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Turkey

Exporter Guide

2015 Exporter Guide to Turkey

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Report Highlights:
The Turkish market is very dynamic, with interest in new products, yet also very competitive. Despite Turkey’s growing market, political and economic instability in neighboring countries disturbed traders for 2016. Opportunities exist for functional foods and ethnic flavors which are on the radar of young consumers. Ongoing appreciation of the dollar may reduce the appeal of some products that are now more expensive. This Exporter Guide to Turkey will provide an overview of the market situation and how to access the opportunities in Turkey as well as provide resources and contacts for further detail and information.

Post:
Ankara

2015 Exporter Guide to Turkey

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SECTION I. MARKET OVERVIEW

A young population, rising middle-class incomes and rising female labor force participation are driving Turkish consumerism. With a population of 77.7 million and the median age is about 30, Turkey is a prominent emerging market for U.S. agricultural products. With a Gross Domestic Product (GDP) of $800 billion in 2014, Turkey is the 17th largest economy in the world. In less than a decade, per capita income in the country has nearly tripled and now exceeds $10,400.

Although Turkey is surrounded by politically and economically unstable countries, stubborn economic growth and rising incomes have sparked an expansion in consumer products, including higher quality and new flavors in the food and beverage sector. Household income is expected to appear to decrease due to the devaluation of the local currency, the Turkish Lira, in 2015, as income in lira has not adjusted to the new dollar standards.

Since 2012, growth has slowed. In 2013–14 and 2015, political issues in neighboring countries, election-related uncertainties, and concerns over the Government’s handling of corruption allegations dampened confidence and weakened consumer demand. This year, 2015, has also been a difficult year for importers due to currency fluctuation. After growing 4.2 percent in 2013, the economy slowed to 2.9 percent growth in 2014. It is expected to register a similar growth rate in 2015. Household consumption was US $550 billion in 2014, which is 69 percent of the GDP - just slightly under the previous year.

Turkey has undergone rapid urbanization in the last decade, reaching 73.4 percent in 2014. The population in large cities such as Istanbul, Ankara, Izmir, and Bursa is increasing every year with a national average urbanizing rate of 1.97 percent.

The retail sector is projected to grow more than the country’s general economic performance in the upcoming five years, and food retail is expected to register an average of eight percent annual growth in the same period - see the 2015 Retail Report (FAS GAIN Report number TR5036 published 7/15/2015). The average growth rate of the restaurant and tourism sector is expected to slow - see the FAS GAIN Report 2015 Food Sector - Hotel Restaurant Institutional Report.

The percentage of women in the labor force continues to increase, which leads to increased demand for consumer-ready food products. Additionally, urban women in particular are shifting to healthier lifestyles for themselves and their children and are thus shifting their food consumption patterns to a more health-conscious style. These trends are also impacting food distribution and food consumption in restaurants and hotels. This definitely helps sales of imported and usually higher value products.

Table 1: Country Parameters for Turkey

Parameter	Value
Population	77.7 million (2014)
Labor Force (Population)	28 million (2014)
Median Age	30.7 (2014)
GDP	USD 800 billion (2014)
GDP Per Capita	USD 10,404 (2014)
Exports Value	USD 157.6 billion (2014)
Imports Value	USD 242.2 billion (2014)
Tourism Revenue	USD 34.3 billion (2014)
Tourist Number	36.8 million people (2014)
Foreign Direct Investment	USD 12.5 billion (2014)
Number of Companies with Foreign Capital	39,100 (2014)
Inflation Rate	8.2% (CPI – 2014)

Table 2: Advantages and Challenges of Entering the Turkish Market

Advantages	**Challenges**
The movement of people from rural to urban areas continues at a rapid pace.	With a growing population of more than 2 million refugees, unrest in some parts of Turkey, and regional hazards, safety concerns are increasing.
Rising household incomes are creating new marketing opportunities.	Significantly higher shipping costs and transportation time from the U.S. than Asia and Oceania.
High export potential due to geographic proximity to EU, Russian, and Middle Eastern markets.	EU exporters enjoy lower transportation costs, better cold chain infrastructure, and faster market access to Turkey due to geographical proximity.
The growing food processing industry is looking for new, high quality, imported food ingredients.	Phytosanitary and technical barriers and labeling requirements can cause border crossing problems and delays as Turkish import regulations can change rapidly and without notice.
American products are regarded as high quality.	The U.S. dollar appreciated 25 percent against the Turkish lira this year, making American goods comparatively more expensive than in previous years.
A young and urban population creates demand for and welcomes new products as they are open to try novel tastes.	Turkish consumers are sometimes price sensitive; imported products in general are higher in price.

International retailers that market a wide range of imported products in the sector have great influence on purchasing patterns.	The Biosafety Law prevents all GE (genetically engineered) products for food purposes from entering Turkey. This affects many products with ingredients that have a possibility of being genetically engineered.
Some U.S. products (mainly bulk and intermediate commodities) are better priced than local products.	Laws governing the food sector are mostly focused on protecting local production rather than promoting trade, which can be overwhelming for both the importer and the exporter. In addition, regulations can be unclear, complex, and they may not be implemented uniformly.
As the processed food market continues to grow, so does the demand for food ingredients and they are mostly imported.	In the retail stores, competition for shelf space has led to higher costs for introducing new products.
Franchising has been introduced and the retail food sector is transitioning to a more modern structure with a growing number of Western-style fast food restaurant chains, bakeries, and coffee shops.	High store rents charged by shopping malls lead to high costs for introducing new products.

The Republic of Turkey is a complex and challenging market requiring adaptability and persistence. Careful planning and patience are the keys to success in Turkey.

U.S. exporters face many of the same challenges that exist in other semi-developed countries, such as contradictory policies, a lack of transparency in regulations and documentation requirements, and an unpredictable judiciary and legal and regulatory framework.

The currency is the Turkish Lira (TL) which peaked above 3.05 TL/$1 in September 2015 and is in the 2.89-2.92 TL/$1 range as of early December 2015. The TL has lost roughly a quarter of its value to the dollar since December 2014. The U.S. dollar has appreciated 60 percent against the TL in the past 2 years. Currency fluctuations have caused bankruptcy, especially in the feed sector where companies import raw materials for feed in U.S. dollar value which they then sell to the sector in Turkish Lira in credit sales. As a result, many companies have lost money because of the fluctuation exchange rates.

Chart 1: USD – TL Exchange Rate

Source: Central Bank of the Republic of Turkey

SECTION II. EXPORTER BUSINESS TIPS

Local Business Customs

Personal relationships are essential to Turkish business relationships. Turks attach great importance to courtesy in all business endeavors. A warm handshake combined with conversation about the person's well-being, family, or other similar topics prior to launching into any conversation related to business is considered a common courtesy. Styles vary across Turkey as much as does the cuisine. Business in Istanbul, Thrace, or the Aegean region will be more familiar to Western businesses than in Eastern and Central Turkey, which is known as Anatolia.

Turkish businessmen often gather after work over dinner or drinks not only for socialization but also for business. Turks take first impression from the look of a person very seriously. It is recommended to dress well when meeting or visiting importers. Turks will expect men to wear a business suit and tie, and for women to be dressed smartly in a suit or dress.

Basic market research is necessary to form a picture of what kinds of new products and services may prove profitable. Finding the right local partner is essential for navigating local business customs, legislation, and regulations. Local partners and personal contacts are necessary to successfully introduce a product into the domestic market.

Consumer Tastes and Preferences

Turkey is located between Europe and Asia at the heart of the former Ottoman Empire. Traditional Turkish cuisine carries traces of different cultures from the Mediterranean to Lebanese cuisine. For this reason, there is a strong demand for wide range of food ingredients. The majority of the population is content with familiar staples of Turkish cuisine which vary across the country. According to local harvest opportunities, people's diets depend on cereals, fish, or vegetables. Younger and metropolitan Turkish consumers are more open to try new tastes like exotic and imported foods compared to others.

As the Western-style fast food restaurant sector is growing, some local businesses have adopted models to mimic the fast food sector. In recent years, consumers have had the chance to visit chain restaurants that offer Turkish traditional foods like lahmacun which is like a pizza with meat, simit (a type of bagel), and çiğ köfte which is composed of bulgur and herbs with liver.

The demand for organic foods is very small but growing with the help of increasing income and awareness. There is a lack of sufficient marketing for organic foods and most people are not educated about the benefits of consuming organic foods. Some consumers cannot distinguish organic foods from conventional foods produced in rural areas.

Consumers in Turkey are becoming increasingly educated about and aware of quality, nutritional value, price, and packaging. They pay attention to expiration dates on products. At the same time, some consumers trust the supermarkets' own brand and prefer to buy what they know. Domestic supermarkets that offer a wide variety of food products are an important target for products entering this competitive market.

According Turkey's organic regulations, published in 2010, importers must apply to private organizations to clarify their organic certificate. These private organizations can certify products as organic, but must be registered by Turkey's Ministry of Food, Agriculture, and Livestock and have received a permit to conduct certifying activities.

Turkish consumers also pay attention to the safety of their food. They are concerned with modern utilization of antibiotics, hormones, and especially agricultural biotechnology. Misinformation in the media can alter the consumption patterns of families, such as the ongoing damaging statement alleging abuse of hormones in poultry production in recent years, which affects consumer preferences.

Food Standards and Regulations

Exporters must be aware of regulatory and food standards. It is highly recommended that U.S. exporters verify the full set of import requirements with their foreign customers, who are normally best equipped to research such matters with local authorities, before any goods are shipped.

For information on Turkey's food standards and import requirements, please see the Food and Agricultural Import Regulations and Standards (FAIRS) Reports TR5004 where you can find the latest Labeling Requirements. To see the whole group of health claims and their requirements allowed by the Regulation, the website is the best resource: http://www.tarim.gov.tr/Sayfalar/Mevzuat.aspx, though it is in Turkish. According to the Regulation, labels should not mislead the consumer by suggesting that the food possesses special characteristics when in fact all similar food possesses such characteristics and by attributing to the food effects or properties which it does not possess. Statements, signs or pictures should not be on labels which mean or imply that food has the property of preventing, treating or curing a human disease. An example of health claims which is allowed is: "This foodstuff contains probiotic microorganism. Probiotic microorganisms may help to regulate digestive system and support immune system". The importer is responsible for the imported food product's labeling.

As Turkey's regulation of biotech traits is broad and severe, also review the FAS Turkey Agricultural Biotechnology Annual Report (TR5019) and FAS ongoing agricultural situation reports on biotechnology regulatory developments, such as Turkish Biosafety Board Approves Eight More Biotech Traits (GAIN report number TR5055). Only some GE traits have been approved for import, and they are only approved for animal feed. Most of Turkish food and agriculture-related laws, regulations, communiqués, directives, and circulars are available in Turkish on the website of the GDFC http://www.tarim.gov.tr/Sayfalar/Mevzuat.aspx and a few are in English at http://www.tarim.gov.tr/Sayfalar/Eng-1033/Mevzuat.aspx .

Agriculture Sector

The agricultural sector remains a very important sector of economic activity and employment for Turkey. Agriculture provides an estimated 21.1 percent of Turkey's employment and accounted for 10.4 percent of exports ($16.4 billion) in 2014. Also in 2014, the agricultural sector represented 6 percent of Turkey's total GDP. Turkey has 27 million hectares of agricultural land, excluding pastures and meadows. Around 40 percent of Turkey's land area is arable and offers a large range of products such as grains, pulses, oil seeds, fruits and vegetables, cut flowers, poultry, dairy products, seafood, honey, and tobacco.

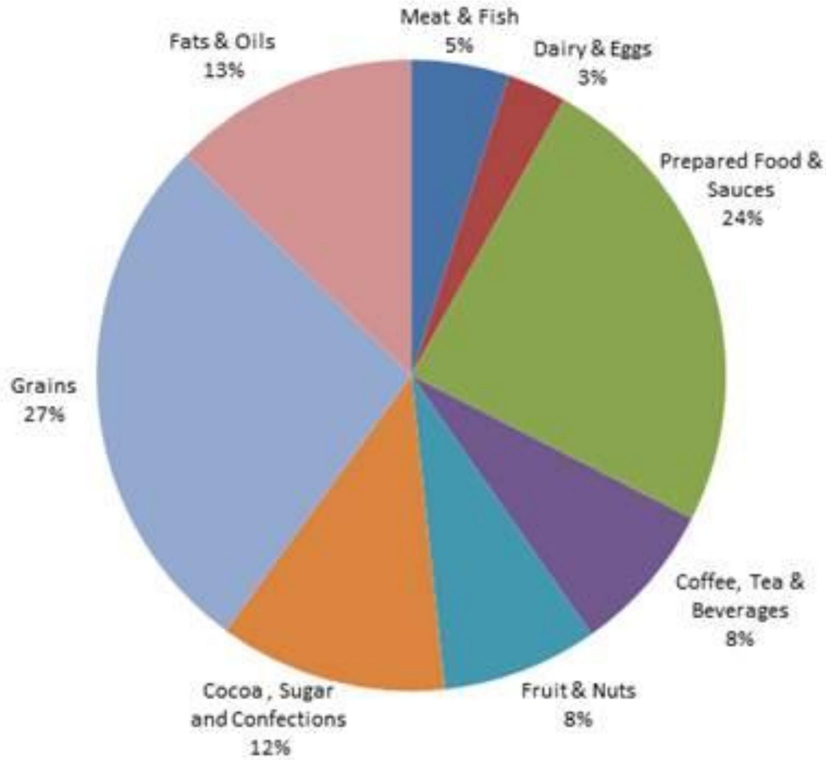
The top Turkish exports are dried figs, dried apricots, sultana raisins, hazelnuts and hazelnut products. Turkey's top imports from the United States are cotton, soybeans, hides and skins, feed ingredients, live animals, and paddy rice. Turkey re-exports or adds value to over 82 % of these American agriculture products which are imported.

Turkey increased its food and beverage imports to $5.6 billion in 2014. Russia, Indonesia, and the United States were the main suppliers to Turkey's food and beverage sector with 19.6 percent, 8.3 percent, and 6.4 percent of imports respectively. However, a crisis with Russia which started in November 2015 might change the trade tables in 2016 due to the possibility of bilateral sanctions or trade barriers.

Turkey's largest import category is grains, which is largely wheat (US$ 1.5 billion) to feed Turkey's large inward processing regime for wheat flour, pasta, and biscuit exports. The remainder is largely medium grain rice (US$ 276 million) that competes with domestic rice production.

Feed ingredients such oilseeds are an increasing category of imports. Starting January 1, 2016, the Turkish Government will implement new poultry feed restrictions which prohibit feeding poultry with feedstuffs derived from poultry by-products. It is expected that Turkey will need to import 400,000-500,000 MT more soybeans in order to counterbalance feed formerly produced from poultry by-products.
Turkey imported $238 million worth of tree nuts in 2014, most of which were walnuts and almonds. The United States is the major supplier for tree nuts to Turkey (60 percent) followed by Chile (6.8 percent).

Chart 2: Categories of Turkey's Food Imports



Source: Global Trade Atlas

Food Purchasing Behavior

The Turkish food sector is becoming more advanced due to retailer demands for higher standards and investments by food manufactures. Through the widespread presence of modern international and domestic grocery retail outlets such as Metro, Carrefour, Tesco, and Migros, as well as rising incomes, the consumption patterns of Turkish consumers have shifted away from bulk and raw foods towards packaged and processed foods, including ready-to-eat meals and frozen foods. An increase in the number of women working full-time and higher levels of disposable income has supported this trend. This is particularly the case in urban centers.

The major food consumption patterns have not changed as much in the rural areas and are still based on wheat and grain products, as well as a variety of meat products. Consumers in the south east of Turkey mainly consume lamb, but more consumers in central Anatolia and the west prefer beef. Milk consumption has not increased as quickly as milk production, which increased from 8 million metric tons (MT) in 2002 to 18.5 million MT in 2014. However, the variety of milk products on the market such as yogurt and cheese has increased. There are still a lot of opportunities for investment in the dairy products sector, but products should be adjusted to local tastes.

Due to shared history and religion, as well as common cultures, Turkish agriculture and food exports to the Middle East have increased dramatically in the past decade. However, civil war in neighboring countries has caused transportation problems throughout 2015. The Halal and organic food subsectors are areas which could be open to investments or partnerships in the region.

Food and beverage expenditures rank second in terms of household spending, after housing and rent costs. The proportion of Turkish household expenditure allocated to food and beverages, which was around 22 percent in 2004 and declined to about 19.7 percent in 2014, remains high compared with Western standards, which range between 15-20 percent. Alcoholic beverages and tobacco expenditures have averaged 4.2 percent over last ten years. Total consumer spending on food, beverages, and tobacco was estimated at around US$ 140 billion in 2014.

The Turkish diet contains a large share of baked goods. Hence, the bakery subsector forms the majority (65 percent) of the total number of food and beverage companies in Turkey. Turkish consumers tend to buy bread from small bakeries when it is hot, and generally don't buy packaged sliced bread. Another important bakery product is 'simit',a type of sesame coated Turkish bagel, as well as salty cookie or biscuit-like products. Modern bakery shops have begun to open and some bakery chains are expanding in an effort to reach international markets.

Turkey has hosted more than 2 million of Syrian refugees since civil war began in Syria. The refugee population currently comprises 4 percent of Turkey's total population, which has impacted Turkey's demographic structure and thus market preferences. As the Syrian population remains most consistent in Istanbul and the South East of Turkey, entrepreneurs have opened a number of Syrian style restaurants and bakery shops in these areas. The ease of these new developments suggests that the bakery sector in general offers a lot of opportunities for growth and development.

Table 3: Turkey Import Statistics from the United States

Turkey Import Statistics From United States							
Commodity: Food & Ag All (HS 02 thru 24,ex 13&14)							
Calendar Year: 2012-2014							
Description	**United States Dollars**			**% Share of total US Exports to Turkey**			**% Change 2014/2013**
	2012	**2013**	**2014**	**2012**	**2013**	**2014**	
Total Value	1,030,918,580	1,166,049,220	1,002,397,470	100	100	100	-14.7
Fish, Crustaceans & Aquatic Invertebrates	4,162,744	3,183,413	5,238,382	0.36	0.25	0.49	64
Dairy Prods; Birds Eggs; Honey; Ed Animal Pr Nesoi	3,075,075	23,570,931	24,144,264	0.27	1.89	2.27	2
Edible Vegetables & Certain Roots & Tubers	6,722,698	20,112,240	22,115,284	0.59	1.61	2.08	10

Edible Fruit & Nuts; Citrus Fruit Or Melon Peel	159,910,661	136,797,974	145,183,542	13.99	10.95	13.64	6
Cereals	64,023,882	161,745,243	118,001,477	5.6	12.95	11.08	-27
Oil Seeds Etc.; Misc Grain, Seed, Fruit, Plant Etc	396,607,892	236,162,109	291,386,932	34.71	18.91	27.37	23
Animal Or Vegetable Fats, Oils Etc. & Waxes	130,469,217	81,550,728	72,005,637	11.42	6.53	6.76	-12
Miscellaneous Edible Preparations	39,637,842	51,449,026	45,549,585	3.47	4.12	4.28	-11
Beverages, Spirits And Vinegar	17,584,260	23,327,913	24,523,868	1.54	1.87	2.3	5
Food Industry Residues & Waste; Prep Animal Feed	159,713,814	383,722,142	206,253,480	13.98	30.72	19.37	-46
Tobacco And Manufactured Tobacco Substitutes	49,010,495	44,427,501	47,995,019	4.29	3.56	4.51	8

Source: Global Trade Atlas

Finding Business Partners in Turkey

There are 547 foreign companies actively operating in the Turkish food sector. One hundred of them are from Germany, 47 from Holland, 30 from France, and 29 from United States. Cargill, Bunge, Nestle, Unilever, Coca-Cola, and Pepsi-Co are some of the most prominent ones. The Turkish food and beverage sector is a $300 billion market with approximately 40,000 companies operating in this sector.

There are 150,000 restaurants and cafes in Turkey. Restaurant franchises are one way of introducing new products. An increasing number of restaurant chains are opening in Turkey, especially in Istanbul. These include casual dining, fast food, and cafes. While most of these companies' source food ingredients produced in Turkey, some require specialized ingredients or imports of certain items that are not readily available. Exporters should check with importers to see if they are approved suppliers for franchises.

Turkey attracts 30 million tourists every year with more than 3,800 hotels. Global hotel chains including the Marriott, Hilton, and Sheraton have a strong presence in Turkey. Turkey is a major tourism destination for German, Russian, British, and Scandinavian travelers. Turkey's hotel sector has traditionally represented an important niche market for certain high-value food products that cannot be readily found throughout Turkey. Fresh fruits and vegetables are readily available in Turkey but high quality meat (especially steak) and fishery products (especially shrimp and crab) can be extremely difficult to source.

Trader associations are also very important contacts for those seeking to enter the market. The Feed Millers Association, Turkish Food and Drink Industry Association Federation, and Poultry Meat Producers and Breeders Association are examples of important trader's organizations. See Annex A for more details.

A visit to Turkey to gain a first-hand information about the Turkish market, preferably coinciding with a major trade show such as FOODİST (See Annex C for more details), is a good way to get started before entering the Turkish market and meeting prospective importers. Similarly, international food shows such as ANUGA, SIAL and Gulfood are attracting more and more Turkish importers, and are also be a way to meet prospective customers.

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

A young population, rising middle-class incomes, and increasing female labor force participation are driving eating out with a cultural code that eating out is a form of socialization. Now, per capita income has increased to $10,400 and people eat out at least 3 times a month (this average is at least once a week in Istanbul).

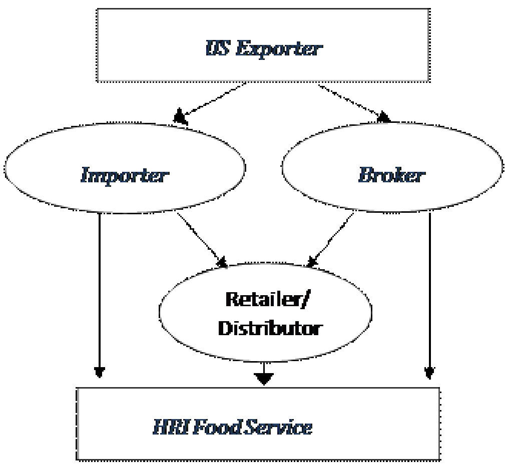
Despite economic slowing, the fast food sector recorded 25 percent current value growth in 2014. The fast food sector is a $2 billion sector in Turkey. Fast food consumption increases during times of recession as people generally want to amuse themselves with as little money as possible and fast food serves this purpose. One company alone accounted for 39 percent of overall fast food value sales with its numerous brands, including a burger fast food chain, a pizza chain, a chicken fast food chain, and a bakery products fast food chain.

Although tea remains the prominent beverage of choice, Western-style coffee chains are growing in popularity, particularly among younger Turks. Socialization in coffee shops is becoming a staple of urban life in Turkey, but coffee consumption is still exponentially less than in Western countries. Annual coffee consumption per capita in the EU is 4.5 kg, while it is only 550 gr in Turkey. Besides international and domestic coffee chains, specialty and flavored coffee is spreading at a high pace and this trend is being promoted both by international coffee chains and their Turkish competitors.

In recent years, chains that target a higher–income segment are also entering the market. Most foreign chains prefer to enter the market themselves instead of offering a master franchise. With the rising popularity of Asian cuisine and other international cuisines, a greater variety of food imported items are starting to become available on the market.

One of the driving forces of the fast food sector is the increasing spread of shopping malls in Turkey. The number of modern shopping malls in Turkey has increased 6 times in the last decade and reached 343 in 2015, 112 of which are located in Istanbul. Turkish consumers increasingly use shopping center food courts as an alternative to stand-alone locations. While the food courts in the shopping malls usually attract both domestic and foreign fast food restaurants, recently built higher-end malls also include full service restaurants of both local and foreign cuisines.

Chart 3: Distribution network for HRI food service purchasers



The supply chain for imported agricultural and food products in general involves multiple layers of importers and distributors. Major importers also act as distributors to their HRI clients with their own fleet, but also make use of cargo delivery companies to supply food products to large supermarkets.

Institutional food service is another success story in the HRI sector. It is now a $7 billion market compared to $2.25 billion in 2004, accounting for over 30 percent of the overall HRI sector. The size of the institutional food service market will continue to expand as public and private institutions outsource their catering services. The sector is striving to reach a market size of $22 billion by the year 2023.

Turkey is the one of the most popular tourist destinations in the world. In 2014, 34 million tourists visited. Global hotel chains including the Marriott, Hilton, and Sheraton have a strong presence in Turkey. Tourism is expected to decrease in 2016 as a result of the recent crisis with Russia following the downing of Russian jet by Turkey in November 2015, as Russians comprise the second largest tourist group to Turkey. In 2014 alone, Turkey hosted 4.5 Million tourists from Russia, which is over 13 percent of total visitors.

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

Best Market Prospects

Adopting products popular in the west is a large part of the modern Turkish life. Internationally known brand names are well placed for this. Exporters should be particularly sensitive to brand positioning and be ready to invest in the necessary research and marketing support to assist their local partners for a successful entry.

The best products for the imported food market are internationally recognized branded food products. These types of products in general account for 30 percent of overall imported food items. These include cocoa and instant coffee, chocolate and confectionary goods, cookies and crackers, breakfast cereal, cheese, alcoholic beverages, sauces, seafood, and pet foods. The change in wine and beer import and distribution regulations now allow imported products to be sold in the retail market, which have created new opportunities for U.S. wine and beer to be sold in the Turkish market, although taxes still remain high. Functional food items such as food supplements and sports drinks also represent a new opportunity for U.S. exports since it is a relatively new sub-sector with rapid growth.

Major products that have market potential are:

Health and beauty promoting beverages
The health and beauty promoting beverages market is important for U.S. exporters, who profit by promoting their products as healthy and high-quality choices. Non-alcoholic beverages in Turkey are largely limited to fruit juices, sodas and mineral waters. There is a vast void in health promoting beverages such as digestive health, bone and joint health, brain and memory, cardiovascular health, etc. There are also few products in the market for 'beauty from within'. Consumers are looking for such products, which is a source of untapped demand. Companies should be aware of regulations limiting health claims on labels.

Functional foods
Opportunities exist for functional food varieties which are still quite limited in Turkey. Socio-economic and demographic changes continued to alter food trends in Turkey. Turkish consumers desire innovative and more convenient foods offering quality image, better taste, and increased health benefits. Functional chocolate and sugar confectionary products, baby and toddler food, and biscuits offer a good market opportunity. Diabetic and gluten-free products also have good market potential.

Wine
Although highly taxed, wine has increased in popularity in recent years with annual imports increasing 5,700 percent over the last decade. Turkish wine imports in 2014 were $19.5 million, of which only $318,460 were from the United States. The leading suppliers are France (%52), Italy %25), and Chile (%10). Imports of Chilean wine have increased the most in the last decade, while the U.S. is the fifth largest supplier. Turkey has 191 licensed vineyards producing an estimated $300 million and 75 million liters of wine.

Whiskey
Blended scotch is the whiskey of choice. Two American Bourbon brands in the market - Jack Daniels and Jim Beam - are targeting the younger generation through rock concerts and motor-rally sponsorships.

Seafood
Turkey is a promising market for various seafood products. In recent years Turkey has started importing lobster, crabs, and scallops. Opportunities exist for other seafood varieties like wild salmon, Alaska crab, ikura, nori etc.

Dairy products
Specialty cheeses and butter have good market potential for U.S. suppliers. Currently, EU countries dominate the market. However, exports of U.S. milk powder, which supply Turkish export manufacture, and butter have increased dramatically.

Breakfast cereals
With the increasing number of women in labor force, Turks began to prefer quick solutions for breakfast instead of traditional dishes, so consumption of breakfast cereals is increasing. Chocolate cereals, corn

flakes, and bran fiber flakes with raisins and mixed fruit are becoming popular among Turkish consumers.

Sauces and Syrups

With the help of new foreign restaurants, Turkish individual consumers are becoming familiar with new tastes such as barbeque or salad sauces, which they are beginning to use these in their homes. Various brands of sauces for salads, meat, and international cuisines are popular in Turkey. The increasing popularity of Asian cuisine in particular is promoting the specialty herb, sauce, and syrup demand. Currently sauces are imported from Germany, the UK, France, Asian countries, and the United States.

Table 4: Competitive Situation: Imports from all Countries

Product Category	**2014 Import Market Size (Volume)**	**2014 Imports ($Mil)**	**5-Yr. Avg. Import Growth**	**Import Tariff Rate**	**Key Constraints Over Market Development**	**Market Attractiveness for USA**
Tree Nuts	63,259 MT	268	10%	43.2%	Depreciation of Turkish Lira against U.S. Dollar led to higher import costs. Political instability in Turkey's re-export markets.	Rising incomes translate into demand for new products; export demand requires mixing nuts not available in Turkey
Dairy Products	29,150 MT	17.7	21%	65-180%	Turkey has set deadlines for the acceptance of the current bilateral milk and milk products certificate – extensions provided thus far	Turkey is a consumer and exporter of milk products. Both demand high quality milk inputs. Further, the hotel and restaurant sectors demand quality products for which the U.S. has an advantage.
Wine & Beer	7.9 million liters	2.3	135%	70% (additional taxes and fees apply)	Import tariffs, fees and sales tax raise the price of all spirits considerably. Strict advertising and marketing restrictions are implemented since early 2013.	Rising incomes have contributed to growing interest in spirits and cocktails. Little local competition and brand recognition are advantages for U.S. products.
Fish Products	76,500 MT	8.1		11-35%	High prices limit the current market. Primary	Turkish cuisine includes varieties available from the

			123%		competition is from Norway.	Mediterranean and Black Sea. Consumers in large cities are seeking new varieties.
Pet Food	19,597 MT	37.7	8%	7-8%	European products are less expensive and more familiar; Biosafety Law prohibits imports that test positive for biotech content	U.S. product variety and perceived quality
Snack Foods	27,015 MT	1.9	7%	75%	Domestic production is abundant and inexpensive; Price sensitivity; Biosafety Law prohibits imports that test positive for biotech content	U.S. varieties not available on the market; perceived high quality

Source: GATS

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Annexes to this report provide a full list of contacts which can be helpful in navigating the Turkish market. U.S. exporters are advised to contact the FAS offices in Ankara or Istanbul for additional information and lists of private sector firms which can provide assistance with customs clearance and import regulation issues. In most cases, the importing company or agent should be familiar with (and ultimately responsible for) existing regulations.

United States Department of Agriculture Foreign Agricultural Service Offices in Turkey:
American Embassy, Turkey
110 Ataturk Blvd.
Kavaklidere, 06100 Ankara, Turkey
Tel: +90-312-455-5555, Fax: +90-312-467-0056
Email: aganakara@fas.usda.gov

American Consulate, Istanbul
Kaplicalar Mevki Sokak
Istinye, 334460 Istanbul, Turkey
Tel: +90-212-335-9000, Fax: +90-212-335-9077
Email: agistanbul@fas.usda.gov

Further reports and data on Turkey and other countries can be found on USDA Foreign Agricultural Service's website. The other FAS reports referenced in this Exporter Guide can be found from the FAS **Global Agricultural Information Network (GAIN)** Reports search engine which you can find here: http://www.fas.usda.gov/data

Annex A- Traders Associations Contact List

Turkish Feed Manufacturers Association
Chairman: Ulku Karakus
General Secretary: Nizamettin Senkoylu
Address: Öveçler Mahallesi Çetin Emeç Bulvarı 2. Cadde No:38/7 Çankaya ANKARA
Phone: +90 312 472 83 20 (pbx) ; Fax: +90 312 472 83 23
E-Mail: info@yem.org.tr
Web: http://www.turkiyeyembir.org.tr/yembir/index.php

Turkish Food and Drink Industry Association Federation
Chairman: Semsi Kopuz
General Secretary: Ersin Taranoglu
Address: Altunizade Mah.Kısıklı Cad. Tekin Ak İş Merkezi No:3 Kat:2 Daire:7 34662 Bağlarbaşı-Üsküdar ISTANBUL
Phone: +90 216 651 86 81; Fax: +90 216 651 86 83
E-Mail: tgdf@tgdf.org.tr
Web: http://www.tgdf.org.tr/

Poultry Meat Producers and Breeders Association
Chairman: Sait Koca
General Secretary: Ahmet Ergun
Address: Çetin Emeç Bulvarı 8. Cad 86.Sokak 5/A Öveçler ANKARA
Phone: +90 312 472 77 88
Fax: +90 312 472 77 89
E-Mail: besd-bir@besd-bir.org
Web: http://www.besd-bir.org/

Turkish Egg Producers Association
Chairman: Derya Pala
General Secretary: Dr. Huseyin Sungur
Address: Çetin Emeç Bulvarı 1314. Cad. No: 4/6 Öveçler - ANKARA
Phone: +90 0312 473 20 00 - 473 20 31
Fax: +90 0312 473 20 61
E-Mail: bilgi@yum-bir.org
Web: http://www.yum-bir.org/

Union of Dairy, Beef, Food Industrialists and Producers Of Turkey
Chairman: Zeki Ilgaz
Acting General Secretary: Elif Yucel
Address: Şehit Ersan Caddesi Çoban Yıldızı Sokak 100. Yıl Apt. No: 1/14 06680 Çankaya - Ankara
Phone: +90 312 428 47 74-75
Fax: +90 312 428 47 46
E-Mail: setbir@setbir.org.tr
Web: http://www.setbir.org.tr/

Association of Packaged Dairy Industry of Turkey
Chairman: Harun Calli
General Secretary: Ismail Mert
Address: Ceyhun Atıf Kansu Cad. 1386. Sok. No: 8/4 Balgat - ANKARA
Phone: +90 312 284 92 53 ; Fax: +90 312 284 92 58
E-Mail: info@asuder.org.tr
Web: http://www.asuder.org.tr/

All Food Importers Association
Chairman: Mustafa Manav
General Secretary: Melehat Ozkan
Address: Büyükdere Cad.Somer Apt.No:64 Kat:5 D:13 Mecidiyeköy - İSTANBUL
Phone: +90 0212 347 72 22 Fax: +90 0212 347 25 70
E-Mail: tugider@tugider.org.tr
Web: http://www.tugider.org.tr/eng/index.htm

Turkish Wheat Millers Federation
Chairman: Gunhan Ulusoy
General Secretary: Vural Kural
Address: Üniversiteler Mahallesi, 1598 Cadde, A3 Plaza, No: 33
Bilkent Plaza, Bilkent, 06800 / ANKARA
Phone: +90 0312 440 04 54 Fax: +90 0312 440 03 64
E-Mail: bilgi@tusaf.org
Web: www.tusaf.org

Dairy Breeders Association
Chairman: Cemalettin Ozden
General Secretary: Dr.Huseyin Velioglu
Address: Eskişehir Yolu üzeri, Mustafa Kemal Mh. 2120 Cadde, No: 5 Gözüm İş Merkezi Daire: 1-2
06520 Çankaya - ANKARA
Phone: +90 0312 219 45 64; Fax: +90 0312 219 45 59
E-Mail: dsymb@dsymb.org.tr
Web: http://www.dsymb.org.tr/

Vegetable Oil and Fats Industrialist Association
Chairman: Tahir Buyukhelvacigil
General Secretary: Dr.Huseyin Buyuksahin
Address: Atatürk Bulvarı 231/15 06680 Kavaklıdere / ANKARA
Phone: +90 0312 426 16 82 Fax: +90 0312 426 16 95
E-Mail: info@bysd.org.tr
Web: www.bysd.org.tr

Annex B - Government Regulatory Agency Contacts and Labs

General Directorate of Food and Control/ Ministry of Agriculture, Food and Livestock
Central. This office has the authority to control food and feed safety, is responsible for managing import and domestic controls, prepares regulations and laws, authorizes animal and animal product imports and plant and plant product imports, communicates directly with the public on food safety issues, and is responsible for overseeing animal health and quarantine.

Muharrem Selcuk, Acting **General Director**
General Directorate of Food and Control
Ministry of Agriculture, Food and Livestock
http://www.gkgm.gov.tr/indeks.html

Address: Eskişehir Yolu 9. Km. Lodumlu/ANKARA
Telephone: 00 90 312 258 76 10
Fax: +90 312 258 76 93
E-Mail: muharrem.selcuk@tarim.gov.tr

***Dr. Suleyman Aslan*, Deputy General Director**
General Directorate of Food and Control
Ministry of Agriculture, Food and Livestock
http://www.gkgm.gov.tr/indeks.html

Address: Eskişehir Yolu 9. Km. Lodumlu/ANKARA
Telephone: +90 312 258 76 11
Fax: +90 312 258 76 82
E-Mail: suleyman.aslan@tarim.gov.tr

There are 20 Provincial Agricultural Directorate Authorities, each of which has the first-line regulatory authority to issue control certificates for specific products. They are intended to be the primary point of contact for importers to submit their import applications. The complete list can be found on the internet at: http://www.gkgm.gov.tr/genel/bagli_kurum.html

The Main Provincial Directorate Authorities are:

Hamit Aygul, Istanbul Provincial Director
Istanbul Tarim Il Mudurlugu Bagdat Cad. No.333, Kadikoy Istanbul, Turkey
Phone: (90-216) 467 57 34
Fax: (90-216) 369 81 51

Ahmet Guldal, Izmir Provincial Director Izmir Tarim Il Mudurlugu Universite Cad. No: 47 Bornova, Izmir, Turkey
Phone: (90-232) 462 60 33
Fax: (90-232) 462 24 93

Kadir Ciftepala, Mersin Provincial Director
Mersin Tarim Il Mudurlugu Gazi Mah. Mersin, Turkey
Phone: (90-324) 326 40 13
Fax: (90-324) 326 40 12

There are 41 provincial and one reference food control laboratories, the three largest being:

Ankara Provincial Food Control Laboratory Directorate Ankara, Turkey
Phone: (90 312) 315-0089 or 315-8709
Fax: (90 312) 315 7934 2)

Istanbul Provincial Food Control Laboratory Directorate Istanbul, Turkey
Phone: (90 212) 663-3961 or 663-3959
Fax: (90 212) 663-4296 3)

Izmir Provincial Food Control Laboratory Directorate Izmir, Turkey
Phone: (90 232) 435-1481 or 435-6637
Fax: (90 232)-462 4197

National Food Reference Laboratory
Fatih Sultan Mehmet Bulvarı (İstanbul Yolu) Yenimahalle Tarim Kampüsü No: 70 Yenimahalle / ANKARA - TÜRKİYE
Phone : +90 (312) 327 37 03
Fax : +90 (312) 327 41 56
E-mail : ugrl@ugrl.gov.tr

Other Import Specialist Contacts

U.S. exporters are advised to contact the FAS offices in Ankara or Istanbul for additional information and/or a list of private sector firms which can provide assistance with customs clearance and import regulation issues. In most cases, the importing company or agent should be familiar with (and ultimately responsible for) existing regulations. Our **Foreign Agricultural Service Offices in Turkey can be emailed at** aganka ra@fas.usda.gov and agistanbul@fas.usda.gov

FAS Global Agricultural Information Network (GAIN) Reports referenced in this guide and trade data can be found at the USDA Foreign Agricultural Service website. http://www.fas.usda.gov/data

Annex C - Important Conferences and Trade Shows

Table 5: Major Conferences in 2016

Date	Conferences	Location
March 31-April 3	Flour Millers Conference	Antalya
April 18-20	Feed Millers Conference	Antalya
May 4-6	Food Ingredients Conference	Istanbul
December 1-3	Fats & Oils Istanbul / Feeds & Grains Istanbul	Istanbul

Table 6: Major Trade Shows in 2016

Date	2016 Major Food Trade Shows in Turkey	Location
January 21-24	Agro Eurasia 2016, 9th International Agriculture and Agricultural Mechanization Fair www.agroeurasia.com	Istanbul
January 28-31	Emmitt: 20th East Mediterranean Int'l Tourism & Travel Exhibition http://www.emittistanbul.com/?lang=en	Istanbul
February 10-13	Anfas Food Product: 22nd International food trade exhibition www.anfasfoodproduct.com/	Antalya
February 11-14	Agroexpo Eurasia 2016 - 11th International Agriculture, Greenhouse And Livestock Exhibition www.orionfuarcilik.com.tr/en/orion-fair-fairs-13-90.html	Izmir
March 3-6	Konya Seed 2016: Seed Technologies and Equipment Fair www.konyatohumfuari.com/	Konya
March 3-6	Konya Stockbreeding, Stock Breeding, Stock Breed Production Technology, Feed Industry Fair - Poultry Special Section	Konya
March 23-27	Konya Agriculture Fair 2016 www.konyatarimfuari.com/eng/	Konya
March 30-31	ICVEAC 2016, 18th International Conference on Veterinary Ethics and Animal Care www.waset.org/conference/2016/03/istanbul/ICVEAC	Istanbul
April 5-9	DİYARBAKIR AGRICULTURE - STOCK BREEDING FAIR: 7th Middle East Agriculture, Stock Breeding, Poultry and Dairy Industry Fair	Diyarbakir
April 14-16	ANUFOOD Eurasia (powered by ANUGA) - 7th International food and beverage products, refrigeration technologies, shop equipment, services and catering trade show www.anufoodeurasia.com/	Istanbul
April 14-17	Ibatech 2016 - 9th International Trade Fair for Bakery, Patisserie Machinery, Ice Cream, Chocolate and Technologies www.ibatech.com.tr/eng	Istanbul

May 4-6	Fi Istanbul: Food Ingredients Istanbul http://www.figlobal.com/istanbul/home	Istanbul
May 19-22	Ankara Milk and Milk Technologies Fair www.atisfuarcilik.com/	Ankara
May 19-22	Ankara Honey and Honey Products Fair www.atisfuarcilik.com/	Ankara
June 2-4	8th International Fair for Fish Imports/Exports, Processing www.eurasiafairs.com/eng/index.html	Izmir
July 11-17	Edirne Food, Agriculture and Livestock Fair	Edirne
September 1-4	WorldFood Istanbul: 24th International food & beverage, food ingredients and food processing exhibition. Co-held with IPACK Turkey http://www.worldfood-istanbul.com/Ana-Sayfa.aspx	Istanbul
September 21-25	Samsun Agricultural Fair	Samsun
October 12-16	BURSA Agriculture 2016: Bursa 13th International Agriculture, Seed Raising, Saplings and Dairy Industry Fair	Bursa
October 20-23	KONYA FOOD FAIR: Konya 10th Food and Beverage Fair	Konya
October 20-23	Konya 2nd Milk Industry Fair	Konya
November 16-20	Adana Green house-Garden Fair 2016 www.adanatarimfuari.com/en/index.php	Adana
November 16-20	Adana Agriculture Fair 2016: 10th Agriculture, Stock Breeding, Poultry and Dairy Industry Fair	Adana
November 17-20	Middle East Agriculture Fair	Diyarbakir
November 24-27	SAMSUN FOOD 2016: Food and Beverage, Food Processing Technologies, Packaging and Logistics Fair	Samsun

APPENDIX - STATISTICS

TABLE A. KEY TRADE & DEMOGRAPHIC INFORMATION (2014)

Agricultural Imports From All Countries ($Mil) / U.S. Market Share (%)	$16,359 / 13.80%
Consumer Food Imports From All Countries ($Mil) / U.S. Market Share (%)	$2,263 / 10.95%
Edible Fishery Imports From All Countries ($Mil) / U.S. Market Share (%)	$182 / 2.8%
Total Population (Millions) / Annual Growth Rate (%)	77.7 / 1.3%
Urban Population (Millions) / Annual Growth Rate (%)	60.1 / 1.9%
Number of Major Metropolitan Areas (population in excess of 1 million)	9
Size of the Middle Class (Millions) / Growth Rate (%) [1/]	41 / 13.9%
Per Capita Gross Domestic Product (U.S. Dollars)	$10,404
Unemployment Rate (%)	9.9%
Per Capita Food Expenditures (U.S. Dollars)	$2,048
Percent of Female Population Employed [2/]	30.3%
Exchange Rate (US$1 = X.X local currency) [3/]	2.92 TL

Footnotes: 1/ Middle Class is defined using the international 10 USD/PPP 2005 line following the Lopez-Calva and Ortiz-Juarez, 2011 also used in Ferreira et al, 2013.
2/ Percent against total number of women (15 years old or above).
3/ The Turkish Lira has lost approximately 25% against US$ since December 2014.

TABLE B. TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS

Top 15 Suppliers of Consumer-Oriented Food Products

Turkey Import Statistics Commodity: Consumer-Oriented,				
Calendar Year: 2012 - 2014				
Partner Country	**United States Dollars**			**% Change**
	2012	**2013**	**2014**	**2014/2013**
World	2,005,793,217	2,162,373,196	2,263,150,428	4.66
Germany	213,519,921	257,987,455	267,461,190	3.67
United States	224,634,087	240,029,383	248,550,302	3.55
Netherlands	212,410,478	233,123,365	237,417,436	1.84
Italy	120,963,693	139,446,002	141,322,480	1.35
France	73,688,867	82,686,615	102,169,992	23.56
Ecuador	101,929,113	93,676,639	83,990,386	- 10.34
Poland	168,573,237	95,576,645	82,505,460	- 13.68
United Kingdom	47,355,472	61,686,680	77,448,940	25.55
Denmark	51,480,193	68,556,202	69,513,421	1.40

Switzerland	57,675,311	59,286,293	63,443,401	7.01
New Zealand	17,079,288	25,454,635	54,208,898	112.96
Belgium	43,268,612	55,735,981	53,545,772	- 3.93
Turk. Rep. of N. Cyprus	43,708,223	43,215,982	53,401,952	23.57
India	28,572,691	46,319,099	52,988,750	14.40
China	37,659,906	45,949,747	50,744,348	10.43

Source: Global Trade Atlas

Top 15 Suppliers of Fish & Seafood Products

Turkey Import Statistics Commodity: Fish & Seafood Products				
Calendar Year: 2012 - 2014				
Partner Country	**United States Dollars**			**% Change**
	2012	**2013**	**2014**	**2014/2013**
World	170,381,626	176,273,579	181,784,445	3.13
Norway	83,118,372	91,873,990	89,504,349	- 2.58
Spain	8,930,040	8,000,051	12,609,753	57.62
Iceland	8,972,343	11,187,726	12,481,302	11.56
China	11,006,648	6,960,803	12,359,738	77.56
Vietnam	5,848,972	5,662,297	6,961,909	22.95
India	6,700,166	6,726,459	6,564,908	- 2.40
Ghana	2,562,372	0	5,173,108	0.00
United States	4,196,898	3,099,551	5,142,218	65.90
Morocco	4,757,762	5,707,508	4,043,358	- 29.16
Seychelles	2,003,222	822,544	3,624,966	340.70
Belize	884	1,031,537	2,845,180	175.82
Portugal	2,528,324	2,707,847	2,042,759	- 24.56
Senegal	1,831,433	2,023,173	2,039,579	0.81
Indonesia	3,159,102	2,003,918	1,761,627	- 12.09
Thailand	1,406,079	1,392,102	1,564,053	12.35
Korea South	3,289,512	44,121	1,495,198	3288.82

Source: Global Trade Atlas