

# **U.S. - Turkey Agribusiness Cooperation: Making it Work**

A Presentation to the

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by

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# Introduction

- Market Solutions LLC is a leading international food industry and agribusiness consulting firm.
  - Experience working with Turkish companies interested in the U.S. market and in developing agribusiness projects in Turkey
  - Experience working with American food and agricultural trade groups interested in Turkey
- Industries include grains and oilseeds, fats and oils, fibers and textiles, livestock & meat, poultry, dairy, and horticultural products.
- Objectives today:
  - Examine Turkey's Agribusiness Export Products and Markets
  - U.S.- Turkey Food and Agriculture Trade
  - Keys to U.S. interest in Exports and Investment in Turkey
  - Conclusions for Making U.S. – Turkey Agribusiness Cooperation work



# Turkey's Agricultural Exports

## \$8.9 billion in 2006

Turkey's Major Agricultural Exports, 2006		\$ Million
FORESTRY PRODUCTS		2100.00
HAZELNUTS AND PRODUCTS		1500.00
TOBACCO		683.40
CITRUS		479.00
LIVESTOCK AND AQUACULTURE PRODUCTS		456.40
PASTA AND BAKERY PRODUCTS		402.70
FRESH FRUITS		331.90
VEGETABLE OIL		329.70
FLOUR		307.60
SEEDLESS RAISINS		290.80
CONFECTIONERY		287.70
CACAO		277.70
OLIVES AND OLIVE OIL		270.10
LEGUMES		250.20
CEREALS		191.90
TOMATOES		176.90
DRIED APRICOTS		158.30
LEMON		156.50
CONSERVED FRUITS AND VEGETABLES		136.50
TOMATO PASTE		120.20
DRIED FIGS		114.90
FRUIT JUICE		106.60
COOKED FOOD		56.70
DRIED VEGETABLES		55.50
FROZEN FRUITS		19.70



# Turkey's Agricultural Export Markets, 2006

Grains, Legumes, Oilseeds and Products, \$2.6 billion

Commodity	\$million
Iraq	521.60
European Union	406.80
Former Eastern Bloc	274.40
Gulf Countries	250.20
Turcic States	111.00
Libya	106.90
Syria	100.90
Algeria	69.80
Israel	66.20
Georgia	57.90



3 Source MARA data, Market Solutions LLC analysis



# U.S. – Turkey Agricultural Trade, 2006

U.S. Imports from Turkey, \$428 million

U.S. Exports to Turkey, \$1.042 billion

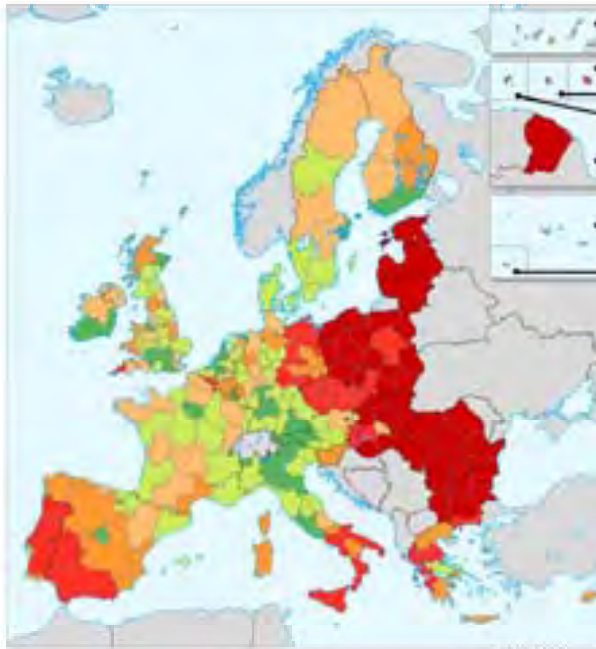
Commodity	\$million
Tobacco	148.30
Processed Fruit & Veg	111.60
Vegetable oils	44.20
Tree nuts	37.70
Fruit & Vegetable Juices	31.00
Spices	16.10
Snack foods	12.60
Fish & seafood	2.80
Essential oils	1.80
Tea	1.10
Forest products	1.00
Other	20.00

Commodity	\$million
Cotton	512.1
Soybeans	139.5
Poultry meat	65.1
Animal fats	61.2
Vegetable oils	61.1
Animal feeds and pet foods	32.8
Tree nuts	30.1
Tobacco	23.1
Soybean Meal	20.7
Hides and skins	15.0
Forest products	11.0
Rice	4.1
Fish and seafood	1.1
Other	23.0



# U.S. Exporter and Investor Interests

- Turkish Market with 68 million people
- Access to Iraq and the Middle East
- Access to the European Union-27
- Access to the Former Eastern Bloc & Turkic States



# What U.S. Exporters and Investors Want to Know

- What are production trends and prospects for agricultural raw materials?
- What is the market potential?
- What is the competitive situation?
- What are the strengths and weaknesses of a location in Turkey?
- What is the situation for labor, utilities, transportation?
- How does government policy affect likelihood of success?
  - How does government policy affect access to imported equipment and raw materials? Incentives to invest? Regulatory environment?
- How can local partners – business and govt - contribute to success?
- What are the risks and potential rewards?





# Conclusions

- U.S. – Turkey Agribusiness partnership is underdeveloped.
- Opportunities for Turkey in surrounding markets may make the U.S. less attractive as a market, but there is much potential to gain from two-way trade and investment.
- U.S. exporters and investors often have very limited understanding of Turkey and its neighbors as potential partners and markets.
- Solid analysis and good two-way communication are keys to making U.S. – Turkey agribusiness cooperation work!





**Thank you!!!**

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