

ReCAMA
5th Member Meeting
Turkey Presentation



TARMAKBİR

Türk Tarım Alet ve Makineleri
İmalatçıları Birliđi

Nepal, 23 November 2019

Agriculture - The statistical indicators

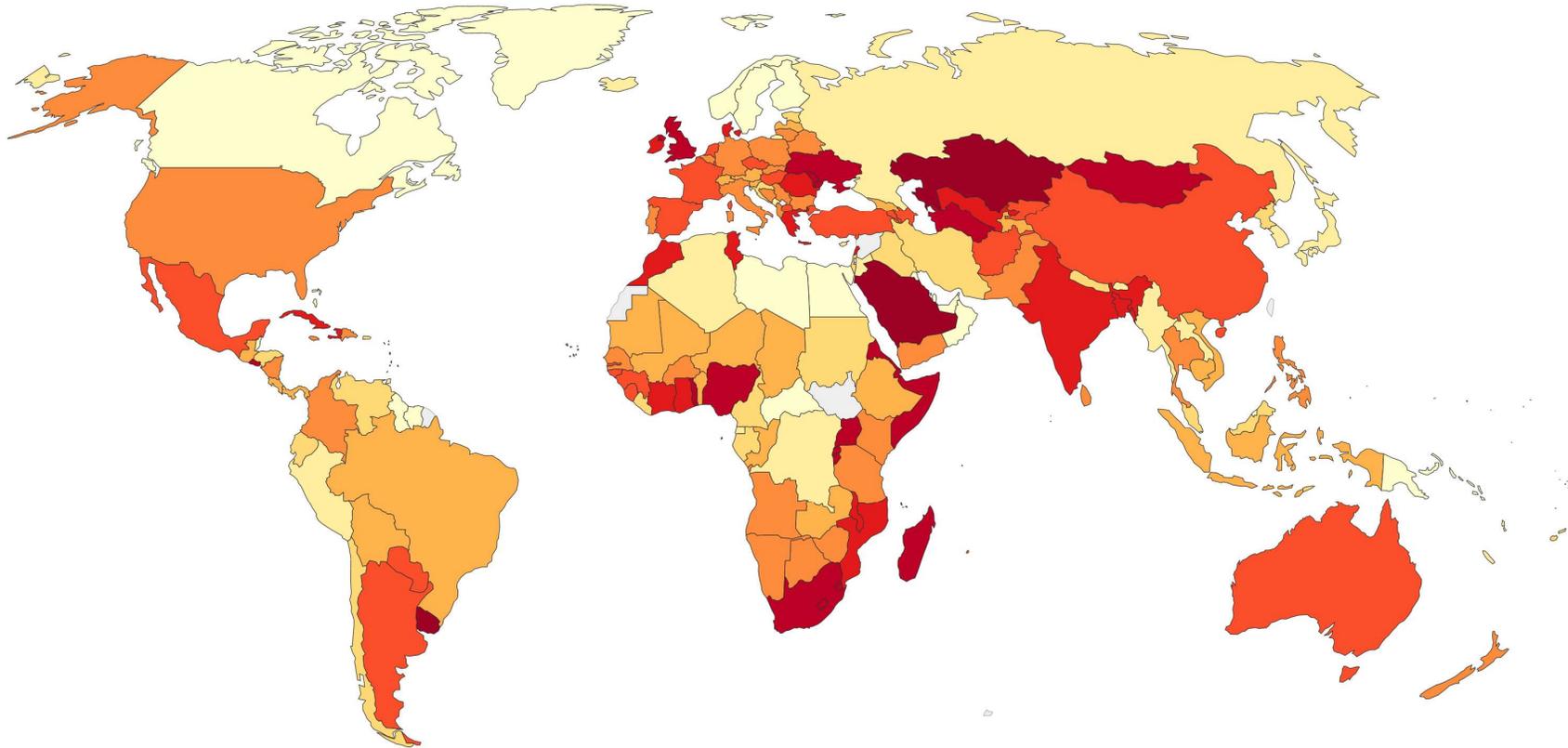


Agriculture - The statistical indicators



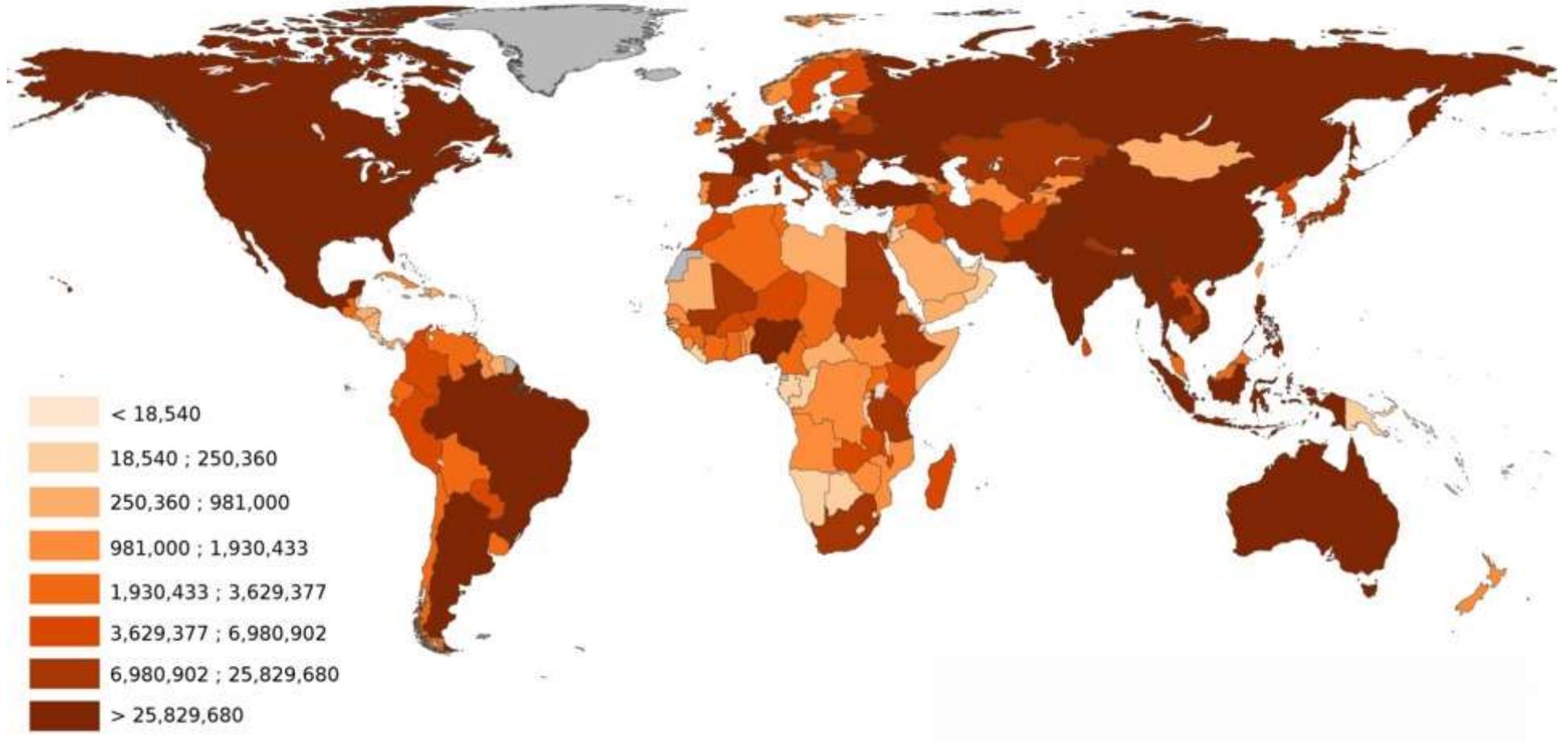
Agriculture - The statistical indicators

Share of Land Area Used for Agriculture



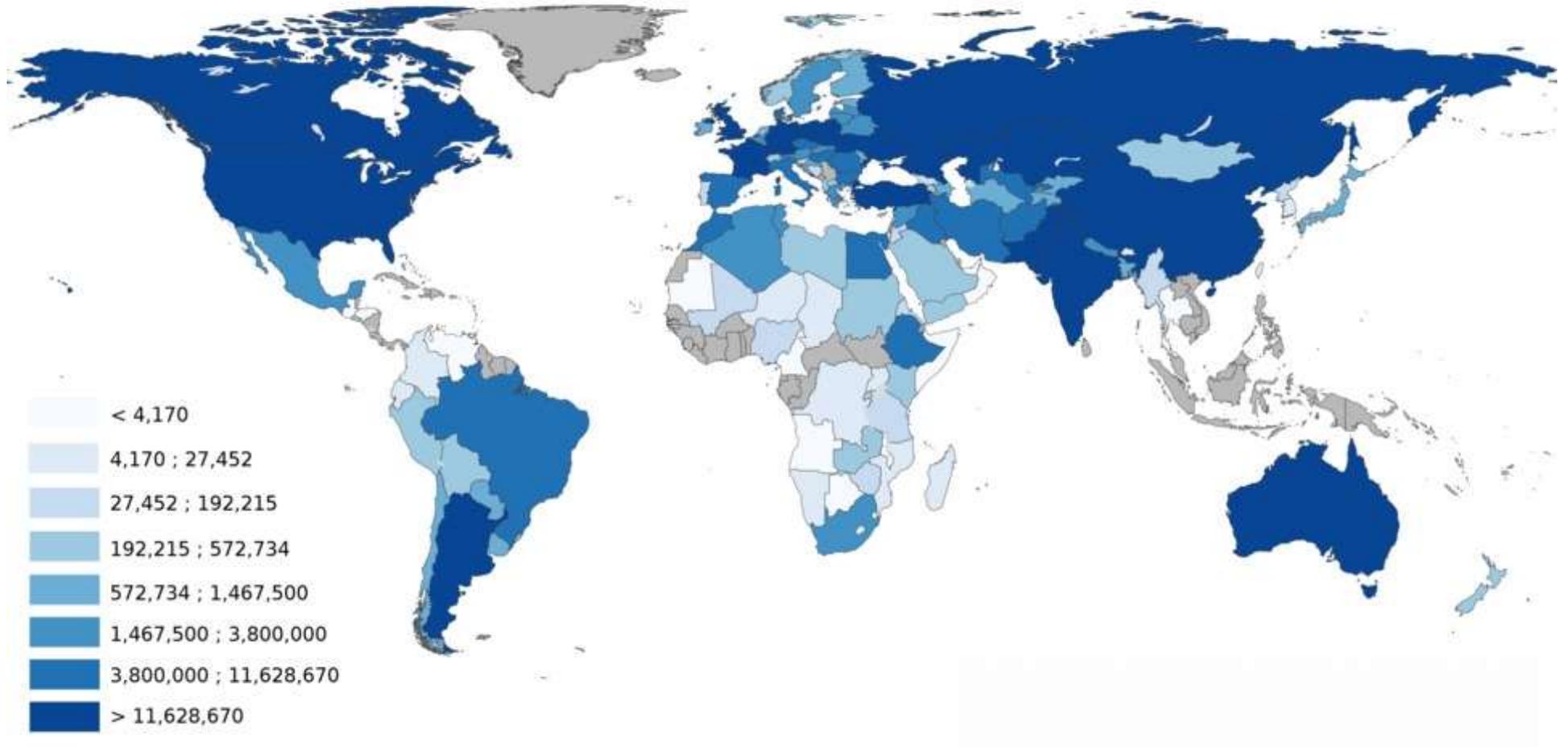
Agriculture - The statistical indicators

Cereals production (tons)



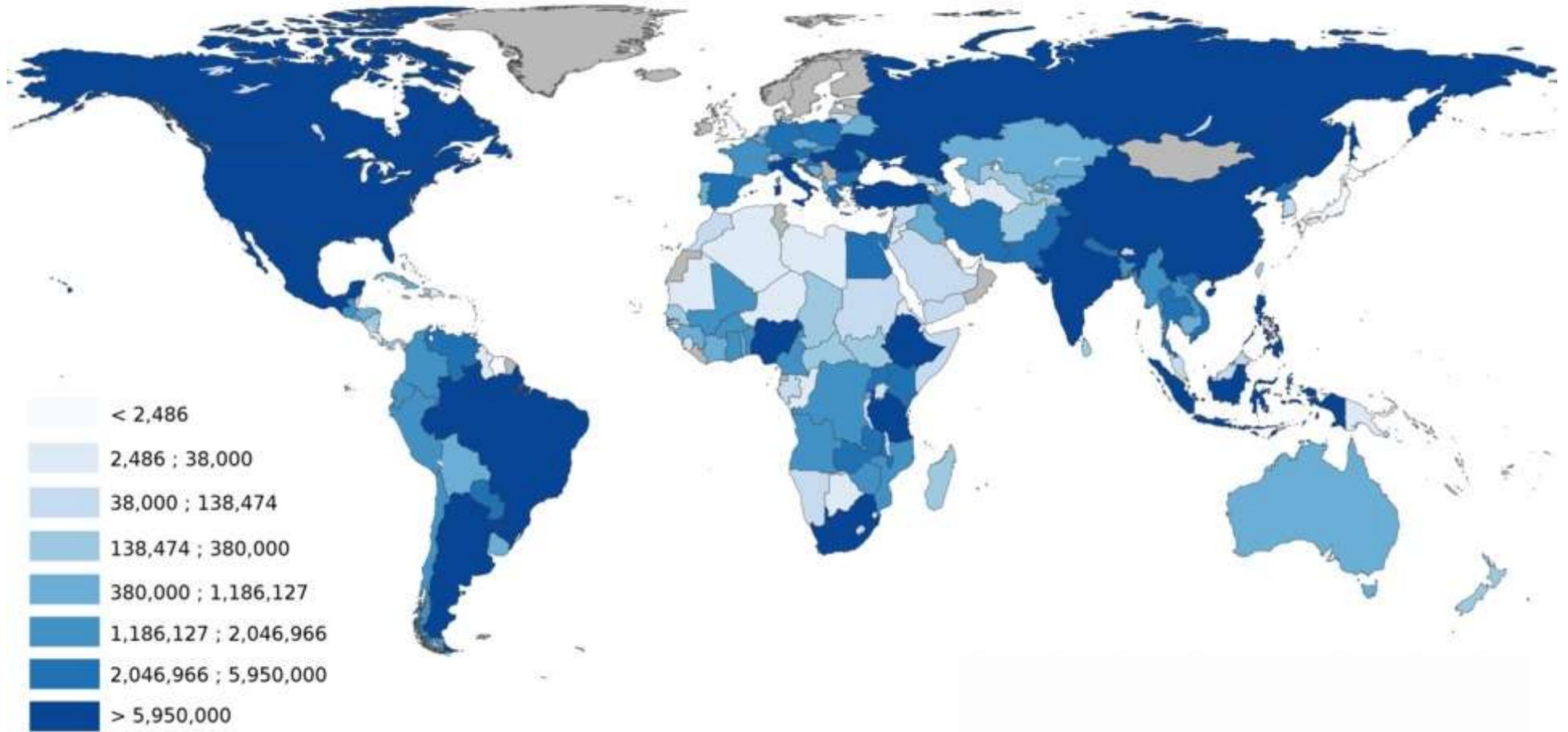
Agriculture - The statistical indicators

Wheat - Production (Tons)



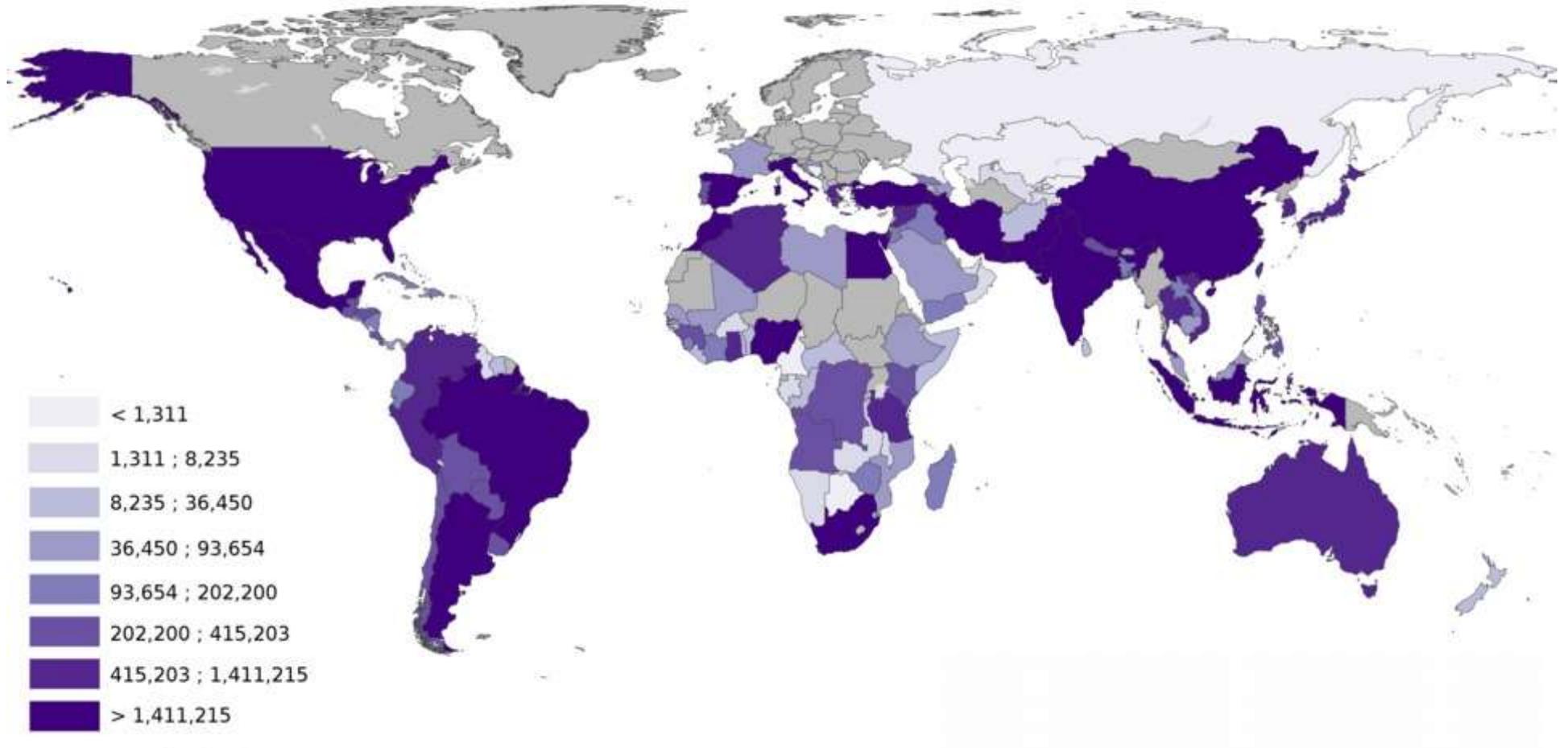
Agriculture - The statistical indicators

Maize - Production (Tons)



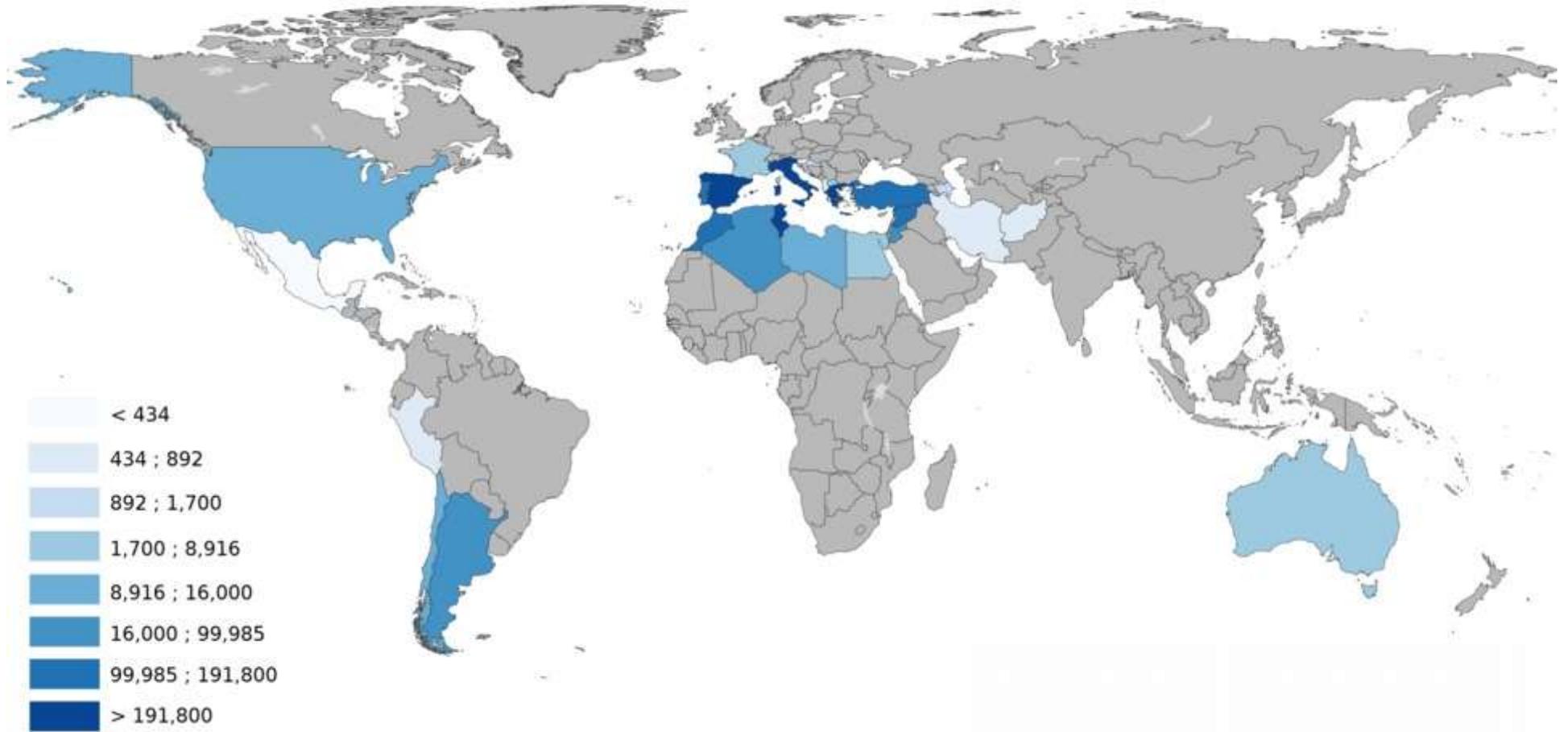
Agriculture - The statistical indicators

Production of citrus fruits (tons)



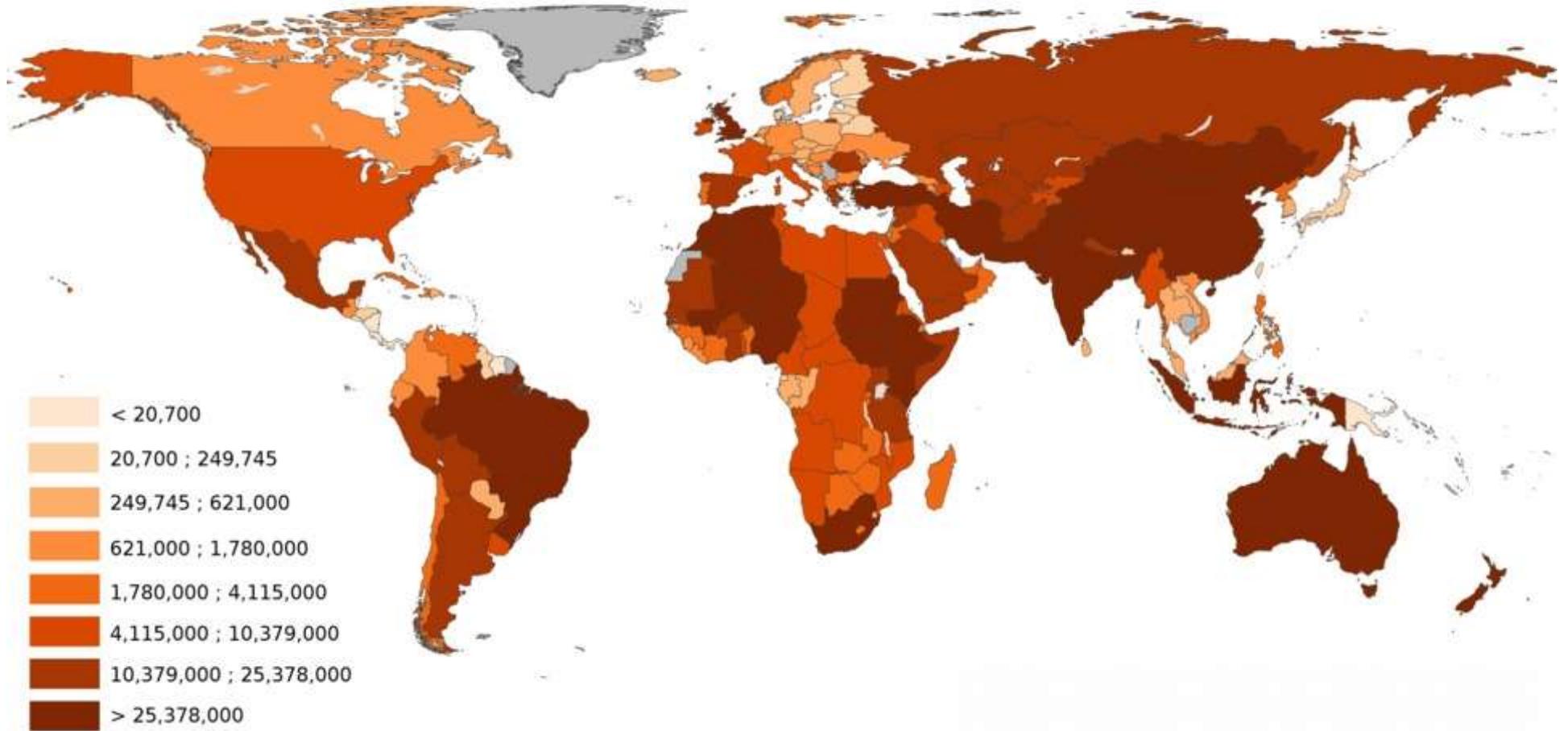
Agriculture - The statistical indicators

Olive Oil - Production (Tons)



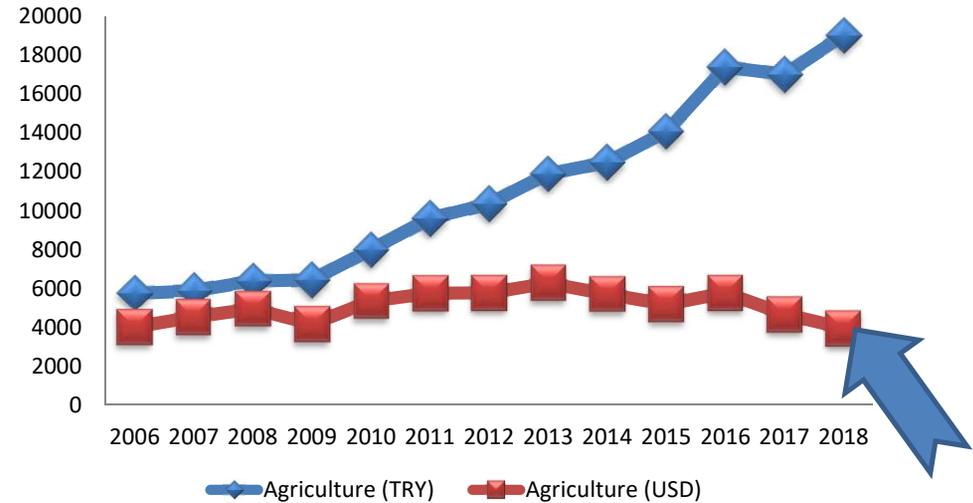
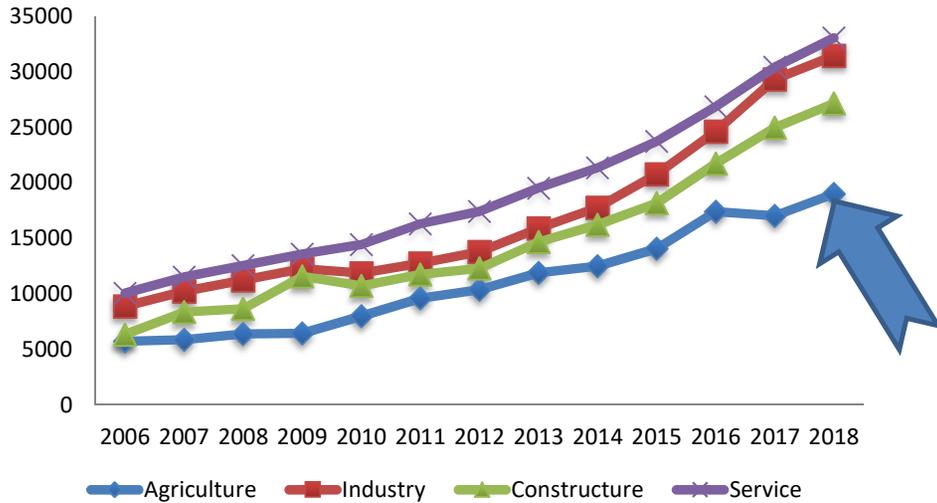
Agriculture - The statistical indicators

Livestock of Sheep and Goats (stocks)

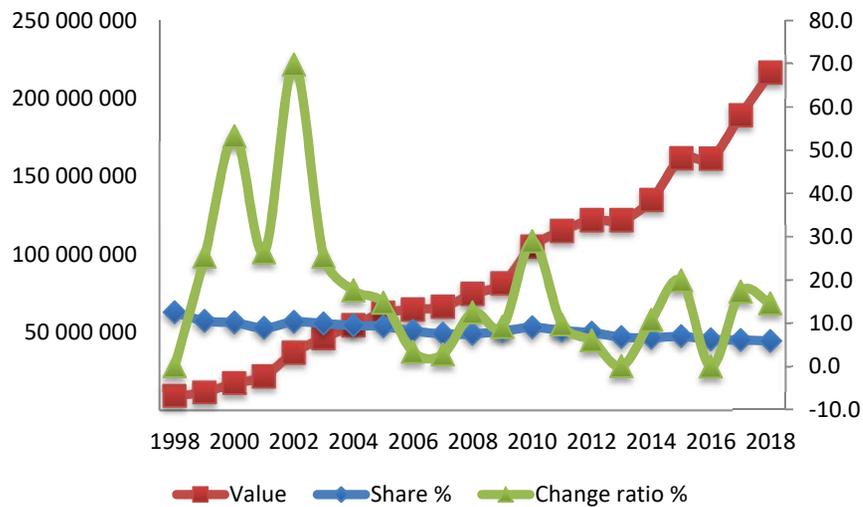


Agricultural Income and GDP

Average Annual Main Business Income (TRY)



Gross Domestic Product in Agriculture (TRY) Value, Share and Change Ratio



Agricultural Commodity Trade Policy



Agricultural Commodity Trade Policy

Turkey substantially regulates trade in agricultural products. High protection is applied against imports of principal livestock product groups and some crop products.

Agro-food exports are regulated through stimulating and restricting measures, including export subsidies and export credit supports for some products, while export duties and export prohibitions for others.



Import measures

Turkey's import tariff profile reveals distinct agricultural bias.

A simple average applied MFN* tariff on agricultural products is at 42,2% compared to an average non-agricultural tariff at 5,4%. Dairy products command a prohibitive MFN tariff (over 100%) and no duty-free imports. Average MFN applied tariff for animal products is also above 100%, but in some years, for example, over one-third of these imports entered duty-free. Sugar is another product with a highly protective regime. Import tariffs are moderate on raw materials for food processing such as oilseeds, while cotton imports are duty-free. Capital goods, industrial inputs, breeding animals or seeds, face relatively low border protection.

**Most Favoured Nations*



Turkey has no WTO tariff-quota commitments but maintains a number of autonomous TRQs for agro-food products (for cereals and sugar) and under a large number of trade agreements with non-EU countries of Southern Europe and Middle East. The government also uses unilateral tariff quotas as a trade policy instrument to facilitate imports.



Export measures

Turkey's WTO commitments allow the export subsidies with the stated aim of developing the export potential in value-added agricultural products. Sixteen product groups are covered, including items such as processed fruit and vegetables, honey, olive oil, poultry meat, eggs, and derived food products. Export subsidies are granted in the form of reductions of the exporters debts vis-à-vis public corporations (for example, for taxes, and telecommunications or energy bills). All destinations are eligible, including to the EU. Exporters of agricultural products also benefit from generally available export credits. Export taxes are levied on hazelnuts and animal skins, while a number of agricultural products are prohibited for exports (specified agricultural plants, tobacco seeds and seedlings and angora goats)



Agricultural Machinery Trade Policy



Agricultural Machinery Trade Policy

Import measures

	Tariff rate	Additional rate
Tractor	-	21%* (Since 2017)
Single Axle Tractors	3% (Only MFN)	16.7%** (Since 2018)
Other Ag. Machinery	-	

* Except EU, S. Korea, Malaysia

** Except EU, S. Korea, Malaysia, Singapore

MFN: Most Favoured Nation



Agricultural Machinery Internal Trade Rules



Imported tractor can be sold in Turkey even if it has a type approval certificate which is only valid in EU.



Agricultural Machinery Internal Trade Rules



In case of the ag. machinery to be sold with bank credit with subvention (or grant), it is necessary that machine to have an (positive) experimental report taken from an authorized (by the Agricultural Ministry) testing center.



Investment Climate



Summary of main challenges for food and agriculture

Structural challenge	Productivity challenge	Sustainability challenge	Climate Change
Large number of small farms	Productivity gap between small and large farms	Water scarcity, water quality and soil erosion	Increased water stress and temperature increase affecting agriculture



Policies for improving food and agriculture productivity and sustainability in Turkey

Incentives for private investment

- Rigid regulations
- Environmental regulations
- The tariff regime is liberal overall
- The tax burden on businesses is moderate and substantial tax concessions



Policies for improving food and agriculture productivity and sustainability in Turkey

Agricultural policy

- Boosting domestic and export supplies
- Environmental sustainability
- Ineffective producer support structure
- Productivity-enhancing general services
- Little resources for rural diversification and environmental objectives



Policies for improving food and agriculture productivity and sustainability in Turkey

Direct incentives to innovation

- Low R&D intensity
- Agribusiness participation in R&D is increasing
- Efforts are made to strengthen knowledge flows to farmers and industry
- There have been rapid increases in R&D output



Main opportunities and challenges for the food and agriculture system in Turkey

- Well-endowed in land and water, Favourable climatic conditions
- Intensive agricultural population
- Have great potential for economic development.
- Rigidities in the labour market, regulations, taxation and education, and lacking infrastructure investment, particularly in rural areas, slow the sectors' overall productivity growth.
- More efficient irrigation potential
- Challenges in rural economy



Agricultural Supports



Agricultural Supports

Agricultural Subsidies	2015	2016	2017	2018
Area Based Agricultural Supports	958	892	738	739
Difference Payment Supports	1,002	1,036	1,076	752
Livestock Supports	1,078	994	1,054	777
Agricultural Insurance Services	194	233	234	220
Supports under Compensatory Payments	51	56	54	43
Other Agricultural Purposes	153	130	137	176
Supports for Rural Development*	121	317	217	142
Young Farmer Project Support*				104
Rural Development Authority* (IPARD)	120	70	23	45
Total (Million USD)	3,677	3,728	3,533	3,013

Agricultural Supports

	IPARD I (2007-2013)	IPARD II (2014-2020)
Project Number (Total)	10,694	
Grant Payment	1.3 billion euro	
Investment Size	2.3 billion euro	1.7 billion euro
Contribution to Employment	57,000	



Total resource allocated for agriculture from the budget

For 2020, the total resource allocated for agriculture from the budget is 5.85 billion USD, with 3.85 billion USD for agricultural subsidies*, 0.9 billion USD for investments, 1.1 billion USD for credit and other subsidies. This value is increased by 36.6% as against 2019.

** Subsidized Loans*

In agricultural loans, reduction of the interest rate is 25–100% for subsidy applications. The current subsidy rate is 75% for equipment, 25–50% for tractors, and 100% for irrigation systems.

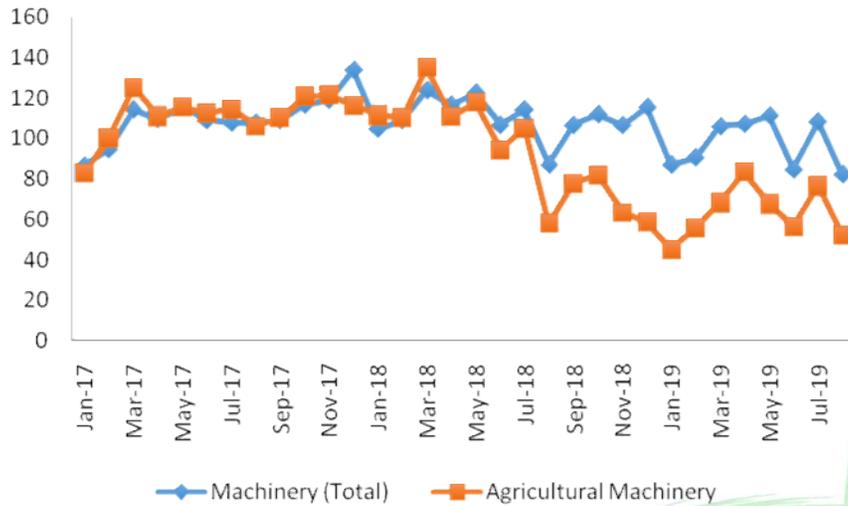


Agricultural Machinery

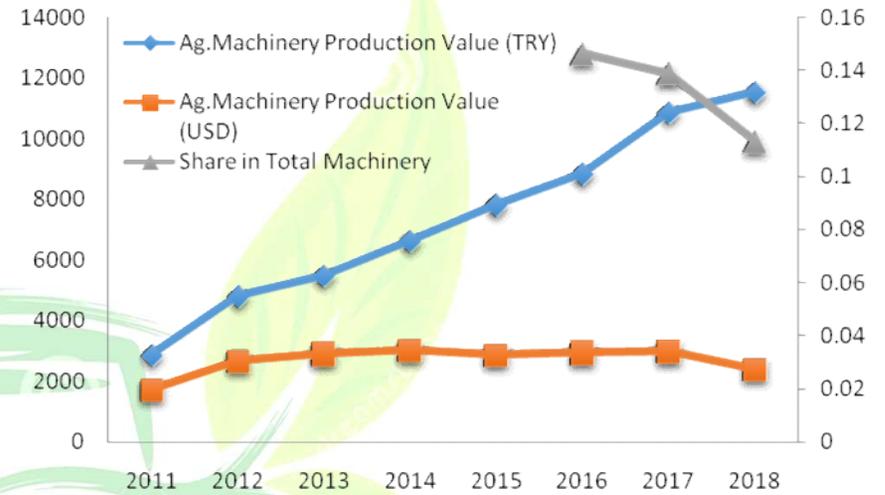


Production and Domestic Market (Ag. Machinery)

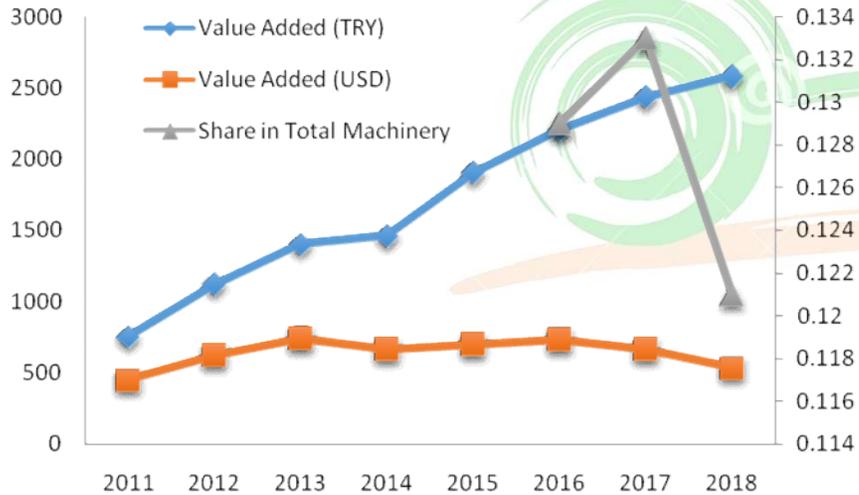
Industrial Production Index (2015 = 100)



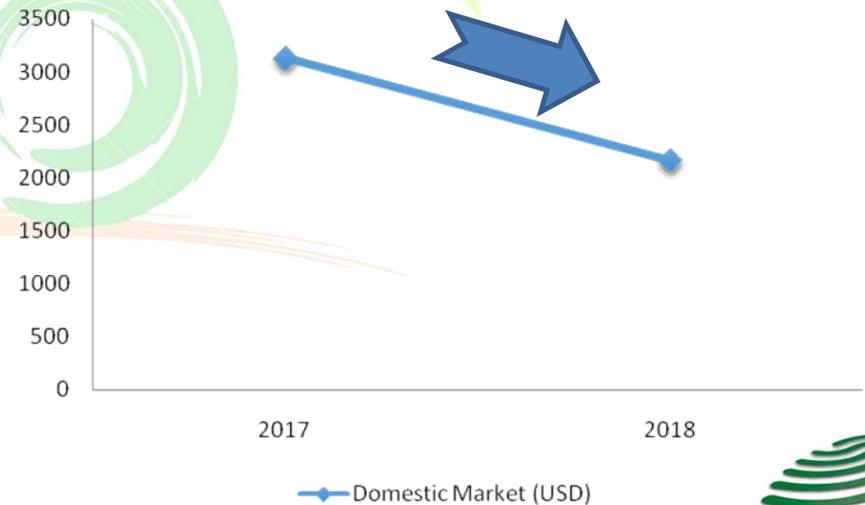
Production Value



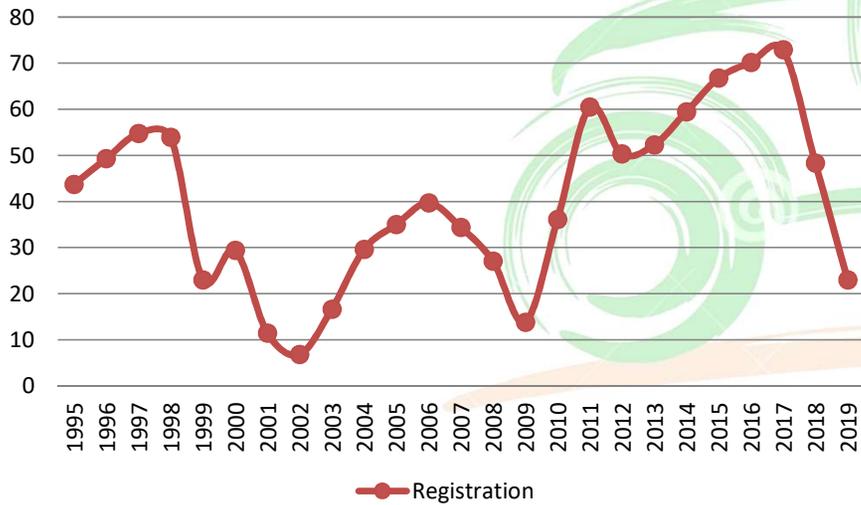
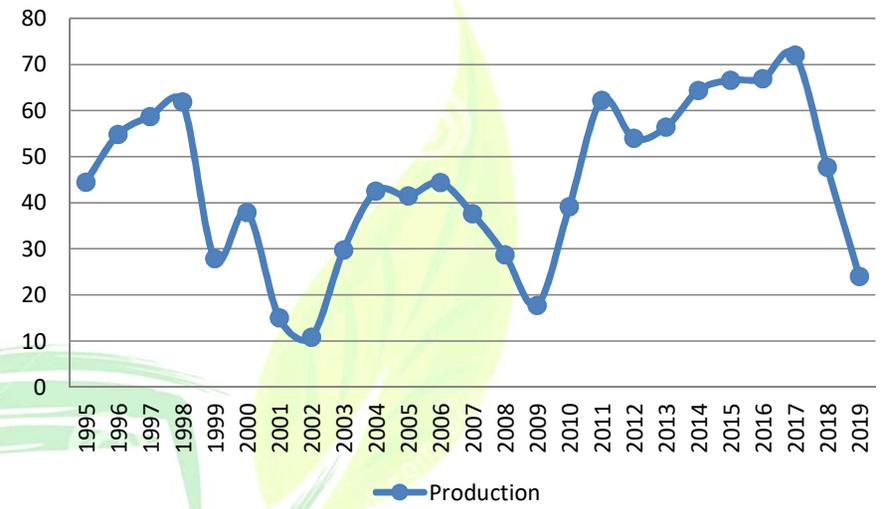
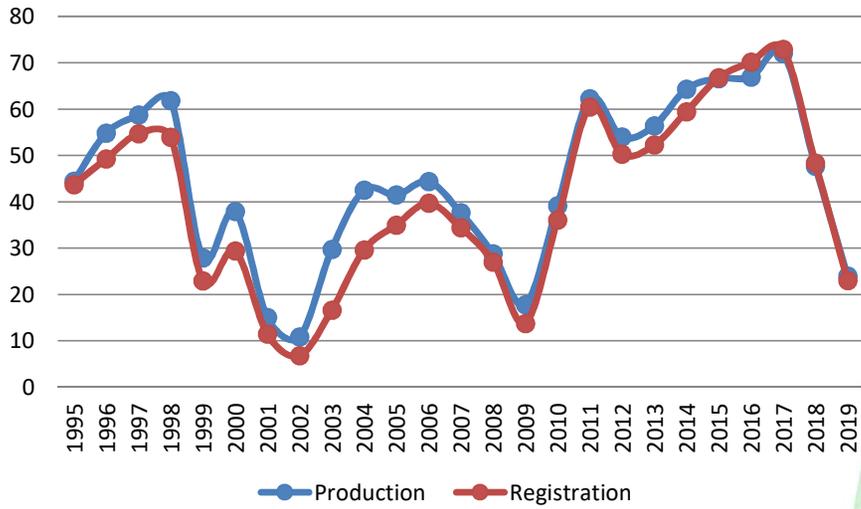
Value Added



Domestic Market



Production & Registration (Units, Tractor)



Agricultural Machinery Foreign Trade of Turkey

830 million \$

Export Value (2018)

423 million USD tractor (%51)
406 million USD equipment (%49)
+Tractor parts and components
909 million USD**

460 million \$

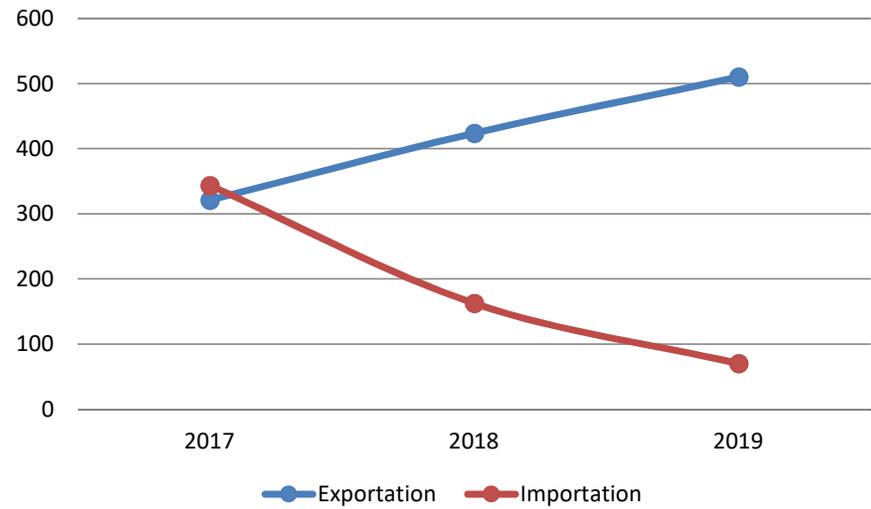
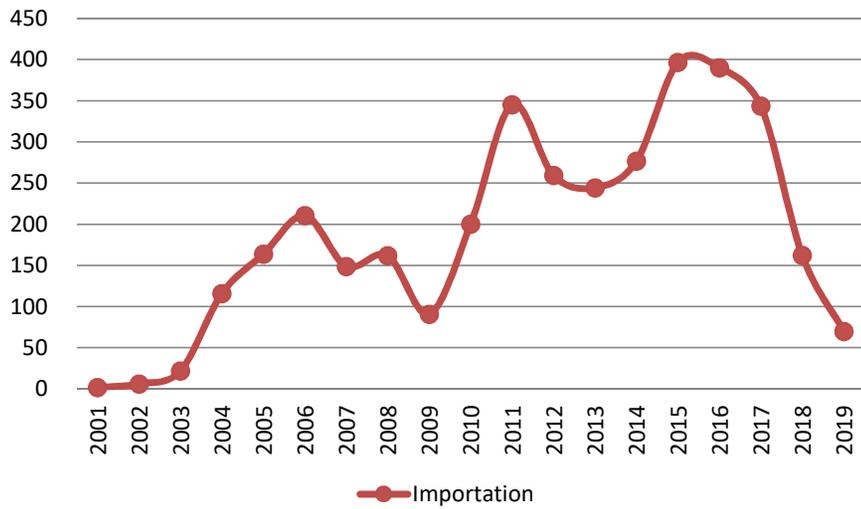
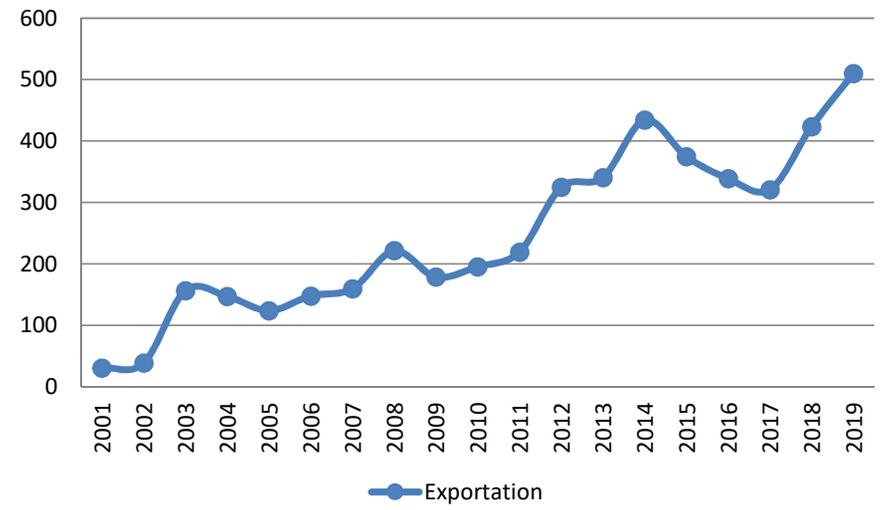
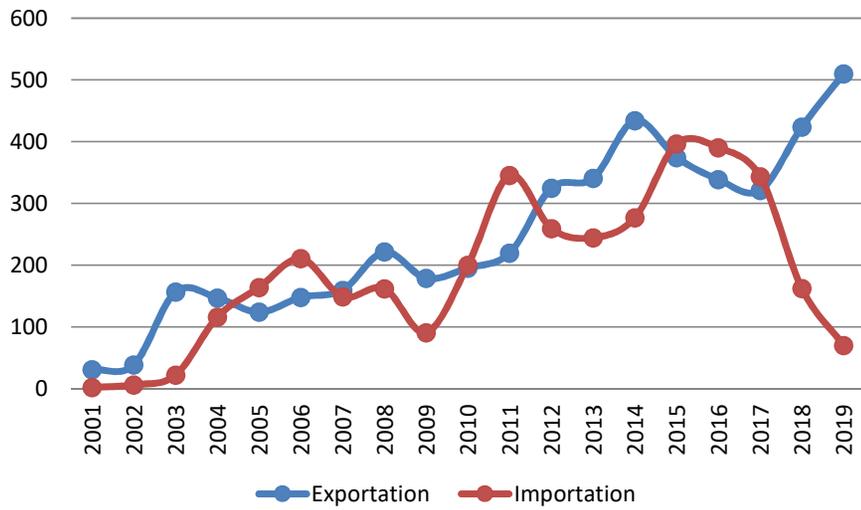
Import Value (2018)

162 million USD tractor (%35)
298 million USD equipment (%65)

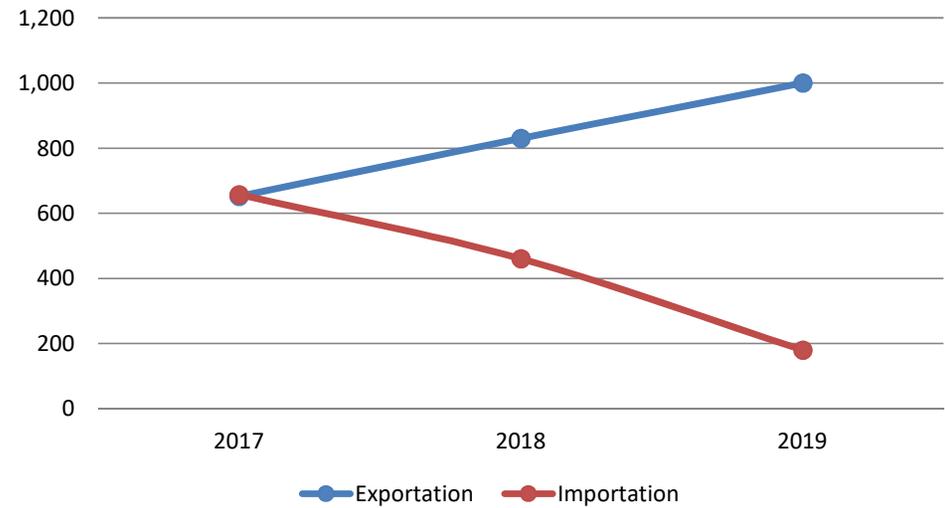
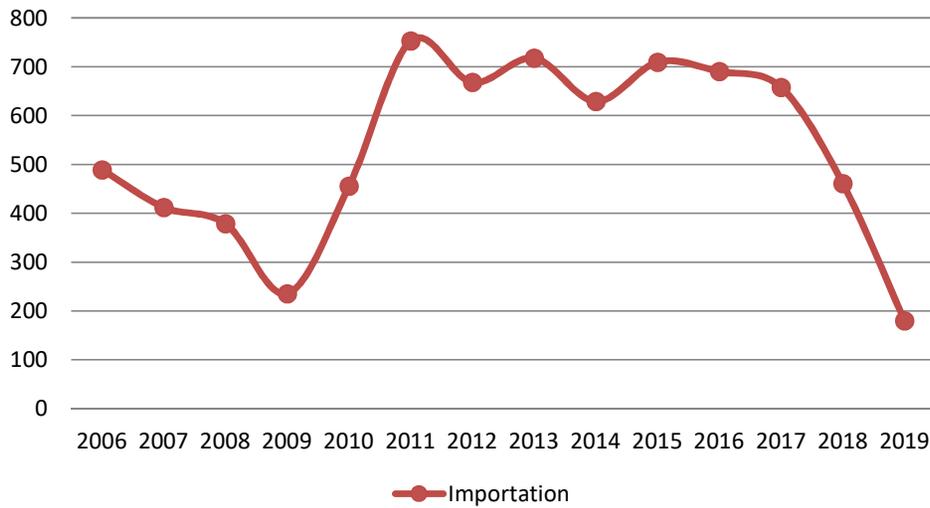
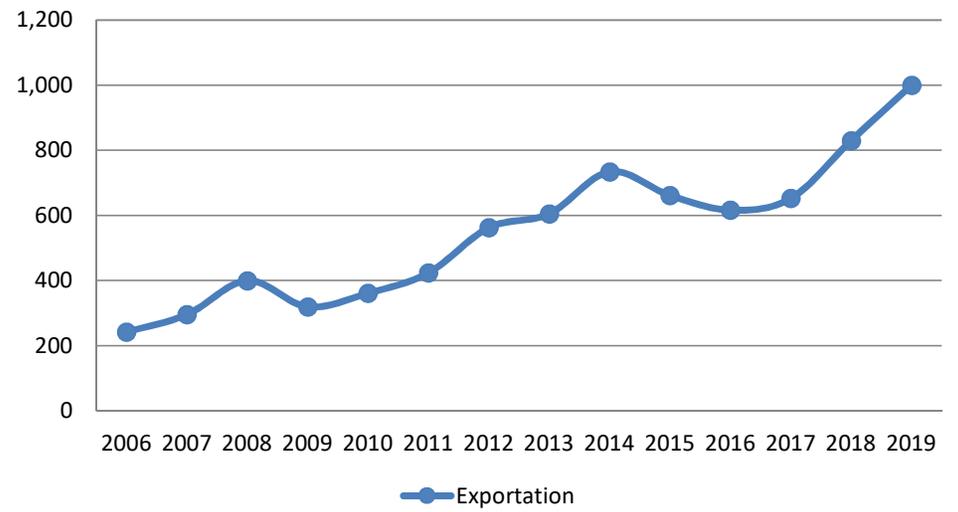
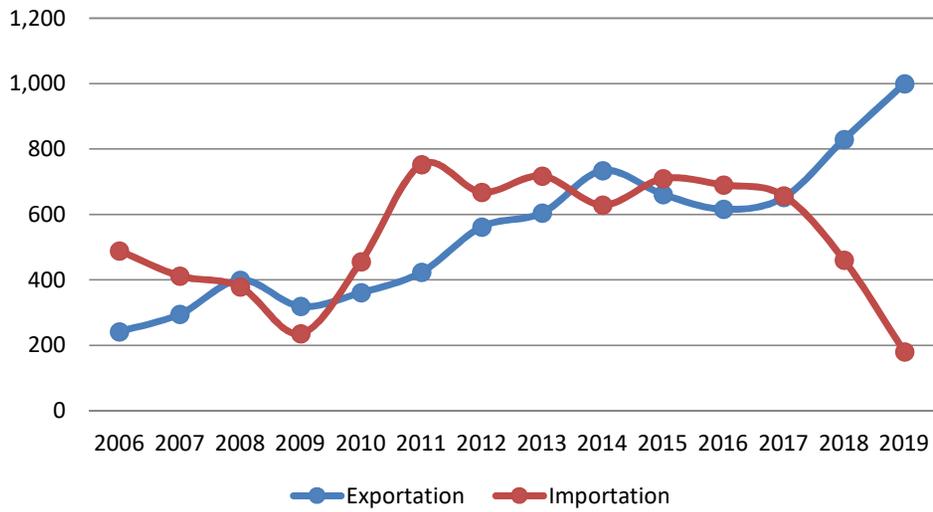
*Türkiye makine sektöründe

** Toplam ihracat hacmine dahil edilmemiştir

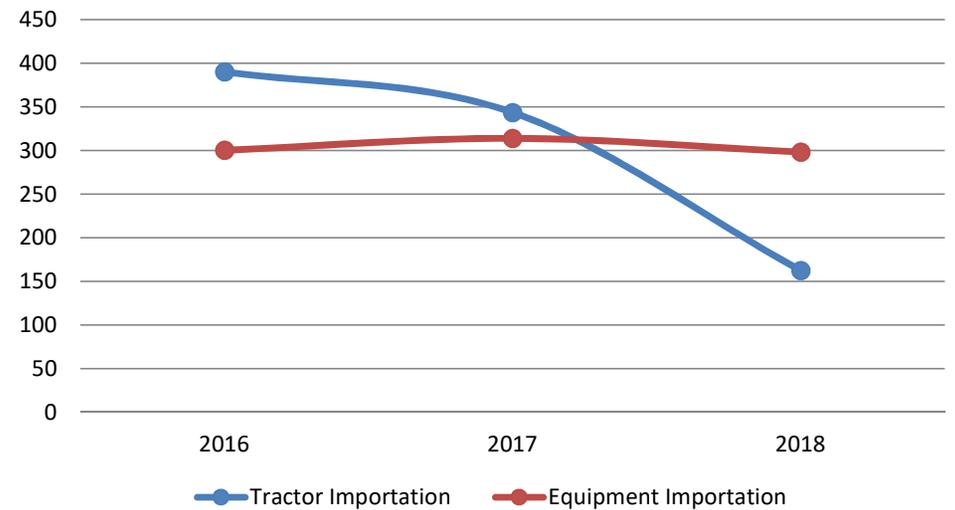
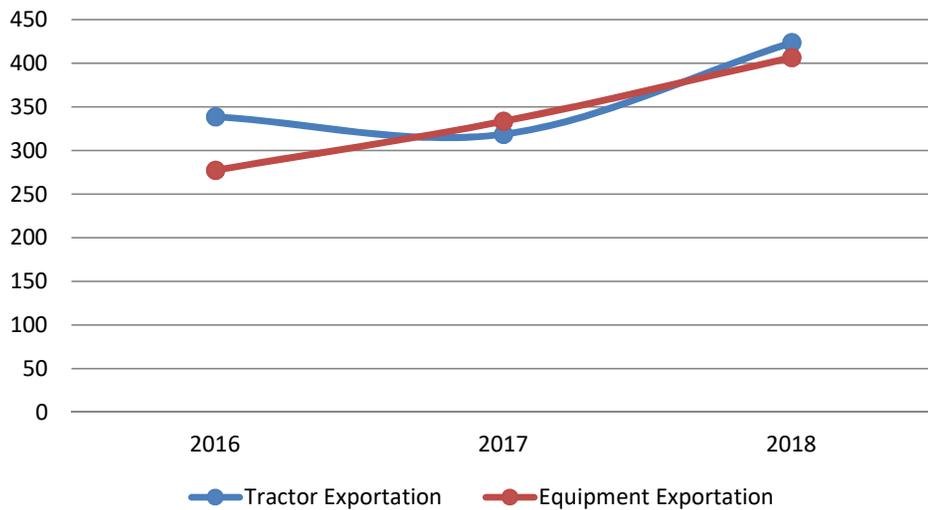
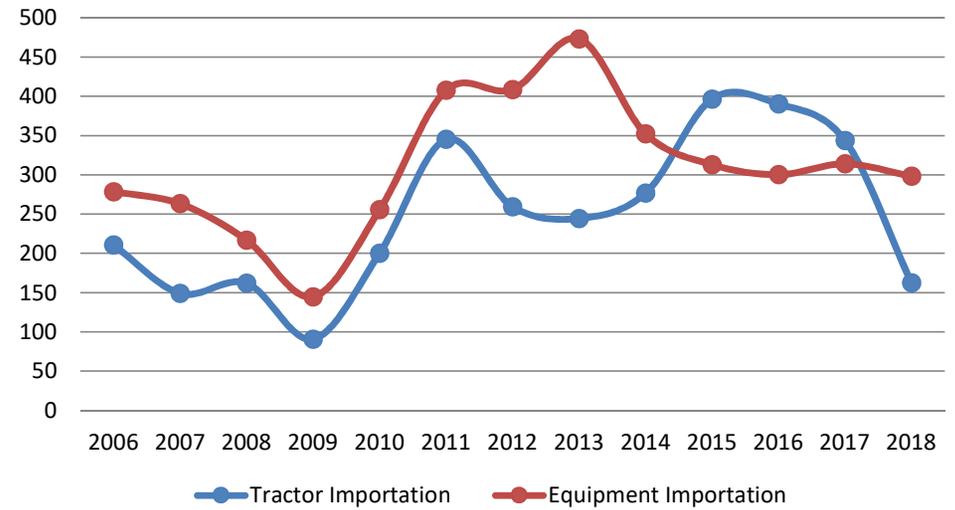
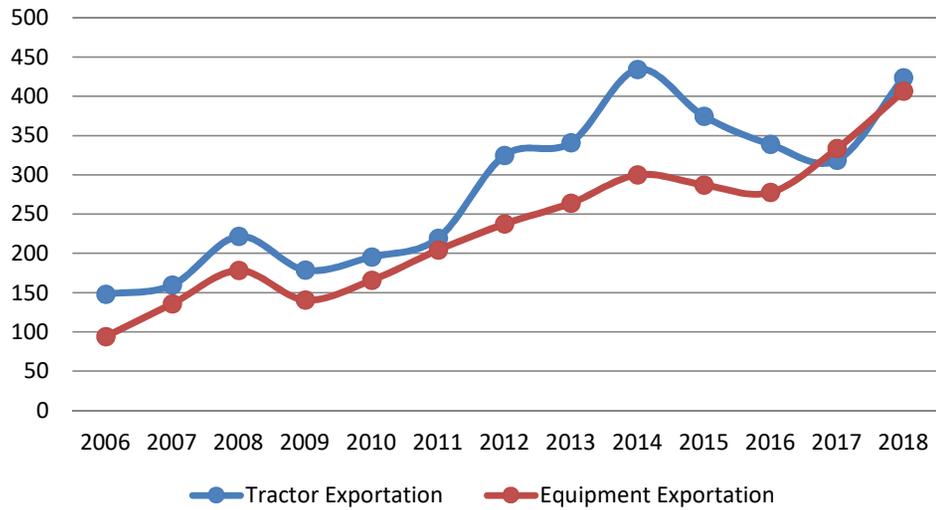
Tractor Export & Import (USD, x1,000)



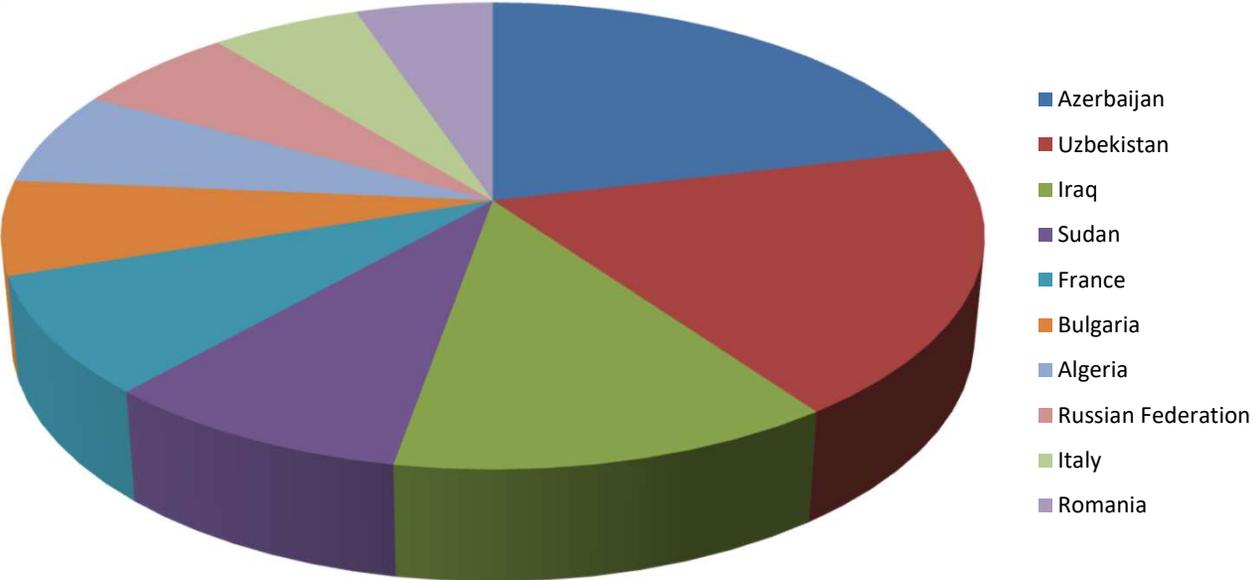
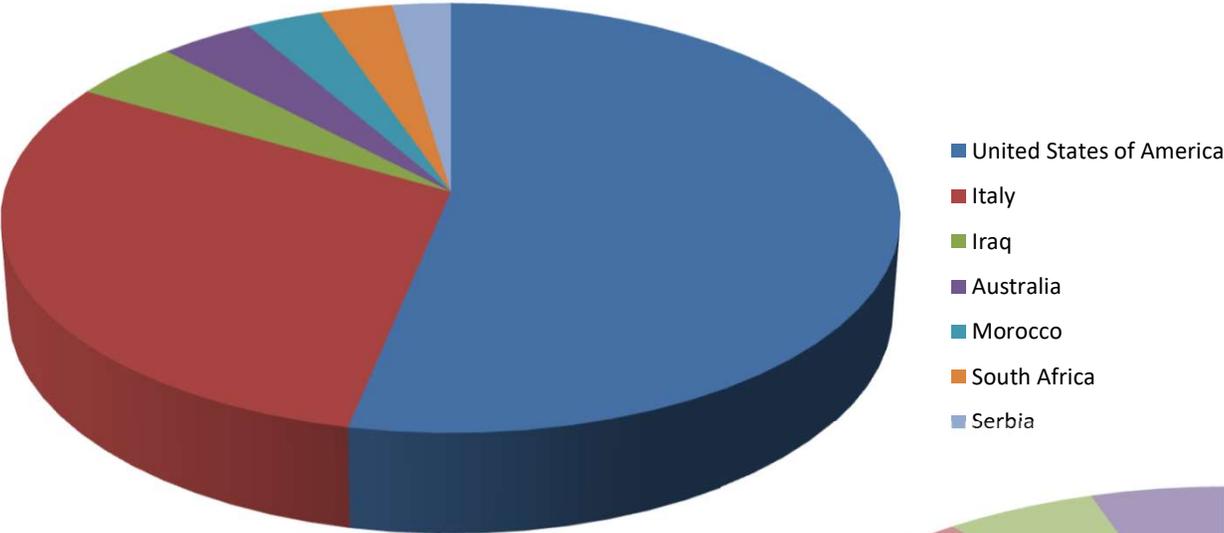
Total Agricultural Machinery Export & Import (USD, x1.000)



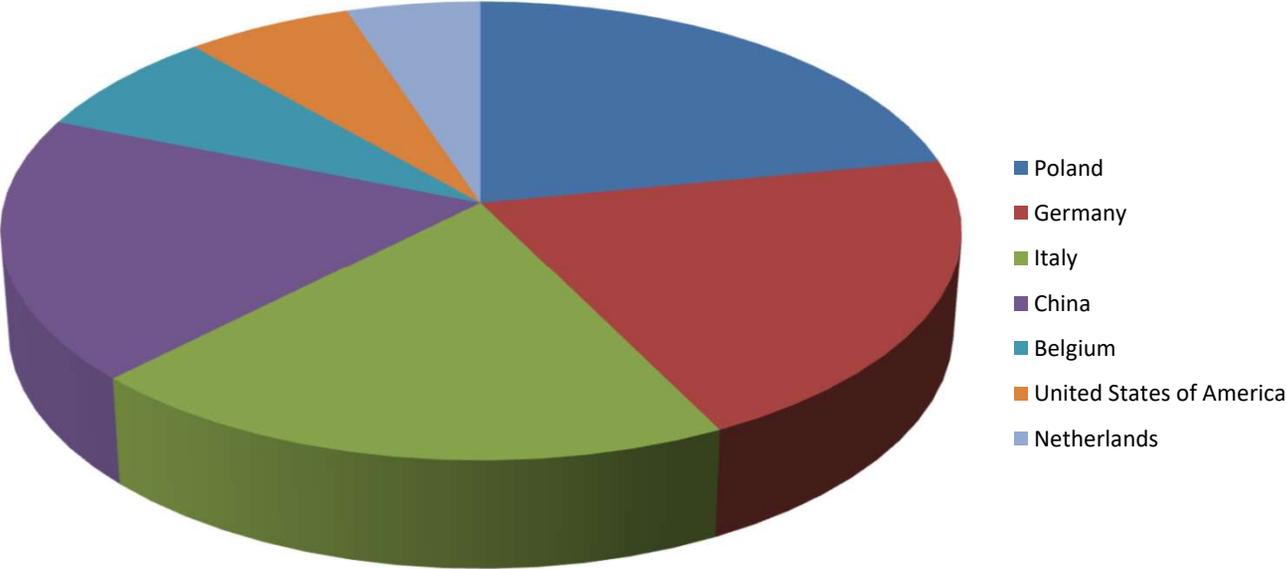
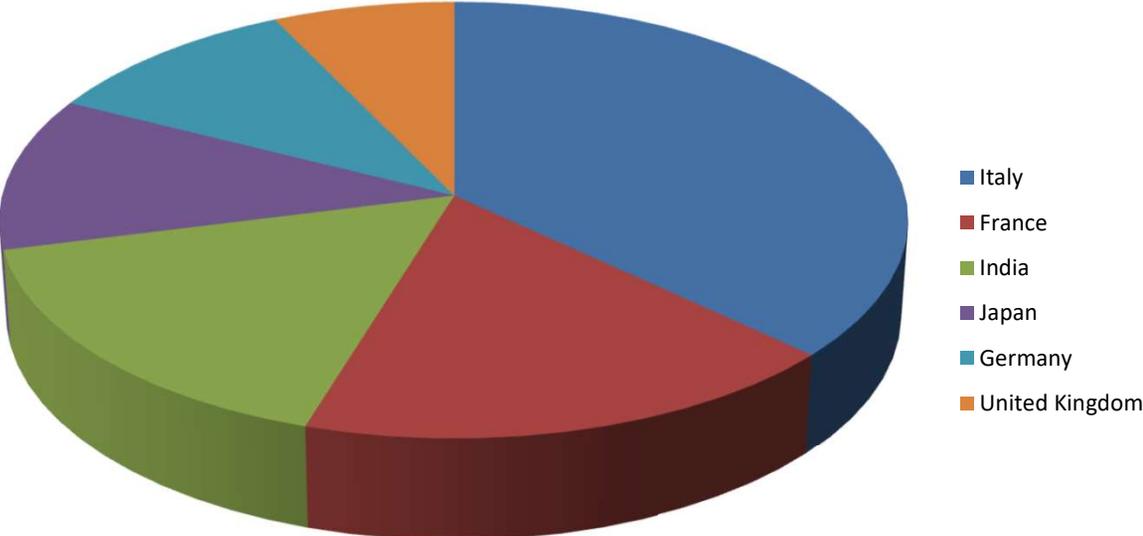
Tractor & Equipment Export & Import (USD, x1,000)



Tractor and Equipment Exports of Turkey by Selected Countries



Tractor and Equipment Imports of Turkey by Selected Countries



Thank You...



TARMAKBİR
Toprađa İz Birakanlar



M. Selami İleri, Secretary General



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