



Australian Nut Industry Conference 2009

An overview of the growing nut market and industry in Turkey

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Turkhan Foods



Overview



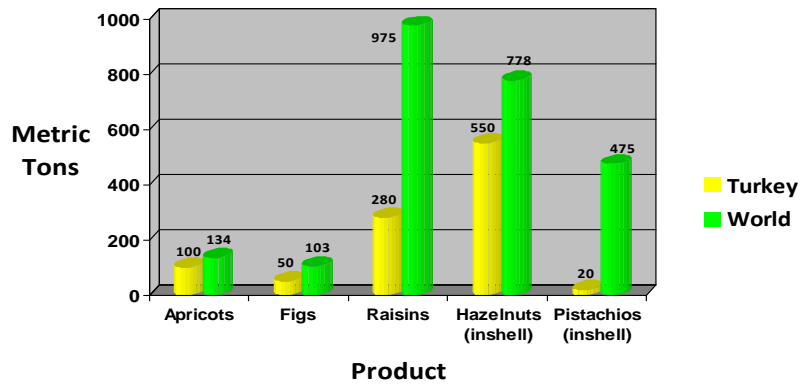
-  **Production and Consumption**
-  **Facts and Usage**
-  **Demand and Sustainability**
-  **Import Trend on Almonds, Walnuts**
-  **Doing Business with Turkey**
-  **Questions**



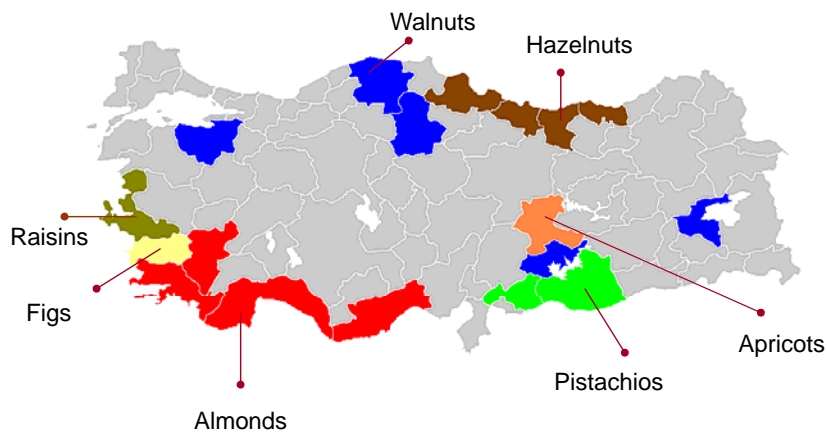
Production



Estimated World and Turkey Production in 2009



Production Areas



Nut Consumption in Turkey



Facts on Turkey Nut Industry



- **Low Income and Dependent** population consume more than the higher income population
- Annual Consumption is over 325,000 MT
- Majority of products are consumed by the middle class
- Nuts, seeds, dried fruits consumption per capita in Turkey is **approximately 1.5 KG**
- Consumption peaks during Ramadan, Sacrifice Festival and New Year's celebration
- Smoking ban and recession have increased the sales of **Quality oriented market; Turkish Food Codex**
- Average land area per grower is 1 acre

Product Facts

- Sunflower Seeds are the most popular product (80,000 MT)
- Pistachios are the most used nuts (40,000 MT)
- Hazelnuts are mainly used in chocolate industry
- Raisins are used to make traditional beverage: Raki
- Apricots and figs are eaten as snacks
- Macadamias are not a very popular commodity
- Cashews have been very popular and the consumption is expected to increase in addition to almonds and walnuts



Nut Buyers

- Distributors and Co-packers
- Wholesalers
- Roasters
- Food Service Professionals
- Food Processors
- Restaurants & Bakeries
- Confectionery Manufacturers



Demand and Sustainability



- Health Benefits
- Wider Usage
- Nut culture
- Inshell products give importers more options to choose:
 - Shell them, roast them etc.
- Customs and Regulations
- Price



Regulations



- Importers have to pay a 43.6% import duty on the CIF value of all types of tree nut imports.
 - 60.1% import duty on all processed tree nut products.
 - Until 2004, the lowest invoice value on some nuts were not standardized and differed from one country to another.
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Example: Ukranian vs. Californian Walnuts



- 43.6 % import duty of CIF value
- The lowest invoice value acceptable
- 900* USD/ MT vs. 2,000* USD/MT
- Customs 390 USD/MT vs. 872 USD/MT
- Real difference:1,200 USD/MT

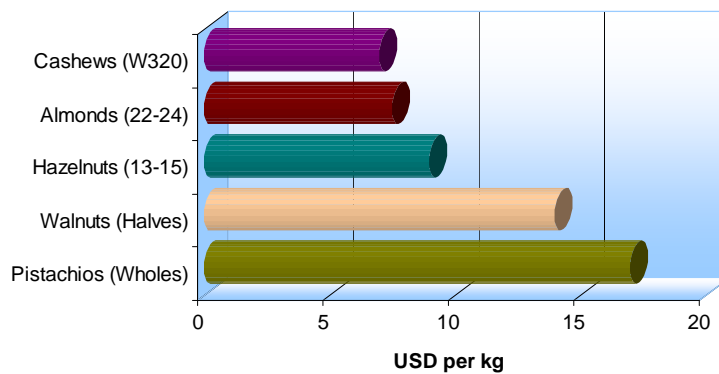


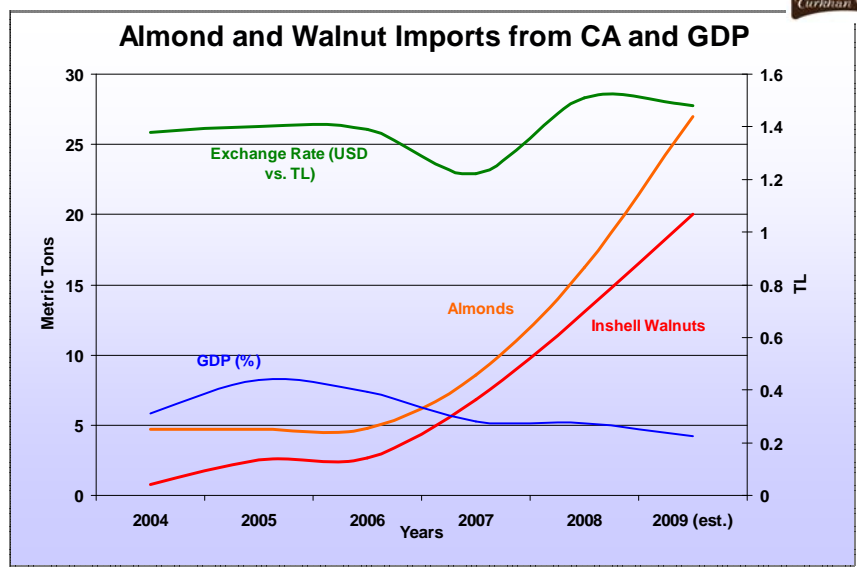
*Numbers are not precise.

Price Comparison



Nut Prices in Turkey





Source: TURK-SAT, Almond Board and CWB



DOING BUSINESS WITH TURKEY



■ OPPORTUNITIES

- High demand
- New market
- Adopting European business regulations and standards
- Stable Economy
- Location



■ CHALLENGES

- Not related individuals are getting involved
- Location: Far from major producers (price decline results in defaults)
- Contradictory policies, strict regulations and documentation requirements
- Lack of transparency in tenders
- An inconsistent judiciary



QUESTIONS?