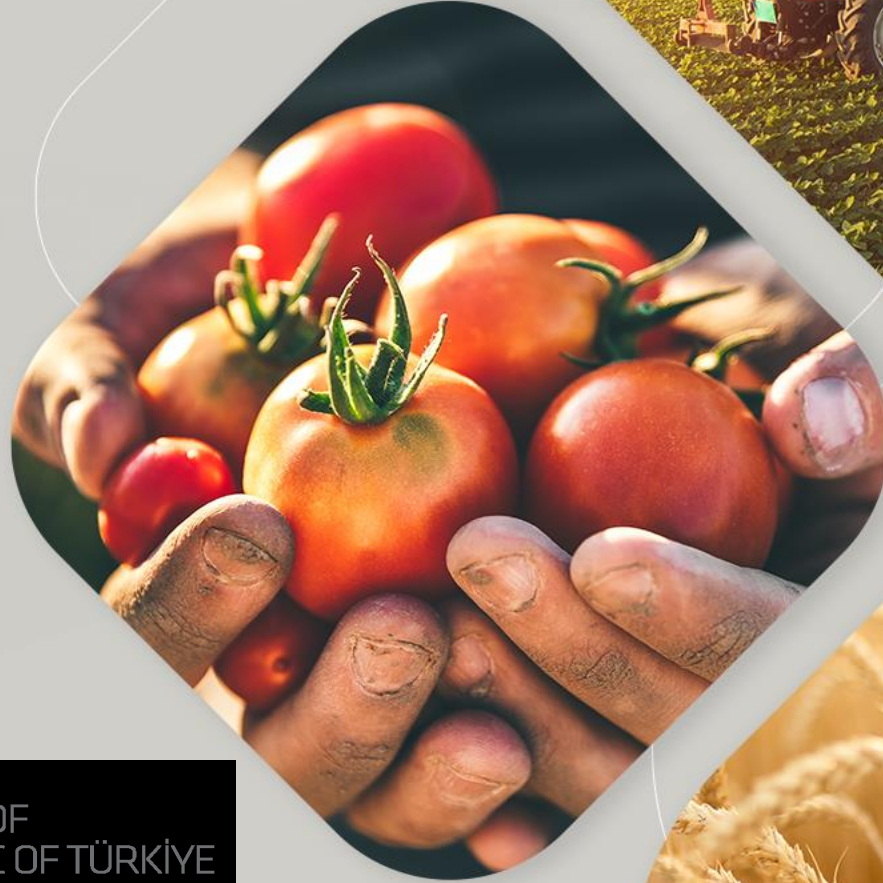


WHY INVEST IN TURKISH **AGROFOOD INDUSTRY?**



TÜRKİYE CUMHURİYETİ
CUMHURBAŞKANLIĞI
**YATIRIM
OFİSİ**



PRESIDENCY OF
THE REPUBLIC OF TÜRKİYE
**INVESTMENT
OFFICE**

AGENDA

1

Executive
Summary

2

Turkish Agrofood
Industry Outlook

3

Growth Drivers
in Türkiye

4

Opportunities in
Turkish Agrofood Industry

5

Success
Stories



EXECUTIVE SUMMARY

1

EXECUTIVE SUMMARY

TÜRKİYE HAS A GROWING MACHINERY INDUSTRY OFFERING OPPORTUNITIES IN MANY AREAS...



FAVORABLE INVESTMENT ENVIRONMENT

- Strong macroeconomic growth with increasing income per capita and a burgeoning middle-class
- Favorable demographics with a dynamic, young, and skilled labor force
- Cost-competitive labor prices. Compared to Europe and the rest of the world, the labor costs in the sector are 70% -80% lower
- Strong government support through incentives
- Developed industrial and commercial infrastructure



STRONG INTERNATIONAL PRESENCE

- Global agrofood giants are present in Türkiye with significant productive activities, using Türkiye as a hub to access regional markets
- Successful partnerships with local companies to grow in the region, capitalizing on locals' experience and networks



LUCRATIVE OPPORTUNITIES IN SUB-SECTORS

- Geographically well-placed to take advantage of trade opportunities in Europe, Middle East, and former Soviet countries
- With a growing population of more than 83 million, Türkiye is one of the largest markets in the region
- The government invests heavily in irrigation projects and improvements to infrastructure



STRENGTHS OF THE INDUSTRY

- Agriculturally sufficient country with favorable climate, large arable lands, and abundant availability of water resources
- Considered to be one of the leading countries in the world in the field of agriculture and food
- Export opportunities thanks to Türkiye's proximity to regional markets
- Strong food and agriculture sector, which employed about 18% of the active population of the country and represented approximately 6.6% of GDP in 2020

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TURKISH AGROFOOD INDUSTRY OUTLOOK

2

TÜRKİYE AGRICULTURE SECTOR OUTLOOK

TÜRKİYE İS



2nd LARGEST COUNTRY IN
EUROPE IN TERMS OF
AGRICULTURAL
ECONOMY (2021)

with its **USD 45.4 billion**
agricultural production volume



14th LARGEST COUNTRY IN
THE WORLD IN TERMS
OF AGRICULTURAL
ECONOMY (2021)



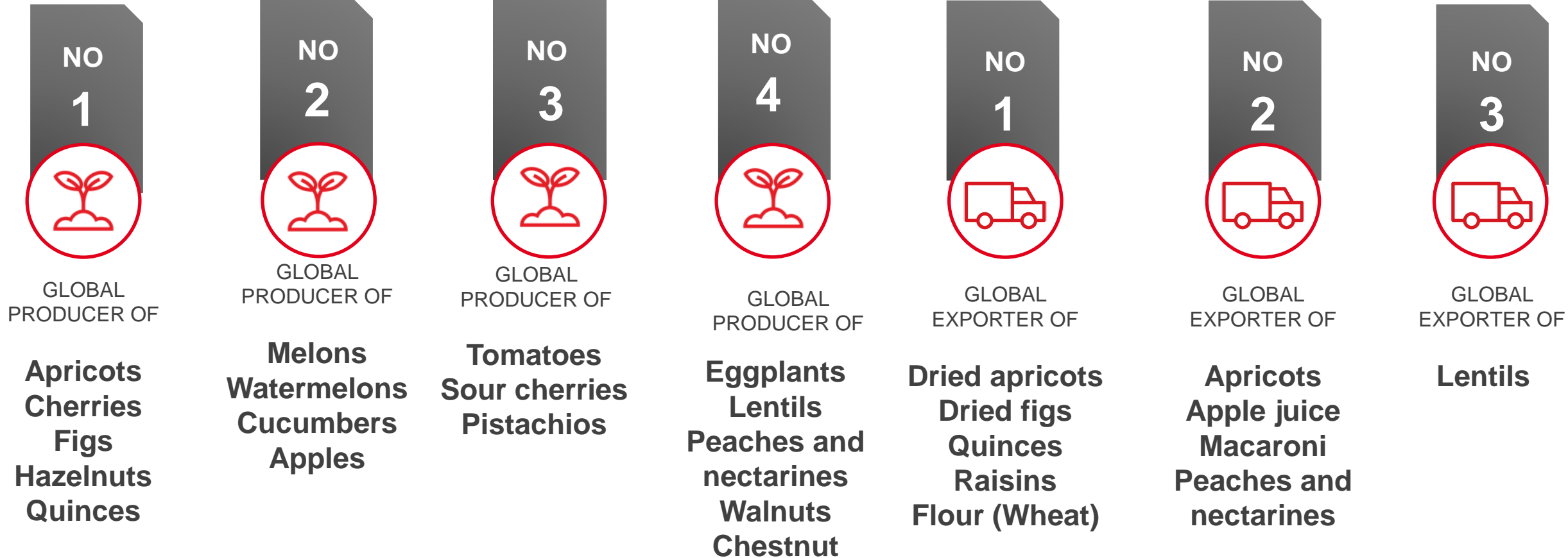
3rd LARGEST AGRICULTURAL
PRODUCING COUNTRY IN
THE WORLD BY QUANTITY
FOR LEADING
COMMODITIES (2021)



**FRUITS,
VEGETABLES,
COARSE GRAINS,
DAIRY AND OILS**



TÜRKİYE'S RANKINGS FOR AGRICULTURAL AND AGROFOOD PRODUCTION AND EXPORT (2021)



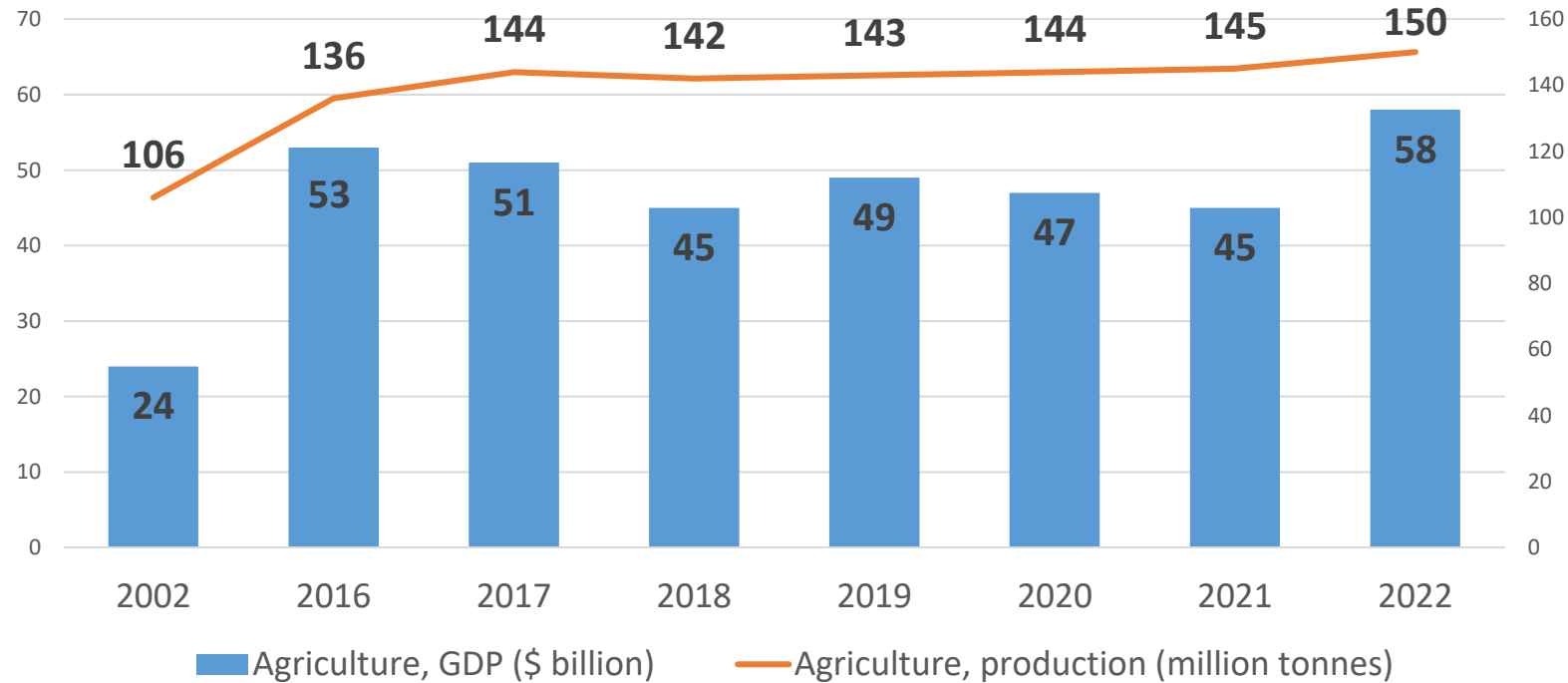
TÜRKİYE AGRICULTURE SECTOR OUTLOOK

TÜRKİYE HAS BECOME A MAJOR PLAYER
IN THE WORLD AGRICULTURAL
PRODUCTION IN THE LAST TWO DECADES.



The agricultural GDP
increased by 141%
between 2002 and 2022.

Agriculture sector employed almost
18 percent of the country's working
population and that accounted for
6.5% of the country's GDP in 2022.



AGROFOOD SECTOR VALUE CHAIN



INPUTS

- Turkish fertilizer consumption per hectare: 115 kg while the world average: 138 kg
- Türkiye's demand for fertilizers is 10th highest in the world.
- The lack of local raw material supply in all three raw material categories (Nitrat, Phosphorus and Pottasium)
- 765 certified seed producers in Türkiye & a significant proportion is multinational brands & producing 1.1 million tons of seeds



PRODUCTION

- 2.8 million enterprises
- 14k associations & cooperatives
- 4.7 million employment: 18% of national employment
- Agricultural land: 37.7 million ha
- Average enterprise size: 6 ha
- 67% of total enterprises are below 5 ha size, realizing 22% of total planting
- 78% of planting activities are carried out by remaining medium and large companies.



PROCESSING

- 51k food companies with 514k employment
- 649 beverage companies with 17k employment
- Food manufacturing industry turnover: 54b USD - most contributing sector to total manufacturing sector turnover
- A large number of major multinationals active in processing business: Mondelēz, PepsiCo, The Coca-Cola Company, Mars, Nestle, Unilever, Corteva, Dr. Oetker, Cargill, Ferrero, Danone, among others.



MARKETING

- Türkiye's grocery retail market has experienced rapid expansion in parallel with the shift to modern Western-style grocery retail formats.
- Strong presence of Turkish retailers such as BİM, A101, Şok and Migros, while foreign retailers including CarrefourSA (JV) and Metro are also performing well.
- Total sales of grocery retailers: USD 69Bn (Modern grocery retailers: 37Bn -Traditional grocery retailers: 22Bn)
- Imports of consumer-oriented agrofood products : USD 2.6Bn



CONSUMPTION

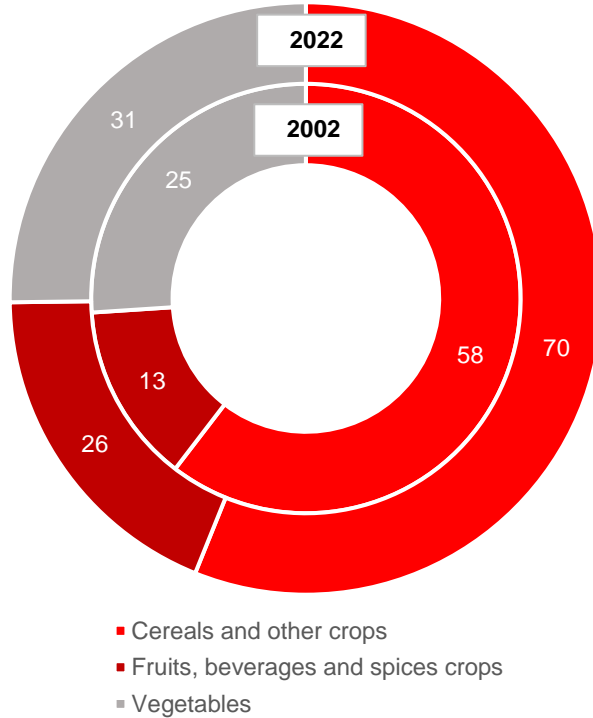
- A domestic market of 83 million with increasing per capita food consumption each year
- Türkiye is well-positioned to easily reach Europe, MENA, and Central Asia markets.
- Agrofood exports: USD 23Bn
Agrofood imports: USD 17Bn

PLANTS

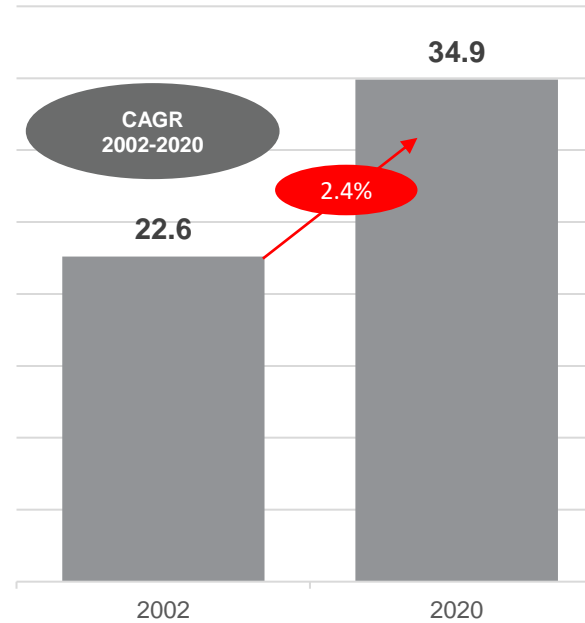
TÜRKİYE HAS AN ESTIMATED TOTAL OF 11,000 PLANT SPECIES, WHEREAS THE TOTAL NUMBER OF SPECIES IN EUROPE IS 11,500.



Plant production
(million tonnes)



Plant production
(billion USD)



**TÜRKİYE IS THE
WORLD LEADER IN THE
PRODUCTION OF
VARIOUS CROPS.**

TOP PRODUCER

Hazelnuts, apricots, figs,
cherries, quinces

ONE OF TOP 5 PRODUCERS

Melons, apples,
watermelons, cucumbers,
lentils, pistachios, sour
cherries, almonds, chestnut,
green beans, olives, sugar
beet, tomatoes, walnuts

ONE OF TOP 10 PRODUCERS

Cotton, barley, sunflower
seed, grapes

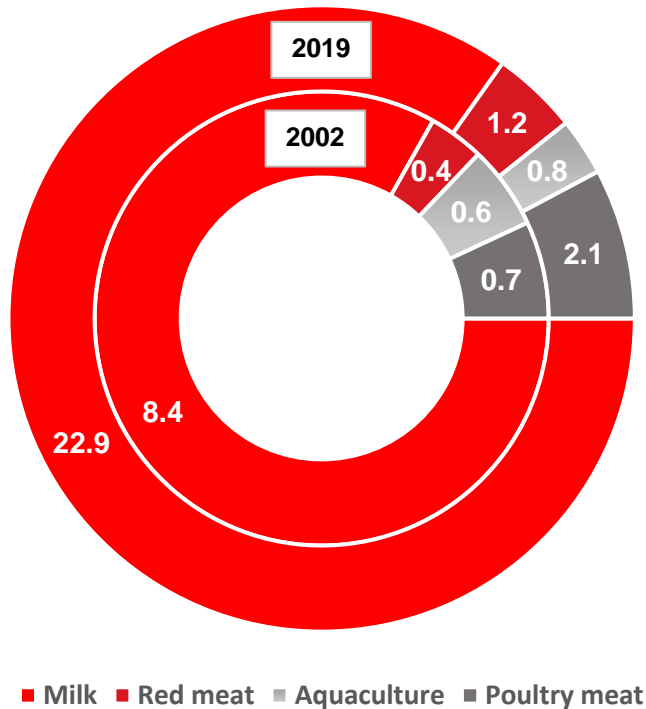
ANIMAL PRODUCTS

TÜRKİYE BOASTED PRODUCTION OF 22.9 MILLION TONS OF MILK IN 2019, MAKING IT THE LEADING MILK AND DAIRY PRODUCER IN ITS REGION

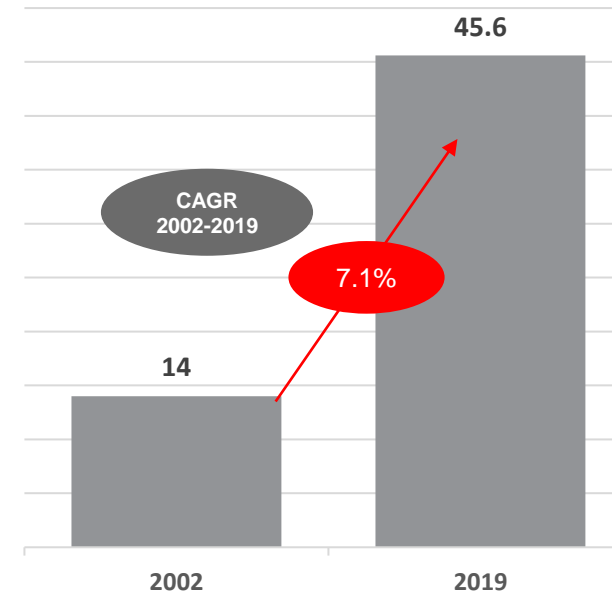


The country is one of top ten producing countries of honey and eggs in the world.

Production of animal products
(million tonnes)



Production of animal products
(billion USD)



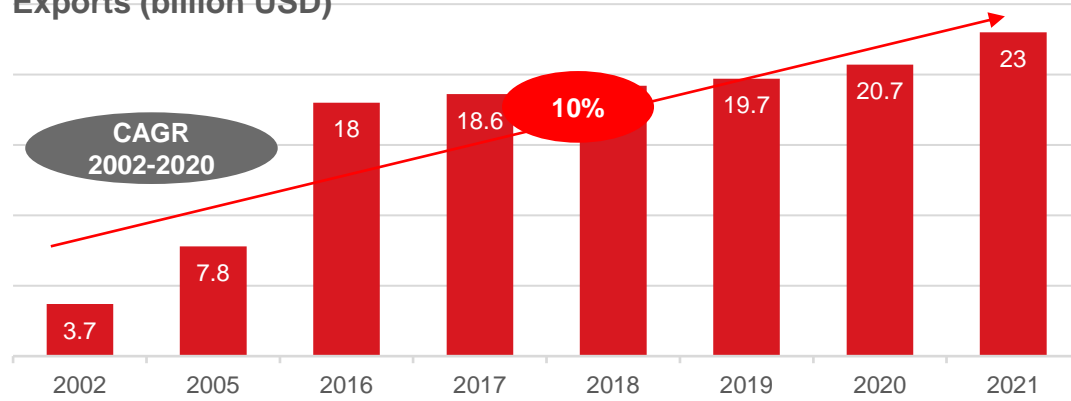
AGROFOOD FOREIGN TRADE

TURKISH EXPORTS OF AGROFOOD PRODUCTS
INCREASED 6 TIMES IN THE LAST TWO DECADES.

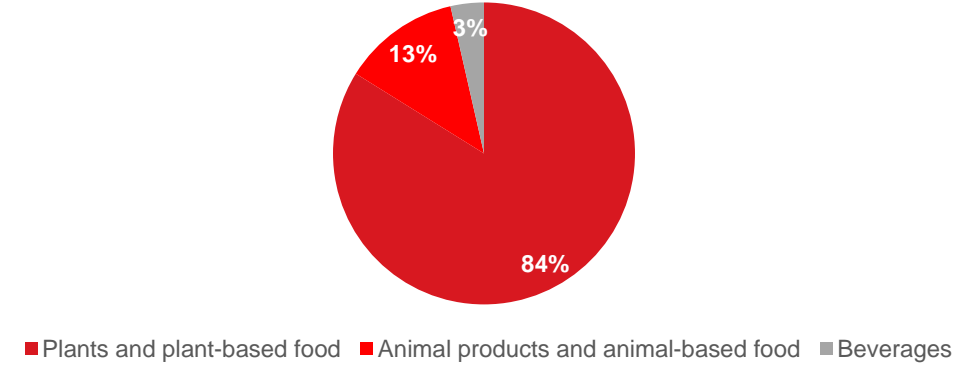


Agrofood exports make up 10% of
Türkiye's total exports

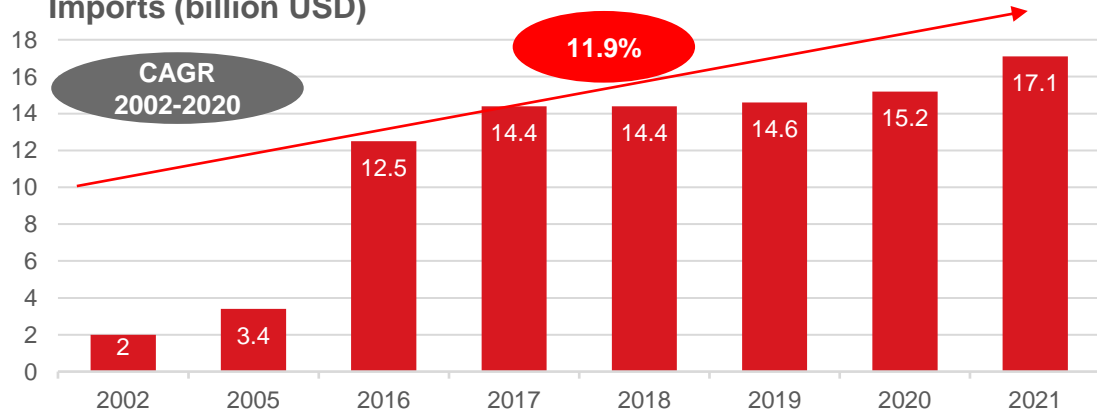
Exports (billion USD)



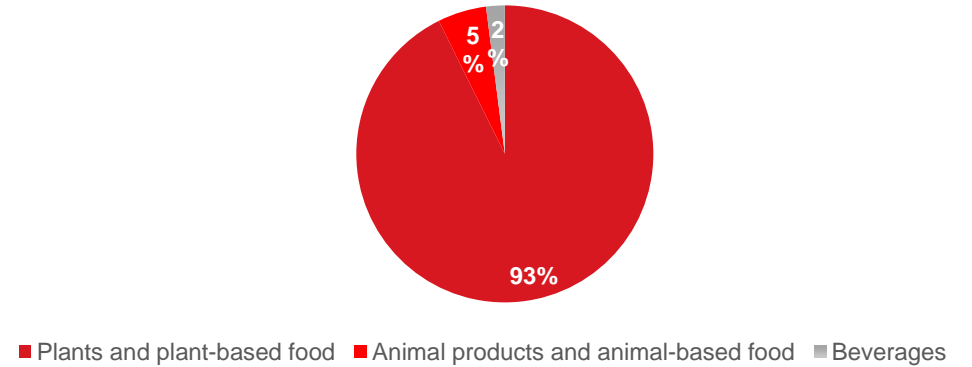
Breakdown of exports by sub-sector (2021)



Imports (billion USD)



Breakdown of imports by sub-sector (2021)

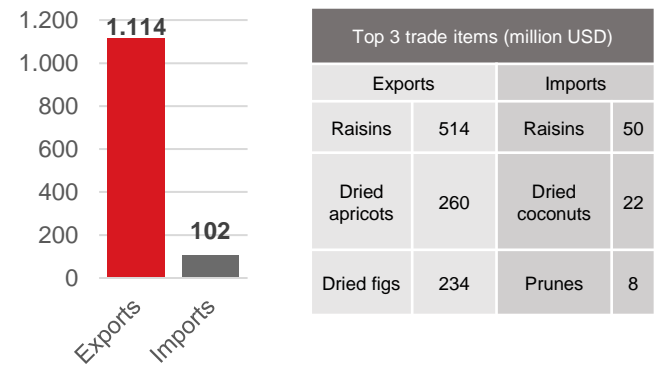


MAJOR TRADE ITEMS

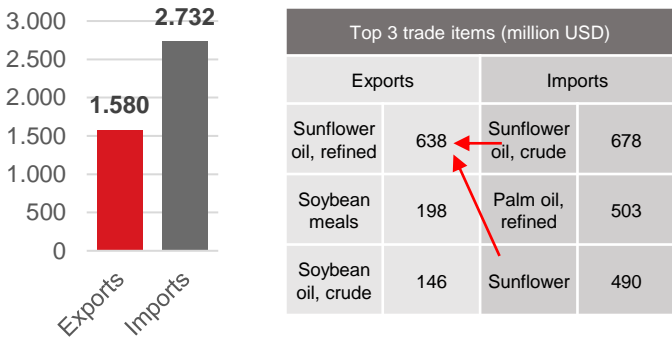
A SIGNIFICANT PORTION OF IMPORTED AGRO-PRODUCTS ARE USED BY AGROFOOD INDUSTRY TO PROCESS AND EXPORT.



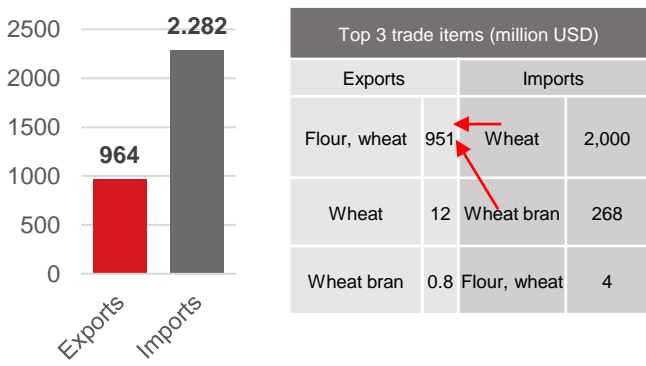
Dried fruits and vegetables sector
(million USD)



Vegetable oils sector
(million USD)



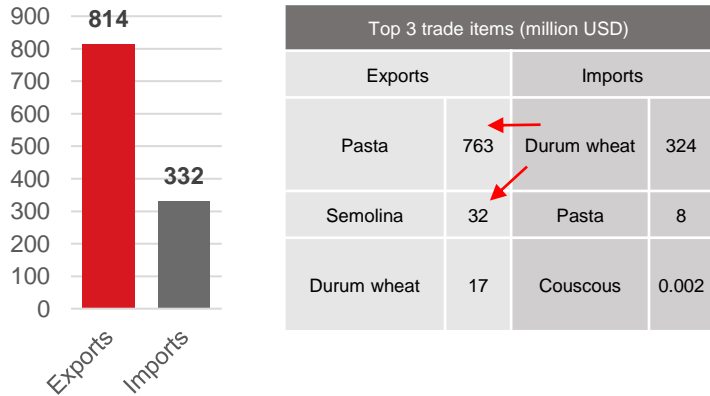
Flour sector
(million USD)



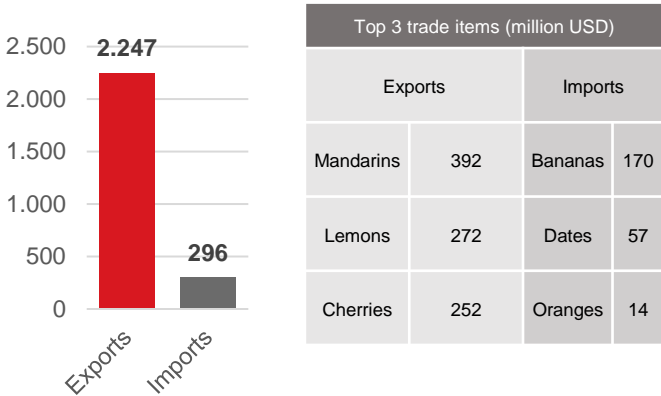
Sugar & Sugar products sector
(million USD)



Pasta sector
(million USD)



Fresh fruits sector
(million USD)

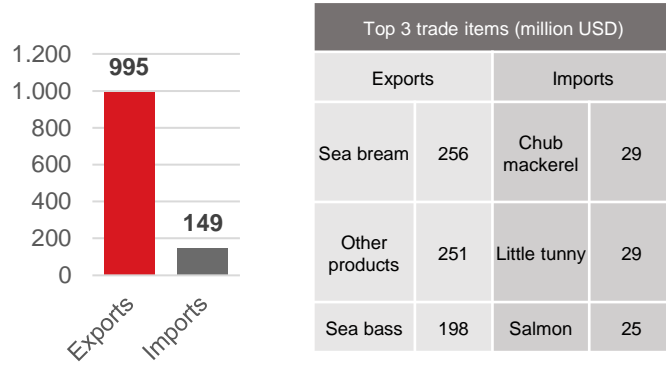


MAJOR TRADE ITEMS

THE LIVESTOCK SECTOR NEEDS FURTHER INVESTMENTS TO MEET THE GROWING DEMAND..



Fisheries sector (million USD)



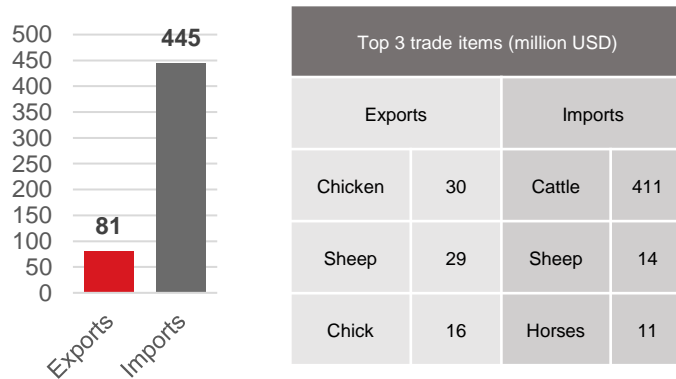
Poultry sector (million USD)



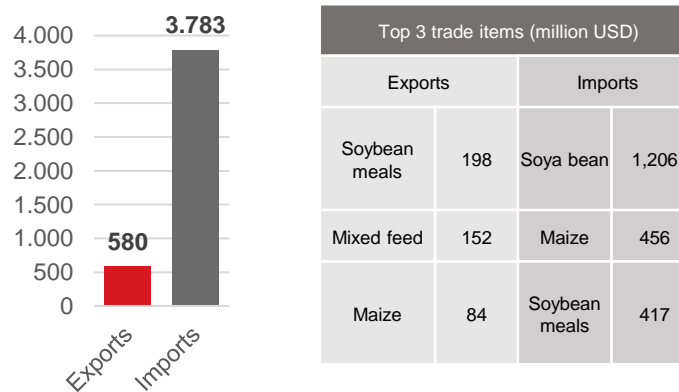
Dairy sector (million USD)



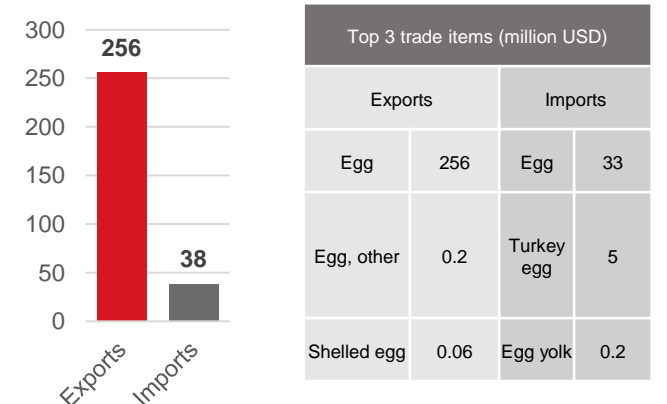
Livestock trade sector (million USD)



Animal feed sector (million USD)



Egg sector (million USD)



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GROWTH DRIVERS IN TÜRKİYE



3

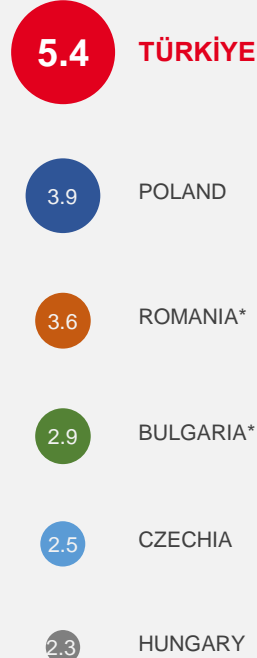


11th largest economy in the World

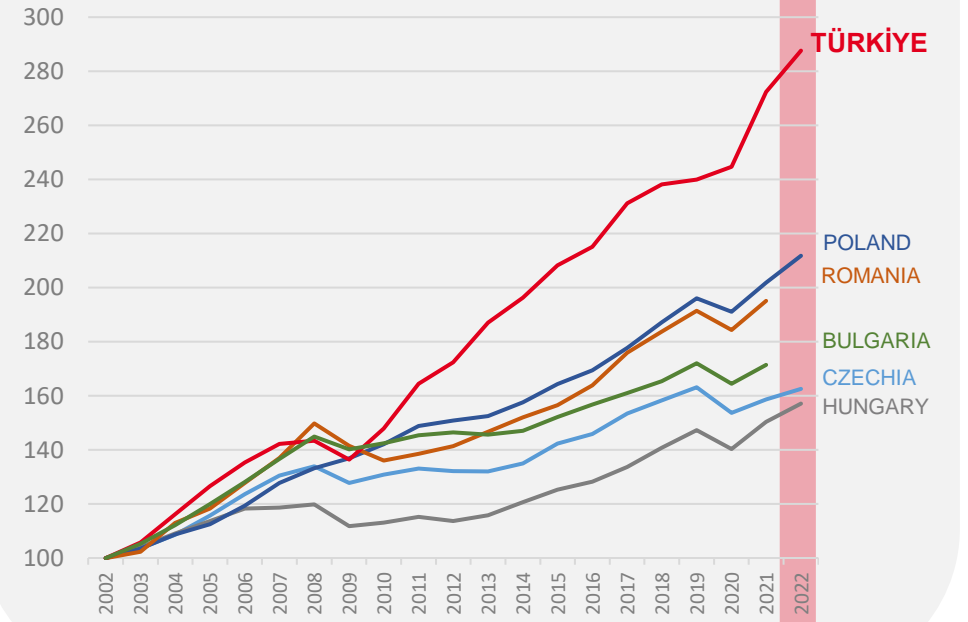
RANKING OF ECONOMIES BY GDP AT PPP

| 2003 | 2019 | 2021 |
|---------------|---------------|-----------------|
| 1. USA | 1. CHINA | 1. CHINA |
| 2. CHINA | 2. USA | 2. USA |
| 3. JAPAN | 3. INDIA | 3. INDIA |
| 4. GERMANY | 4. JAPAN | 4. JAPAN |
| 5. INDIA | 5. GERMANY | 5. GERMANY |
| 6. RUSSIA | 6. RUSSIA | 6. RUSSIA |
| 7. FRANCE | 7. INDONESIA | 7. INDONESIA |
| 8. UK | 8. BRAZIL | 8. BRAZIL |
| 9. BRAZIL | 9. UK | 9. UK |
| 10. ITALY | 10. FRANCE | 10. FRANCE |
| 11. MEXICO | 11. MEXICO | 11. TÜRKİYE |
| 12. INDONESIA | 12. ITALY | 12. ITALY |
| 13. SPAIN | 13. TÜRKİYE | 13. MEXICO |
| 14. CANADA | 14. S.KOREA | 14. KOREA |
| 15. S.KOREA | 15. SPAIN | 15. CANADA |
| 16. S.ARBABIA | 16. CANADA | 16. SPAIN |
| 17. IRAN | 17. S.ARBABIA | 17. S.ARBABIA |
| 18. TÜRKİYE | 18. IRAN | 18. TAIWAN, PRC |

AVERAGE ANNUAL GDP GROWTH (%) 2002-2022



REAL GDP GROWTH (INDEX: 2002=100)

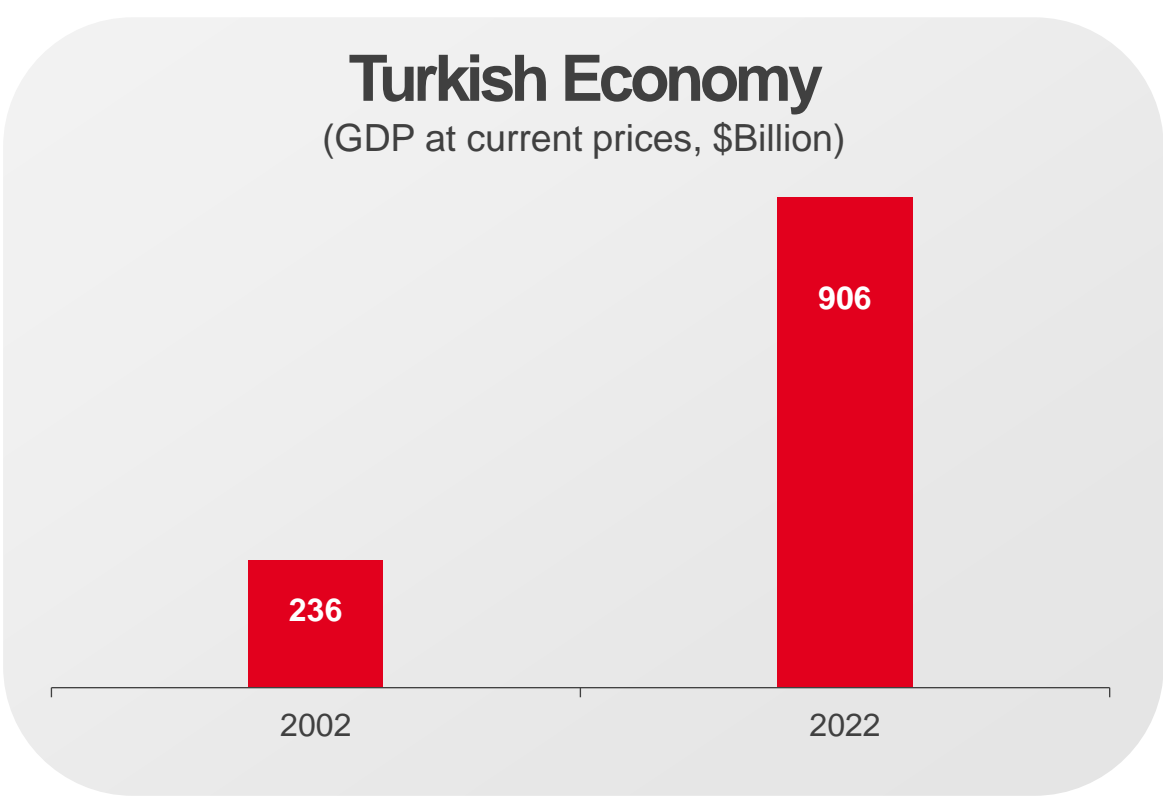


ROBUST ECONOMY

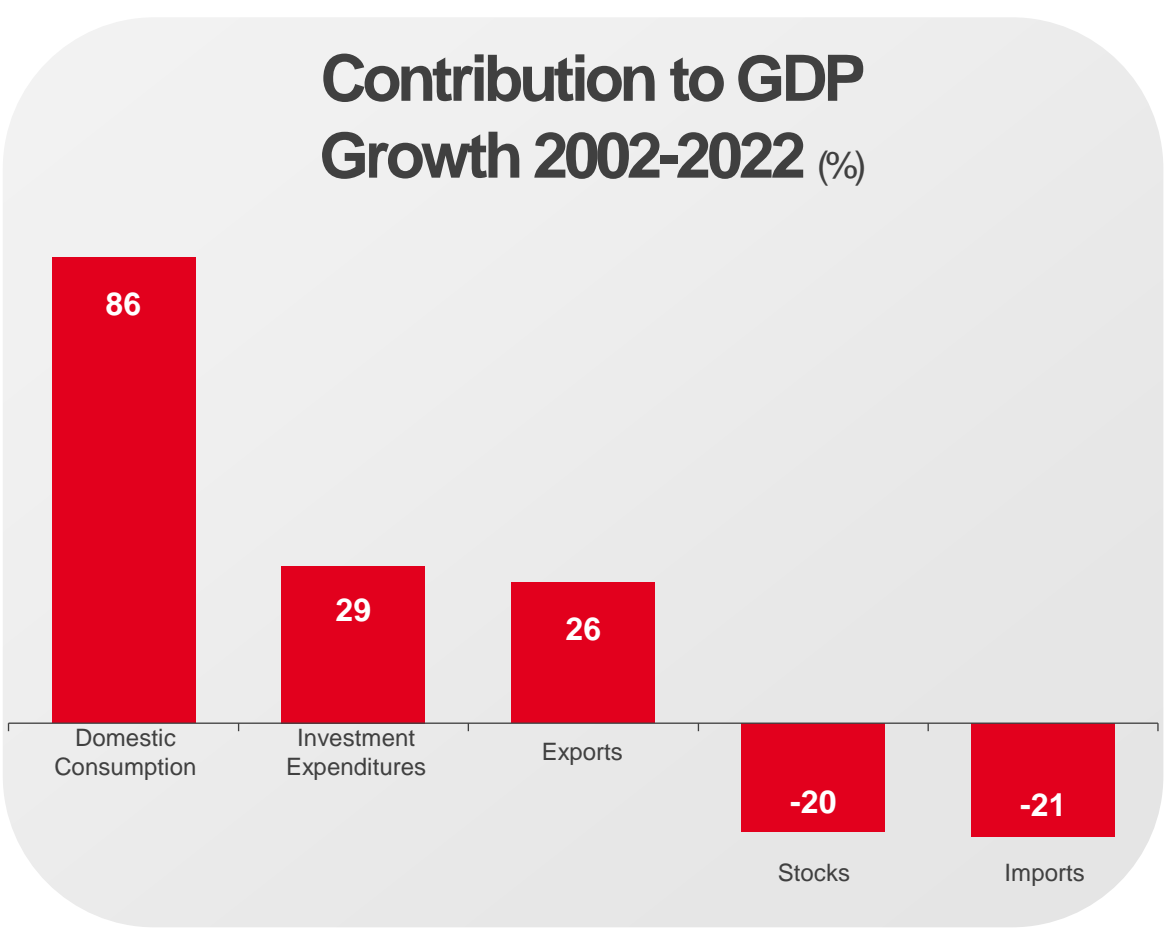
TRIPLING SIZE OF THE ECONOMY OVER THE PAST 20 YEARS



Turkish economy has **more than tripled over** the past 20 years and is promising to be on the growing trend



Robust domestic market and entrepreneurial private sector spurred investments and exports



DOMESTIC MARKET

TÜRKİYE'S ECONOMIC GROWTH HAS PAVED THE WAY
FOR EMERGENCE OF A SIZEABLE AGRI-MIDDLE-CLASS
WITH AN INCREASING PURCHASING POWER



Income per capita

(GDP per capita, current prices at
purchasing power parity)

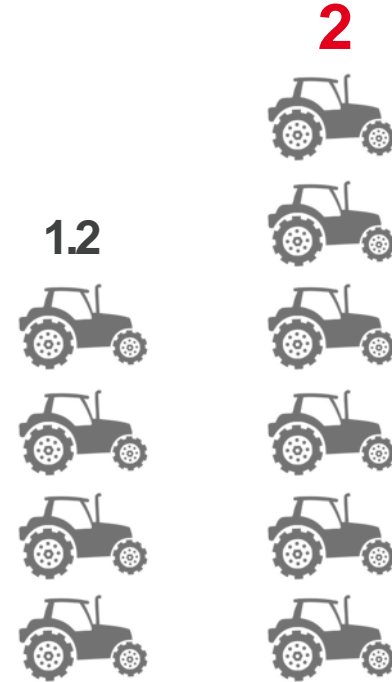


2002

2021

Stock of Tractors

(millions of tractors)



1.2

2

2002

2022

Largest tractor sales in
Europe, 5th in the world,
75% of the local market
supplied by local players

Major producers in Türkiye

TürkTraktör

YANMAR

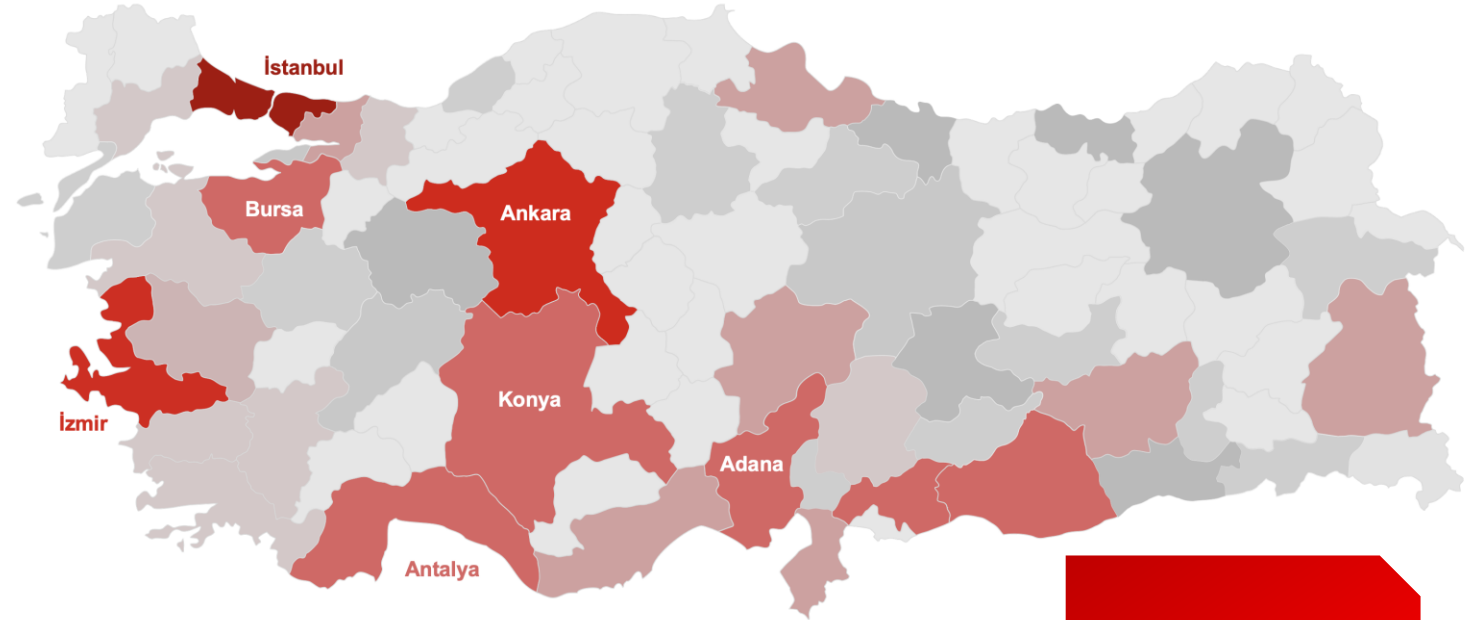
TÜMOSAN

JOHN DEERE



Total Population in 2022 **85.3 Million**

| | | | |
|---------------|--------------|----------------|-------------|
| İstanbul | 15.9 Million | Denizli | 1.1 Million |
| Ankara | 5.8 Million | Muğla | 1 Million |
| İzmir | 4.5 Million | Eskişehir | 0.9 Million |
| Bursa | 3.2 Million | Mardin | 0.9 Million |
| Antalya | 2.7 Million | Trabzon | 0.8 Million |
| Konya | 2.3 Million | Malatya | 0.8 Million |
| Adana | 2.3 Million | Ordu | 0.8 Million |
| Şanlıurfa | 2.2 Million | Erzurum | 0.7 Million |
| Gaziantep | 2.2 Million | Afyonkarahisar | 0.7 Million |
| Kocaeli | 2.1 Million | Sivas | 0.6 Million |
| Mersin | 1.9 Million | Adıyaman | 0.6 Million |
| Diyarbakır | 1.8 Million | Batman | 0.6 Million |
| Hatay | 1.7 Million | Tokat | 0.6 Million |
| Manisa | 1.5 Million | Zonguldak | 0.6 Million |
| Kayseri | 1.4 Million | Elazığ | 0.6 Million |
| Samsun | 1.4 Million | Kütahya | 0.6 Million |
| Balıkesir | 1.3 Million | Çanakkale | 0.6 Million |
| Kahramanmaraş | 1.2 Million | Osmaniye | 0.6 Million |
| Van | 1.1 Million | Şırnak | 0.6 Million |
| Aydın | 1.1 Million | Çorum | 0.5 Million |
| Tekirdağ | 1.1 Million | Ağrı | 0.5 Million |
| Sakarya | 1.1 Million | | |



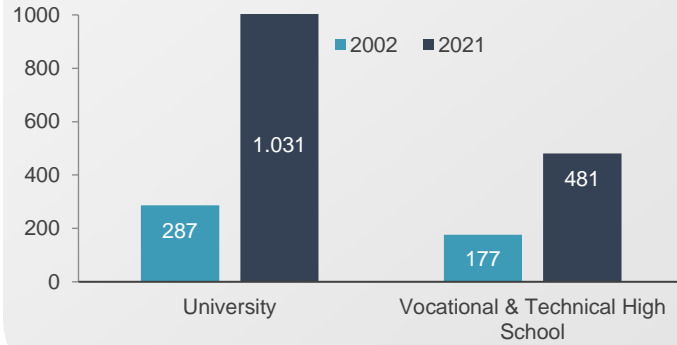
24 urban centers
With Populations
over 1 million

SKILLED AND COMPETITIVE LABOR FORCE

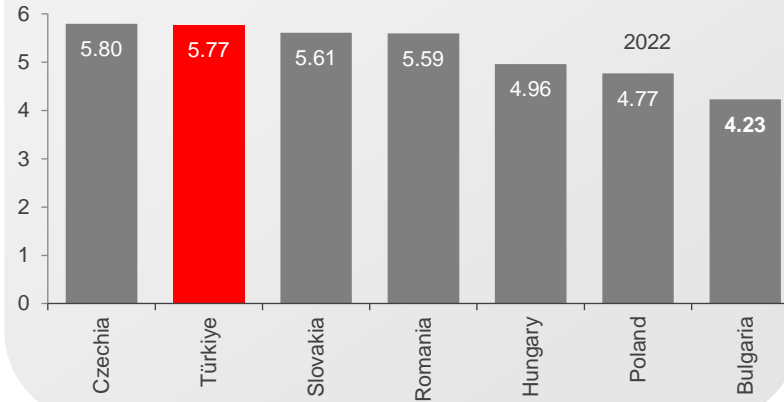
UPGRADED EDUCATION SYSTEM TO ENABLE
A SKILLED LABOR POOL AND ADDRESS
BUSINESS REQUIREMENTS



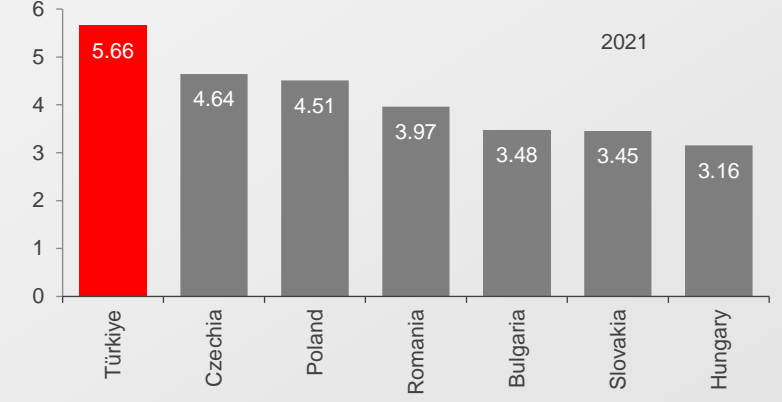
ANNUAL NUMBER OF GRADUATES
(thousands)



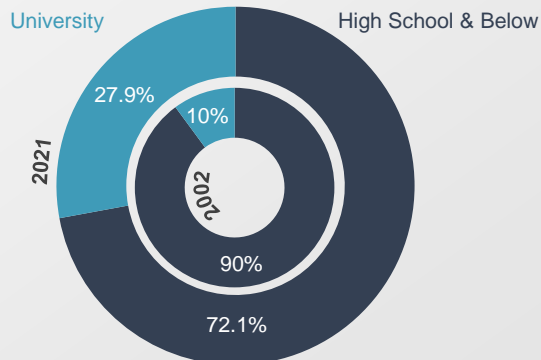
AVAILABILITY OF QUALIFIED ENGINEERS
(10=Available; 0=Unavailable)



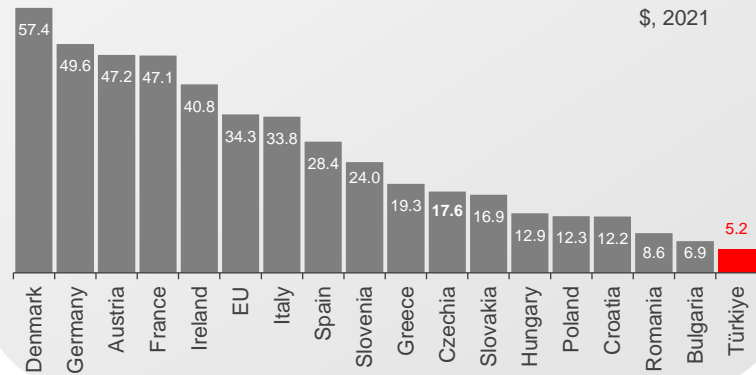
AVAILABILITY OF COMPETENT SENIOR MANAGERS
(10=Available; 0=Unavailable)



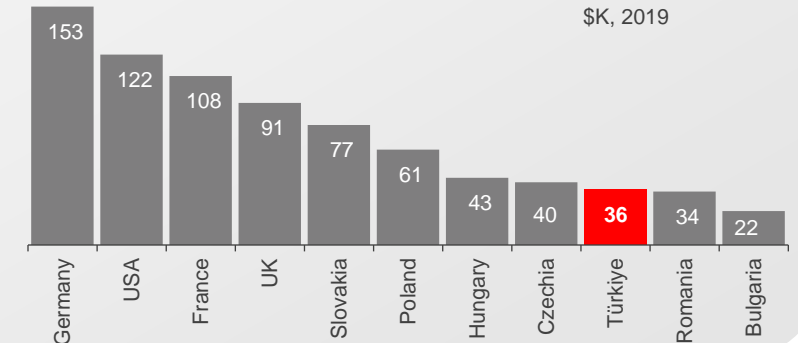
LABOR FORCE BY EDUCATION LEVEL



LABOR COST PER HOUR IN MANUFACTURING



REMUNERATION OF MANAGEMENT/ENGINEER
Total base salary plus bonuses and long-term incentives



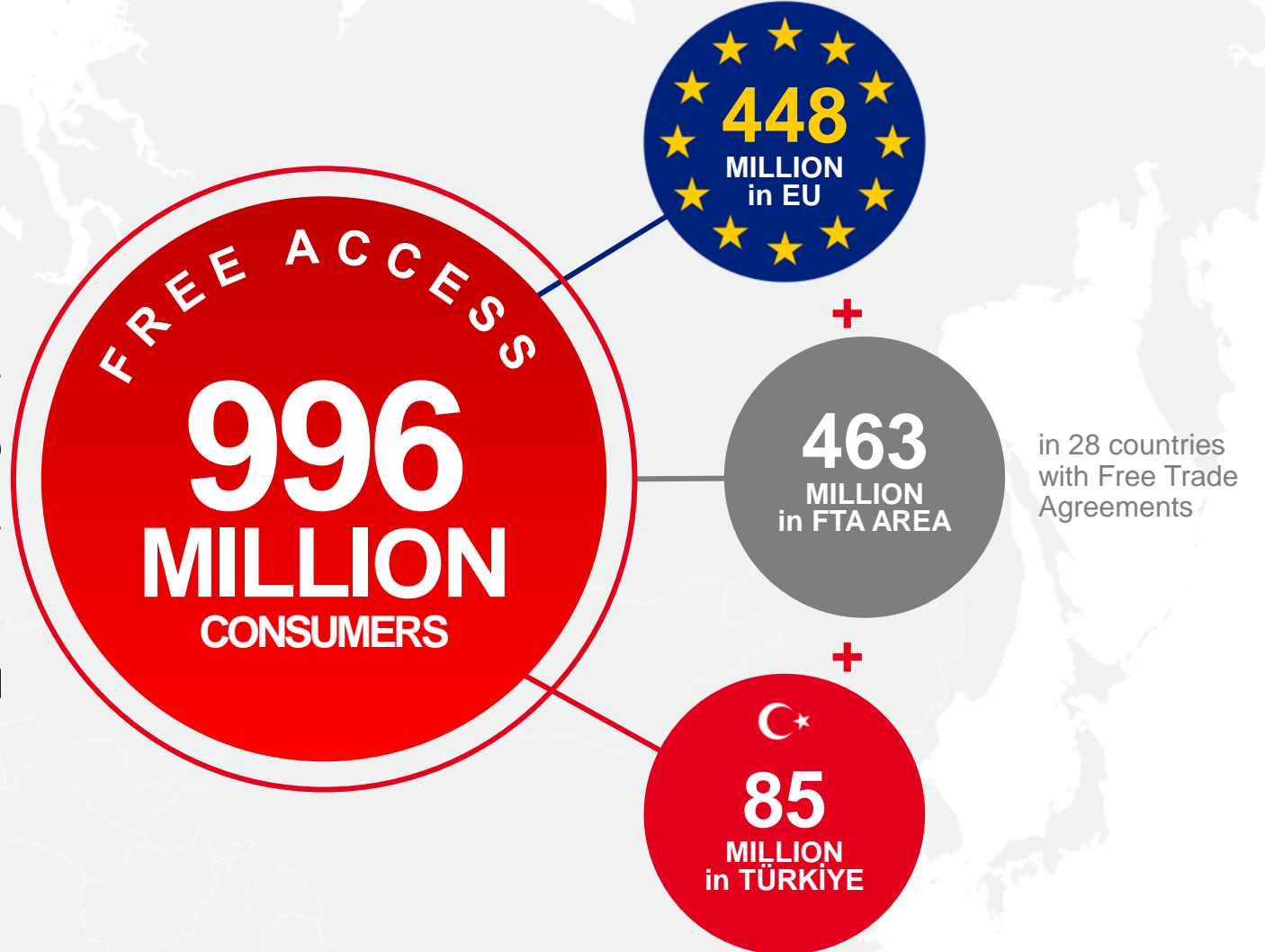
DOMESTIC + ACCESSIBLE MARKETS

DOMESTIC MARKET + EU MARKET + FREE TRADE AREA



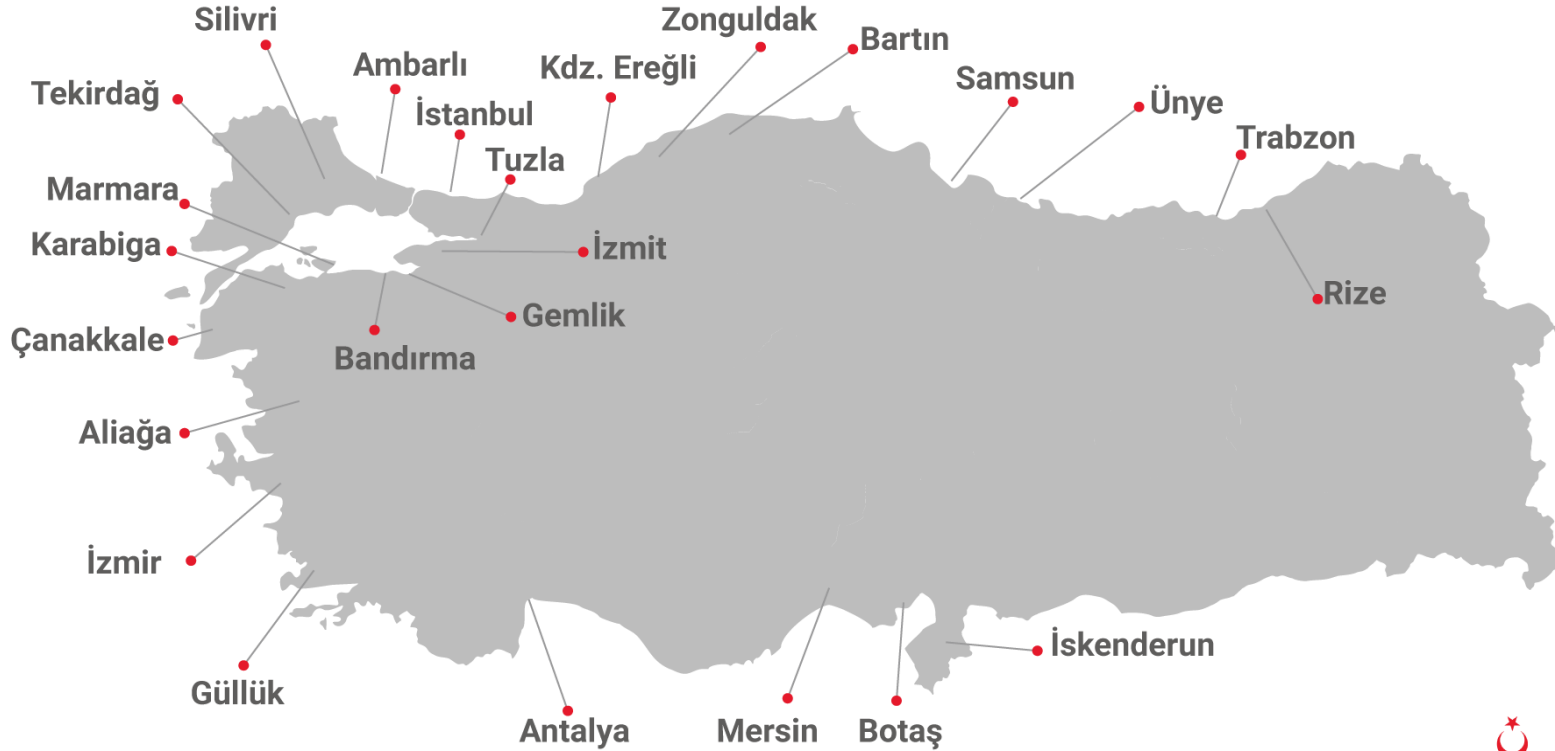
Customs Union with the EU
allows direct access to the EU Market

NORWAY ISRAEL *SUDAN
LIECHTENSTEIN
SWITZERLAND ICELAND
BOSNIA AND HERZEGOVINA
PALESTINE MACEDONIA
MOROCCO TUNISIA
ALBANIA EGYPT
GEORGIA MONTENEGRO
SERBIA CHILE
MAURITIUS SOUTH KOREA
MALAYSIA *LEBANON MOLDOVA
FAROE ISLANDS
SINGAPORE VENEZUELA
UNITED KINGDOM
*QATAR KOSOVO



MARINE TRANSPORTATION

TÜRKİYE IS ALSO VERY ADVANTAGEOUS FOR MARITIME TRANSPORTATION, ALLOWING AGROFOOD PRODUCERS TO EXPORT EASILY



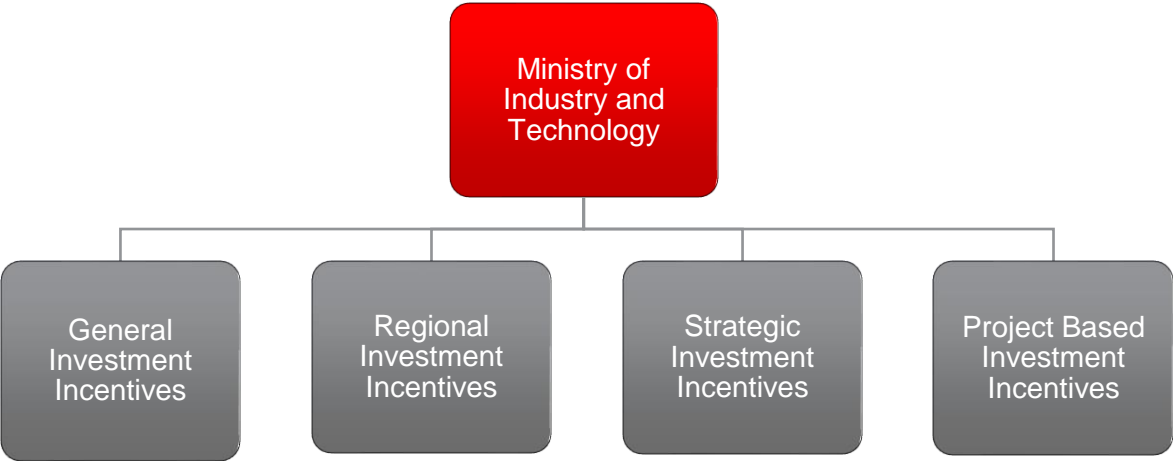
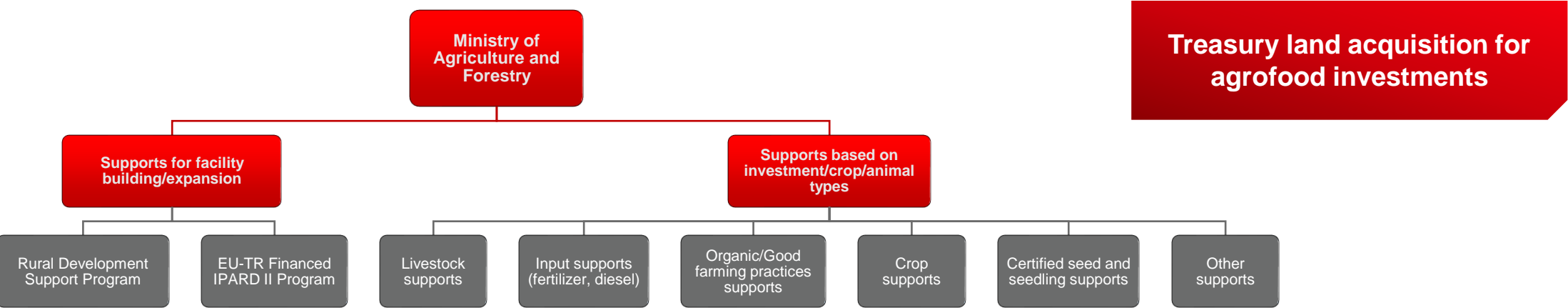
Cargo handling statistics of Türkiye in 2020
(tons)

| | |
|--|------------|
| Cereals | 13,512,106 |
| Oil seeds, oleaginous fruit and fats | 6,817,726 |
| Animal feed and foodstuff waste | 4,701,744 |
| Other non-perishable foodstuffs and hops | 1,118,428 |
| Sugars | 438,674 |
| Fresh and frozen fruit and vegetables | 312,207 |
| Livestock | 101,377 |
| Beverages | 48,840 |
| Potatoes (excluding frozen ones) | 24,339 |



INCENTIVES

LUCRATIVE INCENTIVES FOR AGROFOOD INVESTMENTS





RURAL DEVELOPMENT SUPPORT PROGRAM

Period 2021-2025

- Ministry of Agriculture and Forestry provides grants to investors for their new or expansion investments in 81 provinces of Türkiye
- Covers expenses (eg. construction, machinery and equipment purchase) up to 50% of total investment budget
- Maximum support limits varies between 1,500,000 - 3,000,000 TL based on type of the investment.

Supported areas

- Processing, packaging, and storing the agricultural products
- Fixed investments (bovine, ovine, poultry, fisheries, mushroom, fertilizer processing, greenhouse, renewable energy sources etc.)
- Greenhouse investments which utilize renewable energy sources
- Processing, packing and storing the medicinal and aromatic plants

EU&TR GRANT SUPPORTS IPARD II

www.tkd.gov.tr

- Part of the instrument for pre-accession assistance (IPA), designed to support reforms in Türkiye in the process of joining the EU
- Provides grants to agrofood investments in 42 provinces of Turkey
- Covers expenses (e.g. construction, machinery and equipment purchase) up to 75% of total investment budget
- Support limits: 5,000 - 3,000,000 EUR

Supported areas

- Meat and meat products
- Milk and dairy products
- Diversifying of plant production
- Aquaculture production
- Rural development projects
- Machinery parks
- Renewable energy investment



IPARD - II PROGRAM

- The program was approved by the EU Commission.
- EU grant of 801 million €,
- National contribution 244 Million €
- TOTAL 1 Billion 45 Million €



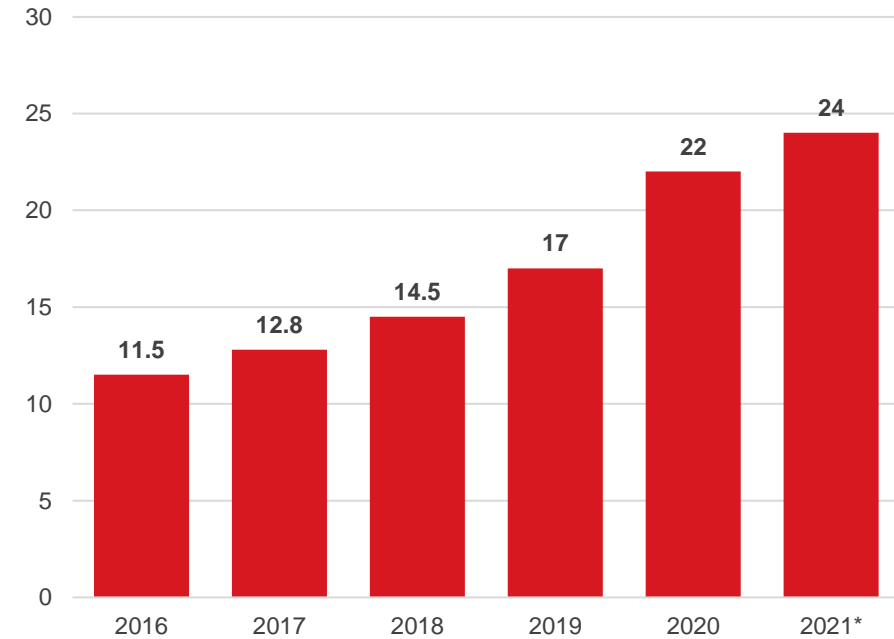
Supports based on investment/crop/animal types

Ministry of Agriculture and Forestry supports around 2M registered enterprises financially to boost the agriculture sector.

Supported areas:

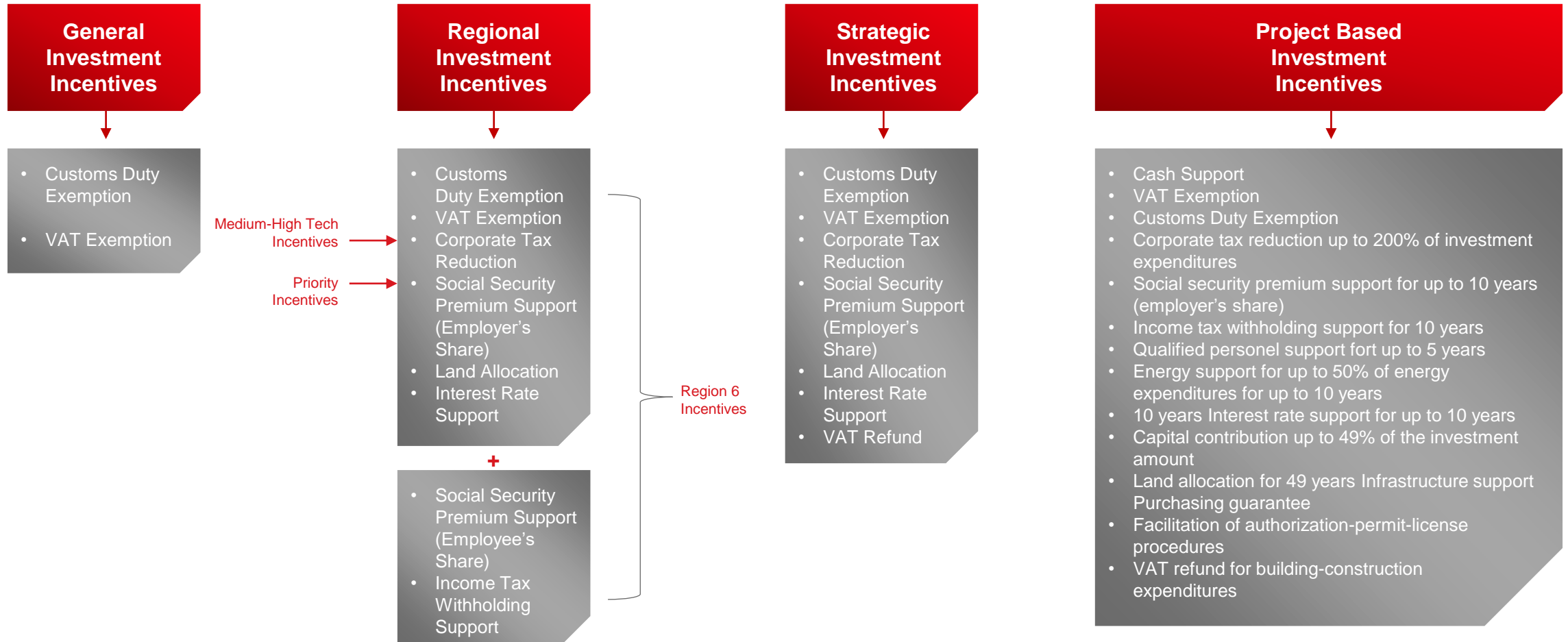
- Incentives for livestock breeding
- Supports for certain crops
- Supports for certified seed and seedling
- Supports for organic and good farming practices
- Farm advisory services
- Implementation of agricultural insurance

Agricultural supports
(billion TRY)



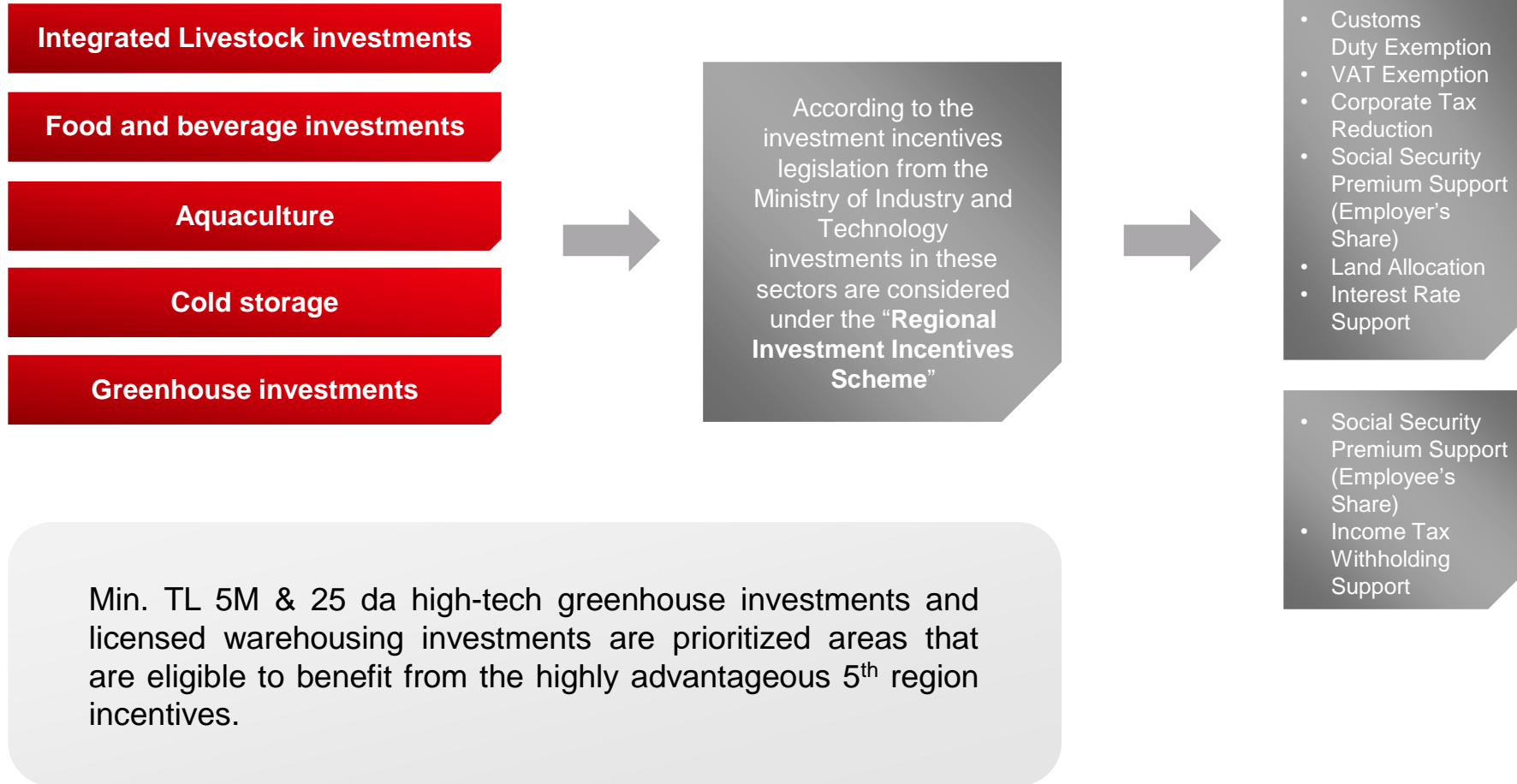


Incentives Provided By The Ministry Of Industry and Technology



INCENTIVES

MINISTRY OF INDUSTRY AND TECHNOLOGY INVESTMENT INCENTIVE SCHEME





THREE OPTIONAL MODELS

Land allocation with relatively small fees



- Land allocation for agriculture / livestock / aquaculture investments for a maximum of 49 years with tender process

Leasing



- Agricultural lands are rented for a maximum of 10 years by a bargaining procedure.
- Treasury immovables for medicinal and aromatic plants and ornamental plants can be leased for up to 10 years with small fees compared to their actual prices.

Purchasing



- State owned land pieces can be sold for agrofood investments with a tender process.

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- 4 Opportunities in Turkish Agrofood Industry
- 5 Success Stories



OPPORTUNITIES IN TURKISH AGROFOOD INDUSTRY

4

SELECTED OPPORTUNITIES



Key policy agendas for Turkish agrofood sector

High demand&import

Environment&
Health-friendly

High value - added

Sustainability and
security of food supply

MAJOR COMMODITIES



Sunflower &
sunflower oil



Wheat



Maize



Soya bean

Rising opportunities



Walnuts



Almonds



Greenhouse
products



Industrial hemp



Seeds



Medicinal and
aromatic
plants



Essential
oils



Tropical
fruits



Berries



Frozen fruits
& vegetables



Licensed
warehousing



Pet food



Aquaculture



Milk proteins

SEEDS

IN 2019 TURKISH SEED MARKET REACHED TO USD 750M MARKET VALUE



KEY FACTS

- A total of 1.1M tonnes certified seed production in 2019 (8 times growth since 2002)
- The share of private sector involvement in seed production: from 47% in 2006 to 80% in 2019
- USD 200M subsidy given to domestic seed producers and users between 2005 and 2018
- Growing crop production led to the increase in seed demand and production over time. **More room for growth!**
- 765 certified seed producers in Türkiye with a large number of multinationals carrying out production and R&D

SAKATA®

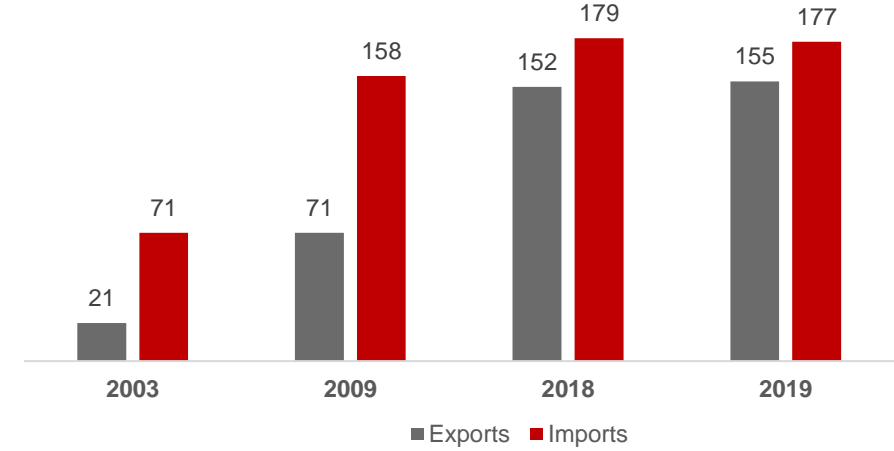
CORTEVA™
agriscience



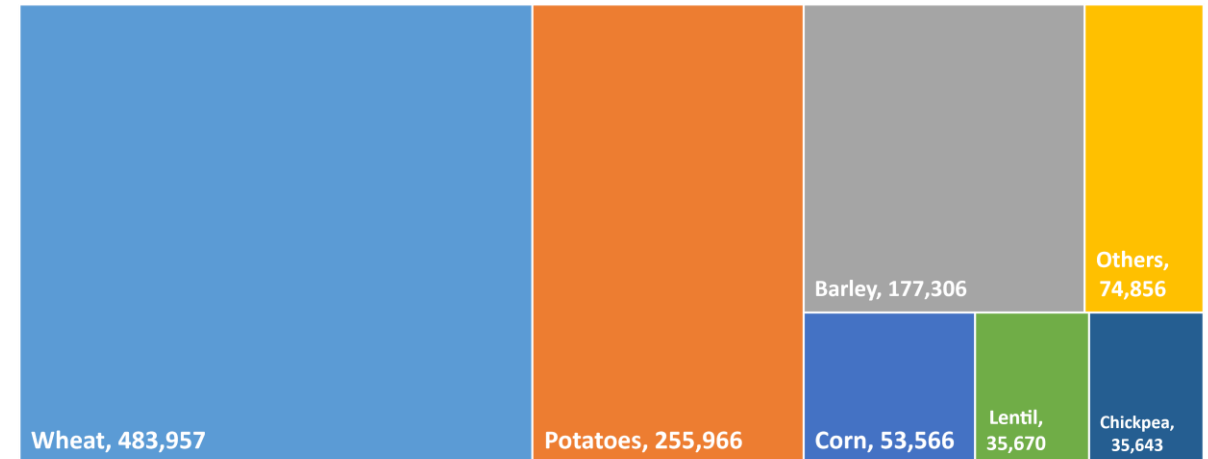
syngenta®



Foreign trade of seeds (Million USD)



Breakdown of seed production by crop (tonnes, 2019)



WALNUTS

4TH LARGEST WALNUTS PRODUCER IN THE WORLD



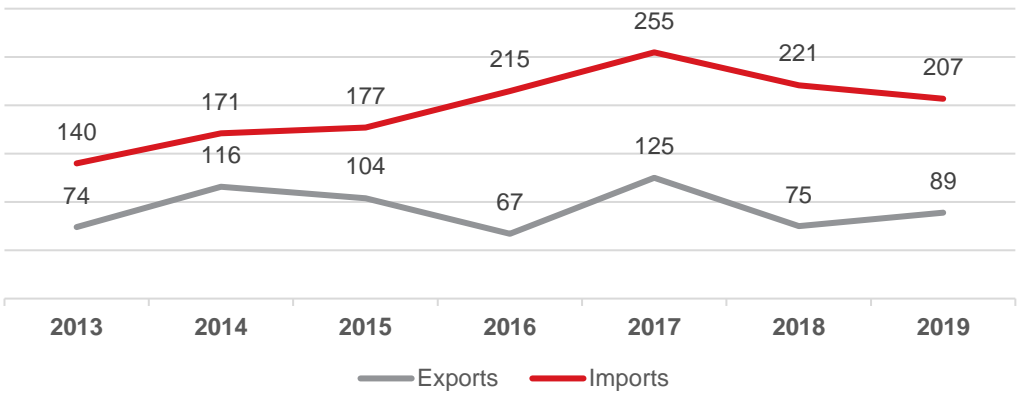
KEY FACTS

- Consumers' shift to healthier food has led to the rise in walnuts demand.
- Yet the domestic production (225k tonnes) doesn't meet the consumption (289k tonnes)
- The most popular and common Turkish walnut type: Chandler with 400 - 500 kg per 24-26 trees/da
- Cash grants: up to 75% of sapling cost, up to 25% of initial investment cost as well as the loan with 95% discounted interest rate
- Treasury land allocation for 49-yr period with very low prices

Economics of growing walnuts: A case study of Türkiye

| | |
|--------------------------------|-----------|
| Size of garden | 1000 da |
| Operating period | 30 years |
| Initial investment cost (USD) | 328,523 |
| Annual operating cost (USD) | 233,137 |
| Annual operating revenue (USD) | 1,013,422 |
| Breakeven point | 8 years |
| Internal rate of return | 27.3% |

Foreign trade of walnuts
(shelled&with shell, million USD)



Major production areas in
Türkiye



ALMONDS

4TH LARGEST ALMONDS PRODUCER IN THE WORLD



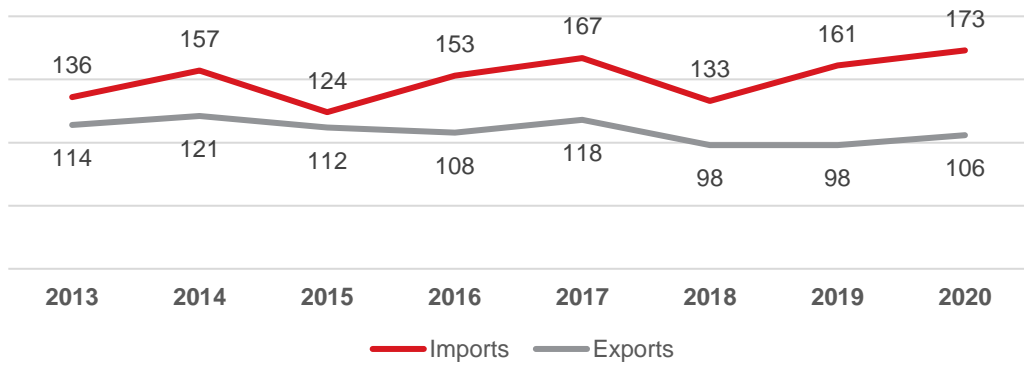
KEY FACTS

- Consumers' shift to healthier food has led to the rise in almonds demand.
- A total of 150k tonnes production
- Yet the production doesn't meet the consumption & an import of 172m USD with 15% customs tax
- Cash grants: up to 55% of sapling cost, up to 25% of initial investment cost as well as the loan with 95% discounted interest rate
- Treasury land allocation for 49-yr period with very low prices

Economics of growing almonds: A case study of Türkiye

| | |
|--------------------------------|----------|
| Size of garden | 1000 da |
| Operating period | 30 years |
| Initial investment cost (USD) | 359,060 |
| Annual operating cost (USD) | 228,415 |
| Annual operating revenue (USD) | 860,044 |
| Breakeven point | 7 years |
| Internal rate of return | 27.5% |

Foreign trade of almonds (shelled&with shell, million USD)



Shares of major producing cities in total production, 2019



GREENHOUSE PRODUCTS

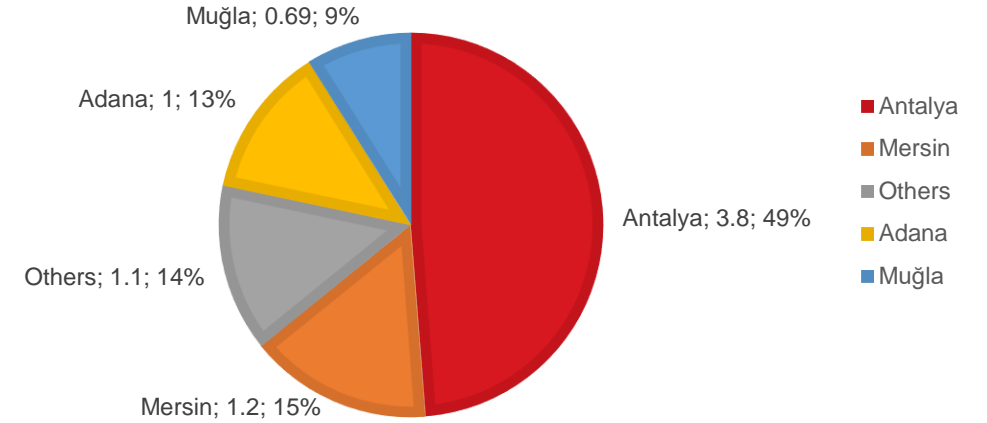
KEY FACTS

- 8.4 million tonnes of production with a total value of approx. USD 1.76 billion
- Out of 31 million tonnes of total vegetable production, 7.8 million tonnes are greenhouse production.
- Average greenhouse size: 4 da
- Greenhouse farming breakdown is as follows:
 - 94% vegetable
 - 5% fruits
 - 1% ornamental plants
- In geothermal resources, Türkiye is 1st in Europe, 7th in the world
- 4,344 da of area is being heated, potentially 30.000 da of area can be heated
- An investment-friendly bank loan program: For a maximum loan of 4.5 million USD with a 25% to 75 % discounted interest rate
- A prioritized investment area by the Ministry of Industry and Technology (high-tech greenhouses)

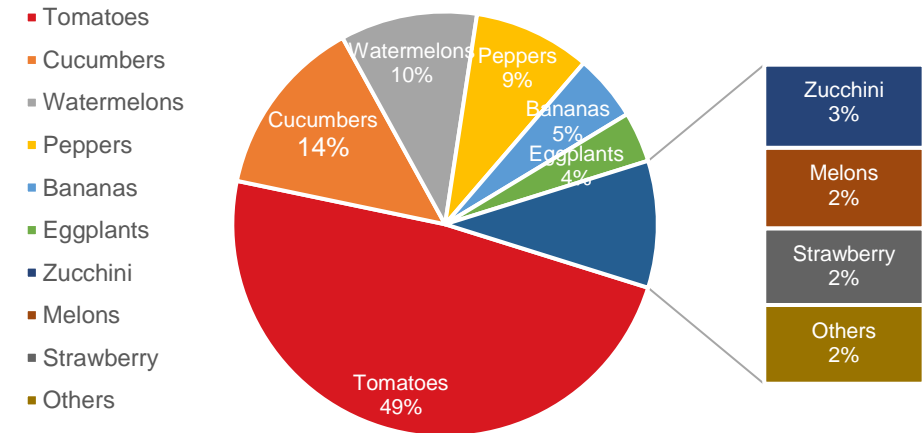
WITH ITS 790k DECARES OF GREENHOUSE AREA, TÜRKİYE IS THE 4TH COUNTRY IN THE WORLD AND 2ND IN EUROPE



Top vegetable producing cities (million tonnes)



Breakdown of greenhouse products



PET FOOD

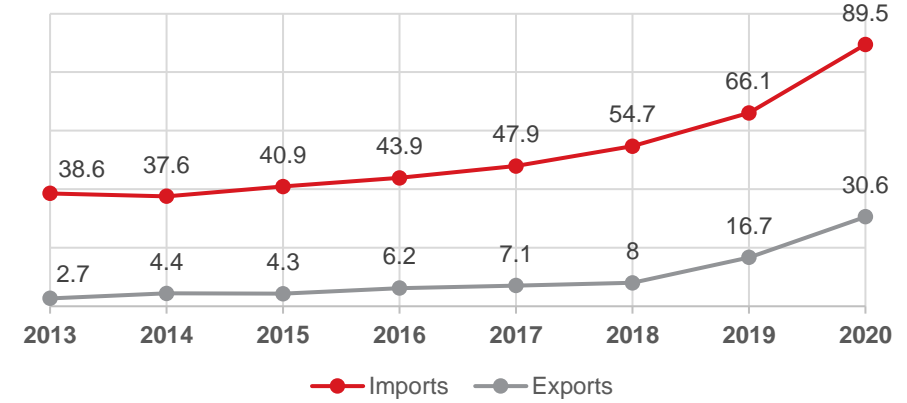
A FAST GROWING MARKET WITH PLENTY OF ROOM FOR INVESTORS



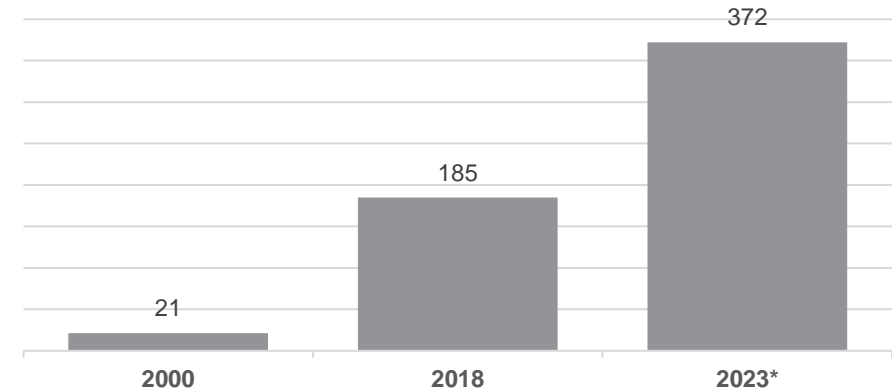
KEY FACTS

- Highest growth in Türkiye due to the:
 - Emergence of a sizeable middle-class with an increasing purchasing power
 - Dramatic increase in the number of pets
 - from 958k in 2000 to 5m (3.8m cats&1.2m dogs) in 2019
 - 7 out of 100 households have dogs
 - 10 out of 100 households have cats
 - Increasing number of volunteers who feed stray dogs and cats
 - High level of municipal involvement in stray dogs and cats feeding
- All premium brands are imported and sold with relatively higher prices.
- A total of 30 manufacturers (mostly small-scaled) present in the market (2021).

Foreign trade of dog&cat food (million USD)



Turkish pet food market (million USD)



MEDICINAL AND AROMATIC PLANTS & ESSENTIAL OILS

TÜRKİYE WITH ITS DIVERSE CLIMATE AND FERTILE SOIL OFFERS A WIDE RANGE OF RAW MATERIALS TO ESSENTIAL OILS PRODUCERS



KEY FACTS

- An essential oils market of around USD 20 billion globally with an annual CAGR of 7.5%
- Out of 347 species, which are grown in Türkiye, 169 species are exported.
- Mostly small-scaled, 36 manufacturers active in Turkish market
- Given a fast growing local and foreign demand and easy access to raw materials, more room for growth for processing investors

A case study of essential oils production in Türkiye

| | |
|------------------------------------|---|
| Investment location | Denizli city |
| Technical capacity of the facility | 250 tonnes/year plant processing, 5 tonnes/year oil yield |
| Investment period | 3 years |
| Fixed investment cost (USD) | 1,150,664 |
| Annual operating cost (USD) | 872,005 |
| Annual operating revenue (USD) | 4,546,234 |
| Payback period of investment | 1 Year 8 Months |

Production of major medicinal and aromatic plants

| Crop (Raw) | Production (Tonnes,2020) | Top producing city | Production of city (tonnes,2020) |
|-------------|--------------------------|--------------------|----------------------------------|
| Dry pepper | 256,735 | Şanlıurfa | 102,880 |
| Thyme | 23,866 | Denizli | 21,324 |
| Rose | 18,202 | Isparta | 15,343 |
| Cumin | 13,926 | Konya | 6,359 |
| Anise | 10,716 | Denizli | 1,849 |
| Fennel | 4,365 | Burdur | 3,268 |
| Black cumin | 3,412 | Uşak | 1,170 |
| Lavender | 3,499 | Isparta | 852 |
| Heather | 1,788 | Balıkesir | 1,088 |

Important players in Turkish market



INDUSTRIAL HEMP

A RISING MARKET FOR INDUSTRIAL HEMP PROCESSING COMPANIES

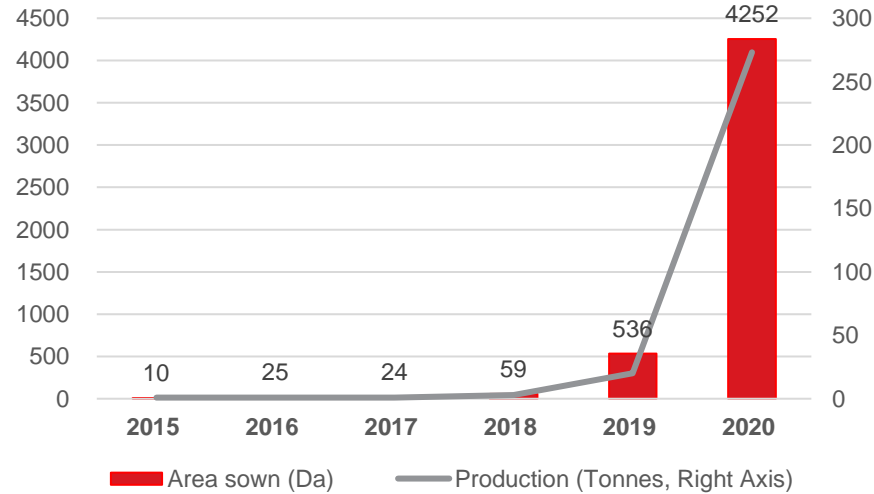


KEY FACTS

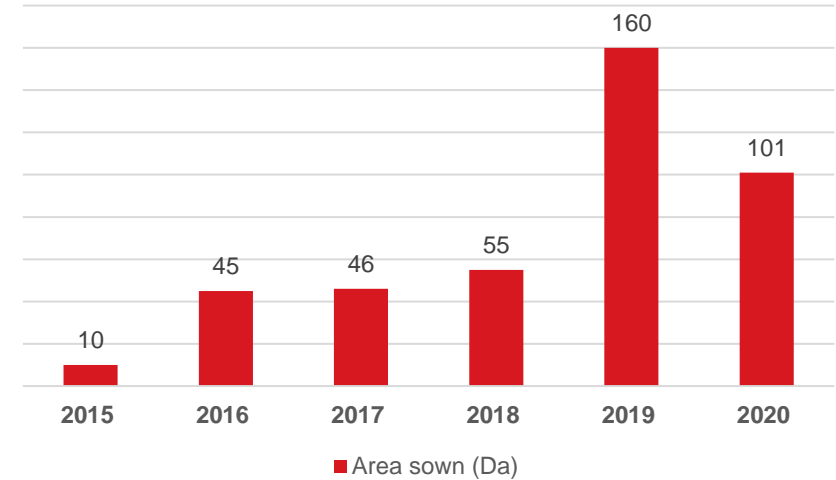
- The government will expand industrial hemp production for seeds and fibers, currently allowed in 20 provinces on about 81 hectares (ha).
- The production area, which was 10 decares in 2015, increased to 4,252 decares in 2020.
- The seed production reached 273 tons in 2020, up by 14 times on the previous year.

- Hemp is used as a raw material in many industrial products such as textiles, bioplastic, and animal feed.
- The production area of the hemp fiber used in textiles reached up to 160 da in 2019.
- Two local hemp varieties were recently registered, namely, Narli and Vezir.

Hemp seeds



Hemp fibers used in textiles



AQUACULTURE

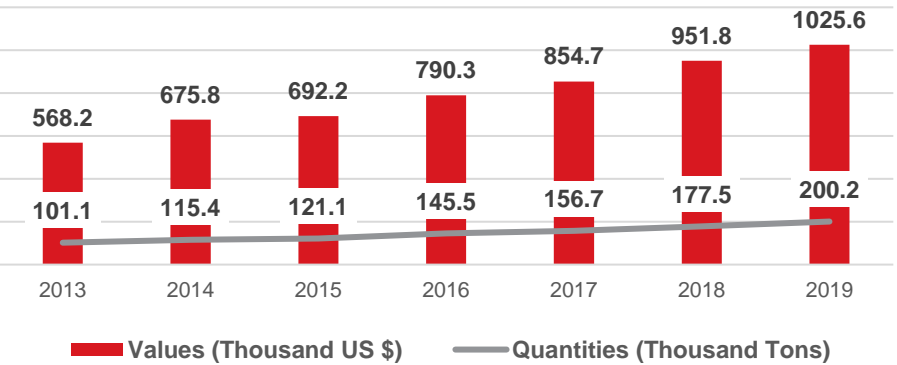
IN 2019 TÜRKİYE HAS PRODUCED
837k TONNES OF FISHERY PRODUCTS



KEY FACTS

- A total of 837k tonnes production of fisheries (2019)
 - 373k tonnes come from aquaculture (66% from Aegean Region) & 2,127 facilities active across Türkiye
 - 463k tonnes come from fishing
- Türkiye's exports of fishery products rose to 200k tonnes with around USD 1.03 billion (2019), which is twice that of 2013.
- 70% of the exports go to the EU countries
- Annual per capita fisheries consumption: 6.2 kg. **More room for growth!**

Exports



- Turkish products perform well in the EU market and has the potential to create new market opportunities in Russia and the USA.
- Turkish coasts and regulations allow for large-scale farming.
- Catchy investment opportunities for seabass, seabream and trout (Turkish salmon) thanks to the low cost of production

A feasibility study of establishing an aquaculture facility

| | European sea bass | Rainbow trout (lake, dam) | Rainbow trout (sea water) |
|-----------------------------|-------------------|---------------------------|---------------------------|
| Investment Location | Black Sea Region | | |
| Technical Capacity | 1000 ton/year | 1000 ton/year | 1000 ton/year |
| Fixed Investment Cost (USD) | 1,111,000 | 722,000 | 1,161,000 |
| Investment Period | 6 months | 6 months | 6 months |
| Payback Period | 6 years | 2.57 years | 2.5 years |

MILK PROTEINS

A GROWING NUTRITION MARKET THAT FUELS CONSUMPTION OF MILK PROTEINS



KEY FACTS

- A growing domestic demand for milk proteins producers
 - Baby food market size: USD 1.2Bn
 - Enteral nutrition market size: USD 90M
 - Sports nutrition market size: USD 60M

A feasibility study of production of high value added milk products

| | |
|------------------------------|---|
| Products in scope | Low cholesterol butter, rennet casein, acid casein, milk protein concentration and isolate, whey protein concentration and isolate, lactose |
| Investment location | İzmir city |
| Technical capacity | 50000 kg/daily raw milk, 50000 kg/daily whey |
| Investment period | 2 years |
| Fixed investment cost (USD) | 5,500,000 |
| Payback period of investment | 3.3 years |

- Few local companies active in milk proteins production.

Plenty of room for new investors!



- Strong presence of manufacturing multinationals that use milk proteins as raw material in Türkiye



FROZEN VEGETABLES & FRUITS

A GROWING MARKET WITH CONSUMER SHIFT TO HEALTHY PACKAGED FOOD



KEY FACTS

- Easy access to raw material
 - A fresh fruits production of 21M tonnes
 - A fresh vegetables production of 31M tonnes
- USD 330M domestic market size with an annual growth rate of 17%
- Per capita consumption 1kg/annual (20kg/per person/annual in the EU). **A market gap to fill!**
- 49 local companies active in the field with a total production capacity of 1.1M tonnes. **Plenty of room for new investors!**



- Major production centers: Manisa, İzmir, Bursa and Aydın (60% of total activities)

- A total of USD 139M export volume in 2019
- Major export destinations for frozen vegetables & fruits
 - USA (20%)
 - Germany (15%)
 - UK (11%)
 - France (10%)

A feasibility study of establishing a frozen vegetables & fruits facility

| | |
|------------------------------|---|
| Products in scope | Beans, Green Pea, Broccoli, Okra, Artichoke, Asparagus, Cherries, Sour Cherries, Strawberry, Pomegranate, Black Mulberry, Raspberry |
| Investment location | Aydın city |
| Technical capacity | 5,450 tonnes / Year |
| Investment period | 1 year |
| Fixed investment cost (USD) | 1,000,000 |
| Payback period of investment | 2 years |

TROPICAL FRUITS & BERRIES

TÜRKİYE HAS RECENTLY BEEN HOME TO TROPICAL FRUITS AND BERRIES PRODUCERS



RASPBERRY

- From 1.9k tonnes production in 2010 to 5.4k tonnes production in 2020
- Out of 5.4k, 5.3k tonnes in Bursa (2020)

kiwi

- From 26k production in 2010 to 73k production in 2020
- Out of 73k production, 28k tonnes in Yalova (2020)

- High domestic demand! Also, the exports of tropical fruits and berries has increased by 40% in the last 3 years (USD 6M in 2020). **High profit margin!**
- Along with major ones, following fruits are grown in Türkiye: Mangoes, dragon fruit, papaya, pineapple, coconut, kumquat, carambola, guava pear, passion fruit.

BLUEBERRY

- From 170 tonnes production in 2010 to 1.2k tonnes production in 2020
- Out of 1.2k, 673 tonnes in Antalya and 264 tonnes in Bursa (2020)

STRAWBERRY

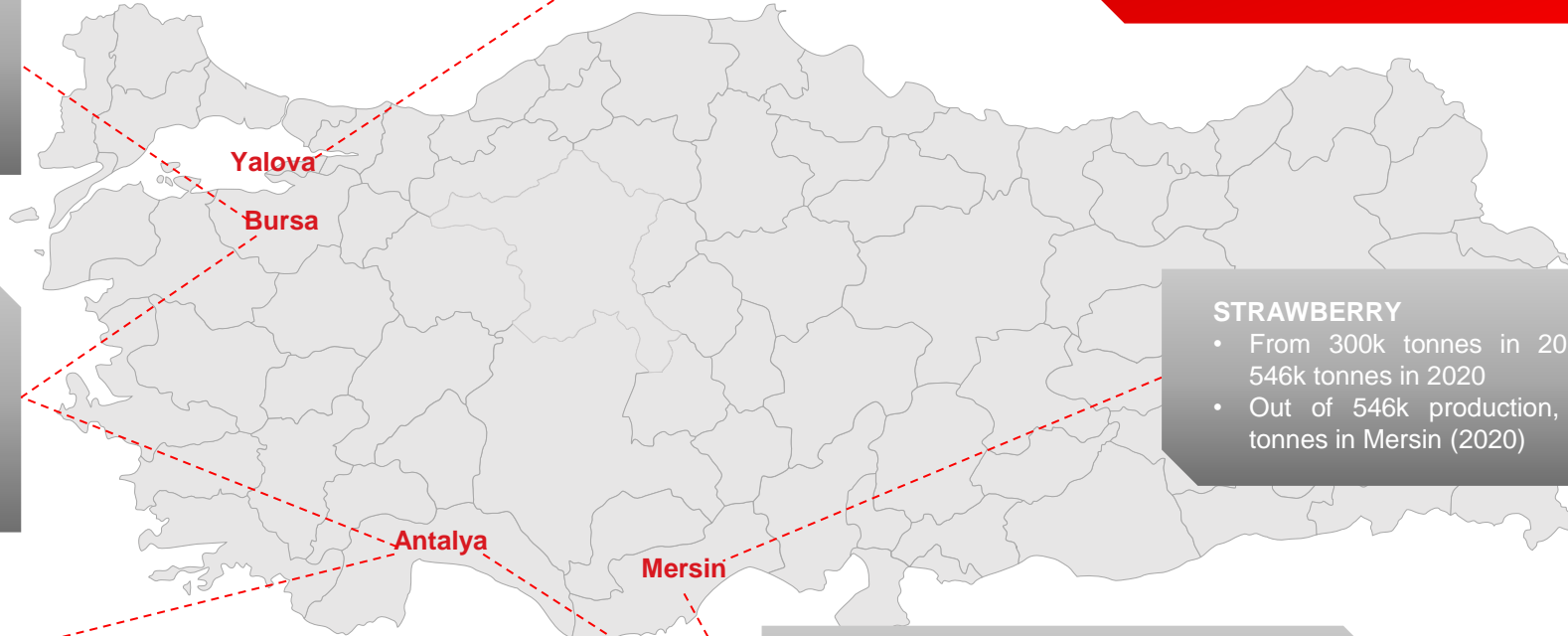
- From 300k tonnes in 2010 to 546k tonnes in 2020
- Out of 546k production, 188k tonnes in Mersin (2020)

AVOCADO

- From 1k tonnes production in 2010 to 6k production in 2020
- Out of 6k production, 4.9k tonnes in Antalya (2020)

BANANA

- From 210k tonnes in 2010 to 728k tonnes in 2020
- Out of 728k production, 400k tonnes in Mersin, 300k in Antalya (2020)



LICENSED WAREHOUSING

PLENTY OF ROOM FOR NEW LICENSED WAREHOUSES



- Following crops can be stored in licensed warehouses: Cereals and legumes, cotton, hazelnuts, olives, olive oil, dried apricot, pistachios.
- In the last three years the number of licensed warehouses tripled.
- 126 licensed warehouses across Türkiye with 6M tonnes active capacity in 2020 with avg. annual growth rate of 36% in the last 5 years
 - Konya: 20.0% of total capacity
 - Yozgat: 9% of total capacity
 - Adana: 8.6% of total capacity
 - Gaziantep: 5% of total capacity
- The government target for 2023 to reach 140 warehouses with a total of 10M tonnes capacity
- A prioritized investment area that can benefit from highly advantageous 5th region incentives: 67% of initial investment cost can be deducted.

- Bank loans with 50% discounted interest rate up to TL 50M
- Major players in the market:



A feasibility study of establishing a licensed warehouse

| | |
|------------------------------|--|
| Investment location | Konya city |
| Technical capacity | 20,000 tonnes |
| Investment period | 2 years |
| Fixed investment cost (USD) | Flat bottom investment: 1,919,000 Cone base investment: 2,121,000 |
| Payback period of investment | 12 years |

AGENDA

1

Executive
Summary

2

Turkish Agrofood
Industry Outlook

3

Growth Drivers
in Türkiye

4

Opportunities in
Turkish Agrofood Industry

5

Success
Stories

SUCCESS STORIES



5

SUCCESS STORIES

STRONG INTERNATIONAL PRESENCE IN TÜRKİYE



SUCCESS STORIES

AGROFOOD INDUSTRY GIANTS HAVE BEEN MANUFACTURING IN TÜRKİYE FOR DECADES



- Operational for 139 years
- 6 manufacturing facilities and 8 offices in Türkiye for chemicals, performance products, functional materials & solutions, agricultural solutions
- Sales of EUR 63 billion globally in 2018
 - Managing 78 countries from Türkiye
- 800 employees



- Operational in Türkiye for 110 years
- 2 manufacturing facilities in Bursa
- Employs 3,800 people directly and over 7,000 indirectly
- Produces locally 95% of the products it sells in Türkiye
- Offers more than 800 products and around 50 brands in 12 different categories
- From its production hub in Türkiye, exports to the neighboring countries, particularly to MENA countries



- Producing in Manisa OIZ since 2013
- Made an initial investment of 95 million EUR and expanded it to produce more varieties of products
- 7 manufacturing facilities, 6 of them processing nuts
- Exporting to 100 countries from Türkiye



- Market share in sparkling of Coca-Cola İçecek (CCI) in Türkiye is 65%
- Producing 25 brands in 5 categories
 - Following the acquisition of Efes Invest in 2005, evolved from a bottling operation to a regional beverage company
- More than 2.500 employees and 10 production plants



- Operational in Türkiye for around 60 years
- 200 employees
- Headquarter & innovation center in Istanbul, seed conditioning & processing plant facility in Adana, sunflower R&D center in Lüleburgaz



- Operational in Türkiye for around 59 years
- More than 600 employees in 7 locations in Türkiye – Adana, Ankara, Istanbul, İzmir, Bursa, Balıkesir, Kocaeli,
- 3 production facilities: starch & sweeteners in Bursa, fats & oils in Balıkesir, oleo-chemicals in Kocaeli

SUCCESS STORIES

AGROFOOD INDUSTRY GIANTS HAVE BEEN MANUFACTURING IN TÜRKİYE FOR DECADES



- Operational in Türkiye for over 100 years
- 8 manufacturing facilities, over 5,000 employees
- Uses Türkiye as a management hub for 35 countries
- New factory for personal and homecare categories in Türkiye creates an investment ecosystem of EUR 350 million along with suppliers
- 29 brands and presence in 9 out of 10 households with its products
- Exports from Türkiye to 34 countries



- Operating in Türkiye since 1993
- An important production facility with an indoor area of 85.000 m2 in Gebze
 - Sales of TL 872 million in 2018
- Employs about 1,200 people directly and about 900 indirectly
- Increased its investments in Türkiye steadily over the past 20 years



- Operational in Türkiye since 1998
 - Over 500 employees



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