

# European Commission – Agriculture and Rural development

## Turkey - Agriculture and Enlargement

Republic of Turkey was established on 23 October 1923. The current Constitution was adopted in 1982. Turkey has a total population of 69 million people (2007) and a continental land area of 783.562 km<sup>2</sup>.

The country has been experiencing solid economic growth in recent years. The EU is Turkey's main economic partner (60% of exports and 43% of imports in 2007) following the Customs Union established in 1995.

Agriculture is still a very important sector. In 2007 it represented 8.7% of GDP and 26.4% of employment, but these figures are decreasing. Turkey is a major world producer and exporter in some sectors (e.g. fruit and vegetables). Social and economic development of rural areas is a major challenge for coming years.



### Main Country Indicators

	Total area (in km <sup>2</sup> )	Population (thu)	Population density (per km <sup>2</sup> )	GDP (EUR mio)	GDP growth (% change with a previous year)
<b>Turkey</b>	<b>783 562</b>	<b>69 689</b>	<b>88.9</b>	<b>480 281</b>	<b>4.5</b>
Western Balkan countries <sup>1</sup>	264 462	23 614	89.2	85 255,53*	n/a
EU 27	4 308 406,6	492 090	114.4	11 339 731	3.0*

Sources: Eurostat for year 2007  
\*2006 data

<sup>1</sup> Croatia, the former Yugoslav Republic of Macedonia, Albania, Bosnia & Herzegovina, Montenegro, Serbia and Kosovo (UNSCR 1244)

### Towards EU Membership

#### Accession Negotiations

The European Council decided to open accession negotiations with Turkey on 3 October 2005. The negotiating framework, setting-out the principles of the negotiations with Turkey, stipulates that given the financial impact of Turkish accession on the EU the negotiations cannot be concluded before the establishment of the financial perspectives for the period from 2014.

In this context, the analytical examination of the *acquis* (screening) in 35 chapters was completed during bilateral meetings in October 2006. The screening on **chapter 11 (agriculture and rural development)** was conducted between December 2005 and January 2006.

The European Council Presidency informed the Turkish authorities in January 2007 on the 6 opening benchmarks that must be met before opening effective negotiations on chapter 11- Agriculture and Rural Development. At the present Turkey is working to meet these benchmarks.

## **Accession Partnership (AP)**

The Accession Partnership is a European Council Decision that establishes the main priorities (short and medium-term) Turkey should focus on in the context of its pre-accession strategy. This is of key importance for targeting the EU financial assistance towards the specific needs of Turkey. Furthermore, the revised Accession Partnership 2007 will serve as a basis for future political reforms and as a yardstick against which to measure future progress.

In what concerns **agriculture and rural development**, the 4 priorities included in the 2007 AP are:

### Short-term

- Establish an IPARD agency (Instrument for Pre-accession Assistance Rural Development Component) accredited in compliance with EU requirements.
- Lift restrictions on trade in beef meat, live bovine animals and derivate products.

### Medium-term

- Continue developing the system of land identification and the National Farmer Registration System to prepare for controls on agricultural land.
- Start preparing the implementation of pilot actions relating to environment and the countryside, in view of future implementation of agri-environmental measures.

## **IPA – The Instrument for Pre-accession Assistance (2007 – 2010)**

Turkey will receive € 2 256 million (current prices) for the five IPA components over the period 2007-2010, according to the MIFF (Multi-Annual Indicative Financial Framework). The priorities to focus on for each component are expressed in the MIPD (Multi Indicative Planning Document).

In the case of **agriculture and rural development**, the 2 most important components are:

- Component I (Transition Assistance and Institution Building) – represents € 947million (42% of total budget) and targets mostly the alignment with the *acquis communautaire* and the building up of administrative capacity by the public sector. Agriculture and rural development is one of the priority sectors in the overall assistance. It is the successor of PHARE, its main instruments are twinning and twinning light projects but also includes TAIEX short term assistance.
- Component V (Rural Development) – represents € 290 million (13% of total budget) and targets mostly the rural areas and private sector in agriculture. It is the successor of SAPARD. The measures concern investments in agricultural holdings, investments in processing and marketing, support for producer groups, preparation for agri-environment measures and LEADER, and diversification and development of rural economic activities. The IPARD funds will start to flow to Turkish farmers, processing enterprises, rural entrepreneurs, producer groups etc. only once the accreditation of implementing structures (including a paying agency) according to EU rules will be completed.

## Agricultural Sector – general overview

### Economy and structures

Agriculture is of key importance to Turkey, both in social and economic terms. About half of Turkey's total land area is devoted to agriculture, which is slightly above the EU-27 average (41%). Turkish accession would therefore add about 39 million hectares to the EU's agricultural area. This would represent 22% of the EU-27 agricultural area. In 2007 roughly 26% of the workforce was employed in agriculture, and in the same year the sector represented 9% of GDP.

The farm structure in Turkey shows similarities with some of the new member states. According to the 2001 census there are approximately 3 million agricultural holdings in Turkey (compared to approximately 15 million in the EU-27), most of which are family farms employing family labour. Holdings are smaller than EU average (6 ha, compared to an EU-25 average of 13 ha).

Subsistence and semi-subsistence farming is an important characteristic of Turkish agriculture. These farms are typically characterised by productivity of the factors of production being low and only a small fraction of production being marketed.

### Sectors

In the **arable crops** sector Turkey is a major producer. In 2007 the production of cereals in Turkey (not including rice) was 30 million tonnes, which represents 11.4% of the EU-27.

Turkey is a major world producer and net exporter of **fruit and vegetables**. Its levels of production currently amount to 41 million tonnes which represent around 60% of EU-27 production of fruit and vegetables.

As regards **nuts**, Turkey is a major world player, in particular for hazelnuts (largest world exporter). Turkey is a very competitive in terms of quality / price ratio thanks to its climate and low labour costs. For **other crops**, Turkey appears to be a competitive producer (in EU and world terms) of certain grain legumes such as chickpeas and lentils, of cotton, and of some qualities of sugar, tobacco and olive oil.

For **animals and animal products**, Turkey has a highly protected market including import restrictions. Turkish meat consumption per head is about 1/5 of EU average, for sheep meat it is higher than in the EU. Consumption of cow milk and eggs are at half the EU level and 3/4 of the EU level respectively.

### Economic importance of agriculture

Indicators	Turkey	EU 27
Agriculture area (000 ha)*	39 503	182 129***
Proportion of total area	50.4%	41.4%***
Proportion of Arable land	55.6%	59.3%
Proportion of Permanent Grassland	37%	30.9%***
Share of agricultural labour in total labour (%)	26.4	5.6
Share of GDP (%)	8.7	1.8

Sources: Eurostat for year 2007 - \*Usable agriculture area (UAA), \*\* estimate based on Labour Force Survey results for 2004  
\*\*\*2006 data

### Agriculture production statistics

LIVESTOCK (000 heads)	Turkey in 2007	EU 27 in 2007	In % of EU 27 in 2007	CROPS (000 tonnes)	Turkey in 2007	EU 27 in 2007	In % of EU 27 in 2007
<b>Total Cattle</b>	11 037	89 042	12.4%	<b>Cereals (including rice)</b>	29 645	259 813	11.4
o.w. Dairy Cows	4 227	24219	17.5%	<b>Sugar beet</b>	12 415	110 410	11.2
<b>Sheep and goats</b>	31 749	99 320***	31%	<b>Oilseeds</b>	2 352	24 803	9.5
<b>Pigs</b>	2	160 046	-0%	<b>Fruits &amp; vegetables</b>	41 341	n/a	n/a

(source: Eurostat, FAO, TR statistical office)

## EU-27 agricultural trade with Turkey

Turkey is a significant agricultural exporter. Turkey's main trade partners are the EU-27 countries.

Turkey has a high trade surplus with the EU-27 (1.5 billion euros in 2009) mainly due to exports of edible fruits & nuts, preparations of fruit and vegetables as well as tobacco and tobacco products. Turkey has also important trade relations and a trade surplus with countries in the Mediterranean basin and the Gulf region.

Bilateral trade liberalisation in agriculture is asymmetrical: the EU has granted Turkey preferential market access in the context of the Customs Union, while Turkey has granted relatively lower preferences on agricultural products. In addition Turkey maintains an import ban on most live animals and animal products, which became a serious obstacle in bilateral relations. As regards Turkish exports to the EU, the situation is very different. Roughly 70% of Turkish agricultural exports to the EU enter duty free.

Agricultural products	2007	2008	2009	Avg 2007/2009
<b>EU-27 imports</b> (mio €)	2,670	2,682	2,500	<b>2,617</b>
<b>EU-27 exports</b> (mio €)	1,023	1,219	1,015	<b>1,086</b>
<b>Trade balance for EU</b> (mio €)	- 1,647	-1,463	-1,485	<b>-1,531</b>

Source: Eurostat / Comext (EU-27 figures in the period 2004-06 are simulated to include BG & RO)

### EU-Turkey trade for main agriculture products (mio €)

EU Exports to TR	2007	2008	2009	Ø 07/09
Cereals	125.4	288.9	170	194.8
Fruit and nuts	26.9	22.6	26	25.2
Dairy, Eggs, Honey	24.4	37.8	30	30.7
Sugar	8.3	11.0	6	8.4
Vegetables	16.1	13.9	13	14.3

Source: Eurostat / Comext

EU Imports from TR	2007	2008	2009	Ø 07/09
Fruit and nuts	1,183	1,224	1,158	1,188
Vegetables	319.2	306.2	311	312
Cereals	16.7	21.9	31	23.2
Wines and vinegar	5.6	2.4	3	3.7
Dairy, Eggs, Honey	1.4	1.6	2	1.7

Source: Eurostat / Comext

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