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**Country:** Turkey

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**Report Highlights:**

Turkey has a young population of 83.6 million people. The country is in a Customs Union with the EU and is the 20th largest economy in the world. The International Monetary Fund (IMF) forecasts Turkey's annual Gross Domestic Product (GDP) growth at 3.9 percent between 2021 and 2025, with a six percent growth rate in 2021. EU countries are the major suppliers to Turkey in terms of consumer-oriented agricultural products. There was a significant boost to e-commerce in 2020 and in 2021 due to COVID19. There was no scarcity of food or beverages, but there was food inflation due to the pandemic.

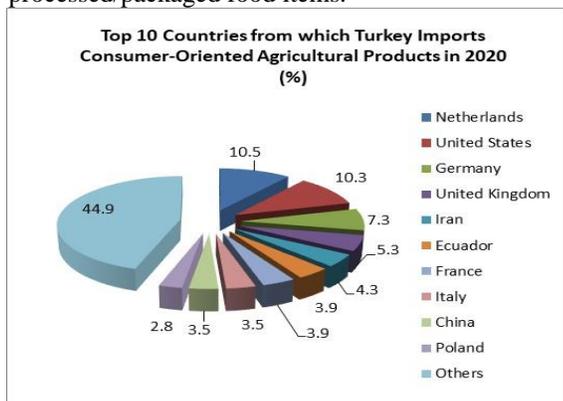
# MARKET FACT SHEET: TURKEY

## Executive Summary

The Republic of Turkey has a young population of 83.6 million people. The country is in a Customs Union with the EU and is the 20<sup>th</sup> largest economy in the world. Though the Turkish economy stagnated recently, an annual average GDP growth rate of 3.9 percent is forecasted by the IMF between 2021 to 2025. In most cases, U.S. food exporters should utilize importers in Turkey to penetrate the market. There is still a gap in the market to fill.

## Imports of Consumer-Oriented Agricultural Products

EU countries are the major suppliers to Turkey in terms of consumer-oriented agricultural products. They have the advantage of proximity and the Customs Union with Turkey. As Turkey's food sector has become more specialized and export-oriented, Turkey now imports some consumer-oriented agricultural commodities such as rice, dried beans, walnuts, almonds, bananas, coffee, cocoa, meat, fish and different kinds of processed/packaged food items.



## Food Processing Industry

There are 51,338 food processing and 649 beverage producing enterprises in Turkey as of 2019, according to the latest statistics published by TurkStat. Turkey has a modern and developed [food processing industry](#) supplying the domestic population and exporting, which represents about 15 percent of all manufacturing activities. As of the end of 2020, there were 725 foreign direct investments in food and beverage production: 111 of these were German, 63 Syrian, 47 Dutch, 40 French, 32 from the United States, 31 from Iran, 30 from Italy, 29 from Russia, 28 from Switzerland, 25 from Azerbaijan, and the rest were from various other countries.

## Food Retail Industry

Grocery sales were U.S. Dollar (USD) 75 billion as of the end of 2020. The inflation/seasonally adjusted [Real Retail Sales Index](#) has declined slightly in 2019, but started to increase in 2020 (see footnote 4). Despite the recent political and economic challenges, the food retail industry has been growing due to a young, dynamic population with 75 percent urbanization rates and a growing middle class. Several foreign players in grocery retail have left the market in the last decade but the domestic industry is coming on strong, and investments continue to be fast paced, especially in the hard discount segment. Organized/modern retailers now make up the

majority of the grocery market share as traditional retailers slowly exit the market.

## Quick Facts

**Imports of Consumer-Oriented Ag. Products 2020** USD 3.5 billion

### List of Top 10 Growth Products in Turkey (Imported Consumer Oriented Agricultural Products) 2019-2020

- |                               |                                    |
|-------------------------------|------------------------------------|
| 1. Garlic, fresh or chilled   | 6. Bulgur wheat, pre-cooked, prep. |
| 2. Nuts nesoi, fresh or dried | 7. Coriander seeds, not crushed    |
| 3. Whey & modified whey       | 8. Beer without alcohol            |
| 4. Tomatoes in Pcs Prep/Pres  | 9. Cumin seeds, not crushed        |
| 5. Guavas, mangoes            | 10. Brazil nuts, fresh or dried    |

### Food Retailers by Channel (Sales in Million USD) 2020

<b>Modern Grocery Retailers</b>	<b>43,124</b>
- Convenience Stores	1,413
- Discounters	16,058
- Gas station/ Forecourt retailers	595
- Hypermarkets	1,155
- Supermarkets	23,904
<b>Traditional Grocery Retailers</b>	<b>32,109</b>
<b>Grocery Retailers Total</b>	<b>75,233</b>

### Top 10 Retailers (by Marketshare in 2020)

- |                |            |
|----------------|------------|
| 1. Bim         | 6. Ekomini |
| 2. A 101       | 7. Hakmar  |
| 3. Migros      | 8. Sec     |
| 4. Şok         | 9. Onur    |
| 5. CarrefourSA | 10. File   |

### GDP/Population

Population: 83.6 million (TurkStat, Year-end 2020)

GDP: USD 753 billion (TurkStat, 2019)

GDP Per Capita: USD 9,115

**Sources:** CIA The World Fact Book; Euromonitor International; Turkish Statistical Institute (TurkStat); Trade Data Monitor; Economist Intelligence Unit (EIU)

## Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
Long term GDP and disposable income growth.	Domestic and international political challenges.
Large population base: young and growing.	Economic instabilities such as exchange rate fluctuations, inflation.
Opportunities	Threats
Unsaturated market, open for new items.	Complex and time-consuming import procedures.
Growing demand for high value packed food; ready to-eat/cook meals as the share of working women increases.	Strong traditional food and cuisine affecting consumption habits.

**Sources:** CIA World Fact Book; Euromonitor International; Turkish Statistical Institute, Economist Intelligence Unit

## **I. MARKET SUMMARY**

The Republic of Turkey, located in the south east of Europe and the north west of the Middle East, bordering the Black Sea to the north and the Mediterranean Sea in the south, has a young population of 83.6 million. This makes the country the 18<sup>th</sup> most populated country in the world. The median age is 32 and 68 percent of the population is between the ages 15 to 64<sup>1</sup> (59 percent is between 15 and 54). The urbanization rate has reached a bit over 75 percent<sup>2</sup>, with rapid urbanization in the last 25 years. These factors, coupled with an increasing household income trend in the last two decades, drive the retail industry. The country is an associate member of the European Union (EU) and is in a customs union with the EU. Turkey is the 20<sup>th</sup> largest economy in the world as of 2020, according to the IMF.

The average annual real GDP growth rate between 2016 and 2020 was about 3.2 percent and the annual average projected GDP growth rate is 3.9 percent between 2021 and 2025. There was a small recession in early 2019, which negatively impacted employment, investment, and growth. A further contraction was expected in 2020 for the Turkish economy, but instead the economy grew by 1.8 percent. In fact, under the COVID19 pandemic Turkey's economy performed better than many other countries in Europe. The IMF estimates further GDP growth for 2021 of six percent. However, the pandemic is hindering tourism for the summer 2021 season, which may negatively impact the IMF's six percent growth projections. Moreover, structural defects in the economy, diminishing perception of the rule of law, unorthodox domestic policies, tense international relations, security problems on Turkish borders and in the Mediterranean Sea, and extra challenges that came with COVID19 creates considerable risks for the economy and hinders the much-desired stability.

Inflation has become a major challenge for the Turkish economy. Inflation, as measured by the consumer price index (CPI), increased to more than 20 percent in 2018 as the Turkish Lira (TRL) lost value. As the economy started to recover during the second half of 2019, inflation started to decline, but it was still high compared to international standards. In 2020, for example, inflation was 12.3 percent (CPI). The Central Bank of Turkey expects that inflation might go down to single digits in the near future. Food and beverage inflation have risen to 25.2 percent in 2018, but gradually declined to 10.89 percent in 2019. Food inflation was 20.61 percent in 2020<sup>3</sup> and is expected to be somewhat lower in 2021.

Food price inflation was a major concern for the Turkish economy in 2017 and 2018. It became such an issue in the winter 2019 that in advance of local elections the government opened "regulatory sales stands" (*tanzim satis*) in major squares in Istanbul and Ankara to sell subsidized fresh produce including onions, tomatoes, cucumbers, green peppers, eggplants and potatoes, as well as rice, lentils, and chickpeas. Given the challenges of COVID19, food inflation still seems to be a concern. However, there is no shortage of any kind of food, fresh produce or packaged food, in the market.

The value of the Turkish Lira has also depreciated rapidly, especially since the summer 2018, and has remained volatile throughout 2019 and 2020. For example, one U.S. dollar was equal to 3.52 TRL by end of 2016 and 5.95 TRL by the end of 2019. As of June 2021, TRL hit a new record low value of 8.69 TRL to one U.S. dollar.

Grocery retail sales make up about 57 percent of all retail industry sales through approximately 346,000 chain and independent grocery retailers. Total retail industry sales (excl. sales tax) were \$135.28 billion in 2020, according to Euromonitor. The declining trend of both retail sales and grocery sales since 2015 in U.S. dollar terms has stopped in 2020. In addition, the economy started

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<sup>1</sup> Source for demographic data: Turkish Statistical Institute (TurkStat).

<sup>2</sup> CIA World Fact Book.

<sup>3</sup> Source for all inflation figures is TurkStat. Inflation measured by the Producer Price Index (PPI) was 25.15 percent for 2020 which indicates that CPI will not go down very quickly.

growing in 2020. In fact, 2020 would have been a recovery year if COVID19 did not hit. People shopped more for food due to COVID19 since people often cooked at home and restaurants and cafes were closed for most of the year. One of the main causes in the decline in retail and grocery sales in terms of U.S. dollars has been the rapid depreciation of the TRL against the U.S. dollar. In terms of current value of the Turkish Lira though, the sales increased every year, although this included the inflation effects.

During the COVID19 pandemic, with the first case declared on March 11, 2020 in Turkey, grocery stores remained opened and operational while shopping malls, restaurants and cafes were closed during much of the pandemic. Online ordering from major supermarket chains has become very popular in larger cities like Istanbul, Izmir, Bursa, Ankara and even in some smaller cities. Even the hard discounter A101 and discounter Şok have both started an online ordering service in many major areas of the country. Post has observed long wait lists for online deliveries, sometimes 5 – 6 days for orders to be delivered in the start of the pandemic, but that stabilized over time. As of June 2021, online ordering services seem to function well in all metropolitan areas and in major cities in Turkey. No shortage of goods has been observed in the markets during the pandemic, although increase in prices of some food and beverage items were observed. Reportedly, major grocery chains have had record sales turnovers of food and beverages due to pandemic, especially before the mandatory weekend lockdowns in major cities in Turkey. Sales of pasta, grains such as rice, chickpeas, dry beans etc. has been boosted due to people wanting to store some basic food at home.

Based on Post analysis of the market, it is expected that demand for imported higher-value processed food products will increase in the medium to long term in Turkey’s urban western centers where consumers are relatively wealthier. With a growing middle class who travels more than their parents, taste for international flavors will increase. Turkey’s geographical position facilitates food imports (and exports) as well.

Imported high value food items are mostly sold in hypermarkets, which are located in wealthier urban areas. These include [Migros](#), [CarrefourSA](#), [Metro Grossmarkets](#) and premium grocery chains such as [Macrocenter](#), as well as more regional gourmet chains like [Gourmet Garage](#). Standalone gourmet/premium food stores that are located in major city centers like Istanbul, Izmir, Ankara, Bodrum, Antalya, Bursa, Cesme also sell imported goods. Imported specialty or high value food items are generally not sold in discount grocery chains or in regional grocery chains, though imported commodities such as rice, walnuts, almonds and a few imported fresh fruits like bananas and avocados may be available there.

<b><u>ADVANTAGES</u></b>	<b><u>CHALLENGES</u></b>
Long-term GDP growth and disposable income growth (with stagnation in 2016-2018, recovery started in 2020 and expected to further continue in 2021).	Domestic and international political and security challenges.
Large population base: young and growing, middle and upper middle class are growing.	High import duties on processed/packaged food and agricultural products.
High and increasing urbanization rate.	Lack of transparency in rules and regulations.
Strong and steady retail market growth expected.	Economic instabilities such as exchange rate fluctuations.
Unsaturated market, open for new items.	Complex and time-consuming import procedures.

Internationally traveling new generation open to more new tastes from abroad.	Strong traditional food and cuisine affecting consumption habits.
Growing demand for high value packaged food; ready to-eat/cook meals as the share of working women increases.	Risk of similar products being developed domestically, such as packaged confectionery products and ready to eat meals.
Fast growing modern organized grocery chains.	Unregistered economy can create some unfair competition.
Positive perception for products from the United States.	There is a zero tolerance for genetically engineered products or ingredients for food use in Turkey.
Strong food culture and tradition of gathering for meals in large groups, so new products fitting into existing food culture and eating habits are easily adopted.	Marketing for some products can be difficult: Labeling laws limit health-related claims, and regulations limit alcohol advertising, new labeling and advertising restrictions being developed on salt/fat/sugar content.
Many regulations are similar to those of the EU, so the expansion to Turkey can be easier for companies already exporting to Europe.	Competition from many products imported under FTAs or European countries with lower tariffs.

Source: Market analysis of the Post.

## **II. ROAD MAP FOR MARKET ENTRY**

### **ENTRY STRATEGY**

Normally a good way of bringing in retail food to Turkey is using a local agent in the country. This agent is sometimes an importer, distributor, wholesaler, a commission-based trader or some combination thereof. Local representatives will have experience in market development and contact information of potential buyers, such as the organized grocery retailers. A good representative can guide you in the market, including on import rules and regulations, which ports to utilize, local business practices, conducting market intelligence formally or informally, starting sales calls, etc. Turkey straddles southern European and Middle Eastern cultures, and relationships are very important for business. This makes already existing relations and connections in the country especially important.

In very rare cases, some organized retailers may import food items directly, such as high turnover products. But in general, retailers will buy from a Turkish company who is importing the product. Turkey's import processes and regulations can be difficult to navigate, so local agents are vital. For details on the requirements, please refer to FAS Turkey reports on [Food and Agricultural Import Regulations and Standards](#) and [Required Certificates](#). Please also refer to our [Exporters Guide](#) for an overview of the market and steps for market entry.

Turkey's "All Foods Foreign Trade Association" ([TUGIDER](#)) may be contacted to get information on potential representatives in Turkey. Contact: +90 212 347 2560, [tugider@tugider.org.tr](mailto:tugider@tugider.org.tr). TUGIDER members represent the major food importers in Turkey.

Food trade shows in Turkey can be helpful to visit, such as [Anfas Food Product](#), [World Food Istanbul](#), [CNR Food Istanbul](#), and Food Ingredients [Fi Istanbul](#), to meet importers and get a feeling of the market before trying to enter. Additionally, Turkish buyers usually visit [Anuga](#) in Germany, [Sial](#) in France and [Gulfood](#) in Dubai.

## CONTACT THE AGRICULTURE OFFICE

The USDA/FAS Office of Agricultural Affairs in Turkey may be contacted to get information on market issues. Foreign Agriculture Services (FAS) offices listed below may assist with connecting U.S. food exporters and Turkish importers.

For other agricultural industry reports on Turkey and other countries in the world you may visit Foreign Agricultural Service (FAS)' [internet page](#).

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## MARKET STRUCTURE

Grocery retailers are classified in two major groups in Turkey: **organized/modern grocery retailers** and **traditional grocery retailers**. Organized grocery retailers are multi-format retail chains, discount grocery chains, regional grocery chains and gas station convenience stores. The largest chunk of the traditional local grocery retailers are standalone grocery stores which are called *bakkal* in Turkish, are up to 500 square feet in size and selling high-turnover grocery products. Traditionally there are also separate stores in each town or neighborhood specializing in fresh produce, meat, nuts/dried food items, and bread/baked goods. The other major channel in the traditional market structure is open-air bazaars/markets (*pazar* in Turkish) where fresh produce, nuts, fish, and even some textiles are sold by producers and traders. These are weekly farmers markets and are held on streets in different neighborhoods.

Another useful classification of grocery retail stores in Turkey is **regional grocery chains**, **national grocery chains** and **international grocery chains**. Regional grocery chains have stores in one or a few cities in Turkey; they are all domestically-owned companies. They rarely carry any imported food except agricultural commodities such as rice, popcorn, bananas, lentils, and dried beans. They are a large and important part of the retail picture in general, but **not for imported processed goods**, with a few exceptions. National grocery chains are supermarket chains with stores across Turkey in almost all cities. They can be discount, regular, or premium stores. International grocery chains are companies with international ownership and international presence of stores. They have stores around Turkey, but usually not east of Ankara. In total there are more than 200 grocery chains in Turkey having more than five stores.

## TOP FOOD RETAILERS IN TURKEY & COMPANY PROFILES

**Table 1: Top 10 Grocery Store Chains by Number of Stores**

	Grocery Chain	Chain Type	Number of Stores	Number of Stores	New Stores
			2020	2019	in 2020
1	A 101	National Discount	9,522	9,000	522
2	BIM	National Discount	8,047	7,438	609
3	Sok	National Discount	7,661	7,215	446
4	Migros (M, MM, MMM, 5M, M-Jet)	National	2,299	2,177	122
5	Ekomini	National Convenience	2,063	1,935	128
6	Sec*	National Convenience	1,017	673	344
7	CarrefourSA (CarrefourSA, Carrefour Express)	National (Int. JV)	444	421	23
8	Hakmar	Regional - Istanbul & vicinity	585	563	22
9	Onur	Regional - Istanbul & vicinity	150	147	3
10	File**	National	115	93	22
<b>Total of Top 10</b>		All types	31,903	29,662	2,241

Source: Euromonitor International

\* Sec and Sok markets are owned by same company.

\*\* File is owned by BIM.

**Table 2: Top Gas Station Grocery Convenience Shops (Forecourt Retailers) by Number of Stores**

	Gas Station Grocery Convenience	Number of Stores	Number of Stores	New Stores
		2020	2019	in 2020
1	Petrol Ofisi Gas Station Markets	1,800	1,770	30
2	Opet Gas Station Full Markets	1,039	1,123	-84
3	Shell Gas Station Shops & Shell Select Shops	1,111	1,056	55
4	Total Gas Station Stores	405	349	56
5	BP Gas Station Shops	324	330	-6
<b>Total</b>		4,679	4,628	51

Source: Euromonitor International

**Table 3: Market Shares of Organized Grocery Retailing in Turkey: Top 10**

	Grocery Chain	Chain Type	Market Share (%)*	Sales (mill. USD)
			2020	2020
1	BIM	National Discount	10.4	7,818.70
2	A101	National Discount	6.4	4,835.90
3	Migros**	National Discount	5.2	3,975.50
4	Sok	National	4.2	3,158.70
5	CarrefourSA***	National (Int. Owned)	1.7	1,224.00
6	Ekomini	National Convenience	0.5	363.20
7	Hakmar	Regional - Istanbul & vicinity	0.4	332.90
8	Sec****	National Convenience	0.4	266.40
9	Onur Market	Regional - Istanbul & vicinity	0.3	212.70
10	File*****	National	0.2	183.90
<b>Total of Top 10</b>		All types above	<b>29.70</b>	<b>22,371.90</b>

Source: Euromonitor International

\* The market shares are in the organized grocery retail category; traditional grocers are not included.

\*\* M, MM, MMM, 5M, M-Jet Stores of Migros are displayed together. M-Jet is a convenience market.

\*\*\* CarrefourSA and Carrefour Express are displayed together. Carrefour Express is a convenience market.

\*\*\*\* Sec and Sok markets are owned by same company.

\*\*\*\*\* File is owned by BIM.

**BIM** is the hard discounter of Turkey that sells 80 percent of products as private label. It is present in all large cities in Turkey and in most smaller towns as well. Stores are generally 3,000 – 6,000 square feet. They are in neighborhoods and side streets as well as some main roads. BIM does not sell imported food except commodity agricultural products such as rice, walnuts, almonds, corn for popcorn, and bananas. BIM does not sell alcohol of any kind or tobacco products. Seventy-one percent of BIM shares are publicly traded.

**A101** is a hard discount market chain with the greatest number of stores in Turkey and is a major competitor of BIM with similar type of stores in similar locations. Similar to BIM, they only sell some imported commodities – they do not sell imported packaged or processed foods. Private label products constitute 50 percent of all products. A101 exists in all 81 cities in Turkey and also in all town centers in Turkey. Majority shares are owned by Turgut Aydin Holding. A101 does not sell alcohol of any kind or tobacco products.

**Migros** is a multi-format supermarket chain. It was the first grocery chain established in Turkey in 1954 by the City of Istanbul and Swiss Migros. It was then nationalized as Koc Group acquired majority shares in 1975. After several changes in ownership, the majority of shares are now owned by Anadolu Group of Turkey and the company is 100 percent Turkish. Migros has stores in many different sizes. The smallest format is a convenience store designed to compete with discounters and *bakkals* called M-Jet. The small supermarket format is called M Migros, the larger supermarket format is called MM Migros and hypermarket formats are called MMM Migros and 5M Migros. Their **MacroCenter** brand stores are gourmet stores selling a premium shopping experience. The chain covers all 81 cities in Turkey, and about 25 percent of the offered products are private label. Migros sells some imported food, as well as processed and packaged imported food at the larger format stores, and especially in MacroCenter stores. Migros stores sell all kinds of alcoholic beverages including imported wines and spirits, as well as tobacco products. Migros' **online sales platform** began in 1997 and now is serving in all 81 cities around Turkey delivering groceries to homes in the requested time slot. The chain has some stores outside of Turkey as well however in 2020 and 2021 Migros declared that they will get out of Kazakhstan, Northern Makedonia and Bulgaria, meaning that all foreign operations will be sold.

**Şok** (pronounced *shock*) is also a discount market chain. Şok is owned by **Yildiz Holding**, which is the most prominent packaged food and packaged confectionery producer of Turkey, under the famous brand Ülker. Yıldiz Holding has done an initial public offering (IPO) of Şok in May 2018. The IPO value was 2.3 billion Turkish Lira. Now there are five fund management companies having more than five percent of Şok shares, one being from the United States (9.15 percent). Thirty five percent of all the products in Şok are private label and the rest are typically Yıldiz Holding's own well-known brands. In 2017, Şok also launched its mobile application which features click and collect services, the first discounter to do so. As of 2020 Şok started online ordering services with home delivery.

**CarrefourSA** is a joint venture of Carrefour of France and Sabanci Holding of Turkey. Fifty-one percent is owned by Sabanci, which may be the reason this international chain has survived in Turkey unlike many other foreign chains that left the market. A small part of the shares is open to the public. CarrefourSA is the most important competitor for Migros. Like Migros, CarrefourSA operates multi-size super/hypermarkets. Carrefour has CarrefourSA Express (their convenience store size) and CarrefourSA Super in different sizes, and also CarrefourSA hypermarkets. CarrefourSA Gurme is their premium market which carries a lot of imported packaged and processed goods, as do the CarrefourSA super and hypermarkets. The chain is present in 58 of 81 major cities in Turkey. The chain has an **online sales platform** currently serving fifteen cities. CarrefourSA carries all kinds of alcoholic drinks including imported ones, as well as tobacco products.

### III. COMPETITION

According to Post’s market observations, imported processed food products face strong competition from local products in the food retail sector. Turkey has a well-developed food processing sector that is producing good quality food items for the Turkish market and to export overseas. In addition to local production, products from European countries are also important. The EU has a customs union with Turkey where many European processed food items have low or no customs tariffs to Turkey. Furthermore, proximity is a major benefit for lower freight and shorter delivery times from Europe. Trucks are often used for transportation between Europe and Turkey. European Free Trade Association (EFTA) countries which are Switzerland, Norway, Iceland, and Liechtenstein also have a joint FTA with Turkey, giving them preferential customs advantages as well. In addition, Turkey has [FTAs with 19 other countries](#) with many including preferential tariff rates on food and agriculture products.

**Table 4: Top Countries supplying Turkey’s Imported Consumer-Oriented Agricultural Products**

Thousands of USD		Imports	Imports	Imports	% Share
Product		2018	2019	2020	2020
1	Netherlands	382,966	379,444	366,245	10.47
2	United States	424,879	391,297	359,873	10.29
3	Germany	306,794	287,852	254,276	7.27
4	United Kingdom	189,367	186,471	183,524	5.25
5	Iran	54,975	92,637	148,845	4.26
6	Ecuador	208,923	161,287	137,362	3.93
7	France	131,362	137,946	137,186	3.92
8	Italy	154,370	124,764	122,334	3.50
9	China	64,278	92,514	120,614	3.45
10	Poland	281,769	109,671	96,956	2.77
Others		1,557,930	1,683,564	1,570,112	44.89
Consumer-Oriented Agricultural Total from All the World		3,757,613	3,647,448	3,497,328	100.00

Source: Trade Data Monitor

### IV. BEST PRODUCT PROSPECT CATEGORIES

Turkey is a highly competitive and very price sensitive market for many items. Prospective exporters should look at Turkey as a long-term market opportunity and be persistent. A recognized brand has an advantage in the market, with Oreo Cookies being an example. Although similar and good quality cheaper substitutes are available in the market, Oreo has maintained its presence on store shelves. Exporters should be sensitive in brand positioning and be prepared for sufficient marketing activities and advertising.

#### a. **PRODUCTS PRESENT IN THE MARKET THAT HAVE GOOD POTENTIAL**

- 1. Walnuts and Almonds:** Turkey is traditionally a nuts, dried fruits, and dried vegetables consuming culture. Some limited local production exists, but imports are required to meet the growing demand. Walnuts and almonds from California are very dominant in the Turkish market, sold packaged or unpackaged by local importers. There has been a recent import tax cut on both walnuts and almonds from 43 percent to 15 percent in January 2018, which may bring down prices and increase demand, although currently a retaliatory duty of an additional 20 percent applies to both products. Please refer to [Report on Custom Tariffs of Almonds and Walnuts](#) for details on the tariff cuts and see our [report on additional levy](#) for some U.S. originated products. For further information see the [Turkey Tree Nuts Annual Report](#).

2. **Sunflower Seeds for Confectionery:** There are prospects for sunflower seeds for confectionary, especially “Dakota” sunflower seeds which are recognized by Turkish importers and wholesalers as a high-quality product. In-shell sunflower seeds are a hugely popular snack item. There is competition with local production and imports from China and Bulgaria, according to importers/processors, which are price competitive. There is interest in Dakota sunflower seeds by importers in Turkey but Turkish traders recommend that US producers should try to improve their varieties for confectionary consumption to compete with China.
3. **Dates:** Dates are culturally important in Turkey, and often eaten as part of religious rituals during Ramadan. Turkey doesn’t grow any dates but imports mainly from Israel, Saudi Arabia, and Tunisia, according to contacts in the sector. There have been date imports from the United States in the past, but not very recently. Positioning in the market, a focus on quality, and brand recognition work would be important for building the market. California dates have sparked the interest of potential importers. Finding the right time to enter the market is important, as well as finding strategies for reducing refrigerated transportation costs.
4. **Cranberries and Dried Fruits:** There is also some potential for other dried berries which are not produced in Turkey, such as blueberries or cranberries. They also can also be imported in frozen forms. Dried cranberries have entered the market in recent years and have become popular among consumers as a snack food, and there is growth potential for expanding the uses.
5. **Spices:** Turkey is traditionally a spice consuming country and produces many kinds of spices and herbs, but does rely on some imports as well. In recent years, high quality U.S.-branded spices have gained the attention of well-traveled higher income consumers in Turkey. For example, cayenne pepper, crushed red chili peppers, black pepper, and some other niche spices have a potential in Turkey with high-end customers in premium outlets and specialty/gourmet stores.
6. **Functional foods:** Functional food consumption is increasing. There is a healthy eating trend among high end and even middle-class consumers. Gluten-free and diabetic products are available, but much more variety is needed to fill the gap in the market. Diet products are also increasing with health consciousness. Baby foods and kid-focused foods that are ‘enriched’ are in the market in limited varieties and have potential to grow. See [FAS FAIRS reports for requirements](#) limiting what claims can be made on labels.
7. **Gourmet/Ethnic Food Ingredients:** With increasing disposable income, a new generation of Turkish consumers in upper-middle and upper classes tend to be more open to international food as they engage with more international leisure and business travel. Tex-Mex, Chinese, Japanese, Indian, Thai, Italian, Lebanese, and Syrian restaurants are in the market. Gourmet and ethnic food ingredients have potential for home consumption as well as hotels and restaurants.
8. **Wine:** Although there are a variety of local and imported wines in the market, there is a potential for wine imports from the United States for wine enthusiasts that are keen to taste different wines. There is market potential for high end consumers who are less price sensitive. There are opportunities for beer as well, but it is more price sensitive. To note, Turkey has high consumption taxes and import tariffs for alcoholic beverages and there are also marketing restrictions to be aware of. There is 218 percent tax (incl. customs tariffs, special consumption tax and VAT) on U.S. origin wines and 192 percent tax on EU and Chile origin wines. See our [reports](#) for details.
9. **Non-alcoholic beverages:** There is a growing market for other beverages, such as teas or juices, with a focus on natural, plant based, organic beverages according to Post’s retail market observations. There is an increasing demand for healthier beverages. They are sold in cafés and

restaurants in addition to supermarkets. There are restrictions on health claims and on energy drinks to consider, see [FAIRS reports](#) for details.

**b. PRODUCTS NOT PRESENT IN SIGNIFICANT QUANTITIES BUT WHICH HAVE GOOD SALES POTENTIAL**

- 1. Nutrition bars:** Nutrition bars promoting a healthy lifestyle are trendy in Turkey. There are some locally produced ones, but it is limited. Imported products with specific attributes like a vitamin, protein, etc. have potential in the market. These products are for the high-end consumers and should be promoted as such, including the choice of the stores to be sold.
- 2. Pecans:** Pecans have made some progress in Turkey in the last few years, but because they are perceived as substitutes to walnuts and have a higher tariff, the high price limits consumption. There are targeted opportunities for growth, including high-end consumer confectionary and specialty baked goods.
- 3. Ready-made meals:** Ready to eat and ready to cook meals have an increasing sales potential in Turkey as the structure of households evolves. Dual-income households and urban single person households are on the rise.
- 4. Processed organic food:** There is an increasing demand for organic food as household incomes increase in Turkey and health consciousness rises. The market for organic packaged food in Turkey reached \$90 million in 2015 and is expected to reach \$170 million by 2020. Organic dairy, baby food, and snack items are the most consumed organic retail products in Turkey. Please take look at [the report prepared by our office](#).

**c. PRODUCTS NOT PRESENT BECAUSE THEY FACE SIGNIFICANT BARRIERS**

- 1. Food Items from Genetically Engineered Crops:** Any food item that is genetically engineered or contains any trace amounts of genetically engineered content is not currently allowed for import to Turkey for human consumption. No genetically engineered/GMO products have been approved for food use in Turkey. This barrier impacts all food categories and import processes and testing is rigorous and complex. Please see [Turkey Agricultural Biotechnology Annual Report](#) for more information on the situation.
- 2. High Quality Beef Products:** There is a potential demand for high quality and variety of beef products, especially for the luxury market, including for the new beef/steak restaurants that have grown in popularity. Beef can also be marketed at high quality gourmet stores and premium supermarkets. Although the market is price sensitive for general consumption, there is potential for high quality niche beef products. Import permission and the control document procedure from the Turkish Government to import beef impede the import process, however, as do the complex import requirements including having Turkish inspectors visit the production plant during slaughtering. Please see our [report](#) on the livestock sector or contact our office with additional questions.
- 3. Organic Sugar:** The industry specialists indicate that there is a demand for organic sugar, but there are regulatory barriers to import it into Turkey.

**Attachments:**

No Attachments