

The trend towards high added-value products...

2.8

Total red and white meat production in Turkey amounted to about 2.8 million tons in 2013.

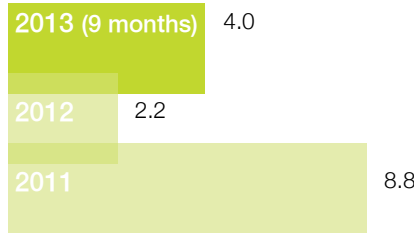
The Turkish economy and the sector in 2013

Average per capita consumption of red and white meat in Turkey is about 13.01 kgs and 21 kgs respectively. While these amounts has been increasing in recent years, they are still below world averages.

4%

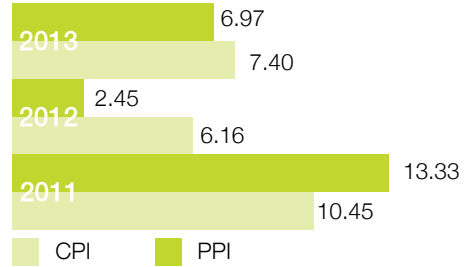
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GDP Growth Rate - Fixed Prices (%)



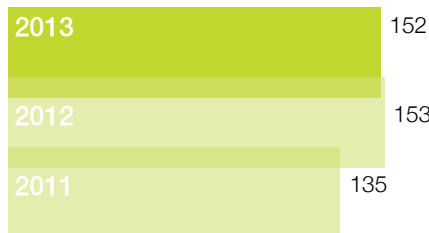
The Turkish economy grew by 4% as of the third quarter of 2013. Having grown by 2.2% in 2012, the Turkish economy achieved a 4% rate of growth in the first nine months of 2013.

Inflation (%)



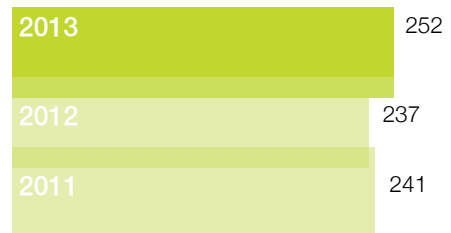
Inflation appears to be on a rising trend. At end-2013 Turkey's 2003 base-year consumer price index was 7.40% higher than what it had been twelve months earlier while the producer price index, which had declined by 2.4% in 2012, rose to 6.97% in the year to end-2013.

Exports (USD billion)



Exports make a net contribution to growth of zero. According to TurkStat-published provisional figures for 2013, Turkey's exports last year amounted to USD 151.9 billion in value while its imports weighed in at USD 251.7 billion.

Imports (USD billion)



The resulting USD 99.8 billion foreign trade deficit was 18.7% bigger than what it had been the year before while the ratio of the country's exports to imports fell from 64.5% in 2012 to 60.3% in 2013.

The Livestock and Meat Products Industry

Foremost among the more serious problems that people face in today's rapidly changing world is that of inadequate and unbalanced nutrition. According to the World Health Organization, a healthy human being needs to consume at least one gram of protein for each kilogram of body weight every day; furthermore, 42% of that needs to be animal-based protein. Some 72% of total daily protein consumption in Turkey by contrast is reported to be derived from plant-based foods.

The amount of protein consumed worldwide on a daily basis is put at 79 grams per person, of which amount 31 grams, or about 39%, is animal-based protein. This average masks a huge disparity between developed and developing countries however: in the former the proportion is as high as 65% while in the latter it may be as low as 20%.

Total red and white (ie poultry) meat production in Turkey in 2013 was about 2.8 million tons, some 3.7% more than was produced in 2012. The average amount of meat consumed annually in our country has reached 34.01 kgs/person, of which 13.01 kgs is red and 21.0 kgs is white meat.

In just over two decades there has been tremendous progress not just in cattle breed improvement in Turkey but also in livestock nutrition and management. In 1991, the average weight of a beef carcass was 143 kgs; last year it was nearly 286 kgs—a weight increase of 100%.

While Turkey's geography makes it suitable for livestock farming and for the production of animal-based products of every kind, much of that potential has yet to be tapped. One reason for this is that the practice of breed improvement has not become sufficiently widespread; the other is that farmers are constrained by high feed costs because not enough good-quality forage is being grown.

Among the other hindrances to the development of animal husbandry in Turkey, mention should also be made of insufficient locally available breeding stock, feeder cattle, and quality forage. Owing to high input costs, the sector is not globally competitive and suffers seriously from raw material price volatilities and uncertainties.

The number of "medium- and large-sized livestock enterprises" (defined as those having at least one herd of 50 cattle or more) in Turkey was 28,412 in 2013. Of that number, more than 24,000 were set up within the last ten years alone.

Poultry farming has also become increasingly more important in recent years. Two factors have been driving this trend: one is the steady rise in Turkey's urban population; the other is the growing appeal of poultry meat as a lower-cost alternative to red meat as a source of protein.

Total red meat production in Turkey amounted to nearly a million tons in 2013, of which 870 thousand tons was beef and only 127 thousand tons was lamb/mutton. This was about 8.5% more than in 2012. White meat production by contrast was nearly double that at close to 1,800 thousand tons, of which nearly all—1,758 thousand tons—consisted of chicken and merely 40 thousand tons consisted of turkey. On this basis therefore, total meat production in our country last year weighed in at around 2.8 million tons.

In a sector characterized by upwardly-moving prices, we are also witness to a strong trend towards higher-added-value products. Owing to its superior health (low-fat, low-cholesterol) and flavor values as well as to its higher protein content, turkey meat and products made from it are becoming an increasingly more attractive alternative protein source for consumers.

In 2012 the Food, Agriculture and Livestock Ministry published a new communique concerning meat and meat products that governs a host of technical issues related to the production, packaging, and marketing of meat products. The communique, which went into effect in March 2013, also introduces a number of radical changes pertaining to meat product definitions and content.

In March 2013, a 15% tax was imposed on the importation of AFO (animal feeding operation) beef cattle, which are animals that are to be finished in feedlots prior to slaughtering. Since then, there have been no such imports at all.

There are many things that could be done to support the sustainable growth and development of the meat farming industry in Turkey but the most efficient way of accomplishing this would be to carry out a thorough review of the sector's entire value-creation chain and to design and implement measures and incentives that have a consistent impact throughout that chain.

While a number of modern, large-scale livestock enterprises have been set up in our country in recent years, they have failed to achieve their full potential owing largely to problems with vertical integration. Smaller-scale operations on the other hand frequently suffer from difficulties such as inefficiency, lack of technology, limited market access, and disorganization. To overcome such problems, greater attention needs to be given to improving breeds, to introducing an EU-compliant carcass classification system in order to improve forage quality and give producers an incentive to do so, to combating animal diseases and pests, to improving and regulating pasturage, to increasing better-quality forage production, and to providing producers with more convenient access to up-to-date information.

Source: Ministry of Food, Agriculture and Livestock, TurkStat, ebk.gov.tr, Nielsen

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