WHY INVEST IN TURKISH AGROFOOD INDUSTRY?
Executive Summary

1. Turkish Agrofood Industry Outlook
2. Growth Drivers in Turkey
3. Opportunities in Turkish Agrofood Industry
4. Success Stories
EXECUTIVE SUMMARY

TURKEY HAS A STRONG AND GROWING AGRICULTURAL INDUSTRY OFFERING OPPORTUNITIES IN MANY AREAS.

FAVORABLE INVESTMENT ENVIRONMENT

• Strong macroeconomic growth with increasing income per capita and a burgeoning middle-class
• Favorable demographics with a dynamic, young, and skilled labor force
• Cost-competitive labor prices. Compared to Europe and the rest of the world, the labor costs in the sector are 70% - 80% lower
• Strong government support through incentives
• Developed industrial and commercial infrastructure

STRONG INTERNATIONAL PRESENCE

• Global agrofood giants are present in Turkey with significant productive activities, using Turkey as a hub to access regional markets
• Successful partnerships with local companies to grow in the region, capitalizing on locals’ experience and networks

LUCRATIVE OPPORTUNITIES IN SUB-SECTORS

• Geographically well-placed to take advantage of trade opportunities in Europe, Middle East, and former Soviet countries
• With a growing population of more than 83 million, Turkey is one of the largest markets in the region
• The government invests heavily in irrigation projects and improvements to infrastructure

STRENGTHS OF THE INDUSTRY

• Agriculturally sufficient country with favorable climate, large arable lands, and abundant availability of water resources
• Considered to be one of the leading countries in the world in the field of agriculture and food
• Export opportunities thanks to Turkey’s proximity to regional markets
• Strong food and agriculture sector, which employed about 18% of the active population of the country and represented approximately 6.6% of GDP in 2020
TURKEY AGRICULTURE SECTOR OUTLOOK

TURKEY IS

1st LARGEST COUNTRY IN EUROPE IN TERMS OF AGRICULTURAL ECONOMY (2019)

with its USD 49 billion agricultural production volume

3rd LARGEST AGRICULTURAL PRODUCING COUNTRY IN THE WORLD BY QUANTITY FOR LEADING COMMODITIES (2019)

10th LARGEST COUNTRY IN THE WORLD IN TERMS OF AGRICULTURAL ECONOMY (2019)

FRUITS, VEGETABLES, COARSE GRAINS, DAIRY AND OILS

Source: World Bank, United States Department of Agriculture
<table>
<thead>
<tr>
<th>Rank</th>
<th>Global Producer Of/Exporter Of</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Figs</td>
<td>Hazelnuts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quinces</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Apricots</td>
</tr>
<tr>
<td>2</td>
<td>Melons</td>
<td>Watermelons</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cucumbers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sour cherries</td>
</tr>
<tr>
<td>4</td>
<td>Greenhouse products</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Quinces</td>
<td>Raisins</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Flour (Wheat)</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Pasta</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Eggs</td>
</tr>
</tbody>
</table>
TURKEY'S AGRICULTURE SECTOR OUTLOOK

Turkey has become a major player in the world agricultural production in the last two decades.

The sector’s value increased by 96% between 2002 and 2020.

Agriculture sector employed almost 18 percent of the country’s working population and that accounted for 6.6 percent of the country’s GDP in 2020.

Source: TurkStat

[Diagram showing Agriculture, GDP (billion USD) and Agriculture, production (million tonnes) for years 2002 to 2020]
• Turkish fertilizer consumption per hectare: 115 kg while the world average: 138 kg
• Turkey’s demand for fertilizers is 10th highest in the world.
• The lack of local raw material supply in all three raw material categories (Nitrat, Phosphorus and Pottasium)
• 765 certified seed producers in Turkey & a significant proportion is multinational brands & producing 1.1 million tons of seeds
• 2.8 million enterprises
• 14k associations & cooperatives
• 4.7 million employment: 18% of national employment
• Agricultural land: 37.7 million ha
• Average enterprise size: 6 ha
• 67% of total enterprises are below 5 ha size, realizing 22% of total planting
• 78% of planting activities are carried out by remaining medium and large companies.
• 51k food companies with 514k employment
• 649 beverage companies with 17k employment
• Food manufacturing industry turnover: 54b USD - most contributing sector to total manufacturing sector turnover
• A large number of major multinationals active in processing business: Mondelez, PepsiCo, The Coca-Cola Company, Mars, Nestle, Unilever, Corteva, Dr. Oetker, Cargill, Ferrero, Danone, among others.
• Turkey’s grocery retail market has experienced rapid expansion in parallel with the shift to modern Western-style grocery retail formats.
• Strong presence of Turkish retailers such as BİM, A101, Şok and Migros, while foreign retailers including CarrefourSA (JV) and Metro are also performing well.
• Total sales of grocery retailers (2019): USD 69Bn (Modern grocery retailers: 37Bn - Traditional grocery retailers: 22Bn)
• Imports of consumer-oriented agrofood products (2018): USD 2.6Bn

• A domestic market of 83 million with increasing per capita food consumption each year
• Turkey is well-positioned to easily reach Europe, MENA, and Central Asia markets.
• Agrofood exports: USD 20.7Bn Agrofood imports: USD 15.2Bn
TURKEY HAS AN ESTIMATED TOTAL OF 11,000 PLANT SPECIES, WHEREAS THE TOTAL NUMBER OF SPECIES IN EUROPE IS 11,500.

TURKEY IS THE WORLD LEADER IN THE PRODUCTION OF VARIOUS CROPS.

TOP PRODUCER
Hazelnuts, apricots, figs, cherries, quinces

ONE OF TOP 5 PRODUCERS
Melons, apples, watermelons, cucumbers, lentils, pistachios, sour cherries, almonds, chestnut, green beans, olives, sugar beet, tomatoes, walnuts

ONE OF TOP 10 PRODUCERS
Cotton, barley, sunflower seed, grapes

Source: TurkStat
The country is one of top ten producing countries of honey and eggs in the world.
Turkish exports of agrofood products increased 5.5 times in the last two decades.

Agrofood exports make up 12% of Turkey’s total exports.

Exports (billion USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>3.7</td>
</tr>
<tr>
<td>2005</td>
<td>7.8</td>
</tr>
<tr>
<td>2016</td>
<td>12.5</td>
</tr>
<tr>
<td>2017</td>
<td>14.4</td>
</tr>
<tr>
<td>2018</td>
<td>14.4</td>
</tr>
<tr>
<td>2019</td>
<td>14.6</td>
</tr>
<tr>
<td>2020</td>
<td>15.2</td>
</tr>
</tbody>
</table>

CAGR 2002-2020: 10%

Imports (billion USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>2</td>
</tr>
<tr>
<td>2005</td>
<td>3.4</td>
</tr>
<tr>
<td>2016</td>
<td>12.5</td>
</tr>
<tr>
<td>2017</td>
<td>14.4</td>
</tr>
<tr>
<td>2018</td>
<td>14.4</td>
</tr>
<tr>
<td>2019</td>
<td>14.6</td>
</tr>
<tr>
<td>2020</td>
<td>15.2</td>
</tr>
</tbody>
</table>

CAGR 2002-2020: 11.9%

Source: TurkStat

World leader in the export of flour, quinces and raisins.

Breakdown of exports by sub-sector (2020)

- Plants and plant-based food: 84%
- Animal products and animal-based food: 13%
- Beverages: 3%

Breakdown of imports by sub-sector (2020)

- Plants and plant-based food: 93%
- Animal products and animal-based food: 5%
- Beverages: 2%
A SIGNIFICANT PORTION OF IMPORTED AGRO-PRODUCTS ARE USED BY AGROFOOD INDUSTRY TO PROCESS AND EXPORT.

### Top 3 Trade Items (million USD)

<table>
<thead>
<tr>
<th>Dried fruits and vegetables sector</th>
<th>Vegetable oils sector</th>
<th>Flour sector</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Top 3 trade items</strong></td>
<td><strong>Top 3 trade items</strong></td>
<td><strong>Top 3 trade items</strong></td>
</tr>
<tr>
<td>Exports</td>
<td>Imports</td>
<td>Exports</td>
</tr>
<tr>
<td>Raisins</td>
<td>514</td>
<td>Flour, wheat</td>
</tr>
<tr>
<td>Dried apricots</td>
<td>260</td>
<td>Wheat</td>
</tr>
<tr>
<td>Dried figs</td>
<td>234</td>
<td>Wheat bran</td>
</tr>
<tr>
<td>Prunes</td>
<td>8</td>
<td>Flour, wheat</td>
</tr>
</tbody>
</table>

### Major Trade Items (2020)

**Source:** TurkStat
**THE LIVESTOCK SECTOR NEEDS FURTHER INVESTMENTS TO MEET THE GROWING DEMAND.**

### Fisheries sector (million USD)

<table>
<thead>
<tr>
<th>Top 3 trade items (million USD)</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sea bream</td>
<td>256</td>
<td>29</td>
</tr>
<tr>
<td>Other products</td>
<td>251</td>
<td>29</td>
</tr>
<tr>
<td>Sea bass</td>
<td>198</td>
<td>25</td>
</tr>
</tbody>
</table>

### Poultry sector (million USD)

<table>
<thead>
<tr>
<th>Top 3 trade items (million USD)</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicken meat, frozen</td>
<td>383</td>
<td>26</td>
</tr>
<tr>
<td>Turkey meat, frozen</td>
<td>14</td>
<td>0.2</td>
</tr>
<tr>
<td>Guinea fowl</td>
<td>5</td>
<td>0.07</td>
</tr>
</tbody>
</table>

### Dairy sector (million USD)

<table>
<thead>
<tr>
<th>Top 3 trade items (million USD)</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheese, other</td>
<td>60</td>
<td>35</td>
</tr>
<tr>
<td>Processed cheese</td>
<td>55</td>
<td>23</td>
</tr>
<tr>
<td>Whey</td>
<td>51</td>
<td>9</td>
</tr>
</tbody>
</table>

### Livestock trade sector (million USD)

<table>
<thead>
<tr>
<th>Top 3 trade items (million USD)</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicken</td>
<td>30</td>
<td>411</td>
</tr>
<tr>
<td>Sheep</td>
<td>29</td>
<td>14</td>
</tr>
<tr>
<td>Chick</td>
<td>16</td>
<td>11</td>
</tr>
</tbody>
</table>

### Animal feed sector (million USD)

<table>
<thead>
<tr>
<th>Top 3 trade items (million USD)</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soybean meals</td>
<td>198</td>
<td>1,206</td>
</tr>
<tr>
<td>Mixed feed</td>
<td>152</td>
<td>456</td>
</tr>
<tr>
<td>Maize</td>
<td>84</td>
<td>417</td>
</tr>
</tbody>
</table>

### Egg sector (million USD)

<table>
<thead>
<tr>
<th>Top 3 trade items (million USD)</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egg</td>
<td>256</td>
<td>33</td>
</tr>
<tr>
<td>Egg, other</td>
<td>0.2</td>
<td>5</td>
</tr>
<tr>
<td>Shelled egg</td>
<td>0.06</td>
<td>0.2</td>
</tr>
</tbody>
</table>

Source: TurkStat

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**Top 3 trade items (million USD)**

- **Exports**
  - Sea bream: 256
  - Other products: 251
  - Sea bass: 198
- **Imports**
  - Chub mackerel: 29
  - Little tunny: 29
  - Salmon: 25

- **Exports**
  - Chicken meat, frozen: 383
  - Turkey meat, frozen: 14
  - Guinea fowl: 5
- **Imports**
  - Chicken meat, frozen: 26
  - Turkey meat, frozen: 0.2
  - Turkey meat, frozen: 0.07

- **Exports**
  - Cheese, other: 60
  - Processed cheese: 55
  - Whey: 51
- **Imports**
  - Butter: 35
  - Cheese, other: 23
  - Lactose: 9
AGENDA

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GROWTH DRIVERS IN TURKEY
ROBUST ECONOMY

11th largest economy in the World

RANKING OF ECONOMIES BY GDP AT PPP

<table>
<thead>
<tr>
<th>2003</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. USA</td>
<td>1. CHINA</td>
<td>1. CHINA</td>
</tr>
<tr>
<td>2. CHINA</td>
<td>2. USA</td>
<td>2. USA</td>
</tr>
<tr>
<td>3. JAPAN</td>
<td>3. INDIA</td>
<td>3. INDIA</td>
</tr>
<tr>
<td>4. GERMANY</td>
<td>4. JAPAN</td>
<td>4. JAPAN</td>
</tr>
<tr>
<td>5. INDIA</td>
<td>5. GERMANY</td>
<td>5. GERMANY</td>
</tr>
<tr>
<td>6. RUSSIA</td>
<td>6. RUSSIA</td>
<td>6. RUSSIA</td>
</tr>
<tr>
<td>7. FRANCE</td>
<td>7. INDONESIA</td>
<td>7. INDONESIA</td>
</tr>
<tr>
<td>8. UK</td>
<td>8. BRAZIL</td>
<td>8. BRAZIL</td>
</tr>
<tr>
<td>9. BRAZIL</td>
<td>9. UK</td>
<td>9. FRANCE</td>
</tr>
<tr>
<td>10. ITALY</td>
<td>10. FRANCE</td>
<td>10. UK</td>
</tr>
<tr>
<td>11. MEXICO</td>
<td>11. MEXICO</td>
<td>11. TURKEY</td>
</tr>
<tr>
<td>12. INDONESIA</td>
<td>12. ITALY</td>
<td>12. TURKEY</td>
</tr>
<tr>
<td>13. SPAIN</td>
<td>13. TURKEY</td>
<td>13. TURKEY</td>
</tr>
<tr>
<td>15. S.KOREA</td>
<td>15. SPAIN</td>
<td>15. TURKEY</td>
</tr>
<tr>
<td>16. S.ARABIA</td>
<td>16. CANADA</td>
<td>16. TURKEY</td>
</tr>
<tr>
<td>17. IRAN</td>
<td>17. S.ARABIA</td>
<td>17. TURKEY</td>
</tr>
<tr>
<td>18. TURKEY</td>
<td>18. IRAN</td>
<td>18. TURKEY</td>
</tr>
</tbody>
</table>

AVERAGE ANNUAL GDP GROWTH (%)

<table>
<thead>
<tr>
<th>2002-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 TURKEY</td>
</tr>
<tr>
<td>3.6 POLAND</td>
</tr>
<tr>
<td>3.4 ROMANIA</td>
</tr>
<tr>
<td>3.0 BULGARIA</td>
</tr>
<tr>
<td>2.4 CZECHIA</td>
</tr>
</tbody>
</table>

REAL GDP GROWTH (INDEX: 2002=100)

registered the second largest economic growth in OECD

Turkish economy has more than tripled over the past 18 years and is promising to be on the growing trend.

**Turkish Economy**
(GDP at current prices, $Billion)

- **2002**: 236
- **2020**: 717

**Contribution to GDP Growth 2002-2020 (%)**

- Domestic Consumption: 72%
- Investment Expenditures: 32%
- Exports: 21%
- Stocks: -1%
- Imports: -24%

*Source: TurkStat*
DOMESTIC MARKET

TURKEY’S ECONOMIC GROWTH HAS PAVED THE WAY FOR EMERGENCE OF A SIZEABLE AGRI-MIDDLE-CLASS WITH AN INCREASING PURCHASING POWER

**Income per capita**

(GDP per capita, current prices at purchasing power parity)

<table>
<thead>
<tr>
<th>Year</th>
<th>Income per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$10,997</td>
</tr>
<tr>
<td>2020</td>
<td>$30,253</td>
</tr>
</tbody>
</table>

**Stock of Tractors**

(millions of tractors)

- **2002**: 1.2
- **2020**: 2

Largest tractor sales in Europe, 5th in the world, 75% of the local market supplied by local players

Major producers in Turkey:
- TürkTraktör
- YANMAR
- TÜMOSAN
- JOHN DEERE

Source: TurkStat, IMF
### Total Population in 2020: 83.6 Million

<table>
<thead>
<tr>
<th>City</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>İstanbul</td>
<td>15.4 Million</td>
</tr>
<tr>
<td>Ankara</td>
<td>5.6 Million</td>
</tr>
<tr>
<td>İzmir</td>
<td>4.3 Million</td>
</tr>
<tr>
<td>Bursa</td>
<td>3.1 Million</td>
</tr>
<tr>
<td>Antalya</td>
<td>2.5 Million</td>
</tr>
<tr>
<td>Adana</td>
<td>2.2 Million</td>
</tr>
<tr>
<td>Konya</td>
<td>2.2 Million</td>
</tr>
<tr>
<td>Şanlıurfa</td>
<td>2.1 Million</td>
</tr>
<tr>
<td>Gaziantep</td>
<td>2.1 Million</td>
</tr>
<tr>
<td>Kocaeli</td>
<td>1.9 Million</td>
</tr>
<tr>
<td>Mersin</td>
<td>1.8 Million</td>
</tr>
<tr>
<td>Diyarbakır</td>
<td>1.7 Million</td>
</tr>
<tr>
<td>Hatay</td>
<td>1.6 Million</td>
</tr>
<tr>
<td>Manisa</td>
<td>1.4 Million</td>
</tr>
<tr>
<td>Kayseri</td>
<td>1.4 Million</td>
</tr>
<tr>
<td>Samsun</td>
<td>1.3 Million</td>
</tr>
<tr>
<td>Balıkesir</td>
<td>1.2 Million</td>
</tr>
<tr>
<td>Kahramanmaras</td>
<td>1.1 Million</td>
</tr>
<tr>
<td>Van</td>
<td>1.1 Million</td>
</tr>
<tr>
<td>Aydın</td>
<td>1.1 Million</td>
</tr>
<tr>
<td>Tekirdağ</td>
<td>1 Million</td>
</tr>
<tr>
<td>Sakarya</td>
<td>1 Million</td>
</tr>
<tr>
<td>Denizli</td>
<td>1 Million</td>
</tr>
<tr>
<td>Muğla</td>
<td>1 Million</td>
</tr>
<tr>
<td>Eskişehir</td>
<td>0.8 Million</td>
</tr>
<tr>
<td>Mardin</td>
<td>0.8 Million</td>
</tr>
<tr>
<td>Trabzon</td>
<td>0.8 Million</td>
</tr>
<tr>
<td>Malatya</td>
<td>0.8 Million</td>
</tr>
<tr>
<td>Ordu</td>
<td>0.7 Million</td>
</tr>
<tr>
<td>Erzurum</td>
<td>0.7 Million</td>
</tr>
<tr>
<td>Afyonkarahisar</td>
<td>0.7 Million</td>
</tr>
<tr>
<td>Sivas</td>
<td>0.6 Million</td>
</tr>
<tr>
<td>Adıyaman</td>
<td>0.6 Million</td>
</tr>
<tr>
<td>Batman</td>
<td>0.6 Million</td>
</tr>
<tr>
<td>Tokat</td>
<td>0.5 Million</td>
</tr>
<tr>
<td>Zonguldak</td>
<td>0.5 Million</td>
</tr>
<tr>
<td>Elazığ</td>
<td>0.5 Million</td>
</tr>
<tr>
<td>Kütahya</td>
<td>0.5 Million</td>
</tr>
<tr>
<td>Osmaniye</td>
<td>0.5 Million</td>
</tr>
<tr>
<td>Çanakkale</td>
<td>0.5 Million</td>
</tr>
<tr>
<td>Şırnak</td>
<td>0.5 Million</td>
</tr>
<tr>
<td>Ağrı</td>
<td>0.5 Million</td>
</tr>
<tr>
<td>Çorum</td>
<td>0.5 Million</td>
</tr>
</tbody>
</table>

Source: TurkStat, 2020
SKILLED WORKFORCE WITH COST ADVANTAGE

TURKEY'S EDUCATION SYSTEM HAS BEEN UPGRADED TO SUPPORT A SKILLED LABOR POOL THAT MEETS BUSINESS REQUIREMENTS.

ANNUAL NUMBER OF GRADUATES (thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>University</th>
<th>Vocational &amp; Technical High School</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>287</td>
<td>177</td>
</tr>
<tr>
<td>2019</td>
<td>891</td>
<td>495</td>
</tr>
</tbody>
</table>

AVAILABILITY OF QUALIFIED ENGINEERS (10=Available; 0=Unavailable)

<table>
<thead>
<tr>
<th>Country</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>7.35</td>
<td>6.74</td>
</tr>
<tr>
<td>Poland</td>
<td>5.75</td>
<td>5.65</td>
</tr>
<tr>
<td>Romania</td>
<td>5.47</td>
<td>4.86</td>
</tr>
<tr>
<td>Czechia</td>
<td>4.92</td>
<td>4.01</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>4.01</td>
<td>3.91</td>
</tr>
<tr>
<td>Hungary</td>
<td>3.15</td>
<td>2.75</td>
</tr>
<tr>
<td>Slovakia</td>
<td>3.15</td>
<td>2.75</td>
</tr>
</tbody>
</table>

AVAILABILITY OF COMPETENT SENIOR MANAGERS (10=Available; 0=Unavailable)

<table>
<thead>
<tr>
<th>Country</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>6.15</td>
<td>5.72</td>
</tr>
<tr>
<td>Poland</td>
<td>5.72</td>
<td>4.45</td>
</tr>
<tr>
<td>Czechia</td>
<td>4.18</td>
<td>3.39</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>3.91</td>
<td>3.39</td>
</tr>
<tr>
<td>Romania</td>
<td>3.39</td>
<td>2.75</td>
</tr>
<tr>
<td>Slovakia</td>
<td>2.75</td>
<td>2.75</td>
</tr>
<tr>
<td>Hungary</td>
<td>2.75</td>
<td>2.75</td>
</tr>
</tbody>
</table>

LABOR FORCE BY EDUCATION LEVEL

<table>
<thead>
<tr>
<th>Category</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>University</td>
<td>27.5%</td>
<td>10%</td>
</tr>
<tr>
<td>High School &amp; Below</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

LABOR COST PER HOUR IN MANUFACTURING

<table>
<thead>
<tr>
<th>Country</th>
<th>Germany</th>
<th>France</th>
<th>USA</th>
<th>UK</th>
<th>Czechia</th>
<th>Slovakia</th>
<th>Hungary</th>
<th>Poland</th>
<th>Romania</th>
<th>Bulgaria</th>
<th>Turkey</th>
</tr>
</thead>
<tbody>
<tr>
<td>$K, 2018</td>
<td>47.2</td>
<td>44.4</td>
<td>39.6</td>
<td>31.1</td>
<td>14.9</td>
<td>14.3</td>
<td>11.5</td>
<td>10.7</td>
<td>7.0</td>
<td>5.6</td>
<td>5.6</td>
</tr>
</tbody>
</table>

REMUNERATION OF MANAGEMENT/ENGINEER

Total base salary plus bonuses and long-term incentives

<table>
<thead>
<tr>
<th>Country</th>
<th>Germany</th>
<th>USA</th>
<th>France</th>
<th>UK</th>
<th>Slovakia</th>
<th>Poland</th>
<th>Romania</th>
<th>Bulgaria</th>
<th>Turkey</th>
<th>$K, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$K, 2018</td>
<td>160</td>
<td>121</td>
<td>113</td>
<td>94</td>
<td>69</td>
<td>62</td>
<td>45</td>
<td>42</td>
<td>41</td>
<td>36</td>
</tr>
</tbody>
</table>

Source: Ministry of National Education, Council of Higher Education, Turkstat, IMD World Competitiveness Yearbook Executive Opinion Survey based on an index from 0 to 10; Eurostat
DOMESTIC + ACCESSIBLE MARKETS

Customs Union with the EU allows direct access to the EU Market

DOMESTIC MARKET + EU MARKET + FREE TRADE AREA

F R E E   A C C E S S

987 MILLION CONSUMERS

446 MILLION in EU

457 MILLION in FTA AREA

84 MILLION in TURKEY

in 28 countries with Free Trade Agreements

Source: Eurostat, World Bank; Population as of 2019, Ministry of Trade, TurkStat
MARINE TRANSPORTATION

Turkey is also very advantageous for maritime transportation, allowing agrofood producers to export easily.

Cargo handling statistics of Turkey in 2020
(tons)

<table>
<thead>
<tr>
<th>Cargo Type</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereals</td>
<td>13,512,106</td>
</tr>
<tr>
<td>Oil seeds, oleaginous fruit and fats</td>
<td>6,817,726</td>
</tr>
<tr>
<td>Animal feed and foodstuff waste</td>
<td>4,701,744</td>
</tr>
<tr>
<td>Other non-perishable foodstuffs and hops</td>
<td>1,118,428</td>
</tr>
<tr>
<td>Sugars</td>
<td>438,674</td>
</tr>
<tr>
<td>Fresh and frozen fruit and vegetables</td>
<td>312,207</td>
</tr>
<tr>
<td>Livestock</td>
<td>101,377</td>
</tr>
<tr>
<td>Beverages</td>
<td>48,840</td>
</tr>
<tr>
<td>Potatoes (excluding frozen ones)</td>
<td>24,339</td>
</tr>
</tbody>
</table>

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INCENTIVES

LUCRATIVE INCENTIVES FOR AGROFOOD INVESTMENTS

Ministry of Agriculture and Forestry

- Supports for facility building/expansion
  - Rural Development Support Program
  - EU-TR Financed IPARD II Program
  - Livestock supports
  - Input supports (fertilizer, diesel)
- Supports based on investment/crop/animal types
  - Organic/Good farming practices supports
  - Crop supports
  - Certified seed and seedling supports
  - Other supports

Ministry of Industry and Technology

- General Investment Incentives
- Regional Investment Incentives
- Strategic Investment Incentives
- Project Based Investment Incentives

Treasury land acquisition for agrofood investments
INCENTIVES

MINISTRY OF AGRICULTURE AND FORESTRY SUPPORTS

RURAL DEVELOPMENT SUPPORT PROGRAM
Period 2021-2025

- Ministry of Agriculture and Forestry provides grants to investors for their new or expansion investments in 81 provinces of Turkey
- Covers expenses (e.g., construction, machinery and equipment purchase) up to 50% of total investment budget
- Maximum support limits varies between 1,500,000 - 3,000,000 TL based on type of the investment.

Supported areas
- Processing, packaging, and storing the agricultural products
- Fixed investments (bovine, ovine, poultry, fisheries, mushroom, fertilizer processing, greenhouse, renewable energy sources etc.)
- Greenhouse investments which utilize renewable energy sources
- Processing, packing and storing the medicinal and aromatic plants

EU&TR GRANT SUPPORTS IPARD II
www.tkdk.gov.tr

- Part of the instrument for pre-accession assistance (IPA), designed to support reforms in Turkey in the process of joining the EU
- Provides grants to agrofood investments in 42 provinces of Turkey
- Covers expenses (e.g., construction, machinery and equipment purchase) up to 75% of total investment budget
- Support limits: 5,000 - 3,000,000 EUR

Supported areas
- Meat and meat products
- Milk and dairy products
- Diversifying of plant production
- Aquaculture production
- Rural development projects
- Machinery parks
- Renewable energy investment

IPARD - II PROGRAM

- The program was approved by the EU Commission.
- EU grant of 801 million €
- National contribution 244 Million €
- TOTAL 1 Billion 45 Million €
Ministry of Agriculture and Forestry supports around 2M registered enterprises financially to boost the agriculture sector.

Supported areas:
- Incentives for livestock breeding
- Supports for certain crops
- Supports for certified seed and seedling
- Supports for organic and good farming practices
- Farm advisory services
- Implementation of agricultural insurance

Source: Ministry of Agriculture and Forestry
Incentives Provided By The Ministry Of Industry and Technology

**General Investment Incentives**
- Customs Duty Exemption
- VAT Exemption

**Regional Investment Incentives**
- Customs Duty Exemption
- VAT Exemption
- Corporate Tax Reduction
- Social Security Premium Support (Employer’s Share)
- Land Allocation
- Interest Rate Support

**Strategic Investment Incentives**
- Customs Duty Exemption
- VAT Exemption
- Corporate Tax Reduction
- Social Security Premium Support (Employer’s Share)
- Land Allocation
- Interest Rate Support
- VAT Refund

**Project Based Investment Incentives**
- Cash Support
- VAT Exemption
- Customs Duty Exemption
- Corporate tax reduction up to 200% of investment expenditures
- Social security premium support for up to 10 years (employer’s share)
- Income tax withholding support for 10 years
- Qualified personnel support for up to 5 years
- Energy support for up to 50% of energy expenditures for up to 10 years
- 10 years Interest rate support for up to 10 years
- Capital contribution up to 49% of the investment amount
- Land allocation for 49 years Infrastructure support Purchasing guarantee
- Facilitation of authorization-permit-license procedures
- VAT refund for building-construction expenditures
MINISTRY OF INDUSTRY AND TECHNOLOGY
INVESTMENT INCENTIVE SCHEME

Integrated Livestock investments
Food and beverage investments
Aquaculture
Cold storage
Greenhouse investments

According to the investment incentives legislation from the Ministry of Industry and Technology, investments in these sectors are considered under the “Regional Investment Incentives Scheme.”

Min. TL 5M & 25 da high-tech greenhouse investments and licensed warehousing investments are prioritized areas that are eligible to benefit from the highly advantageous 5th region incentives.
LAND ACQUISITION

TREASURY LANDS MAY BE ALLOCATED FOR AGROFOOD INVESTMENTS

THREE OPTIONAL MODELS

Land allocation with relatively small fees

- Land allocation for agriculture / livestock / aquaculture investments for a maximum of 49 years with tender process

Leasing

- Agricultural lands are rented for a maximum of 10 years by a bargaining procedure.
- Treasury immovables for medicinal and aromatic plants and ornamental plants can be leased for up to 10 years with small fees compared to their actual prices.

Purchasing

- State owned land pieces can be sold for agrofood investments with a tender process.

Source: Ministry of Environment & Urbanization
AGENDA

1. Executive Summary
2. Turkish Agrofood Industry Outlook
3. Growth Drivers in Turkey
4. Opportunities in Turkish Agrofood Industry
5. Success Stories

OPPORTUNITIES IN TURKISH AGROFOOD INDUSTRY
**SELECTED OPPORTUNITIES**

Key policy agendas for Turkish agrofood sector

- **High demand & import**
- **Environment & Health-friendly**
- **High value - added**
- **Sustainability and security of food supply**

**MAJOR COMMODITIES**
- Sunflower & sunflower oil
- Wheat
- Maize
- Soya bean

**Rising opportunities**
- Walnuts
- Almonds
- Greenhouse products
- Industrial hemp
- Seeds
- Medicinal and aromatic plants
- Essential oils
- Tropical fruits
- Berries
- Frozen fruits & vegetables
- Licensed warehousing
- Pet food
- Aquaculture
- Milk proteins

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SEEDS

IN 2019 TURKISH SEED MARKET REACHED TO USD 750M MARKET VALUE

KEY FACTS

- A total of 1.1M tonnes certified seed production in 2019 (8 times growth since 2002)
- The share of private sector involvement in seed production: from 47% in 2006 to 80% in 2019
- USD 200M subsidy given to domestic seed producers and users between 2005 and 2018
- Growing crop production led to the increase in seed demand and production over time. More room for growth!
- 765 certified seed producers in Turkey with a large number of multinationals carrying out production and R&D

Breakdown of seed production by crop (tonnes, 2019)

- Wheat, 483957,0
- Potatoes, 255966,0
- Barley, 177306,0
- Corn, 53566,0
- Lentil, 35670,0
- Chickpea, 35643,0
- Others, 74856,0

Source: MOAF
**4TH LARGEST WALNUTS PRODUCER IN THE WORLD**

**KEY FACTS**

- Consumers’ shift to healthier food has led to the rise in walnuts demand.
- Yet the domestic production (225k tonnes, 2019) doesn’t meet the consumption (289k tonnes, 2019).
- The most popular and common Turkish walnut type: Chandler with 400 - 500 kg per 24-26 trees/da
- Cash grants: up to 75% of sapling cost, up to 25% of initial investment cost as well as the loan with 95% discounted interest rate
- Treasury land allocation for 49-yr period with very low prices

**Economics of growing walnuts: A case study of Turkey**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of garden</td>
<td>1000 da</td>
</tr>
<tr>
<td>Operating period</td>
<td>30 years</td>
</tr>
<tr>
<td>Initial investment cost (USD)</td>
<td>328,523</td>
</tr>
<tr>
<td>Annual operating cost (USD)</td>
<td>233,137</td>
</tr>
<tr>
<td>Annual operating revenue (USD)</td>
<td>1,013,422</td>
</tr>
<tr>
<td>Breakeven point</td>
<td>8 years</td>
</tr>
<tr>
<td>Internal rate of return</td>
<td>27.3%</td>
</tr>
</tbody>
</table>

Source: MOAF, FAO
ALMONDS

KEY FACTS

- Consumers’ shift to healthier food has led to the rise in almonds demand.
- A total of 150k tonnes production in 2019
- Yet the production doesn’t meet the consumption & an import of 172m USD with 15% customs tax
- Cash grants: up to 55% of sapling cost, up to 25% of initial investment cost as well as the loan with 95% discounted interest rate
- Treasury land allocation for 49-yr period with very low prices

Economics of growing almonds: A case study of Turkey

<table>
<thead>
<tr>
<th>Size of garden</th>
<th>1000 da</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating period</td>
<td>30 years</td>
</tr>
<tr>
<td>Initial investment cost (USD)</td>
<td>359,060</td>
</tr>
<tr>
<td>Annual operating cost (USD)</td>
<td>228,415</td>
</tr>
<tr>
<td>Annual operating revenue (USD)</td>
<td>860,044</td>
</tr>
<tr>
<td>Breakeven point</td>
<td>7 years</td>
</tr>
<tr>
<td>Internal rate of return</td>
<td>27.5%</td>
</tr>
</tbody>
</table>

Foreign trade of almonds (shelled&with shell, million USD)

Shares of major producing cities in total production, 2019

Source: MOAF, FAO
GREENHOUSE PRODUCTS

WITH ITS 790k DECARES OF GREENHOUSE AREA, TURKEY IS THE 4TH COUNTRY IN THE WORLD AND 2nd IN EUROPE

KEY FACTS

- 8.4 million tonnes of production with a total value of approx. USD 1.76 billion
- Out of 31 million tonnes of total vegetable production, 7.8 million tonnes are greenhouse production.
- Average greenhouse size: 4 da
- Greenhouse farming breakdown is as follows:
  - 94% vegetable
  - 5% fruits
  - 1% ornamental plants
- In geothermal resources, Turkey is 1st in Europe, 7th in the world
- 4,344 da of area is being heated, potentially 30,000 da of area can be heated
- An investment-friendly bank loan program: For a maximum loan of 4.5 million USD with a 25% to 75% discounted interest rate
- A prioritized investment area by the Ministry of Industry and Technology (high-tech greenhouses)

Breakdown of greenhouse products (2019)

Top vegetable producing cities (million tonnes, 2019)

Source: Turkstat

*Tomatoes
*Cucumbers
*Watermelons
*Peppers
*Bananas
*Eggplants
*Zucchini
*Melons
*Strawberry
*Others

*Antalya
*Mersin
*Others
*Adana
*Muğla

Adana; 1; 13%
Others; 1,1; 14%
Mersin; 1,2; 15%
Muğla; 0,69; 9%
Antalya; 3,8; 49%
PET FOOD

A FAST GROWING MARKET WITH PLENTY OF ROOM FOR INVESTORS

Source: TurkStat, FEDIAF

KEY FACTS

- Highest growth in Turkey due to the:
  - Emergence of a sizeable middle-class with an increasing purchasing power
  - Dramatic increase in the number of pets
    - from 958k in 2000 to 5m (3.8m cats & 1.2m dogs) in 2019
    - 7 out of 100 households have dogs
    - 10 out of 100 households have cats
  - Increasing number of volunteers who feed stray dogs and cats
  - High level of municipal involvement in stray dogs and cats feeding
- All premium brands are imported and sold with relatively higher prices.
- A total of 30 manufacturers (mostly small-scaled) present in the market (2021).
MEDICINAL AND AROMATIC PLANTS & ESSENTIAL OILS

TURKEY WITH ITS DIVERSE CLIMATE AND FERTILE SOIL OFFERS A WIDE RANGE OF RAW MATERIALS TO ESSENTIAL OILS PRODUCERS

KEY FACTS

• An essential oils market of around USD 20 billion globally with an annual CAGR of 7.5%
• Out of 347 species, which are grown in Turkey, 169 species are exported.
• Mostly small-scaled, 36 manufacturers active in Turkish market
• Given a fast growing local and foreign demand and easy access to raw materials, more room for growth for processing investors

A case study of essential oils production in Turkey

<table>
<thead>
<tr>
<th>Crop (Raw)</th>
<th>Production (Tonnes,2020)</th>
<th>Top producing city</th>
<th>Production of city (tonnes,2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry pepper</td>
<td>256,735</td>
<td>Şanlıurfa</td>
<td>102,880</td>
</tr>
<tr>
<td>Thyme</td>
<td>23,866</td>
<td>Denizli</td>
<td>21,324</td>
</tr>
<tr>
<td>Rose</td>
<td>18,202</td>
<td>Isparta</td>
<td>15,343</td>
</tr>
<tr>
<td>Cumin</td>
<td>13,926</td>
<td>Konya</td>
<td>6,359</td>
</tr>
<tr>
<td>Anise</td>
<td>10,716</td>
<td>Denizli</td>
<td>1,849</td>
</tr>
<tr>
<td>Fennel</td>
<td>4,365</td>
<td>Burdur</td>
<td>3,268</td>
</tr>
<tr>
<td>Black cumin</td>
<td>3,412</td>
<td>Uşak</td>
<td>1,170</td>
</tr>
<tr>
<td>Lavender</td>
<td>3,499</td>
<td>Isparta</td>
<td>852</td>
</tr>
<tr>
<td>Heather</td>
<td>1,788</td>
<td>Balıkesir</td>
<td>1,088</td>
</tr>
</tbody>
</table>

Technical capacity of the facility: 250 tonnes/year plant processing, 5 tonnes/year oil yield

Investment location: Denizli city

Investment period: 3 years

Fixed investment cost (USD): 1,150,664

Annual operating cost (USD): 872,005

Annual operating revenue (USD): 4,546,234

Payback period of investment: 1 Year 8 Months

Source: MOAF, South Aegean Development Agency
KEY FACTS

- The government will expand industrial hemp production for seeds and fibers, currently allowed in 20 provinces on about 81 hectares (ha).
- The production area, which was 10 decares in 2015, increased to 4,252 decares in 2020.
- The seed production reached 273 tons in 2020, up by 14 times on the previous year.

- Hemp is used as a raw material in many industrial products such as textiles, bioplastic, and animal feed.
- The production area of the hemp fiber used in textiles reached up to 160 da in 2019.
- Two local hemp varieties were recently registered, namely, Narli and Vezir.

**Hemp seeds**

**Hemp fibers used in textiles**
AQUACULTURE

IN 2019 TURKEY HAS PRODUCED 837k TONNES OF FISHERY PRODUCTS

KEY FACTS

- A total of 837k tonnes production of fisheries (2019)
  - 373k tonnes come from aquaculture (66% from Aegean Region) &
    2,127 facilities active across Turkey
  - 463k tonnes come from fishing
- Turkey’s exports of fishery products rose to 200k tonnes with around USD 1.03 billion (2019), which is twice that of 2013.
- 70% of the exports go to the EU countries
- Annual per capita fisheries consumption: 6.2 kg. More room for growth!
- Turkish products perform well in the EU market and has the potential to create new market opportunities in Russia and the USA.
- Turkish coasts and regulations allow for large-scale farming.
- Catchy investment opportunities for seabass, seabream and trout (Turkish salmon) thanks to the low cost of production

A feasibility study of establishing an aquaculture facility

<table>
<thead>
<tr>
<th>Investment Location</th>
<th>European sea bass</th>
<th>Rainbow trout (lake, dam)</th>
<th>Rainbow trout (sea water)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Period</td>
<td>6 months</td>
<td>6 months</td>
<td>6 months</td>
</tr>
<tr>
<td>Payback Period</td>
<td>6 years</td>
<td>2.57 years</td>
<td>2.5 years</td>
</tr>
<tr>
<td>Fixed Investment Cost (USD)</td>
<td>1,111,000</td>
<td>722,000</td>
<td>1,161,000</td>
</tr>
<tr>
<td>Technical Capacity</td>
<td>1000 ton/year</td>
<td>1000 ton/year</td>
<td>1000 ton/year</td>
</tr>
</tbody>
</table>

Source: MOAF, Western Black Sea Development Agency
MILK PROTEINS

A GROWING NUTRITION MARKET THAT FUELS CONSUMPTION OF MILK PROTEINS

KEY FACTS

- A growing domestic demand for milk proteins producers
  - Baby food market size: USD 1.2Bn
  - Enteral nutrition market size: USD 90M
  - Sports nutrition market size: USD 60M

A feasibility study of production of high value added milk products

<table>
<thead>
<tr>
<th>Products in scope</th>
<th>Low cholesterol butter, rennet casein, acid casein, milk protein concentration and isolate, whey protein concentration and isolate, lactose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment location</td>
<td>İzmir city</td>
</tr>
<tr>
<td>Technical capacity</td>
<td>50,000 kg/daily raw milk, 50,000 kg/daily whey</td>
</tr>
<tr>
<td>Investment period</td>
<td>2 years</td>
</tr>
<tr>
<td>Fixed investment cost (USD)</td>
<td>5,500,000</td>
</tr>
<tr>
<td>Payback period of investment</td>
<td>3.3 years</td>
</tr>
</tbody>
</table>

- Few local companies active in milk proteins production. **Plenty of room for new investors!**

- Strong presence of manufacturing multinationals that use milk proteins as raw material in Turkey
FROZEN VEGETABLES & FRUITS

A GROWING MARKET WITH CONSUMER SHIFT TO HEALTHY PACKAGED FOOD

KEY FACTS

- Easy access to raw material
  - A fresh fruits production of 21M tonnes
  - A fresh vegetables production of 31M tonnes

- USD 330M domestic market size with an annual growth rate of 17%

- Per capita consumption 1kg/annual (20kg/per person/annual in the EU). A market gap to fill!

- 49 local companies active in the field with a total production capacity of 1.1M tonnes. Plenty of room for new investors!

- Major production centers: Manisa, İzmir, Bursa and Aydın (60% of total activities)

- A total of USD 139M export volume in 2019
- Major export destinations for frozen vegetables & fruits
  - USA (20%)
  - Germany (15%)
  - UK (11%)
  - France (10%)

A feasibility study of establishing a frozen vegetables & fruits facility

<table>
<thead>
<tr>
<th>Products in scope</th>
<th>Beans, Green Pea, Broccoli, Okra, Artichoke, Asparagus, Cherries, Sour Cherries, Strawberry, Pomegranate, Black Mulberry, Raspberry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment location</td>
<td>Aydın city</td>
</tr>
<tr>
<td>Technical capacity</td>
<td>5,450 tonnes / Year</td>
</tr>
<tr>
<td>Investment period</td>
<td>1 year</td>
</tr>
<tr>
<td>Fixed investment cost (USD)</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Payback period of investment</td>
<td>2 years</td>
</tr>
</tbody>
</table>

Source: MOAF, South Aegean Development Agency
TROPICAL FRUITS & BERRIES

TURKEY HAS RECENTLY BEEN HOME TO TROPICAL FRUITS AND BERRIES PRODUCERS

- **Kiwifruit**
  - From 26k production in 2010 to 73k production in 2020
  - Out of 73k production, 28k tonnes in Yalova (2020)

- **Strawberry**
  - From 300k tonnes in 2010 to 546k tonnes in 2020
  - Out of 546k production, 188k tonnes in Mersin (2020)

- **Banana**
  - From 210k tonnes in 2010 to 728k tonnes in 2020
  - Out of 728k production, 400k tonnes in Mersin, 300k in Antalya (2020)

- **Avocado**
  - From 1k tonnes production in 2010 to 6k production in 2020
  - Out of 6k production, 4.9k tonnes in Antalya (2020)

- **Blueberry**
  - From 170 tonnes production in 2010 to 1.2k tonnes production in 2020
  - Out of 1.2k, 673 tonnes in Antalya and 264 tonnes in Bursa (2020)

- **Raspberry**
  - From 1.118k tonnes production in 2010 to 5.4k tonnes production in 2020
  - Out of 5.4k, 5.3k tonnes in Bursa (2020)

- **Kiwi**
  - From 26k production in 2010 to 73k production in 2020
  - Out of 73k production, 28k tonnes in Yalova (2020)

- **Strawberry**
  - From 300k tonnes in 2010 to 546k tonnes in 2020
  - Out of 546k production, 188k tonnes in Mersin (2020)

- **Banana**
  - From 210k tonnes in 2010 to 728k tonnes in 2020
  - Out of 728k production, 400k tonnes in Mersin, 300k in Antalya (2020)

- **Avocado**
  - From 1k tonnes production in 2010 to 6k production in 2020
  - Out of 6k production, 4.9k tonnes in Antalya (2020)

- **Blueberry**
  - From 170 tonnes production in 2010 to 1.2k tonnes production in 2020
  - Out of 1.2k, 673 tonnes in Antalya and 264 tonnes in Bursa (2020)

- **Raspberry**
  - From 1.118k tonnes production in 2010 to 5.4k tonnes production in 2020
  - Out of 5.4k, 5.3k tonnes in Bursa (2020)

**Source**: MOAF, TurkStat

- High domestic demand! Also, the exports of tropical fruits and berries has increased by 40% in the last 3 years (USD 6M in 2020).
- High profit margin!
- Along with major ones, following fruits are grown in Turkey: Mangoes, dragon fruit, papaya, pineapple, coconut, kumquat, carambola, guava pear, passion fruit.
Following crops can be stored in licensed warehouses: Cereals and legumes, cotton, hazelnuts, olives, olive oil, dried apricot, pistachios.

In the last three years the number of licensed warehouses tripled.

126 licensed warehouses across Turkey with 6M tonnes active capacity in 2020 with avg. annual growth rate of 36% in the last 5 years

- Konya: 20.0% of total capacity
- Yozgat: 9% of total capacity
- Adana: 8.6% of total capacity
- Gaziantep: 5% of total capacity

The government target for 2023 to reach 140 warehouses with a total of 10M tonnes capacity

A prioritized investment area that can benefit from highly advantageous 5th region incentives: 67% of initial investment cost can be deducted.

Bank loans with 50% discounted interest rate up to TL 50M

Major players in the market:

A feasibility study of establishing a licensed warehouse

<table>
<thead>
<tr>
<th>Investment location</th>
<th>Konya city</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical capacity</td>
<td>20,000 tonnes</td>
</tr>
<tr>
<td>Investment period</td>
<td>2 years</td>
</tr>
<tr>
<td>Fixed investment cost (USD)</td>
<td>Flat bottom investment: 1,919,000  Cone base investment: 2,121,000</td>
</tr>
<tr>
<td>Payback period of investment</td>
<td>12 years</td>
</tr>
</tbody>
</table>

Source: MOAF, Mevlana Development Agency
SUCCESS STORIES

STRONG INTERNATIONAL PRESENCE IN TURKEY

- Carrefour
- Hero Baby
- Danone
- Perfetti Van Melle
- Ferrero
- Unilever
- BASF
- Corteva Agriscience
- PEPSICO
- Coca-Cola İçecek
- Mondelez International
- Nestlé
- Dr. Oetker
- Cargill
- Barilla
- Felda IFFCO
AGROFOOD INDUSTRY GIANTS HAVE BEEN MANUFACTURING IN TURKEY FOR DECADES

SUCCESS STORIES

• Operational for 139 years
• 6 manufacturing facilities and 8 offices in Turkey for chemicals, performance products, functional materials & solutions, agricultural solutions
• Sales of EUR 63 billion globally in 2018
• Managing 78 countries from Turkey
• 800 employees

• Operational in Turkey for 110 years
• 2 manufacturing facilities in Bursa
• Employs 3,800 people directly and over 7,000 indirectly
• Produces locally 95% of the products it sells in Turkey
• Offers more than 800 products and around 50 brands in 12 different categories
• From its production hub in Turkey, exports to the neighboring countries, particularly to MENA countries

• Producing in Manisa OIZ since 2013
• Made an initial investment of 95 million EUR and expanded it to produce more varieties of products
• 7 manufacturing facilities, 6 of them processing nuts
• Exporting to 100 countries from Turkey

• Market share in sparkling of of Coca-Cola Icecek (CCI) in Turkey is 65%
• Producing 25 brands in 5 categories
• Following the acquisition of Efes Invest in 2005, evolved from a bottling operation to a regional beverage company
• More than 2,500 employees and 10 production plants

• Operational in Turkey for around 60 years
• 200 employees
• Headquarter & innovation center in Istanbul, seed conditioning & processing plant facility in Adana, sunflower R&D center in Lüleburgaz

• Operational in Turkey for around 59 years
• More than 600 employees in 7 locations in Turkey – Adana, Ankara, Istanbul, Izmir, Bursa, Balikesir, Kocaeli,
• 3 production facilities: starch & sweeteners in Bursa, fats & oils in Balikesir, oleo-chemicals in Kocaeli
AGROFOOD INDUSTRY GIANTS HAVE BEEN MANUFACTURING IN TURKEY FOR DECADES

SUCCESS STORIES

- Operational in Turkey for over 100 years
- 8 manufacturing facilities, over 5,000 employees
- Uses Turkey as a management hub for 35 countries
- New factory for personal and homecare categories in Turkey creates an investment ecosystem of EUR 350 million along with suppliers
- 29 brands and presence in 9 out of 10 households with its products
- Exports from Turkey to 34 countries

- Operating in Turkey since 1993
- An important production facility with an indoor area of 85,000 m2 in Gebze
- Sales of TL 872 million in 2018
- Employs about 1,200 people directly and about 900 indirectly
- Increased its investments in Turkey steadily over the past 20 years

- Operational in Turkey since 1998
- Over 500 employees