. There are over 720 privately owned flourmills in Turkey, with an annual milling capacity of about 25 million tons. The domestic market is protected by import duties on milling wheat. Tomato paste is the largest processed food export of Turkey and is expanding rapidly. The frozen fruit and vegetable industry exports more than 90% of its production. The dehydrated vegetable industry expands as well. Processing of milk and dairy products on a commercial basis and in modern plants dates back 35 years. Turkey is the largest producer of milk and dairy products in the region. Olive, sunflower, corn, cottonseed, soybean, and hazelnut are milled in Turkey for their oil. Sugar confectionery, chocolate and cocoa products industry has been modernized. Feed milling in Turkey is competitive, too. Changes in agricultural policy have resulted in lower feed prices and easier importation of feed grain and protein meals (Çağatay and Güzel 2004).

The industry has its strengths and weaknesses. The strengths as listed by the State Planning Office are: easy access to raw materials, relatively cheap and even qualified work force, large domestic market, closeness to developing markets and prospective EU accession. The weaknesses are: insufficient integration and cooperation between agriculture and industry, quality problems, capacity utilization and insufficient food control system.

Flour, pasta and pastry products, sugar and confectionery, margarine, processed vegetables and fruits are main export commodities. New members and candidate countries of EU, Newly Independent States of the Former Soviet Union are major export markets of Turkish food products. Vegetable oils, rice, animal byproducts and oilcake are main import products of Turkey. Nearly half of imports come from EU.

In 1990's state owned factories in milk and feed industries were privatized. The government declared in 2003 that privatization of 26 state owned sugar factories will follow. Besides privatization, adjustment of "food safety" measures to EU has gained priority among food policy issues.

## 2.3 - Consumption of food

Turkey may be considered as a self-sufficient country. Food prices are almost half of EU average prices. The largest food expenditures in Turkey are done in 2001 on fruit and vegetables, 23% of total food expenditures. Consumption of milling industry products in Turkey is much higher than (for example) the new members of EU. It amounts to 20,34 percent. The consumption of meat, fish and milk products is in contrast to the former very low. The expenditures on fishery products are only1 percent. The shares of meat, milk products are 13,55 and 12,84 percent respectively. The expenditures on beverages and tobacco are also low, if not lowest when compared to OECD countries[3]. The State Planning Office on daily energy intake provides another table.

The State Planning Office on daily energy intake provides another table.

**Table 9 - Energy Intake (2001)**

| Group | Mass Distribution | Energy Intake % | Protein Intake% | Fat Intake% | Carbohydrate Intake% |
|---|---|---|---|---|---|
| Cereals | 29 | 52 | 55 | 15 | 66 |
| Vegetables | 24 | 7 | 12 | 1 | 9 |
| Fruits | 15 | 5 | 4 | 3 | 9 |
| Milk, eggs | 12 | 7 | 15 | 13 | 2 |
| Meat | 3 | 4 | 10 | 8 | 0 |
| Fats, oils | 3 | 16 | 0 | 55 | 0 |
| Sugar | 4 | 8 | 1 | 1 | 13 |
| Ready Food | 1 | 1 | 1 | 1 | 0 |
| Fish | 1 | 0 | 3 | 3 | 0 |
| Beverages | 7 | 0 | 0 | 0 | 1 |

Source: SPO, 2001.

## 2.4 - Agricultural trade

Since 1980 integration of the Turkish economy with international markets is growing. Foreign trade volume accounts now above 50 % of Turkish gross domestic product. Turkish agricultural met the first wave of liberalization during the 1980's. The second wave of liberalization came during 1995 and 1996. Turkey's membership to the World Trade Organization (1995) has been accompanied (1996) by the formation of a custom's Union with EU. As with the WTO's agreement on Agriculture the Customs Union is an important step in trade liberalization although it does not cover agricultural products directly. However, it required a new preferential trade agreement for agricultural goods (1997 and 1998).

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3 http://www.ers.usda.gov/data/foodconsumption/

The third wave of liberalization came during 2000-2001. In the second half of the 1990's, budget deficits and dept levels reached such high levels that Turkey's macro economic stability collapsed. It was this general economic crisis, which led to the reform of domestic agricultural policies. Thus the reform focused on the financial aspects. The emphasis was on the reduction of the budgets for the state and quasi-state marketing enterprises, credit subsidies and dept write-offs in the rural finance system. The new direct income support (dis) and transition payments have the potential to be less costly and more effective way of transferring income to farmers and encouraging a transition towards more profitable crops with less negative spill-over effects on production, trade and the environment. The restructuring of state enterprises and co-operatives as a step towards a more economically efficient agricultural sector in so far as it will represent a real retrenchment of government direct intervention (OECD 2003) and (Lundell 2004).

Exports have increased from 2002 to 2003 and also during the first six months of 2004. In Turkey the decrease in the trend of overall exports, of cereals and processed cereal products, and of oils and oil products has changed in 2003. However, imports have increased faster and total imports are greater than exports. If we look at tables on foreign trade, we may notice that food exports are still higher than food imports. It is the import of agricultural raw materials that marks the development. The imported raw materials are not necessarily for domestic consumption. Especially the largest import category, textile fibers are for textile exports. Yet, one should not overlook another important factor. Throughout 2003 TL appreciated against the US $.

Trade relations between Turkey and the EU are based on a system of preferential access in which, calendars and tariff reductions for the various products are defined (in regulation CE 1506/98 of the council). Turkey exports almost two-third of her exports under preferential conditions. Tariff rate quotas apply to apricot pulp and hazelnuts, and voluntary export restraint agreements apply to tomato paste and peeled tomatoes. Other restrictions posed by EU are: Minimum import (entry) prices for eleven fruits, four vegetables, grape juice and grape must. There are seasonal restrictions for preferential tariffs for four fruits and seven vegetables. Tomato paste has a quota set at 30,000 tons, watermelons at 14,000 and onions 2,000 tons. High specific duties prevail for almost all 'core' products such as cereals, sugar, dairy, meat, olive oil, etc. Specific duties are raised for various preparations of cereals, fruit and vegetables (Camanzi 2003).

In the context of Turkey's foreign trade EU represents a primary partner. The reverse is not necessarily true. Yet, for agricultural plus non-agricultural products, Turkey has become the sixth largest outlet of EU goods. Preferential trade agreements on highly processed agricultural products (non-Annex I and Table 2) did not expand the volume of mutual exports and imports (Grethe, 2004). These agreements split the industrial and agricultural components of a product. The tariff on industrial component is zero by the CU, and the agricultural component is subject to tariff reflecting the preference granted for the basic product. The overlap of the highly processed products and agricultural products may be cited as the major reason for limited trade volume. The

share of EU in the total processed agricultural exports of Turkey was only 14 percent in 20024.

Turkish preferences granted for agricultural products originating from the EU mainly consist of TRQs with no tariff. Import ban of Turkey on meat, and the requirement of obtaining control certificates for imports are the major factors which prohibits a reasonable impact assessment of the preferences.

Considering unchanging or only slowly changing features of agricultural trade structure one may try to assess the probable impact of further trade liberalization. Turkey is a net exporter of food products and a net importer of non-food agricultural products. Processed agricultural food products have a higher and increasing share in exports. Unprocessed non-food imports dominate agricultural imports. This last component of imports is related also to non-agricultural exports. Cotton was an important export product of Turkey during 1980's. The increasing textile exports have decreased this export during 1990's. Recently Turkey has become a net importer of cotton. Raw hides and skins, wool and silk show a similar trend. Turkey's agricultural imports increase to some extent because of non-agricultural exports. This phenomenon makes the interpretation of some trade related indices quite difficult. Although the amount of agricultural output for exports are increasing, like cotton, this is not necessarily apparent in agricultural trade statistics.

Trade openness index (trade volume/domestic production) has increased for Turkey from 15,1% in 1990/91 to 20,4% in 1999-2000 (Camanzi 2003). The increase is probably underestimated, however, even if corrected; it would have been lower than other Mediterranean and European countries. The same study gives the incidence of trade volume on domestic production in Morocco, Tunisia and Algeria in between 35%-40% (See also Gallina 1998).

The propensity to import (import/internal availability) and propensity to export (export/domestic production) have increased in the same time interval from 5,3% to 7,3% and from 10% to 13,6% respectively. The first ratio is quite modest (other Mediterranean countries 30-35%). The second one is high and indicates to the trend (Camanzi 2003). The export/import ratio 262,3% in 2001 indicates to the competitiveness and puts Turkey to a comparable level as France and Spain.

Turkey's agriculture is protected recently only by "relatively high" tariffs. In other words, the largest scope in further liberalization remains in the "market access" area and here the bounds for tariffs are decreasing according to the commitments. High tariffs provide also a limited protection. The decline in world prices, coupled with high domestic prices reduces the effects of the protection that comes with the tariffs. Beef and sugar industries suffer already from this problem (Therefore a rise in world prices may improve Turkey's protection).

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4 Cakmak (2004).

The sequence of liberalization is also of crucial importance to Turkey. Turkey's failure to conclude agreements under the EU Common Trade Policy with certain and third countries that have signed free trade agreements with the EU leads to trade diversion. Goods from such countries are able to enter Turkey freely through EU while Turkish exports are subjected to high tariffs in these territories (TÜSİAD 2003). Similar problems may arise in the agricultural markets. A strong tariff decrease by EU may increase Turkey's competitiveness in low cost products. Yet, a strong cut in tariffs may erode trade preferences that were assuring actually competitiveness to Turkey.

# 3 *Fishery Products*

## 3.1 - Production and value

The geographic environment offers Turkey a great fishery production potential. Yet, the performance of the sector is quite modest compared to this potential. Fishery contributes only 3% to agricultural value added but this is nevertheless slightly higher than the performance of forestry.

**Table 10 - Fishery Products[5] 2002 (quantity and value)**

| | Quantity (tons) | Value (million TL) |
|---|---|---|
| Sea fish | 493 446 (78, 6%) | 514 637 200 (61, 0%) |
| Crustaceans and Mollusks | 29 298 (4, 7%) | 51 429 950 (6, 1%) |
| Aquaculture | 61 165 (9, 7%) | 212 248 000 (25, 2%) |
| Freshwater Products | 43 938 (7,05) | 64 691 950 (7, 7%) |
| **TOTAL** | **627 847 (100%)** | **843 634 947 (100%)** |

Source: SIS (2004) Fisheries Statistics 2002, Tables 18, 19, 20, 21.

**Table 11 - Expenditures for Fishing Activities 2002 (million TL)**

| Type of Expenditure | |
|---|---|
| Liquid fuel and motor oil expenditure used in fishing | 71 138 547 |
| Special wearing expenditure for fishing (boat, oilcloth, glove etc.) | 2 713 437 |
| Toll, net and similar small repairing expenditure | 8 141 810 |
| Transportation expenses (expenditures) | 5 461 540 |
| Food expenditures | 11 159 489 |
| Electricity, telephone, radiophone, license, and water consumed | 1 110 991 |
| Rent expenditures | 633 040 |
| Other expenditures | 6 838 714 |
| Losses (vessels, nets etc.) | 3 283 500 |
| **TOTAL** | **110 481 068** |

Source: SIS (2004) Fisheries Statistics 2002, Table16.

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5 State Institute of Statistics gives the value of output for fishery in national accounts as 1.206.162.681 million TL. The value is higher than the value on the table above. The difference is because of calculation technique. The statistics here are calculated by an average price. The national income statistics, both value and intermediate consumption, are calculated by four different seasonal average prices.

Production reached to 649,2 thousand tons in 1995[6]. This was the peak year of the last decade. Output (627,8 thousand tons) was in 2002 relatively high again, but decreased to 587,7 tons in 2003.

Capture fishery has the biggest share (90,3% in 2002 and 86,4% in 2003). Aquaculture increased from 9,7% to 13,6% from 2002 to 2003. This increase was actually because of the fluctuation of capture fishery but it indicates to the correct trend. Aquaculture production[7] is increasing in Turkey quite rapidly. Aquaculture production increased from 7,8 in 1991 to 79 thousand tons in year 2000. 56% of aquaculture production was fresh water and 44% marine water fishery.

The natural habitat of trout is fresh water yet it may survive also in slightly salty waters of Black Sea. So it is produced mainly in inland fresh waters but also in marine waters. Trout constitutes almost 56% of total output in 2002. Its production is distributed almost all provinces in Turkey (with the exception of nine provinces out of 81). Sea bass and sea bream are the most important marine aquaculture products in Turkey. Their production reached 14,3 and 11,7 thousand tons in 2002 respectively and the value of sea bass and sea bream exceeds the value of trout. Their production is heavily concentrated in the Aegean region[8].

78,6% (493,4 thousand tons) of total fishery products in 2002 was caught in high sea and 77% of this catch, mainly Anchovy comes from Black Sea. Blue fish, horse mackerel, whiting, gray mullet and bonito are other important fishes of Black Sea. The fish varieties of Marmara and Aegean Sea are different. Hake, chup mackerel and pilchards are the main catches. Prawn, cockle and mussels rank first in terms of their production value. Cockles and mussels come mainly from (West) Black Sea and prawns from Marmara Sea.

Fresh water catches are increasing in Turkey quite rapidly, too. The main inland fishery production area is Van Lake. It is in eastern Anatolia and it is the largest lake of Turkey. Grey mullets are the most important fish variety there. The irrigation scheme in southeastern Turkey and all other new dams will contribute to the inland fishing potential of Turkey. Besides grey mullets, carps, cray fish, pike perch, sand smelt are important varieties.

There are 17 696 fishing vessels in Turkey in 2002 (18 542 in 2003). The largest one is Black Sea fleet with 7.014 vessels in 2002. The types of these vessels are trawler (566), purseseiner (448), trawler-purseseiner (416) and carrier vessels (53). The great majority of these vessels (96%) are constructed from wood. The largest tonnage group consists of 13 323 small vessels (1-4 gross ton). The next largest group consists of 485 vessels (50+ gross ton). 2026 vessels have a horsepower greater than hundred, yet, 50 are without an engine. The mode (7.571 vessels) is 1-9 Hp. 97% of the fishing

6 State Institute of Statistics (2004) Fisheries Statistics 2002, Publication No: 2883, Ankara.
7 Fish farming is a relatively new activity in Turkey and is covered statistically under aquaculture.
8 The statistics on this page are borrowed from the SIS publication “Fishery Statistics 2002”, which is published in 2004.

vessels have no deep freeze depot and generator. 48.5% fishing vessels (out of 17.696) had no hired crew in 2002. 6.512 vessels hired 1-4, 1.321 (5-9), 673 (10-19), 405 (20-29) and 190 more than 30 persons. This statistic may help to calculate the employment in fishery sector. With some caution one may approximate it as more than 60 thousand. Again the highest employment is around the Black Sea.

Fixed capital investments and sales for fishing activities amount to 34.814.88 million TL in 2002. The largest amount is spent on nets (53%) followed by purchase of vessels (23%). 4% of the total amount is imported. And 36% are expenditures on large repair and service.

62% of sea products are marketed by commission agents, wholesale dealers and tradesman, 30% is delivered to fishmeal and oil factories and 2,3% canning factories. 2.5% is marketed through cooperatives and 1,2% is marketed directly to the consumer.

### 3.2 - Foreign trade

In the year 2002 total output has amounted to 627,8 thousand tons. The exports were about 26,9 and imports were 22,5 thousand tons[9]. Total consumption amounted to 466,3 thousand tons. Per capita consumption was around 6,7 kg.

Exports amounted in 2003 to37,6 thousand tons and reached to 154 million dollars. The export value has increased by almost 25% compared to 2002. Fish, fresh and chilled is the most important commodity group of exports. The export value of this product group amounted to 74 million dollars (48%). Crustaceans and mollusks have followed this group. The main export market was Italy followed by Greece and Spain. France and Japan are other important export markets. Exports are concentrated in EU markets; yet, the geographic distribution of exports is widespread to many regions of the world. Turkish exports to Far East markets like Japan, South Korea, and Taiwan and to Middle East markets like Lebanon, Algeria and Lebanon and to North America like USA, Canada may be improved in near future considerably[10].

Fishery product imports increased even more than exports (74%). Imports amounted to 33,4 million dollars. 18% of import quantity comes from Spain. Norway is the largest exporter to Turkey in terms of value. 33% of Turkish imports (value) come from Norway. Ireland, Sweden, Mauritania are other important exporting countries to Turkey. 78% of imports were frozen fish, followed by mollusks and filleted fish.

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9 Unprocessed fishery products.

10 This part and the following is translated and summarizied from the web page of export promotion center (igeme) of Turkey.

# *4 Policy developments*

## 4.1 - Recent agricultural reform

Since many decades agricultural GDP grew in Turkey much slower than the overall economy. So, the share of agriculture in GDP dropped, yet, working population in agriculture decreased very slow and since 1960's land and labor productivities are increasing but at a continuously decreasing rate.

Border measures, administered prices, input subsidies and budgetary payments were the main policy instruments supporting agriculture. The government of Turkey, following the advice of international organizations, started in the year 2000 to change the system of agricultural support to encourage an improved resource allocation and fiscal stability. The focus was on phasing out the subsidies on fertilizer, credit (inputs) and price supports for output. For compensation, a direct income payment system has been introduced. This was a uniform, per hectare payment, independent of the crop pattern (at the beginning roughly $80/ha). In 2002 this program covered 75% of farmers and accounted for more than half of the annual budgetary subsidies (the participation rate may increase to 90% in 2003). The next emphasis of the reform was on support agencies. Restructuring of quasi-governmental Agricultural Sales Cooperative Unions and privatization of parastatal enterprises (Turkish Sugar Company, Turkish Monopoly- Alcohol and Tobacco Company, State Tea Company, the Turkish Grain Board) are still ongoing. These reforms have reduced government's direct role in agricultural production and processing considerably.

All these together with subsidy reduction programs have helped to fiscal tightening. However, all reductions were not necessarily a loss to the farmer. A considerable amount of the funds were wasted within the support system anyhow. The direct income support compensated an important part (almost half of the decline in agricultural GDP) of this net loss. The expected shift due to direct income subsidy from the heavily subsidized crops has not been observed. First, 2001 was an exceptionally severe drought year and most probably the unsubsidized (limited) credit market will delay the desirable supply response until interest rates will fall to lower (acceptable) levels. Besides, the 2001 payments were delayed (and low compared to 2002). Many households received their payments in 2002.

The reforms dropped agricultural prices by about 12 percent (in real TL) and despite all reductions the volume of agricultural output fell only by about 4 percent. Between 1999-2001 the production of cereals, pulses, nuts, fodder crops have increased. The output of oilseeds, industrial crops and tuber crops fell. Fruits and vegetable were quite stable. Yet, the decline was in animal husbandry much higher than in the crop sector.

Parallel to direct income subsidy, a ban on imports of livestock has been applied for sanitary purposes. Export subsidies are applied (in small amounts) to a number of

products, including fresh and processed fruit and vegetables and derived food products, poultry meat and eggs. Supply control measures are applied to sugar beet and tea. Deficiency payments are implemented for oilseeds, cotton and milk. Input subsidies are provided for irrigation and livestock production. A transition payment is also offered to cover the costs in diverting from overproduced commodities (such attempts in hazelnut growing regions have failed) to other commodities. Most farmers are exempt from income tax. A number of regulations control water and soil pollution, and protect wetlands. The government plays a large role in investment in infrastructure, especially in irrigation works (Lundell 2004) and (OECD 2003).

Import approval procedure based on sanitary and phytosanitary conditions continued in 2002. *ad valorem* tariffs remained unchanged at well above 100% for a number of livestock and livestock products. Tariffs applied to cereals were lower and still were reduced to 40% for wheat. The export subsidies remained around 2001 levels. Export subsidies, limited to a maximum of between 10% and 20% of the export values and between 29% and 100% of the quantities exported, continued to be provided for processed fruit and vegetables, fruit juices, olive oil, potatoes, apples, poultry meat and eggs. In recent years, subsidized export quantities have reached the maximum permitted levels under Turkey's AoA commitments for a number of products, including fresh potatoes, vegetables, and olive oil (OECD 2003).

Agricultural policy in Turkey is characterized by low levels of support, but frequent and often ad hoc changes to policy setting in a context of high inflation and volatile exchange rates. After peaking at 26% of farm receipts in 1998, support to producers, as measured by the %PSE, decreased to 10% in 2001, but is estimated to have increased to 23% in 2002, still among the lower rates of support across OECD countries. Support for research, education, extension and training continued to account for only a minor share of this relatively small support in 2002. These serve a relatively large share of population, but impose a heavy burden on consumers and taxpayers, as indicated by the 4% share of total support in GDP, one of the highest shares in the OECD (OECD 2003).

**Table 12 - Producer Support and Transfer to Agriculture in Turkey (million USD)**[11]

| | 1986-88 | 1997-99 | 1999 | 2000 | 2001 | 2002[e] |
|---|---|---|---|---|---|---|
| Producer Support Estimate | 2,670 | 9,285 | 7,636 | 6,766 | 2,251 | 6,080 |
| Market Price Support | 1,702 | 7,238 | 5,589 | 5,651 | 1,554 | 4,552 |
| Total Support Estimate | 2,983 | 12,939 | 12,087 | 10,491 | 5,410 | 7,733 |

Note: [e] provisional estimate.

Sources: OECD (2001) and (2003).

[11] Tables 16,17,18 and 19 are borrowed from Çakmak (2004).

The increase in the financial cost of the intervention can be easily seen in Table 17. The share of GSSE in total transfers increased from 11 percent in 1986-88 to almost 60 percent in 2001, mainly due to the decline in the other types of transfers.

**Table 13 - Indicators of Transfers to Agriculture (percent)**

| | 1986-88 | 1997-99 | 1999 | 2000 | 2001 | 2002[e] |
|---|---|---|---|---|---|---|
| TSE/GDP | 3,5 | 6,7 | 6,5 | 5,3 | 3,6 | 4,1 |
| Percent PSE | 13,9 | 26,3 | 22,8 | 21,0 | 10,0 | 23,0 |
| GSSE/TSE | 11,1 | 28,4 | 36,8 | 35,5 | 58,4 | 21,4 |
| R and D/TSE | 2,0 | 0,3 | 0,2 | 0,2 | 0,6 | 0,4 |
| Percent CSE | -12,9 | -25,8 | -22,0 | -22,0 | -8,0 | -19,0 |

Note: [e] Provisional estimate

Sources: OECD (2001) and (2003).

The share of total support in GDP increased from 3.5 percent to almost 7 percent in the late 1990's. It declined to 4.1 percent in 2002. Percent CSE indicates the major source of transfer to agriculture is consumers who are taxed through distorted domestic prices. About three third of the supports to producers are achieved by market price support (Table 18). The remainder falls on the taxpayers with one fifth of the total as direct income payments.

**Table 14 - Types of Producers' Support (percent)**

| Type of Support | 1986-88 | 1998-99 | 1999 | 2000 | 2001 | 2002[e] |
|---|---|---|---|---|---|---|
| Market Price | 64 | 78 | 74 | 84 | 69 | 75 |
| Payments based on output | 0 | 2 | 4 | 5 | 20 | 3 |
| Payments based on area | 0 | 0 | 0 | 0 | 0 | 0 |
| Payments on hist. Entitlement | 0 | 0 | 0 | 0 | 3 | 20 |
| Payments based on input use | 36 | 20 | 22 | 12 | 8 | 2 |
| Others | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

Note: [e] Provisional estimate.

Sources: OECD (2001) and (2003).

The average total transfer to agriculture between 2000 and 2002 was about $ 8 billion. Consumers' transfers through higher prices amounted to USD 4 billion, and the remaining $ 1 billion was paid to the farmers from the budget. General services' expenditures, $ 3 billion, made up the rest of the total transfers. Major item in the GSSE for Turkey reflects the costs of the state intervention agencies and cooperatives in the past. The only encouraging development in the support to agriculture is the weight given to decoupled payments. DIS payments made up 20 percent of PSE in 2002. The coverage and level of DIS payments are provided in Table 15.

**Table 15 - Direct Income Support Payments, 2001-03**

| for the year[a] | Registered Farmers (1000) | Registered Area (1000 ha) | DIS Payments | |
|---|---|---|---|---|
| | | | (NTL 1,000) | (EUR 1,000)[b] |
| **2001** | 2,193 | 11,821 | 1,182,095 | 946,685 |
| **2002** | 2,593 | 16,080 | 2,170,831 | 1,279,994 |
| **2003** | 2.765 | 16,650 | 2,664,023 | 1,535,911 |

Notes: [a] The payments for the intended years were delayed and made in two installments.

[b] The conversion to EURO are made according to the periods of actual payment at the banknote selling rates.

Source:UT ( 2004) and CB ( 2004).

## 4.2 - Rural development policy

Several rural development projects of varying scope and size have been implemented in Turkey. These aimed at a "planned" approach. The majority of them aimed to reduce regional disparities. These projects may be grouped into three with respect to their funding (implementing agencies): (1) Projects funded by the government. (2) Projects funded by International Organizations and (3) Projects funded by NGO's.

Government funded projects are carried out by Ministry of Agriculture and Rural Affairs (MARA), Ministry of Education, Ministry of Industry and Trade and Ministries of State responsible for (public) Credit Institutions. MARA has ongoing "rural development projects". Ordu-Giresun Rural Development Project has started in 1997 and it will close in 2004. This project has a participatory approach. MARA offers also in a different department "handicraft training". The program is practically concentrated on "carpet weaving". The program suffers from competition and organizational changes.

Several rural development projects of varying scope and size have been implemented since the 1970's. Among them the South Eastern Anatolian Project (GAP) is the largest. However there are also projects funded by International Organizations such as the World Bank, FAO, UNICEF and IFAD. Çorum-Çankırı (1976-82), Erzurum (1982-1989), Bingöl-Mus (1989) and Yozgat (1990-91) were the major rural development projects. The implementing agency of these projects was always MARA. These projects targeted improvement of infrastructure, modernization of agriculture and income generation.

Turkey's candidacy to EU made here a shift, too. EU donations for regional development have also a strong rural development component. Yet, the implementing agency of these projects is now the State Planning Office. Eastern Anatolia (45 million euro); South East Anatolia; Samsun - Kastamonu and Erzurum (52 million euro) are the main ongoing regional development (rural) projects.

This new link will import more and more EU-type rural development to Turkey in future. The politicians are quite aware of the absence of structural, rural and environmental policies in Turkey and the government has actually promised to introduce a new rural policy in 2004. Yet, little has been ended.

## *Appendixes*

### Appendix 1. Exports of Turkey

| | 1000$ | | | |
|---|---|---|---|---|
| | **2000** | **2001** | **2002** | **2003** |
| 1- Agricultural products | 3 855 275 | 4 348 783 | 4 052 177 | 5 257 071 |
| I -Food Products | 3 542 575 | 3 997 178 | 3 668 133 | 4 734 867 |
| (0) Live animals and food products | 2 890 553 | 3 316 143 | 3 117 647 | 3 943 522 |
| (00) Live animals | 2 331 | 43 569 | 31 333 | 8 217 |
| (04) Cereals and Cereal Preparations | 406 081 | 327 368 | 298 667 | 408 982 |
| (05) Vegetables and Fruit | 1 816 727 | 2 142 081 | 2 061 864 | 2 567 804 |
| (06) Sugar, Sugar Preparations and honey | 238 724 | 342 586 | 183 281 | 225 864 |
| (08) Feeding Stuff for Animals | 10 480 | 25 379 | 12 902 | 14 448 |
| (01, 02, 03, 07, 08, 09) Other Food Products | 416 209 | 435 160 | 529 599 | 718 207 |
| (1) Beverages and Tobacco | 528 910 | 471 093 | 426 112 | 488 613 |
| (11) Alcoholic and non-alcoholic drinks | 37 491 | 35 727 | 40 764 | 69 804 |
| (12)Tobacco and Tobacco Manufactures | 491 419 | 435 367 | 385 348 | 418 809 |
| (4) Animal and Vegetable Oils, Fats and Waxes | 100 279 | 180 495 | 97 870 | 254 730 |
| (22) Oil Seeds and Oleaginous Fruit | 22 833 | 29 447 | 26 504 | 48 002 |
| Ii - Crude Materials | 312 700 | 351 605 | 384 044 | 522 204 |
| (21) Hides, Skins and Fur skins, raw | 26 473 | 30 511 | 34 300 | 34 046 |
| (23) Rubber | 9 753 | 5 276 | 4 665 | 5 024 |
| (24) Cork and Wood | 16 476 | 40 492 | 36 427 | 21 152 |
| (25) Pulp and Waste Paper | 615 | 83 | 738 | 637 |
| (26) Textile Fibers | 195 573 | 218 988 | 231 683 | 363 063 |
| (29) Crude Animal and Vegetable Materials N.E | 63 810 | 56 254 | 76 230 | 98 282 |

## Appendix 2. Imports of Turkey

| | 1000$ | | | |
|---|---|---|---|---|
| | **2000** | **2001** | **2002** | **2003** |
| 1- Agricultural products | 4 156 004 | 3 079 146 | 3 994 918 | 5 264 725 |
| i -Food Products | 2 133 106 | 1 486 621 | 1 911 733 | 2 791 141 |
| (0) Live animals and food products | 1 158 974 | 735 595 | 1 055 486 | 1 603 760 |
| (00) Live animals | 33 458 | 22 843 | 15 932 | 11 845 |
| (04) Cereals and Cereal Preparations | 408 267 | 192 503 | 392 020 | 721 548 |
| (05) Vegetables and Fruit | 192 847 | 117 957 | 141 967 | 131 262 |
| (06) Sugar, Sugar Preparations and honey | 15 604 | 12 305 | 20 451 | 35 539 |
| (08) Feeding Stuff for Animals | 206 610 | 136 133 | 144 068 | 199 875 |
| (01, 02, 03, 07, 08, 09) Other Food Products | 302 189 | 253 853 | 341 048 | 503 691 |
| (1) Beverages and Tobacco | 365 302 | 296 431 | 218 013 | 250 248 |
| (11) Alcoholic and non-alcoholic drinks | 14 576 | 13 252 | 10 097 | 15 370 |
| (12)Tobacco and Tobacco Manufactures | 350 727 | 283 180 | 207 916 | 234 878 |
| (4) Animal and Vegetable Oils, Fats and Waxes | 375 408 | 321 011 | 414 760 | 512 099 |
| (22) Oil Seeds and Oleaginous Fruit | 233 422 | 133 583 | 223 474 | 425 034 |
| ii- Crude Materials | 2 022 898 | 1 592 525 | 2 083 186 | 2 473 585 |
| (21) Hides, Skins and Fur skins raw | 224 679 | 274 787 | 453 149 | 440 561 |
| (23) Rubber | 160 618 | 130 265 | 182 569 | 256 390 |
| (24) Cork and Wood | 182 818 | 99 487 | 121 167 | 165 530 |
| (25) Pulp and Waste Paper | 238 126 | 148 977 | 191 730 | 187 335 |
| (26) Textile Fibers | 1 117 495 | 865 742 | 1 030 837 | 1 285 400 |
| (29) Crude Animal and Vegetable Materials N.E | 99 163 | 73 268 | 103 734 | 138 368 |

## Appendix 3. Exports of Turkey

| | 1000 $ | | |
|---|---|---|---|
| | January-June | | |
| | **2003** | **2004** | **% Ch.** |
| 1- Agricultural products | 2 290 158 | 2 735 130 | 19,4 |
| i-Food | 2 039 823 | 2 427 445 | 19,0 |
| (0) Food and live animals | 1 605 779 | 1 982 249 | 23,4 |
| (00) Live animals | 5 776 | 3 917 | -32,2 |
| (04) Cereals and cereal preparations | 226 359 | 215 778 | -4,7 |
| (05) Vegetables and fruit | 955 619 | 1 269 513 | 32,8 |
| (06) Sugars, sugar preparations and honey | 105 995 | 117 842 | 11,2 |
| (08) Animal foods | 8 083 | 6 411 | -20,7 |
| (01, 02, 03, 07, 08, 09) Others | 303 948 | 368 788 | 21,3 |
| (1) Beverages and tobacco | 287 543 | 333 169 | 15,9 |
| (11) Beverages | 28 398 | 50 527 | 77,9 |
| (12) Tobacco and tobacco manufactures | 259 146 | 282 642 | 9,1 |
| (4) Animal and vegetable oils, fats, waxes | 130 270 | 87 086 | -33,1 |
| (22) Oil seeds and oleaginous fruits | 16 230 | 24 941 | 53,7 |
| ii-Agricultural Raw Materials | 250 336 | 307 685 | 22,9 |
| (21) Hides, skins and furskins, raw | 17 487 | 19 301 | 10,4 |
| (23) Crude rubber | 2 896 | 3 774 | 30,3 |
| (24) Cork and wood | 11 472 | 9 679 | -15,6 |
| (25) Pulp and waste paper | 413 | 248 | -39,9 |
| (26) Textile fibers and their wastes | 174 794 | 226 184 | 29,4 |
| (29) Crude animal and vegetable materials | 43 273 | 48 499 | 12,1 |

## Appendix 4. Imports of Turkey

| | **1000 $** | | |
|---|---|---|---|
| | **January-June** | | |
| | **2003** | **2004** | **% Ch.** |
| 1- Agricultural products | 2 475 399 | 3 084 567 | 24,6 |
| i -Food | 1 275 259 | 1 534 189 | 20,3 |
| (0) Food and live animals | 752 069 | 903 284 | 20,1 |
| (00) Live animals | 3 215 | 4 845 | 50,7 |
| (04) Cereals and cereal preparations | 352 317 | 309 538 | -12,1 |
| (05) Vegetables and fruit | 68 485 | 82 589 | 20,6 |
| (06) Sugars, sugar preparations and honey | 15 724 | 13 253 | -15,7 |
| (08) Animal foods | 75 967 | 188 241 | 147,8 |
| (01, 02, 03, 07, 08, 09) Others | 236 361 | 304 818 | 29,0 |
| (1) Beverages and tobacco | 122 726 | 115 956 | -5,5 |
| (11) Beverages | 5 220 | 12 677 | 142,9 |
| (12) Tobacco and tobacco manufactures | 117 506 | 103 279 | -12,1 |
| (4) Animal and vegetable oils, fats, waxes | 236 765 | 258 164 | 9,0 |
| (22) Oil seeds and oleaginous fruits | 163 699 | 256 784 | 56,9 |
| ii-Agricultural Raw Materials | 1 200 140 | 1 550 378 | 29,2 |
| (21) Hides, skins and furskins, raw | 193 533 | 213 520 | 10,3 |
| (23) Crude rubber | 116 562 | 154 967 | 32,9 |
| (24) Cork and wood | 78 915 | 142 399 | 80,4 |
| (25) Pulp and waste paper | 90 316 | 106 200 | 17,6 |
| (26) Textile fibers and their wastes | 655 063 | 856 852 | 30,8 |
| (29) Crude animal and vegetable materials | 65 751 | 76 441 | 16,3 |

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