



## **SMALL HOLDER FARMERS' ACCESS TO MARKET IN TURKEY**



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# OUTLINE

- Introduction
- Agriculture and Family Farming
- Macro economy and Agriculture in Turkey
- Agricultural Enterprises in Turkey, Production Map
- Market Access of Small Holders
- National Marketing Strategy
- Marketing Channels
- Agricultural Commodities Marketing System
- Support to Smallholder Farmers
- Improvement of Small Holders' market Access
- Branding in Agriculture
- Examples of Good Practices



# GLOBAL PROBLEMS OF AGRICULTURE

- **CLIMATE CHANGE**

- Change in precipitation regime
- Flood and submersion

- **DROUGHT**

- Temperature increase
- Desertification

- **WATER MANAGEMENT**

- Basin management
- Modern irrigation systems

- **FOOD SAFETY**

- Disequilibrium of supply-demand
- Price increases

- **FOOD SAFETY**

- Public health
- Safe food consumption

- **EPIDEMICS**

- Avian influenza
- Trans boundary diseases

- **Global problems increased the importance of agriculture sector.**

# Future of The World

## Importance of Agriculture And Smallscale Farmer

### UN International Years

- 2003 International Potable Water Year
- 2004 International Rice Year
- 2005 International Micro Credit Year
- 2006 International Deserts and Desertification Year
- 2007 International Polar Year
- 2008 International Potato Year
- 2009 International Wool and Cotton Farming Year
- 2010 International Biodiversity Year
- 2011 International Forest Year
- 2012 International Cooperatives Year
- 2013 International Water Cooperation Year
- 2014 International Family Farming Year**



Food and Agriculture Organization  
of the United Nations



Family Farming is Key  
to Alleviating Worldwide Hunger



# AGRICULTURE and Family Farming

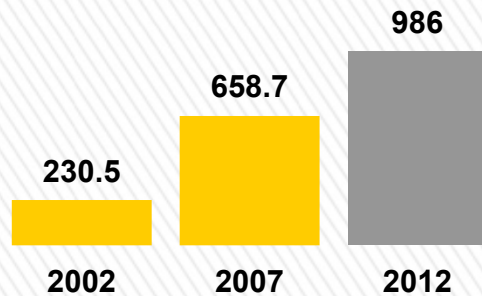
Smallholders are generally family farms and they have a great importance for global food security.

In world;

- There are over 500 million family farms.
- Constitutes more than 98% of agricultural enterprises.
- Agricultural production in 56% of agricultural land.
- Family farms produces 80% of world food.

# MACROECONOMY IN TURKEY

**TURKEY GDP**  
(billion \$)



## ECONOMY OF TURKEY

Nonstop growth for 24 quarters

16. Largest economy

22. Biggest importer

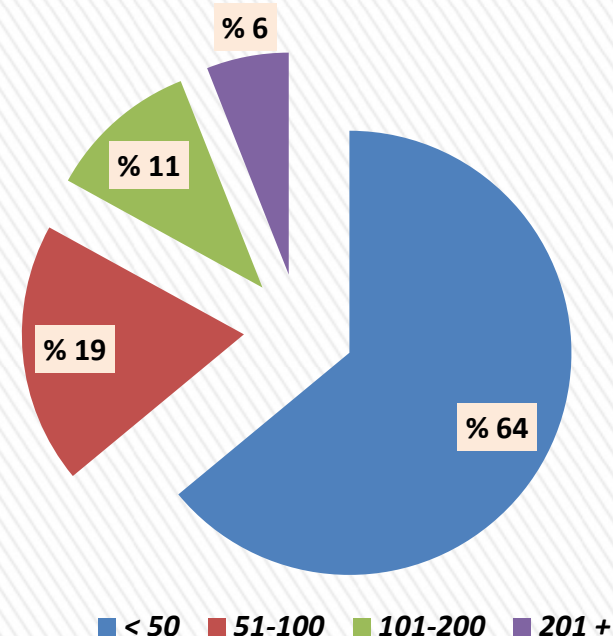
34. Biggest exporter...

Brief Macroeconomic Indicators (2013)	Turkey	Agriculture	Share of Agriculture (%)
Population (Million)	76,7	17,4	22.8
Employment (Million)	25,5	6,0	23.6
GDP (Billion \$)	820,0	61,0	7.4
Per Capita GDP (\$)	10.782	3.483	32.3
Exporting (Billion \$)	151,9	17,7	11.7
Importing (Billion \$)	251,6	17,0	6.7

# Agricultural Enterprises in Turkey

## ➤ In Turkey;

- Total agriculture land ; 24 million ha
- Total enterprise number 3,1 million
- Average enterprise size 6 ha (12,6 ha in EU)
- Parcel number per enterprise 10 parcels
- 65% of enterprises is 5 ha,
- 85% of enterprises has small lands less than 8 ha



- ✓ These indicators shows us most of our enterprises are small-scaled.
- ✓ This is the most important factor for limitation of small holders' market access due to high costs, low technology, insufficient finance, etc.

# PRODUCTION MAP



**Turkish Agricultural Sector exports 1.750 products to 197 countries**

# PRODUCTION

STATISTICS (2013)

## PLANT PRODUCTION

Product Groups	2013 (million Ton)
Grain (wheat, barley, bot...)	35.0
Oily Seeded plants (sun flower, soybean...)	1.7
Total Fruits	18.0
Citrus Fruits (Orange, Lemon, grapefruit)	3.7
Total Vegetable	28.4

## ANIMAL PRODUCTION

Products	2013 ( Ton)
Milk	18.200.000
Red Meat	996.000
Fishery	233.000

# TURKISH AGRICULTURAL ECONOMY IN THE WORLD;

**16. th** biggest Economy **7. th** Agricultural Economy

Turkey is sufficient country in terms of food

IN PRODUCTION		IN EXPORT	
Nut, Apricot and Cherry	1st		1st
Melon, Water Melon, Strawberry, Fig, Lentil, Olive, Apple, Tomatoes, Tea, Antep pistachio, Nut, Walnut, Aubergine, Sheep milk, sugar beet and honey	2nd-5th		2nd-5th
Wheat, Barley, Grapes, peach, Mandarin, Lemon, Almond, Olive oil and sheep meat.	6th-10th		6th-10th

Product diversity in agricultural production and trade in Turkey, has an important potential due to its closeness to the market. Small holders are the basis of this potential.

# Market Access of Small Holders

## Small Holders;

- ✓ Limited access to domestic market,
  - They can't reach to the market by their own opportunities
  - High number of mediators in the case of market access
- ✓ Selling products to the local markets,
- ✓ High social ties among themselves
- ✓ Disadvantageous in financing, technology, education and competition in comparison to big marketing organizations,
- ✓ Small role in value chains and gets a small share of total added value,
- ✓ They represent a community that does not have sufficient possibilities of product marketing and local and regional storage.

# Small Holders Marketing

## Small Holders;

- They are less affected by the market movements due to self-consumption production.
  - Have a vital role in food security, sustainability, traditional production methods and protection of biodiversity
  - Ensures food security
  - The only way to implement these roles is to increase their access to the market.
- In this period, marketing is the most important problem for small holders.
- The strongest way to compete with industrial big scale farms for marketing in free market economy is to collaborate under cooperative structure

# National Marketing Strategy and Management

- *As a national marketing strategy, in Turkey, small holders should access to the market via organizations.*

## **International Marketing Strategy**

- *Small holders access to the market via producer organizations*
- *(10th Five Year Development Plan- 2014-2018)*

## **Related Institutions**

- *Ministry of Food, Agriculture and Livestock*
- *Ministry of Customs and Trade*
- *Ministry of Interior*

## **MFAL Policy**

- *13. Strategical Objective in 2013-2017 MFAL Strategic Plan*
- *In-place evaluation of agricultural products and increase the added value*

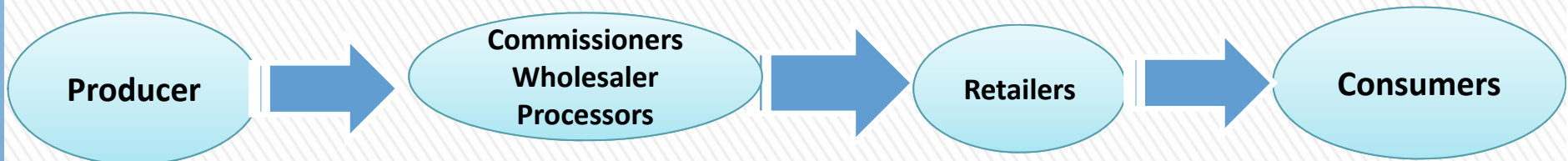
## **Ministry of Customs and Trade**

- *Legislation for marketplaces*
- *Regulations for domestic and foreign trade*

## **Ministry of Interior**

- *Municipalities are responsible from marketplaces management and administration.*
- *Local markets*

# Marketing Channels



***The policy of our ministry is to increase access of small holders via organizing***

***Producer Organizations + Commissioners + Wholesalers + Processors + Markets***

***80% of products produced in Turkey are marketed this way.***

# Agricultural Products Marketing System

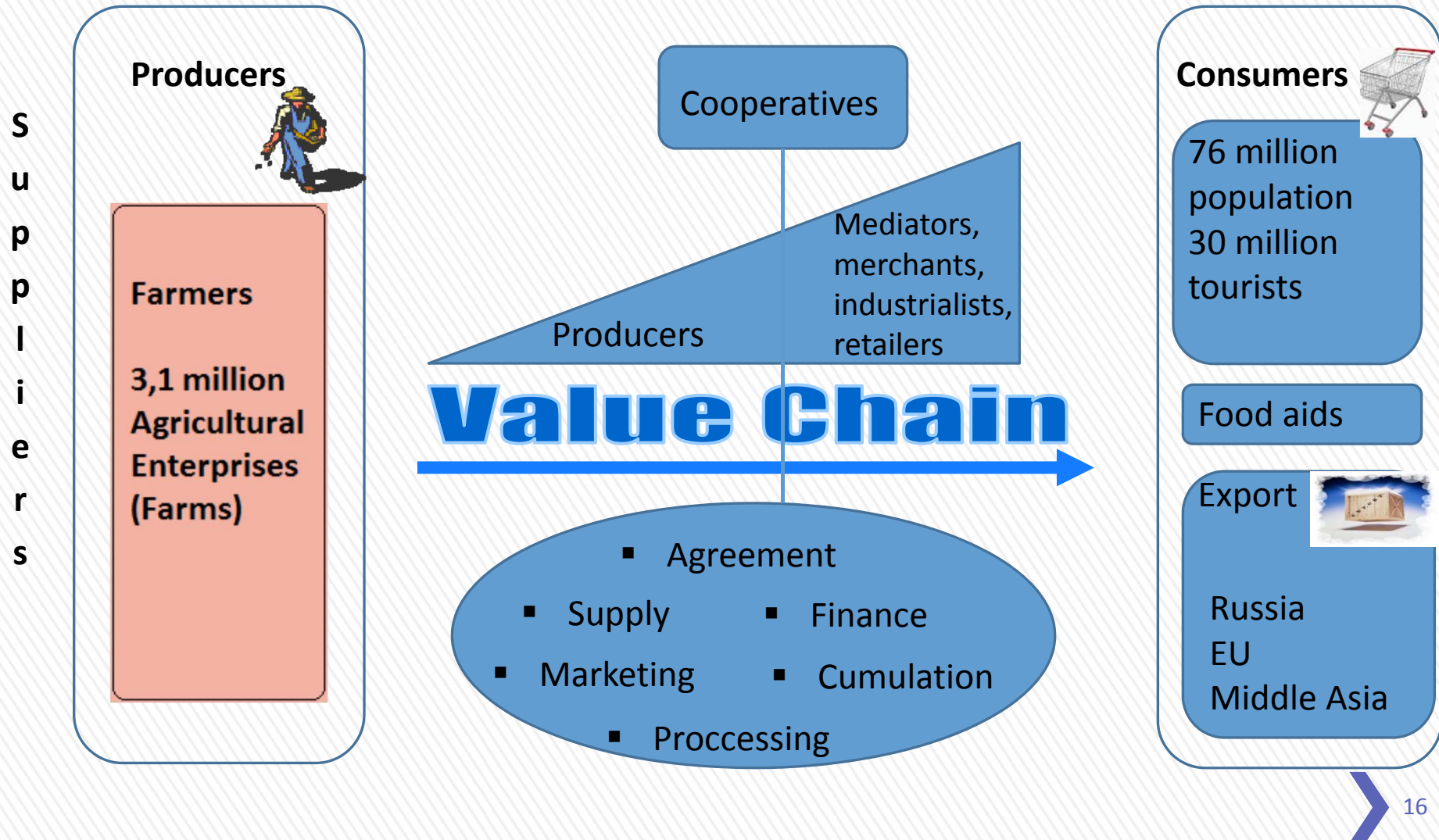
- More product diversity
- Marketing channel for product
- Multiple actors in marketing
- Free market economy
- More role for private sector
- Public regulatory role (audit, monitoring and intervention)



**Actors**

	Product Groups											
	Grains	Pulses	Fresh Fruits and Veg.	Dry and hard shell fruits	Cotton	Sugarbeet	Sunflower	Tobacco	Tea	Livestock	Dairy and animal prod.	Dairy prod.
Public (TMO, ÇAYKUR, TİGEM vb.)	X					X		X	X		X	
Private Sector	X	X	X	X	X		X	X	X	X	X	X
Cooperatives and Unions (16.500)	X			X	X	X	X		X		X	X
Trade Stockmarkets (113)	X	X		X	X		X			X		
Wholesaler and retailers		X	X							X		X
Local Markets (81 cities)		X	X									

# Role of Producer Organizations in Value Chain Management and Its Effect on Competition Power



# Market Access of Small Holders

## Current Problems;

- Non-institutionalised Organization
- Low level of education
- Lack of capital
- Lack of access to the market data (price, production, demand, etc.)
- Scarcity of statistical data regarding the small holders
- Lack of production with packages and brand and lack of competition as a result

# Market Access Improvement of Small Holders

## Ongoing studies;

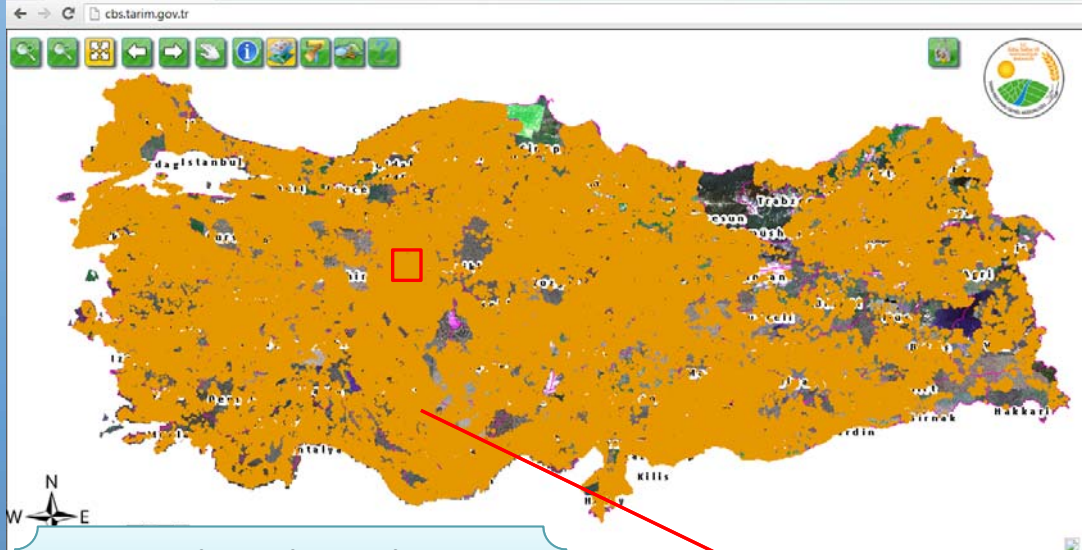
- Supporting organizations
- Education and extension supports (Certified agriculture advisory)
- Rural development support (50% grant to processing and storage facilities)
- Licensed storage
- Extensification of contractual agriculture
- Updating marketplace law (20% quota for producer organizations=
- Financing supports (credit interest supports)
- Parcel based production for supply control and yield estimation

# Structure of Agricultural Holdings

Monitoring and evaluation on parcel based



Agricultural parcels were digitized (33 Million parcel)



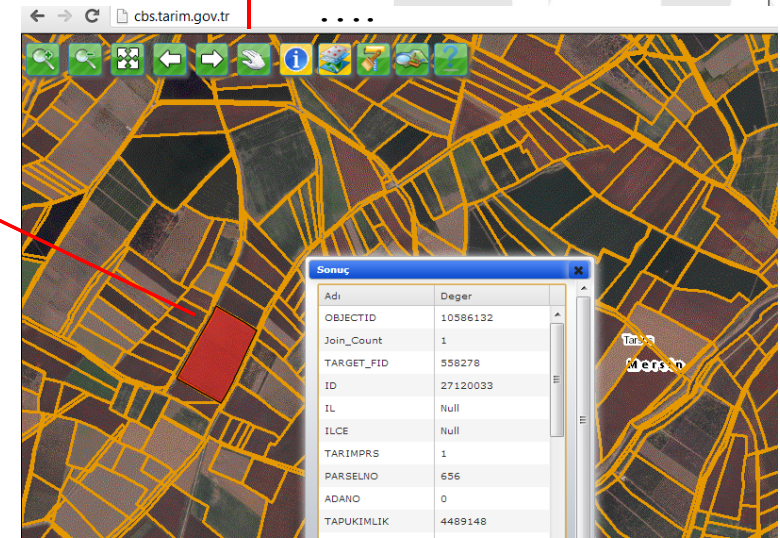
## Agricultural Marketing Information System

- Agricultural production,
- Consumption,
- Import
- Export
- Stocks
- Updated info for prices on the basis of city/district/village/basin

- Special marketing strategy for small holders

## Farmer Registry System

- Location data
- Parcel data(class, structure, eğim, yön)
- Wetland, irrigation )
- ownership,- usage data



Identification. Number for each parcel

# SUPPORT FOR SMALLHOLDER FARMERS

There are various supports both for existing producers and investors

	Provider of the support	Target group	Production based supports	Investment based supports <sup>1</sup>
<b>A Agriculture supports</b>				
Agricultural basin model	Ministry of Agriculture	All (small and large farmers/investors)	✓	✗
Livestock breeding			✓	✗
Certified seed and seedling			✓	✗
Organic farming			✓	✗
Farm advisory services			✓	✗
Soil analysis, duel and fertilizer			✓	✗
More efficient fight against animal disease			✓	✗
<b>B Investment incentives<sup>2</sup></b>				
General incentives	Ministry of Economy	Medium/large size investors	✗	✓
Regional incentives	Ministry of Agriculture		✗	✓
Agricultural credits			✓	✓
GAP <sup>3</sup> DAP programme			✗	✓
<b>C EU-IPARD<sup>4</sup></b>	Ministry of Agriculture	Medium/large size investors	✗	✓
<b>D Rural development support</b>	Ministry of Agriculture	Small farmers and investors	✓	✓

# Market Access Improvement of Small Holders

**Studies which will be done;** *We should develop the access to market, financing, technology and information.*

- Establishment of Marketing Information System
- Twinning of FRS and Marketplace
- Extensification of contractual agriculture
- Strengthening producer organizations
- Increase the usage of information technologies for marketing by small holders.
- Increasing branding
- Positive discrimination for small holders in shopping malls by local authorities
- Special marketing strategy for small holders will be determined

# BRANDING IN AGRICULTURE

- Turkish nut
- Turkish delight
- Turkish apricot
- Turkish fig
- Turkish grape  
and lots of other  
products...



In Turkey,  
**144 DIFFERENT**  
products have  
commercial brand  
quality.

Turkey's most important sector which has the tendency towards branding is  
**AGRICULTURE.**



- ❑ In production of those branded products, the biggest role belongs to the small farmers.
- ❑ More chance of competition can be reached in the domestic and international markets via branding with organizations.

# Examples of Best Practices

## ➤ Cooperatives;

- Tire and Bademli Coop.
- Agricultural Credit Cooperatives
- Agriculture Sales Cooperatives; Trakyabirlik, Tariş
- Beet Producers Cooperative Association (PANKOBİRİK)
- Milk Producers Union



## ➤ Breeding Association;

- İzmir Breeding Sheep Goat Association



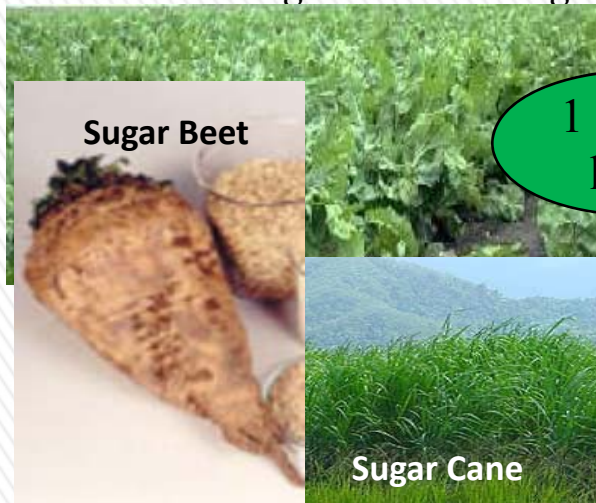
## ➤ Private Sector; Konya Şeker

## ➤ Individual Achievements;



## COOPERATIVE MODEL IN INDUSTRIAL PRODUCTS (PANKOBİRİK)

- *Approximately, 500,000 farmer families are engaged in agriculture beet in a year.*
- *It is an alternation crop and cooperatives plans its production according to the needs of sugar plants.*
- *Income is high and its roughage are forages.*



1 decar  
land

4 tone  
Sugar Beet

550 kg Sugar

160 kg Molasses  
(Ethyl alcohol)

Sugar Beet Pulp  
(Forage)

31 Cooperatives

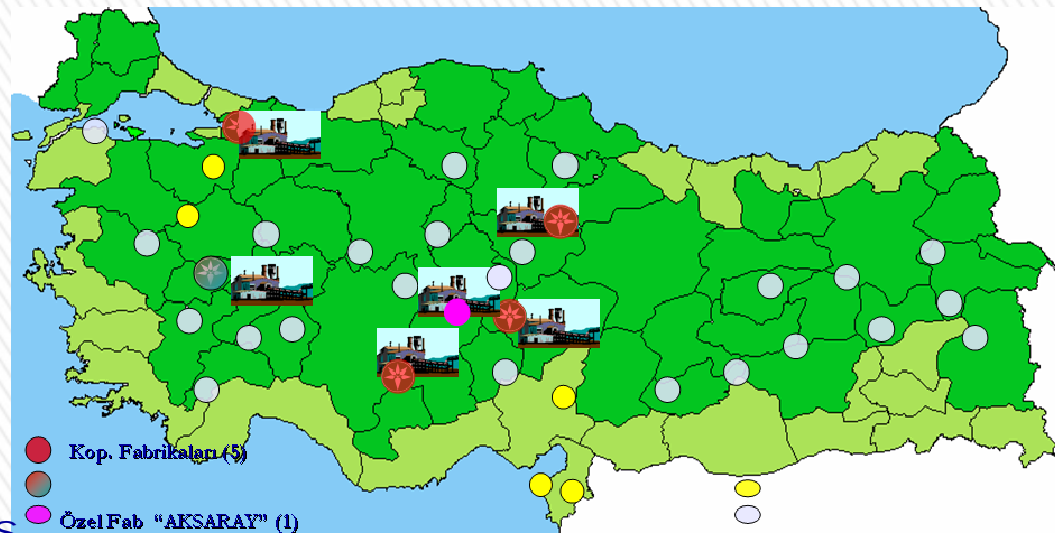
1 700 000 Producer

6 Sugar Plants

(Amasya, Kayseri, Konya, Çumra,  
Adapazarı, Kütahya (%42))

300 Company Store

50 Agricultural Associates





*Thank You*

