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PROSPECTS FOR AGRIBUSINESS
TRADE AND INVESTMENT IN TURKEY

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Based on:

A mission to Turkey, October 2 - 12, 1982

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Foreword

In an effort to promote Turkish agricultural and agro-industrial development through the use of American technology and products, a joint U.S. Government-industry trade and investment team visited Turkey from October 2 through October 12, 1982. The trip was made on behalf of and at the expense of the U.S. Trade and Development Program, International Development Cooperation Agency.

Team members included: Doyle W. Jacklin, American Seed Trade Association; John Baize, Washington Program Manager, American Soybean Association; T. J. Vorachek, Regional Director, Mid-East/Africa, U.S. Feed Grains Council; and James E. Ross, Assistant Administrator, Export Credits, Foreign Agricultural Service, U.S. Department of Agriculture. The itinerary for the mission included six days in Istanbul to attend the Turkish-American Society Business Conference, and meetings with Turkish business leaders; two days in Ankara for meetings with Turkish Government officials and Ankara business leaders; and two days in Adana for meetings with Cukurova region agribusiness officials and agricultural site visits.

The team wishes to express sincere appreciation for assistance during the mission to the following individuals:

Mr. Tarhan A. Danisman, President of the Turkish-American Society, who was instrumental in planning and carrying out a highly successful Turkish-American Business Conference and who provided the mission participants with meeting space.

Mr. Lincoln McCurdy, U.S. Commercial Officer at the U.S. Consulate in Istanbul, who arranged on short notice meetings with several key trading companies in Istanbul.

Mr. Al White, U.S. Economic Counselor at the U.S. Embassy in Ankara, who made arrangements for transportation and meetings in Ankara.

Dr. Nemaq Kemal Kilic, Advisor to the State Planning Organization, who patiently answered questions of the team and who made arrangements for the participants to meet with key Turkish officials.

Mr. Mehmet Yazar, President of the Union of Chambers of Commerce, Industry and Commodity Exchanges of Turkey, who hosted a luncheon for the mission participants and assisted in visits in Ankara.

Ms. Ciedem Sezgin of Tormak A.S. in Adana, who patiently interpreted for the mission while in Adana.

SUMMARY AND CONCLUSIONS

Since January 1980 the Government of Turkey has been implementing a far-reaching economic program. Policy is being reoriented away from direct government intervention and control toward greater reliance on market forces and competition. The longer-term objective is greater efficiency and better resource allocation. The immediate result is a vastly improved climate for agricultural trade and foreign investment in agribusiness.

During the mission, Government of Turkey officials confirmed the lifting of restrictions on imports of soybeans and corn. Representatives of Turkey's State Planning Organization in a meeting with the U.S. Team said Turkish importers can now import unlimited quantities of corn and soybeans duty free. While restrictions still remain on importation of soybean meal, the meal may be imported if it is utilized in an export oriented enterprise.

New rules and regulations pertaining to the highly restrictive seed law were promulgated during the team's visit. A copy in English was not available at that time, however, the team was informed that the new rules and regulations were designed to enable the future development of the private seed sector within the Turkish seed industry.

Feed Grains

Opportunities in the area of feed grains exist in all phases of production, processing and marketing including export market development. Although the Turks are already developing and expanding in many areas themselves, there appears to be a real need and opportunity for injecting American technology and knowledge to fine tune the systems. In the poultry and livestock industries the need/requirements exist for building from the ground up. In both cases the opportunities for becoming trading partners with Turks rather than competitors is tremendous. As frequently discussed during the mission, Turkey enjoys a unique position in the Middle East today in light of its political neutrality and ideal geographical location. An additional advantage in the area of processing and manufacturing is the large, relatively cheap semi-skilled labor force available in Turkey.

Assuming that Turkey's current political and economic situation remains the same, Turkey has the potential to become a real "boom market". The only serious constraints being government policy in certain areas and the GOT's cash flow problem which may inhibit their growth at the current projected rate. Observations made during this mission pointed toward a country with tremendous agricultural potential. Turkey is a country with abundant natural and human resources. Contacts made during the trip depicted the Turks as being hard working aggressive people who are now aware of the export market in the Mideast and Africa and are determined to go after it. In order to do this efficiently, they are going to need outside technical and, in some cases, financial assistance. For example, if the Turks are to be competitive in the

export market they are going to have to bring their feed conversion ratios in their broiler production in line with the Europeans and Americans. The current F.C. ratios in Turkey are 2.7 to 1.0 or greater compared to 2.0 to 1.0 or less in Europe and the U.S.A.

The same situation exists in Turkey's red meat and dairy sector. If they are to be competitive on the export market, they must upgrade their existing systems. This upgrading provides excellent opportunities for U.S. firms in all areas of the chain from feed manufacturing and handling to the transport and marketing of the end products. Although not essential in all cases, the U.S. firms should be prepared to invest in Turkey.

Oilseed Complex

In order to foster growth in output and profitability in the oilseed, poultry, and livestock sectors of Turkey, several policy and structural changes are suggested.

- 1) The present prohibition on the private sector importing, manufacturing, and selling vaccines for the livestock industry should be eliminated by the Government of Turkey. Unless the livestock and poultry sector have free access to the latest vaccines they will not be able to achieve the levels of efficiency necessary to lower costs of production and market prices to world standards. Also, without such improved efficiency, Turkish poultry and egg producers will not be able to effectively compete with the European Community in the Middle East poultry markets without continued government subsidies.
- 2) The Turkish Government should expand the ship offloading capabilities of the elevator at the Port of Mersin and establish procedures for scheduling docking and prompt offloading of ships carrying needed soybeans and corn. Similarly, the ports at Izmir, Antalya, and Istanbul should be improved to provide adequate offloading and storage of imported feed ingredients.
- 3) The proposed government elevator at Bandirma should be expanded to provide a minimum of 50,000 MT of storage and should be equipped with ship offloading facilities. The proposed 20,000 MT storage capability is grossly inadequate either for loading or offloading ships carrying 30,000 MT or more.
- 4) Price controls presently in place for soybean meal should be eliminated to allow the profitable production and marketing by Turkish processors of soybean meal containing a minimum of 44 percent protein.
- 5) A large free trade zone should be established near the Port of Mersin to allow the development of export-oriented agribusiness projects such as oilseed processing plants, integrated broiler operations, and feed manufacturing facilities. Such a free trade zone would free participating

businesses from the "red tape" imposed on imports while not eliminating government restrictions on goods shipped into Turkey.

6) The proposed government construction of a soybean processing facility at Adana should be abandoned. Adequate private sector oilseed processing capacity exists at present in the Adana region to handle current demand, and the private sector can best meet future expanded needs.

7) The Government of Turkey should cancel plans to increase the inland grain storage capacity controlled by the government. Instead, the Government should provide the private sector with incentives to construct such facilities.

8) The virtual government monopoly on the seed business in Turkey should be eliminated. Instead, the Government should further relax pre-testing requirements for imported seed, and encourage the development in Turkey of a private sector seed industry to provide Turkish farmers with quality seed.

9) Increased emphasis should be placed on expanding internal rail transportation in Turkey. Specifically, there should be an expansion of the capability to efficiently transport bulk feed ingredients from growing areas and ports to areas of livestock and poultry production.

10) The Government of Turkey, or the Turkish private sector, should establish internationally accepted minimum nutrient requirements for vegetable protein meals and institute a system for assuring meals produced meet those requirements.

Seed Industry

The following general statements and evaluations can be made regarding the "state of the Turkish Seed Industry".

1) There is a critical need for new genetic germ plasm for items including but not limited to corn, soybeans, cotton, vegetables, grasses and legumes. The Turkish Government has attempted in the past to control the seed industry by purchasing nearly all internal seed requirements on the open market and at as low a price as possible in order to provide these seeds to the farmers at correspondingly low prices. The result, however, has been the continued importation of inferior or common type varieties with poor mechanical quality and exhibiting mediocre performance. This purchasing arrangement appears to have also permitted possible internal profit at the various government levels from the point of seed purchase to actual resale to the farmer. Additionally, the poor quality/mediocre performing varieties have given rise to black market purchases of improved varieties outside Turkey for as much as 4 to 10 times higher than prices for poor quality government seed. Only larger farmers could afford such prices.

- 2) The Government has controlled importation of seeds through an import permit requirement, not only on commercial seed stocks, but also certified pedigreed mother seed stocks. These permits have effectively cut off all opportunities for foreign private seed company sales to other companies in Turkey without first being purchased by the Government on a tender or bid basis.
- 3) The Government, through its various research institutes, has required a 4 to 6 year testing period before varietal registration. This requirement has effectively prevented the introduction of new varieties and removed nearly all incentive for introduction and marketing of new and improved varieties. This testing requirement was and still is necessary even though varieties are already on certain approved lists or catalogs, such as EEC, U.S., North American, or Canadian licensing or plant variety protection arrangements for areas of adaptability identical to Turkish conditions.
- 4) Seed production and marketing permits are required by the Government for individuals or companies producing seed for resale in Turkey. This permit requirement continues to serve as a deterrent to companies desiring to establish open and free production arrangements in Turkey.
- 5) The Turkish Government in the past has followed a very hard line on foreign capital investment in Turkey allowing a maximum participation rate of 49 percent. The Government now indicates they will continue to follow this requirement, however, under certain circumstances and through approval by decree from the Foreign Investment Department, the percentage could be raised above 50 percent and perhaps even to 100 percent. This participation above 49 percent, however, would again be subject to review and approval. Foreign capital investments from other countries, including Saudi Arabia, Lybia, Iran, Iraq, Kuwait, United Arab Emirates, Bahrain, and Qatar, are not limited in their participation percentage rates.
- 6) The need for joint venture participation from outside investors is very strong. The type of investment in the agricultural seed sectors, however, appears to be more from a technological standpoint rather than an actual monetary standpoint. Because of the lack of technology within the existing governmental seed sector as well as the limited private seed sector, a major opportunity and critical need exists for expertise and management in Turkey should joint venture arrangements be initiated. Funds will no doubt be welcome, but again, technology is the critical factor.
- 7) The Government of Turkey believes the country will serve as the "bread basket" for the other middle-eastern countries in Iran, Iraq, Syria, Algeria, Lybia, and Egypt. They do have the manpower, arable land, and available water if their water development programs proceed as planned. Therefore, the agricultural production potential is definitely possible if technical expertise, management, and improved genetic material so vital to future production success becomes available.

8) There are two U.S. corn companies (Pioneer and DeKALB), and possibly a third, conducting their own private performance trials in Turkey. It is possible that one or all of these companies may enter into a licensing arrangement, or attempt to establish wholly-owned subsidiaries, in Turkey after receiving the necessary permission from the Foreign Investment Department. There are at least two U.S. and perhaps two European seed companies interested in establishing vegetable seed production and distribution through the private seed sector--either through a licensing arrangement, joint venture investment, or establishment of a wholly-owned subsidiary.

9) Mr. Yilmaz Akar, Head of the Ministry of Agriculture's Seed Department indicated during a meeting with the agricultural minister, that a new set of "rules and regulations" pertaining to the "seed law" had just been promulgated on October 10, 1982. These new "rules and regulations" are designed to enable the future development of the private seed sector within the Turkish seed industry. A copy was not available in English for discussion, and the extent of the new "rules and regulations" is not known at this time. Specific comments from the Seed Department Head indicate that the testing requirement for all hybrids would now be reduced to one season before approval for marketing, however, the hybrids would continue to be tested for several years to verify performance results. Non-hybrids would be required to be tested for a minimum of 2 years before commercial release is approved. Greenhouse hybrid vegetables would also be required to have one year of testing, but would continue to be tested for several years to verify performance results.

Areas for U.S. Joint Venture Investment

While the Turkish agribusiness sector has enormous potential for U.S. investors, it is the team's belief that the following areas represent the highest priority and opportunity:

1) Bulk Portside Handling and Storage Facility at Mersin

Because of the current reluctance of the Government to effectively handle bulk commodities at the elevator in Mersin, it appears a profitable joint-venture investment would be to construct a bulk offloading facility in the port area. The facility should have a minimum storage capability of 50,000 MT in order to handle back-to-back offloading of more than one ship while simultaneously shipping incoming commodities to internal processing and manufacturing facilities. The U.S. investor should attempt to form a joint venture with soybean processors and/or feed manufacturers in the Adana-Mersin region who have need for imported soybeans, corn, and other feed ingredients. The facility could also be used to export prepared feeds and domestically grown grains to nearby markets.

2) Cold Storage Facility at the Port of Mersin

In order to more efficiently handle exports of chilled and frozen meat and poultry by ship to other Turkish ports, and to other markets in the Middle East as well as to handle imported frozen foods, it appears a good investment for a U.S. firm would be a cold storage warehouse in the Port of Mersin. The facility should preferably be dockside and able to offload containers, but it may be possible to locate the facility somewhat inland with offloading handled by existing port facilities. A similar facility at Izmir may also be sound.

3) Integrated Broiler Production Projects

It would appear that several large, efficient integrated broiler projects can be sustained by the Turkish domestic market or by export markets in the Middle East. New poultry facilities should either be jointly constructed along with modern slaughter facilities or built near existing facilities. The best locations appear to be in the Izmir or Adana regions, or near Istanbul. Several Turkish companies with available investments in poultry projects along with a U.S. company with successful experience in integrated broiler operations. Successful operation of such broiler operations, however, is contingent upon available supplies of soybean meal and other feed ingredients, and upon government liberalization of disease control vaccines and feed additives.

4) Soybean Processing

Contingent upon a Turkish Government commitment to facilitate a free flow of imported soybeans into the country, it would appear feasible for a U.S. firm experienced in soybean processing to enter into a joint venture with a Turkish company to construct a new, modern hexane solvent soybean processing plant or to modernize an existing facility either in Adana or Izmir. Based upon a preliminary analysis it would appear most advantageous to join with an existing crusher in the Adana region to install new components in an existing facility to increase the plant's efficiency in processing soybeans. The soybeans could be supplied both by the Cukarova Valley's limited production and by imports through the port at Mersin. In the future as Turkey's demand for soybeans expands the modernized plant could be expanded.

If a soybean processing facility is built in the Izmir area it would likely need to be a new plant constructed near the port area. It is unlikely large supplies of soybeans will be grown in the Izmir area, but demand for soybean meal in the area should be high because of the rapid poultry development expected there.

Aside from supplying soybean meal to the Turkish poultry and livestock feed sector it would appear there are export markets in neighboring countries for soybean meal. Likewise the demand for soybean oil in Turkey and neighboring countries appears to be expanding at a rapid rate.

It is important that the U.S. company investing in a joint venture to build or modernize a soybean processing plant has experience in the soybean processing industry. The facility will require a large capital investment and extensive management expertise in the future if it is to be profitable. While Turkish processors are efficient they do not have experience with the latest technology and methods.

5) Livestock and Poultry Feed Manufacturing

A company with experience in the U.S. feed industry may find it economically inviting to form a joint venture company in Turkey for the production of livestock and poultry feeds. In particular, a modern facility in the Adana or Izmir areas for the manufacture of poultry feeds appears to be a top prospect. Based on the team's experience in the feed industry, any new feed manufacturing firm should stress quality feed and strive to develop a reputable brand name. Also, the firm could become a major supplier of vitamin, mineral, and veterinary drug premixes to other feed manufacturers. Like other industries in the agricultural sector, there appears to be a substantial market for prepared feeds in neighboring nations, especially Iran, Iraq and Syria.

One type of feed manufacturing which deserves attention is the area of range animal feeds. Because of Turkey's large amount of dry rangelands and the large number of cattle and sheep, there appears to be a large unexploited market for supplemental feeds, including protein and mineral blocks. Development of this market will require an extensive effort to educate the cattle owners, but it should not be insurmountable.

6) Marketing of Liquid Edible Oils

At present, little soybean oil, sunflower oil, or cottonseed oil is marketed in Turkey in a liquid form for cooking. Only olive oil is available in liquid form with other oils being marketed as vegetable ghee or shortening. Because of the lower price for soybean, sunflower, or cottonseed oil compared to olive oil, there should be a market for such oils as a lower priced substitute for olive oil. A U.S. firm should explore the feasibility of producing and marketing such a product in a joint venture with a Turkish oilseed processor.

RECOMMENDATIONS

The following recommendations are made with a prespective in mind as to how improvements in the Turkish feed grain, oilseed, and seed industries will also benefit American agriculture through improved export possibilities, profitable joint venture arrangements, and the general benefit of agricultural interests.

- 1) Establish a U.S. agricultural counselor office within the American Embassy in Ankara. Because of the vitally important role Turkish agriculture will play in future middle-eastern life and politics, the United States must be in a participatory, contributing, and advisory position with Turkish agricultural interests.
- 2) Organize and confirm a high level trip by the U.S. Secretary of Agriculture, together with respected and interested U.S. agricultural representatives who are concerned with or interested in Turkish agriculture either from a joint venture standpoint, licensing standpoint, or wholly-owned subsidiary standpoint.
- 3) Direct an aggressive and concentrated effort through the U.S. Embassy in Ankara toward both the Ministry of Agriculture and the head of the Foreign Investment Department/State Planning Organization in an attempt to:
 - a) Remove all import permit requirements on both pedigreed seed stocks and improved commercial seed stocks imported for the purpose of seed increase or for planting purposes.
 - b) Remove all seed production and marketing permit requirements that are presently being handled by the Turkish Seed Department.
 - c) Remove all testing and variety registration requirements if the varieties are currently being commercially marketed in other similar climatic areas of the world, or are on recognized lists and catalogs such as OECD Certified List of Cultivars, U.S. Certified Eligible Varieties, varieties officially licensed in Canada, EEC Common Catalog, and UPOV or U.S.A. Plant Variety Protected or Patented varieties.
 - d) Permit liberal repatriation of funds if funds are the result of profitable seed ventures regardless of ownership status, i.e., wholly-owned or joint venture.
 - e) Permit establishment of a private seed sector within Turkey to produce and market seeds conforming to recognized quality standards now in existence for international seed trading.
- 4) Host a three or four man seed team from Turkey in 1983. This team would tour the areas of improved varietal production of soybeans, corn,

vegetables, as well as forage grass and legumes seed production for approximately 3 weeks and would be financed by the American Seed Trade Association.

The objectives would be for the Turkish delegation to meet with as many of the American seed industry leaders as possible, and to view seed production and conditioning facilities in as many areas of the U.S. as time permits.

- 5) Pursue extension of export credits to the Turkish public and private sectors--GSM-5 and GSM-102.
- 6) Explore means of providing assistance to develop Turkey's grain handling infrastructure--port and internal grain handling/storage facilities.
- 7) Assist Turkey's agricultural and agro-industrial development through joint venture participation and technology transfer to public/private sectors, especially the livestock and poultry industries.
- 8) Provide assistance through joint venture participation and technology transfer to Turkish feed processing and oilseed curshing industries.
- 9) Assure that team members and support agencies follow-up on promising joint venture opportunities in the areas of technical service and/or financial participation in the Turkish agro-industrial sector.

FEED GRAINS

TURKEY

TRADE & DEVELOPMENT PROGRAM
SURVEY MISSION
2-13 OCTOBER, 1982

Purpose: The objective of the mission was to promote Turkish Agricultural and Agro-industrial development through the use of American technology and products. In this regard the U.S. Feed Grains Council representative Dr. T.J. Vorachek, Regional Director for the Mideast/Africa undertook the following scope of work, as one of the team members: Attended a three day American-Turkish Society Business Conference in Istanbul. In addition to attending the conference the mission was to establish contacts with the public and private sectors throughout Turkey in an attempt to identify potential areas of investment and/or use of U.S. technology and products in the Agricultural sector. Based on the team's contacts and visits they are to make recommendations for U.S. and Turkish cooperation in areas of mutual benefit.

Opportunities: Assuming that Turkey's current political and economic situation remains the same, Turkey has the potential to become a real "boom market." The only serious constraints being government policy in certain areas and the GOT's cash flow problem which may inhibit their growth at the current projected rate. Observations made during this mission pointed toward a country with tremendous agricultural potential. Turkey is a country with abundant natural and human resources. Contacts made during the trip depicted the Turks as being hard working aggressive people who are now aware of the export market in Mideast/Africa and are determined to go after it. In order to do this efficiently however, they are going to need outside technical and in some cases financial assistance. For example if the Turks are to be competitive in the export market they are going to have to bring their Feed conversion ratios in their broiler production in line with the Europeans and Americans. The current F.C. ratios in Turkey are 2.7 to 1.0 or greater compared to 2.0 to 1.0 or less in Europe and the U.S.A.

Constraints:

1. Government Policy- Perhaps the GOT is feeling its way out of a bad situation but the current policies still seem to be a bit inconsistent. On the one hand they are inviting freer trade and foreign investment while restricting imports and foreign ownership on the other hand.
2. Infrastructure- especially port facilities, which appear to be inadequate for a country wanting to become a world trader. There appears to be a general consensus that the bulk handling facilities for commodities such as grains is in general need of expansion.
3. Management/Technical skills- Although the Turks are a capable/aggressive people, they need and want joint venture relationships which bring them the latest techniques and methods used in Europe and the U.S.A.
4. Marketing skills/techniques- Another very important area in which the Turks require assistance is in the development of their export markets.
5. Financing- in order to move ahead at their projected rate of development the Turks are going to require additional public and private sector funding from outside. This can be in the form of direct credit to the GOT and/or in the form of joint ventures involving foreign investors and the Turkish private sector.

Recommendations:

The following recommendations are made with the benefit of the Turkish Agricultural sector and their American counterparts in mind.

It is felt by this author that Turkey will develop on its own or through joint ventures with non-American firms; however it is hoped that enough interest can be created within the near future to make Turkey and the U.S.A. partners in trade. The Turks have what seems to be an ideal situation for becoming a leader in the Mideast/African marketplace ie: basically an ideal geo-political location (with sea and land access to nearly all parts of the Mideast) and a religious tie that affords them a preferred status with the rest of the Moslem world.

1. Reestablish an FAS presence in Turkey. The alternatives recommended are an Agricultural Trade Office in Istanbul or an Agricultural Counselor in Ankara. This presence is essential due to the ever increasing importance of Turkish Agricultural trade throughout the area and its effect on the political situation there. It would also allow the US to work more closely with the Turks and guide their Agricultural development along lines which are compatible with both parties' interests.
2. The US Embassy in Ankara put pressure on the GOT to make foreign investment ownership and joint ventures more attractive ie by allowing greater than 49% ownership and guaranteeing the convertibility of the Turkish lire.
3. Follow up on the proposal to arrange for Secretary Block and a high level team of Agroindustry representatives to visit Turkey in February or March, 1983. It is essential that this group be comprised of individuals who are interested in joint ventures and expanding trade with Turkey. The individuals must also be of a high enough level in order to make some on the spot decisions and commitments. During the team's meeting with the Turkish Minister of Agricultural, the Minister expressed his satisfaction with proposed visit and offered to extend an official invitation if it was felt that Secretary Block would accept. It is the author's recommendation that Messrs. Abelidt, the US Feed Grain Council's Chairman, and Stotle, the Council's President be included on the team.
4. Ways be explored to assist Turkey in developing its infrastructure especially the bulk commodity handling systems at the major ports.
5. Ways be explored to extend favorable credit terms to the Turkish public and private sectors ie the new "blended credit" program, and monies available under the GSM 5/GSM 102 programs.
6. The team members and supportive agencies continue to follow up on promising joint venture opportunities in the areas of technical service and/or financial participation in the Turkish Agroindustrial sector.

Summary/Conclusions:

Although the author had been to Turkey before and did have a good impression of the Turks and their capabilities and potential, this mission only strengthened his feelings. The Turkish agricultural potential, assuming the current stability is maintained can only be termed as "fantastic". As observed on this trip Turkey has everything going for it ie natural and human resources, as well as an ideal geographic location for penetration into the Mideast/African markets. It is the opinion of the author that we should do all that we can to make Turkey a partner in trade rather than a very formative competitor within the very near future. If worked with and guided in her development it should be possible to work out a mutually beneficial program satisfactory to all.

Meetings/Contacts.

The initial phase of the team's visit to Turkey was highlighted by its participation in the American Turkish Society's Business Conference held in Istanbul, October 3-6, 1982. This participation included

attendance at the formal sessions and related meetings resulting from contacts at the conference and those set up through the able assistance of Mr. McCurdy of the US Consulate in Istanbul.

4 October- The conference began with the usual welcome speeches and opening addresses. Following lunch Dr. Vorachek attended the first session entitled "PROMOTION OF TRADE." During this session Turkey's awareness of the vast export markets and opportunities in their neighboring countries was pointed out. Increases in exports were projected at 30% for 1982, with an impressive 215% increase in exports over the past two years. Mr. Richard English of Philip Morris Inc. suggested that Turkey is the "Bread basket of the Middle East." While Agriculture accounts for only 20% of the GNP, it accounted for 42% of the total exports in 1982. Internal problems cited in the development of a modern Agricultural system were: prices, low income for farmers and extremely high interest rates- (50-60%). External problems appear to be primarily related aggressive marketing on the part of the Turkish firms ie lack of quality control, standardization of product and just plain aggressive marketing techniques and campaigns.

In order to promote trade and get the economy moving the GOT initiated a liberal trade policy in 1980. It is anticipated/suggested that even further liberalization will and should be coming in 1982/83. However, it was pointed out that one of the key areas requiring action in further liberalization programs is the convertibility of the Turkish lire.

At the conclusion of this session there was no doubt that trade and the export market has a high priority in the public and private sectors of the Turkish economy. Panel members emphasized policies and trade promotion activities that assist and Turkey to develop along these lines.

The last session of the day was devoted to "long term investments." During this session a brief history of foreign investments, Turkish laws and regulations, tax considerations, profit repatriation and opportunities for direct foreign investment and joint ventures were discussed. Although the law governing foreign investments is basically the same one proposed in 1954, Law 6224, it appears GOT is becoming more flexible in its interpretation ie on the percentage of foreign ownership in joint ventures etc. The quota seemed to reflect a healthier investment situation ie a total foreign investment figure of \$220M prior to 1979, with new investments since 1980 totalling \$560M plus.

The panel closed on a very positive note leaving an impression of Turkey as a good place to invest under its current and continually improving economic and political stability.

Following the sessions Dr. Vorachek attended a cocktail party at which Mr. McCurdy identified Yasar Holdings as one of the leaders in commercial agriculture in Turkey. Although their current operation is largely restricted to the dairy industry, they are apparently interested in expanding into the meat production, feed manufacturing and vegetable/fruit production areas. Mr. Dan Roberts of OPEC and Mr. Bob Bobel of TDP were also present and expressed their groups' interests in expanding US-Turkish relations through exports and joint venture activities. Mr. Bobel indicated feasibility studies for projects which are US export orientated and could be funded by the Trade & Development Program. The amount funded for each feasibility study could be as high as 90-100,000 US dollars.

5 October- The team met with Mr. I. Etham Seven the general manager of Seven Insaat ve ihracat- an intergrated sheep/cattle feedlot slaughter operation and his consultant Mr. Merih Akgun. The meat company apparently is one the oldest commercial operations in Turkey with a slaught-

er house located near Istanbul and a sheep raising enterprise located near Erzurum in eastern Turkey. Their current capacity in the Istanbul plant is 3500-400 head of sheep per shift and 200 head of cattle. The company's current sales were quoted at approximately \$60M US dollars with 1/2 going for export to the Middle East. Estimated sales for 1982 are set at \$85M US dollars. The firm would like a foreign partner(s) with expertise in:

- 1) Meat processing
- 2) Packaging and marketing of the finished products
- 3) Lamb/cattle feeding
- 4) Export market development.

Although they are moving ahead slowly in their expansion, they estimate the final expansion program will cost \$250M US dollars. They indicated they need outside financing since they can not raise the full amount themselves and would be looking at a 49% share by the foreign partner and will accept a management contract.

Messers Baize, Ross and Vorachek visited the plant near Istanbul which was currently in the process of undergoing some remodeling. There was an apparent need for technical assistance in the areas of the slaughter house and feedlot operations.

In the afternoon Dr. Vorachek attended the Agro-industries session in which the major problems and opportunities were discussed. Some of the major problems listed were:

- 1) Small sized farms
- 2) Over 78% of land currently subject to excessive erosion
- 3) Underdeveloped infrastructure
- 4) Marketing inadequacies.

Dr. Kilic of the State Planning Organization (SPO) indicated that greater attention is going to be paid to the needs of both the local/foreign private sectors in the 1980's. Examples of some of the incentives to be given are in the areas of:

- 1) Exemption at customs of up to 100% for goods coming in for investment purposes.
- 2) Tax breaks on investments of up to 30-60%
- 3) Medium to Long term credit on a ratio of
50/50 (credit/equity)
30/70 (credit/equity)
- 4) Exemption of goods from customs duties which are involved in reexport businesses ie the creation of a duty free zone(s) in several major port areas.

He pointed out Turkey's advantage here in light of its political acceptance as a "brother" in the Moslem world.

Specific Agricultural sectors to be given special attention are:

1. Seed Production- The GOT sees the need for commercializing seed production in the area of vegetables, forages and cereals.
2. Poultry- The need to streamline the current poultry industry in Turkey is evident from feed conversion figures of 2.5 up to 3.0 to 1. Current parity prices between white and red meat are running at 2-1; however if the red meat exports are significantly increased as planned the ratios could go to 3-1 or even 4-1.

3. Integrated Livestock Projects- There appears to be a general feeling among the officials in the public and private livestock sectors that there are adequate quantities of livestock in Turkey but that there is a real need to upgrade the quality of the livestock.

Areas of emphases mentioned included the entire gamut of production ie

- Breeding
- Feeding
- Slaughter/Processing
- Marketing of end products

4. Vegetables/Fruits- In addition to improving the seed quality and streamlining the production techniques, the GOT also realizes a need for improved processing/marketing techniques especially where the export markets are concerned.

5. Cereals- The comment made referring to this area was an "unlimited potential."

Dr. Kubali of Yasar Holdings, one of Turkey's largest successful private sector companies ranked the needs of Turkey's agro-industrial operations as follows:

- 1) Technical assistance
- 2) Marketing assistance
- 3) Financial assistance

Questions from the floor:

Q. to Dr. Kilic- Does soybean meal and corn qualify under the duty free category?

A. Yes (qualified) any feed mill can import corn. However, soybeans must be imported whole and crushed locally.

Sessions ended.

6 October- Following the official sessions of the American Turkish Society, several meetings with private sector investors were arranged to discuss possible joint ventures in the Agro-industrial areas.

YASAR HOLDINGS A.S. Dr. Ali Nail Kubali

Yasar Holdings A.S.
Sehit Fethi Bey Cad 120
Izmir, Turkey
Telephone- 142360

Large, highly diversified Turkish Holding Co.
(1/3-40% of their revenues are in Agro-industry.)
Interests- Tuborg Beer (currently expanding \$300M-J.V.)

Export malt
Manufacturer of paints
Fertilizers (NPK)
Dairy Processing (largest in Turkey)
Manufacturer of tin cans
Construction Company
Manufacturer of steam boiler equipment
Flour mill (small)
Trading Company
Travel Agency
Own largest hotel in Turkey
Bank (70% if shares Turkish Tobacco Bank)
Feed mill (are in the process of building)
Slaughter house- proposed- J.V. with Union International of U.K.-\$10M plant.

Yasar Holdings- plans to provide concentrates to their milk suppliers as part of their service program

- Are interested in

- Joint venture- Integrated Beef operation
- Seed importation distribution
- Technical assistance in dairy production- especially nutrition.

IZDAS- ISMIR DIS TICARET A.S. Fatih Cakmakoglu

1379 Sokak 59/7
Izmir, Turkey
Tel. (51) 148334
Telex 52687 izd tr
52645 idc tr

(Sales Coordinator)
Mehmet Ozdemir
(Sales Coordinator)

Organization- group of 9 companies

ASMAS- heavy equipment

IDC- rolling mills (2)
 SANTES- contracting company
 4 commercial companies within Turkey's steel trade
 POYRAZ- Shipping Company (ocean freight)
 IZDAS- The import/export arm of the group is made up of 4 departments:

- 1) Construction materials
- 2) Machinery/Equipment
- 3) Textiles
- 4) Food stuffs (export oriented)
 - includes market research
 - packaging

-organization has/is exporting to Iran

-cheese

-eggs

-poultry

-grain- were involved in the shipment of 200,000 MT to Iran (transaction was government to government).

They have also just recently signed an agreement with a large feed mill in the Izmir area to supply finished feeds to Iran and are also involved in exports to Iraq and Algeria.

The company's current export volume is approximately \$80M US dollars of which 80% is in construction materials.

They are interested in assistance in establishing a meat exporting organization.

ANADOLU ENDUSTRI HOLDINGS A.S.

Anadolu Endustri Holdings A.S.

Ustun Cevik

Emirler Sok 3/1

Sirkeci- Istanbul Turkey

Telephone- 26 6407

Telex 22 564 Jawa TR.

Interests- Beer- have 65% of market

Aluminum foil

Pens/Pencils

Metal group- manufacture engines

-sales Mopeds

Pickup trucks

Several Marketing Companies

Anadolu Exports

In 1982 exported mutton to

Algeria 3000MT

Libya 2500Mt

Had a deal with Iran for 7000MT beef which fell through

Also are in Shipping

have 1 Vessel coal carrier

plan to add

1 bulk carrier

1 Tanker

New Projects- Mr. Cevik believes there are tremendous opportunities in Agri-business in Turkey especially those related to exports. He has commissioned a thorough prefeasibility study and wants to establish an intergrated beef operation and slaughter house. Initial plans call for a 5000 head feedlot (cattle) and sheep feedlots (undetermined size) along with a slaughter house designed to handle 500 head of cattle and 2000 head of sheep per day. He would accept joint venture participation on a 50/50 to 40/60 basis with a management agreement in favor of the foreign investor. Mr.Cevik emphasized the real need and desire for US expertise in setting up this operation. Apparently he has already received four quotations from interested European partners but would like to find an American partner.

Mr.Cevik also expressed an interest in establishing a soybean crushing plant and suggested the team find a partner interested enough to put in \$100,000 US dollars (50%) to do a prefeasibility study.
Are interested in: (Primary)

Mr.Cevik's primary interest is in establishing the beef/sheep slaughter house.

requires technical/management assistance and prefers some financial participation in order to assure seriousness of the joint venture partner.

UNILEVER-

U.F.Schroeder- Manager

Is Tic.ve San
Cumhuriyet Caddesi 16
Harbiye- Istanbul,Turkey
Tel. 46 61 50

The primary purpose for the team's visit with Mr. Schroeder was to obtain some background information on Turkey's Agroindustry and how a joint venture operation such as Unilever currently functions there. He pointed out that both the public and private sectors in Turkey are currently interested in the projects geared toward the export market. Mr.Schroeder explained that although Unilever used to own 80% of their shares, in order to obtain permission to expand their operation they were forced to reduce their ownership to 65%. the current arrangement is 65% Unilever and 35% ISBANK. When questioned by Mr.Baize on the potential for the expansion of soybean usage he indicated that most people in Turkey tend to favor increasing sunflower production and usage. He explained that under the current pricing system sunflowers are more economical to crush, indicated by figures below:

Oil to cake ratio

1:1

6:1

Farmer price per kilo of seeds

Soybean 52 TL/kg

Sunflower 50 TL/kg

Turkey's current production of sunflower seeds was given at 500,000MT. Mr.Schroeder also gave an estimate of Turkey's current market potential for vegetable oil at between 500 to 600,000 MT, a large part of which goes to producing margarine.

When asked to comment on the primary ingredients used by the feed industry he felt that protein meals will have to be imported in order to meet the demands at least in the near future. As for maize, he mentioned the current government program designed to increase local production in the second crop program where corn is to be grown following cotton. However, no estimates were given on the adequacy of the current/projected corn supply in Turkey.

According to MrSchroeder importation of commodities given current port capacities, especially for handling bulk shipments is a problem. He indicated unloading currently can take from one to two weeks.

KOC HOLDINGS A.S.

McCisi Mebusan Cad.53
Findikli Istanbul, Turkey
Tel. 43 29 00
Telex 24 218 Koc tr.

Tunc Ulug
(Executive Vice Pres.)
Dr.M.Nusret Arsel
(President)

KOC Holdings is another of the large Turkish holding companies with a wide and varied portfolio. It includes such partners as Siemens and FIAT. Although the KOC people expressed an interest in establishing a soybean crushing plant at an earlier meeting, the main topic of this meeting was the establishment of an integrated beef operation with the export market in mind. Mr.Ulug indicated that they would like to locate a US partner at 40% equity and management contact to set up a slaughter house and cold storage unit. They believe that at least initially they will purchase the animals and feed required. Apparently at some point the operation would also include sheep since

they expressed an interest in getting into the export mutton market to the Middle East. When asked about the poultry business he indicated he feels there's a real future there but KOC is not interested in it at this point.

Are interested in:

- joint venture slaughter house feedlot complex.
- require financial participation and technical/management assistance.

ZIHNI Group
Zihni Group of Companies
Buyukdere Cad
No.119 Gayrettepe
Istanbul, Turkey
Tel. 67 79 00
Telex 23328

Asaf Guneri (Chairman)
Cevik Uraz (General Mgr.)
Metin Arel (Deputy Gen.Mgr.)
Perran Ersu (Pazarlama ve
Halkla iliskiler)

The Zihni Group is one of the largest transport groups in Turkey. This organization is looking at the Mideast-African markets. They are currently shipping live animals to the Arabian gulf but want to get into the meat business. The group is already involved in the Agroindustry through their lentil and chick pea operation. As for the meat production operation, they are interested in a fully integrated operation including the raising of pure bred stock for resale to the Turkish farmers. On the commercial feedlot side they are looking for a joint venture partner interested in investing and providing technology, equipment and management skills in feeding, slaughter and marketing of the end-product.

Are interested in:

- stock breeding operation- pure breds
- fully integrated beef operation ie raising of feedlot animals, feeding, slaughter and marketing of the end product.

(Area of this operation is proposed in Southeast Turkey near the new Ataturk Dam)

The group realizes the magnitude of the investment and development of this scheme and suggests development start with the slaughter house and work backwards. Until their own production would allow, they would fill the slaughter house needs with locally purchased animals.

- Immediate needs are for a prefeasibility study to evaluate the beef operation and feed manufacturing plant.

ENKA HOLDING YATIRIM A.S.
Balmumcu, Besekar Sevki Bey Mah
Besiktas Istanbul, Turkey
Tel. 66 34 90
Telex 26139

Faruk Cengic (Coordinator)

ENKA Holding is a large civil engineering company consisting of 41 companies, dealing primarily in steel and plastics. Their current program includes \$1.3B US dollars in contracts outside Turkey and \$0.5B US dollars in contracts within Turkey. The company currently employs 12,000 people and has some small interests in flour and feed milling. Mr.Cengic indicated that they plan to expand in the Agroindustrial area and are especially interested in the flour/feed milling area with export markets to the Middle East in mind. Apparently they have already exported \$200M US dollars worth of product in this area in 1981-82. Although the flour/feed trade was pointed out to be ENKA's area of primary interest, Mr.Cengic indicated they are also interested in joint venture proposals in the poultry and livestock production areas. In addition to what appears to be a very strong financial base they have another advantage in that they have a private pier which could be developed into a back handling facility.(located at Gokcuk).

Are interested in:

- flour mill/feed mill operations- designed with the export market in mind.
- poultry and livestock operations- with the same goal in mind.
- require some financial participation in the form of a joint venture- but it is felt by the author that perhaps they would settle for a technical/management type of arrangement.

GONEN GIDA SANAYI A.S.
 Buyukdere Cad. Masiak Meydani
 No.37
 Ayazaga Istanbul, Turkey
 Tel. 64 22 75- 68 11 20
 Telex 26402 ALMU TR

Aydin Burcuoglu (Ihracat Sefi)
 Mesut Zaloglu (Genel Müdür)

Currently this group is involved in processing vegetables, primarily tomatoes. In 1982 they processed 6,000 MT of tomato paste, they plan to expand this capacity by 50% in 1983. They export this production to 14 Western European countries (one of the first met with that is looking West-ward for exports).

Although they are mainly interested in expanding their vegetable processing and export business they did express an interest in getting into the flour milling and poultry production-processing export business.

Are interested in:

- export of Agricultural products (primarily vegetables)
- may be interested in flour milling and poultry industries
- should be kept in mind by anyone interested in these areas- would require extensive technical and managerial assistance

BIGTEM
 Birlesik Gida ve Tarim
 Endustrisi Merkezi Ltd. Sti.
 Aga Ciragi Sok
 7/10 Taksim
 Istanbul, Turkey
 Tel. 44 47 86 - 49 28 39
 Telex 24 852 food tr

Bengisu Potuoglu (Director)

Mr.Potuoglu was a consultant who indicated that he had done several feasibility studies on Middle East markets for Turkish - Arab clients. Supposedly his studies have shown that there is no real potential for the sale of Turkish red meat or poultry in the Middle East due to the lack of competitiveness with the Brazilians, Argentines, Australians and New Zealanders. This appears to be contrary to what the other businessmen at the conference felt. One point he did agree on, however, was that a good package, if one can be put together, is American technology, Arab money and Turkish production in areas directed toward eventual export to the Mid-east.

Are interested in:

- Mr.Potuoglu is interested in selling the services of his organization as a consultant in the Agroindustrial field.

Following the round of meetings with potential joint venture partners in Istanbul the team left for Ankara for meetings with officials of the Turkish government and with leading private sector businessmen.

8 October- The first meeting of the day for the team was a briefing by Mr. Alfred White, Commercial Counselor US Embassy Ankara. He reconfirmed the fact that Turkey has enjoyed political stability under the current government and that it is geared up toward the export market. Increases in exports were reported at 60% for 1981, 30% for 1982 with another 30% increase reported for 1983. Mr. White also emphasized the good relations between Turkey and most of the Arab world which is evident by the \$10-12B US dollars worth of Turkish construction projects under way in the Mideast and the presence of Arab money in Turkey ie through lending agencies like the Arab Monetary Fund and Islamic Development Fund.

Following the briefing by Mr. White the team proceeded to the Agricultural Development Bank.

T.C. ZIRAAT BANKASI

Head Office
Foreign Department
Ankara, Turkey
Tel. 11 41 30
Telex 42703 Zbum tr.
43249 Zbho tr.

Rahmi Onen
(Chairman/General Manager)
Sherhan Altinordu
(Manager)

There the group met with Mr. Onen and several of his officers. They were told the bank was established in 1863 and is wholly state owned. Originally the bank was established to provide loans to small farmers, currently 80% of their funds still go to that sector with 20% going to finance commercial enterprises dealing in International trade. In the future they plan to devote more of their funds to Agroindustries especially those which are export oriented.

The bank gives two types of credit a) investment credit b) operational credit. They are currently financing five livestock projects, and two fruit and vegetable projects as well as two rural development projects. Funding figures for these projects were given as \$243M US dollars from the World Bank and \$100M from the TCZB. In addition to the loans, the bank also provides technical assistance through some 500 agronomists on their payroll.

The TCZB provides credit at 20% interest at the farmer level for short term loans and at 22% interest for long term loans. Following the current GOT policy the bank urges investors to think export and gives preference to Agribusiness ventures geared along those lines. Under the 5 year Development Plan certain incentives are given such as tax exemption (import duties/income tax) and subsidies on interest rates (below normal commercial rates). The State Planning Organization has set priorities in the development scheme- such as seed production and poultry production; it appears that based on these priorities the bank would view requests for loans in these areas more favorably.

It was pointed out that the bank never provides any foreign exchange risk, however, under certain circumstances loans made to the farmers have certain guarantees given directly by the GOT. Mr. Ross took this opportunity to explain the US credit guarantee program ie 6 month-3 year in length at interest rates approximately 1/4% over LIBOR rates.

STATE PLANNING OFFICE
Yabancı Sermaye Başkanlığı
Devlet Planlama Tesdilati
G.M. Kemal Bulvarı No.16
Ankara, Turkey
Tel. 29 20 06/ 29 75 76
Telex 42110 d.p.t. tr.

Husnu Dogan (Director)
Namik Kemal Kilic
(Manager)

During the meeting at the State Planning Office, Dr. Kilic outlined the role and goals of his organization. He indicated that most loans for Agricultural development are made through the Agricultural Development Bank. It was also pointed out that any foreign investments must be approved by his organization, this especially true if the profits are to be exported. As for the foreign firms' rights and privileges the team was told once they register they have all the rights of a Turkish firm including land ownership.

When asked about the current import status of the major commodities Dr. Kilic indicated that the importation of most commodities comes under the Ministry of Trade's special decree no.48/4044 issued in 1982. And that based on the commodities' status and the issuance of an import license to the importer by the Ministry of Trade, the goods can be readily imported. Below is listed a partial list of commodities and their status:

<u>IMPORTS</u>	<u>DUTY</u>	<u>QUOTAS</u>
Corn	0	none
Rice	0	none
Soybeans (whole)	0	none
Cotton seed meal	0	none
Sunflower cake	0	none.

Dr. Kilic also outlined the major areas of emphasis to be covered in the Ministry of Agriculture meeting the following day. These areas were seed production, vaccine (livestock) production and credit.

<u>T.M.O. (Ministry of Commerce)</u>	Zekai Burak
<u>T.M.O. General Muduluper</u>	(Director of Agr.Planning)
Midafaa Cad No.18	Turan Hazar
Kiztay/Ankara Turkey	(Ass't Director)
IS 18 23 30	Murat Altin
EV 17 55 81	(Agricultural Specialist)

Following the meeting at the State Planning Office Mr. Baize and Dr. Vorachek proceeded to a meeting with Mr. Burak and his colleagues. Mr. Burak explained that all grains and soybeans are imported through his organization. Once imported the grains are then distributed to the public and private sector users. Currently all storage and handling facilities for import/export are under the control of TMO. Their current storage capacity was quoted at 2MMT with the break down given as follows:

Mersin= 100,000MT silo (cereals for export)
Throughout Turkey= 910,000MT silo project to be finished in 1986

Projected project= 280,000MT.

The TMO also provided some local production figures for corn and soybeans in 1982. The figures quoted were 1MMT of corn and 35,000MT of soybeans.

9 October

<u>OZKASIKCI FLOUR MILLS LTD</u>	Nurten Kizidel (owner)
Sanyeli Sokak 8	Erdem Ozkasikci (owner)
Iskitler Ankara, Turkey	Dr. Agah Oktay Guner
Tel. 11 32 18/ 11 79 71	(Technical advisor)
Telex 42874	

Messrs Baize, Ross and Vorachek visited one of the leading flour and feed mills in the Ankara area. This mill was a family run operation and was generally well managed. The physical

condition of the mill and the product observed were quite good under any standards. An area discussed as a problem area and realized by the current management was the lack of a good quality control system. The mill was using a full line of ingredients including corn gluten meal (65% protein). The local yellow corn they were currently using was of good quality running between 9.5-10.0% protein. See attachments for a list of feeds currently being produced.

Are interested in:

- immediate technical assistance in establishing a good quality control system for the feed mill
- discussing/exploring joint venture operations in the area of a: Soybean crushing plant
Poultry operation which is export oriented
Relocation and modernization of the feed mill (3-4 years from now).

It is the opinion of the author that the primary needs and interests of this organization are for joint venture partners able to supply good quality technology. They did not seem to feel a need for financial participation.

MINISTRY OF AGRICULTURE
Ankara, Turkey

Prof. Dr. Sabahattin Ozbek
Minister of Agriculture
and Forestry

The last meeting of the team in Ankara was with the Minister of Agriculture and his staff. In his opening address the Minister reassured the group of Turkey's political and economic stability and outlined the areas of priorities in his Ministry under the new push forward. Although he covered the production areas first he indicated that production was no problem in Turkey but that Turkey's major problems were in the marketing and sales of the products.

The production areas covered by the Minister were as follows:

- 1) Seeds- Turks believe they can produce their own seeds locally without import.
 - They want to leave the hybrid corn seed production of wheat, barley, and cotton seeds under government control.
- 2) Fertilizers- believes there's no problem in supplying quantities required
- 3) Irrigation- are expanding rapidly- however the development of the irrigation schemes in Turkey is under another Ministry.
- 4) Crop Rotation- currently the Ministry of Agriculture is promoting a scheme called the "second crop project" in which crops such as soya, corn, peanuts, sesame are planted as second crops following cotton and wheat.
- 5) Animal Husbandry- The Ministry of Agriculture has a large 5 year project in eastern Turkey in addition to the World Bank project (consisting of 6 projects).

- The Ministry of Agriculture also has a sheep fattening project involving the following numbers:

- 1) 670,000 hd. last year
- 2) 2M hd. projected for 1983
- 3) 4M hd. projected in the near future.

The next area covered by the Minister was what he termed earlier as the problem areas- Marketing and Sales. He believes it is essential that Turkey works and has assistance in developing the export market. Specific areas listed for immediate attention were:

- 1) Market development
- 2) Transportation
- 3) Storage
- 4) Standardization of products
- 5) Credit for use in export oriented industries.

Areas of possible cooperation in developing Turkey's Agriculture

- Integrated livestock/poultry operation
- Establishment of slaughter houses
- Establishment of feed mills
- Assistance in Market development for Turkish Agricultural products through Market development activities
- Development/expansion of port facilities.

Mr. Bobel indicated that the Trade & Development Program is available to provide funding for prefeasibility studies for projects geared toward the use of US exports.

Following the meeting at the Ministry of Agriculture part of the team proceeded to Adana for the last portion of their survey. Upon arrival they were met at the airport by some people from the private Agroindustry sector and taken to their homes for dinner. The host, Mr. Bulent Paksoy, and his cousins were all involved in Agroindustrial activities in the Adana area.

TAVAS A.S.
P.K.: 144
Saygan ishani 38/1
Adana, Turkey
Tel. 14 666 is
22 949 Ev
Telex 62150 Sade Tr

Bulent Paksoy
(General Manager)

TAVAS A.S. is involved in crushing oil seeds, feed manufacturing and poultry production (currently egg production only). Mr. Paksoy's operation currently consists of 5 laying houses and 2 rearing houses each with 175,000 birds. The operation appeared to be well managed based on any standards. His average production was given as 200 eggs per bird with an average lay of 60 weeks. Feed conversion was 190grams feed/egg which he realizes is high due to the poor quality rations. Statistics as provided by Paksoy are as follows:

Farmer price eggs 10.5 TL/egg
Day old chicks (all produced in Turkey)
Layer 170TL/chick
Broiler 80TL/chick

Feed
Layer (chick) 34TL/kg
Pullet 32TL/kg
Layer 30TL/kg

All feed is currently handled in bags.
(Exchange rate 175TL/US dollar)

Mr. Paksoy's current plans are to expand to 75,000 layers and 1M broilers per year.

Is interested in:

- Maintaining contacts and technical advise.

CUKONAM
Cukurova Citrus, Fresh Fruits and
Vegetables

M. Cem Baysan
(Executive Director)

Commerce & Industry Inc.Co.
 P.O.B. 148
 Ataturk Cad Park Apt. Kat 1
 Adana, Turkey
 Tel. 16252 11481
 Telex 62137 Cuko TR

Exported 20,000MT of fruits/vegetables last year primarily to the Eastern Bloc.

PAKSOY TICARET VE SANAYI A.S.
 P.K. 144

Ibrahim Paksoy (owner)

Adana, Turkey
 Tel. 14666/7/8

Telex 62150 Sade Tr

Produces Margarine, Vegetable Ghee, Refined oils, Bakery Fats Shortening and Soaps.

10 October-The first visit of the day was with the Cukurova area soybean producers at a local crushing plant owned by Mr.Mehmet Yalter.

KARATAS YAG SANAYII Ve TICARET A.S.

Mehmet Y.Yalter (owner)

P.K. 151

Adana, Turkey

Tel. 226 94- 6

Telex 62232 TAS TR

During the briefing it was pointed out that the Cukurova area was very similar in climate and soil to California. Primary crops raised are cotton and wheat, however, they are looking at soybeans and corn to be worked into their rotations. Soybean production in the area has risen from 6000MT in 1980 to 25,000MT in 1982. The Soybean Association is predicting 100,000 hectares of beans by 1984. They currently have problems, however, with a lack of good quality seeds, white fly and some type of virus. The Soybean Association would like to tour the USA and view the latest techniques in bean raising.

Crushing Mill Tour-

Capacity- 400MT of cotton seed/day

- 200MT of soybean/sunflower.

It is a hexane plant currently running on a negative crush due to price controls and availability of ingredients.

Currently oil seed crushers in Turkey are running at 1/3 capacity or less, primarily due to limited local oil seed production and the difficulties encountered in importation. For example, crushers in the Adana area are pretty much limited to importing through the port of Mersin which has no commercial bulk unloading facilities. The only facilities located there are the T.M.O. silos which are currently used for import/export of cereals.

Is interested in:

the expansion of port facilities which would facilitate the import/export of ingredients and products from Turkish crushing facilities.

OZGIRAY FARMS

Ataturk Cad ilgurlu ishan

Kat 1 No.7

Adana, Turkey

Yzh. 12885

Ev. 22789

Mehmet Ozgiray (owner)

Izzetin Ozgiray (son)

Timur Ozgiray (son)

The last visit of the Turkish tour was to the Ozgiray farms a large integrated farm located in the Cukurova region (a re-

gion consisting of approximately 1.5-2.0M hectares of prime land). The purpose of this tour was to show the team a typical farm for this area.

The steps along the tour included:

- 1) Citrus- orchard appeared to be in excellent condition- as good as the author has seen anywhere.
- 2) Maize- the field of maize looked equally good. Yields were reported to be 175 bushels per acre on first crop and 125 bushels/acre on second crop.

Cultural practices:

- Pioneer Hybrid seed
 - sown at 30,000-31,000 plants/acre
 - Fertilization:
 - 450lbs Ammonium phosphate/acre
 - 135lbs Potassium/acre
 - 224lbs Urea/acre 0
 - Irrigated 5 times/season.
- 3) Cotton- are using 80% Delta Pine
20% Carolina Queen in the area
yields- 2.8-3.0 bales of lint/acre
2100-2200 lbs of seeds
 - 4) Soya- currently are sowing AM Soy 71
yield (approx.) 59 bushels/acre- 1st crop
yield (approx.) 29 bushels/acre- 2nd crop

Other statistics obtained:(costs)

Tractors- 65 hp. (largest)	2 million TL
Combine John Deere (self-propelled)	9 million TL
Fuel-Diesel	57TL/liter
Electricity-(pumping water,etc.)	8.10TL/kwh

No property tax, however, there is a 5% tax on all commodities sold.

Land costs in the Cukurova area average around \$2300/acre.

Water costs/season (approx.)

Citrus-	\$4.80/acre
Cotton-	\$4.65/acre
Corn/Soya-	\$3.70/acre

Added note: The Turks are building a new dam in southeast Turkey- The Ataturk Dam- when finished it will irrigate 1.0+ hectares and cost \$2B US dollars to construct.

CUKUROVA UNIVERSITY
Cukurova Universitesi
Ziraat Fakultesi
Adana, Turkey

Prof.Dr.Mihat Ozsan
(President)
Prof.Dr.M.Sefik Yesilsoy
(Dean of Faculty of Agriculture)

The last meeting attended by the team was at a dinner given by the Faculty of Agriculture of the Cukurova University. This provided the team members with an opportunity to meet with the Agricultural faculty and discuss their research programs and areas of scientific priorities.

Mission ended.

CONTACTS

NAME	FIRM	CITY	TEL.NO	TYPE BUSINESS
Ali Nail Kubali	Yasar Holdings A.S.	Izmir	142360	Diversified
Fatih Cakmakoglu Mehmet Ozdemir	IZDAS	Izmir	(51) 148334	Diversified
Uston Cevik	Anadolu Endustri Holdings A.S.	Istanbul	26 6407	Diversified
U.F.Schroeder	Unilever	Istanbul	46 61 50	Vegetable oils, Marg
M.Nusret Arsel Tunc Ulug	KOC Holdings A.S.	Istanbul	49 72 61 43 29 00	Diversified
Asaf Guneri Cevik Uraz Metin Arel Perran Ersu	ZIHNI	Istanbul	67 79 00/9 lines	Diversified
Faruk Gengic	Enka Holding Yatirim A.S.	Istanbul	66 34 90	Civil Engineering
Aydin Burcuoglu Mesut Zaloglu	Gonen Gida Sanayi A.S.	Istanbul	64 2275/6011 20	Vegetable Processing
Bengisu Potuoglu	Bigtem	Istanbul	44 47 86/49 28 39	Food Machinery/Const
I.Ethem Seven	Seven	Istanbul	379009/36 1759	Meat Processing
Merih Akgun	ATAK	Istanbul	40 72 24/20 93 34	Vegetable oils
Metin Boysan	Hisar Bank A.S.	Istanbul	416388	Bank
N.Fusun Karacasoy	Union of Chambers of Commerce	Ankara	25 76 00	Chamber of Commerce
Guler Manisaligil	International Chamber of Commerce	Ankara	25 76 00	Chamber of Commerce
Tarhan A.Danisman	AKBANK	NY.NY.	(212) 832-1212	Bank
Zuhair Bibi	Asgrow Seed Co.	Kalamazoo,Mich.	(616) 385-6771	Seeds
Ahmet Ertegun	Atlantic Recording Corp.	NY.NY	(212) 484-6000	Records

CONTACTS

NAME	FIRM	CITY	TEL.NO	TYPE BUSINESS
Richard Bliss	Bliss & Co.	NY.NY.	(212)758-4550	International Investment Bankers
Cynthia Parker	Chase Manhattan Bank, N.A.	NY.NY.	(212)552-7855	Bank
Jochen Voight	John Deere Export	Mannheim W.G.	(0621)8104-545	Farm Machinery
Stephen Dizard	Kuhn, Loeb, Lehman Bros. Int'l Inc.	NY.NY.	(212)558-2170	Investment Bankers
Gregory Vaut	LAND O'LAKES	Minneapolis, Minn.	(612)481-2506	Agricultural Supply/ Food Processing
Daniel Roberts	OPIC (Overseas Private Investment Corp.)	Washington, D.C.	(202)653-2870	Insurers of American investment in developing countries
Pamela Aytar	Verle, Inc.	Prairie Village, Ks.	(913)341-8798	Int'l Marketing
Tarhan Danisman	The American Turkish Society, Inc.	NY.NY.	(212)490-8742	
G. Lincoln McCurdy	American Consulate	Istanbul	43 62 00	Commerce Section
Alfred White	American Embassy	Ankara	26 54 70	Commerce Section
James Ross	FAS	Washington, D.C.		Government
Doyle Jacklin	Jacklin Seed Co.	Post Falls, ID.	(208)773-7581	Seeds
John Baize	American Soybean Assoc.	Washington, D.C.	(202)554-9536	Int'l Marketing Development
Donald Taylor	American Agricultural Associates, Inc.	Washington, D.C.	(202)785-2718	
Sharon Freeman Horton	USTDP	Washington, D.C.	(703)235-3663	Int'l Development
Richard Bobel	USTDP	Washington, D.C.	(703)235-3657	Int'l Development
<u>ANKARA</u>				
Yusef Durusoy	US Embassy (FAS)	Ankara	26 54 70	Government
Ertugurul Gear	US Embassy (Commerce)	Ankara	26 54 70	Government

CONTACTS

NAME	FIRM	CITY	TEL.NO	TYPE BUSINESS
Rahmi Onen Serhan Altinorder	T.C.Ziraat Bankasi	Ankara	11 41 30	AG. Development Bank
Husnu Dogan Namik Kemal Kilic	State Planning Organiza- tion	Ankara	29 75 76/29 84 21	Government Planning Organi- zation
Zekai Burok Turan Hazar Murat Altin Sabahattin Ozbek Minister of Agriculture	T.M.O. Genel Mudurluger Ministry of Agriculture	Ankara Ankara	18 23 30	Government Importing Organi- zation
Nurten Kizildel Erdem Ozkasikci Agah Oktay Guner	Ozasikci Flour Mills LTD.	Ankara	11 32 18/11 79 71	Flour/Feed mill
Feza Yasar	PASINER	Ankara	27 55 58/27 41 85	Feed Mill Mfg/Constructio
Hakki Akkan	Turk Traktor Fabrikasi	Ankara	13 31 29	Tractor Mfg.
<u>ADANA</u>				
Akin Senyurt (Dr.Arsel's rep in Adana)	TORMA'S	Adana	22715/16/17	Auto agency
Timet Bakuli	Farmer	Adana	11 31 24 03	Farmer
Mehmet Yaltir	Karatas Yag Sanayii	Adana	226 94/95/96	Oil seed Crusher
Ibrahim K.Atakisi	C.U.Ziraat Fakultesi	Adana	224 87-120 10/63	University Professor
Mihat Ozsan	Cukurova University	Adana		President C.U.Ziraat Faku- tesi
M.Sefik Yesilsoy			19609	Dean of Faculty of Agr.
Bulent Paksoy	TAVAS A.S.	Adana	14 666	Oil seed crusher/Feed mill/Poultry op.
M.Cem Baysan	Cukonam	Adana	16252/11481	Fruit/Vegetable Processi

CONTACTS

NAME	FIRM	CITY	TEL.NO	TYPE BUSINESS
Ibrahim Paksoy	Paysoy Ticaret ve Sanayi A.S.	Adana	14666/7	Vegetable oils/Margarine
Izzettin Ozgiray President of Farmers' Assoc.	CIFTCI	Adana	128 85	Farmer
Mehmet Ozgiray				Farmer
Timur Ozgiray				Farmer



ÖZKAŞIKCI BULKON
GIDA SANAYİ ANONİM ŞİRKETİ
VİTAMİNLİ SANAYİ YEMİ FB.

A-2
ETLİK
CİVCİV YEMİ
(İNCE)



İktüler, Samyeli Sokak No. 17
Tel : 11 04 67 - 11 75 55 - Ankara



ÖZKAŞIKCI BULKON
GIDA SANAYİ ANONİM ŞİRKETİ
VİTAMİNLİ SANAYİ YEMİ FB.

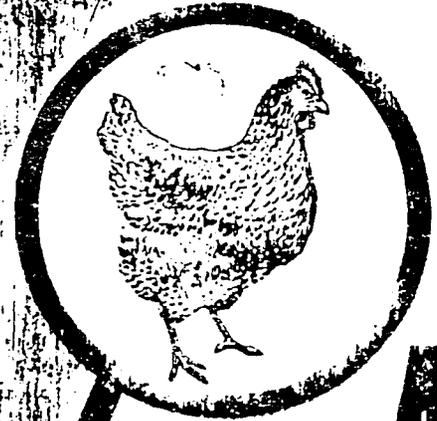
B-1
PİLİÇ BÜYÜTME
YEMİ
(İNCE)



İktüler, Samyeli Sokak No. 17
Tel : 11 04 67 - 11 75 55 - Ankara



ÖZKAŞIKCI BULKON
GIDA SANAYİ ANONİM ŞİRKETİ
VİTAMİNLİ SANAYİ YEMİ FB.



B-5
ETLİK PİLİÇ YEMİ

İktüler, Samyeli Sokak No. 27
Tel : 11 04 67 - 11 75 55 - Ankara

ETLİK CIVCIV YEMİ**A — 2 (İNCE)**

Coccidiaz türlerine karşı koruyucu olarak Coccidiostad ilavelidir.

Temel Besin Maddeleri :

Ham Protein en az	%22
Methionin en az	% 0.40
Ham Sellüloz en çok	% 7
Ham Kül en çok	% 8
Kalsiyum	% 0,6 - 1,2
Fosfor en az	% 0.6
Sodyum	% 0.1 - 0.3
Metabolize enerji	2900Kcal ME/kg.

Kullanılan Ham Maddeler :

Mısır, Buğday, Mercimek Soya kuspesi, Mısır, proteini, Ayçiçeği kuspesi, Pam, Toh. kuspesi, Et - Kemik unu, Balık unu, Kemik unu, (yağ), Rozmol, Griz, Mermer tozu, Tuz, Melas.

Vitamin ve İzelementler.

Vitamin A en az	10.000 IU/kg
Vitamin D3 en az	1.250 IU/kg
Vitamin B2 en az	4 mg/kg
Vitamin B12 en az	10 mcg/kg
Vitamin E en az	10 mg/kg
Vitamin K3 en az	3 mg/kg
Mangan en az	70 mk/kg
Çinko en az	50 mg/kg

Diğer Vitamin ve İzelementler.

Bu yem ; Bu aktif maddelerden sentetik Amino Asitleri ile takviyeli olarak et gayesi ile yetiştirilen civcivlerin ihtiyaçları dikkate alınarak hazırlanmıştır. Civcivler ilk günden 4 veya 5 nci hafta sonuna kadar bu yemle beslenirler.

Tescil Tarihi : 20/5/1980

Tescil No. : 105 - 6

NET 50 KİLO

PİLİÇ BÜYÜTME YEMİ**B — 1 (İNCE)**

Coccidiaz türlerine karşı koruyucu olarak Coccidiostad ilavelidir.

Temel Besin Maddeleri :

Ham Protein en az	%16
Methionin en az	% 0.30
Ham Kül en çok	% 8
Ham Sellüloz en çok	% 8
Kalsiyum	% 0.6 - 1.5
Fosfor en az	% 0.6
Sodyum	% 0.1 - 0.3
Metabolize enerji	2700kcal ME/kg.

Kullanılan Ham Maddeler :

Mısır, Arpa, Buğday, Mercimek, Mısır proteini, Ayçiçeği kuspesi, Pam, Toh. kuspesi, Et-Kemik unu, Kemik unu, Kepek, Rozmol, Griz M. kepeği, Mermer tozu, Tuz, Melas.

Vitamin ve İzelementler :

Vitamin A en az	4000 IU/kg
Vitamin D3 en az	500 IU/kg
Vitamin B2 en az	4 mg/kg
Vitamin E en az	10 mg/kg
Vitamin E en az	3 mg/kg
Mangan en az	50 mg/kg
Çinko en az	50 mg/kg

Diğer Vitamin ve İzelementler.

Bu yem ; Bu aktif maddelerden yumurtacı ve damızlık pilicilerin ihtiyaçları dikkate alınarak hazırlanmıştır. Piliciler 7nci hafta başından 12nci hafta sonuna kadar bu yemle beslenirler.

Tescil Tarihi : 11/10/1978

Tescil No. : 103 — 081

NET 50 KİLO

ETLİK PİLİÇ YEMİ**(Broiler) B-5 A**

Bütün Coccidiaz türlerine karşı koruyucu olarak Coccidiostad, muhtelif hastalıkları önleyici ve civcivlerin sıt hatlı gelişmelerini temin edici olarak Furazolidon ve Antibiotik ilavelidir.

Gelişmeyi çabuklaştıran, yem tasarrufu sağlayan Nitrovinlidir.

Bu Yemde Temel Besin Maddeleri :

Ham Protein	En az % 20
Methionin	En az % 0,38
Ham Sellüloz	En çok % 6
Ham KÜL	En çok % 8
Kalsiyum	% 0,6 - 1,2
Fosfor	En az % 0,6
Sodyum	% 0,1 - 0,3
Metabolize enerji	3000 ME/Kg

Karmada Kullanılan Ham Maddeler :

Soya Kuspesi, Mısır Proteini, Ay Çiçeği Kuspesi, Pam, Toh. Kuspesi, Et - Kemik Unu, Balık Unu, Kemik Unu, Mısır, Buğday, Mercimek, Griz, Mermer Tozu, Tuz, Melas,

Karmada Kullanılan Vitamin ve Mineral Maddeleler :

Vitamin A	En az 6.000 İ.U./Kgr.
› D3	En az 750 İ.U./Kgr.
› B2	En az 2.5 Mgr./Kgr.
› E	En az 10 Mgr./Kgr.
› K3	En az 3 Mgr./Kgr.
Mangan	En az 70 Mgr./Kgr.
Çinko	En az 50 Mgr./Kgr.

Ve diğer Vitamin ve Mineral Maddeler.

Bu Yem; Yukarıda ki aktif maddelerden ve sentetik AMİNO Asitleri ile takviyeli, olarak et gayesi ile yetiştirilen Pilicilerin bütün ihtiyaçları dikkate alınarak hazırlanmıştır.

Etlik piliciler, etlik civcivlerin, etlik pilicilere dönme zamanı olan 4 nci veya 5 nci hafta sonundan itibaren kesime sevk edilene kadar bu yemle beslenmelidirler.

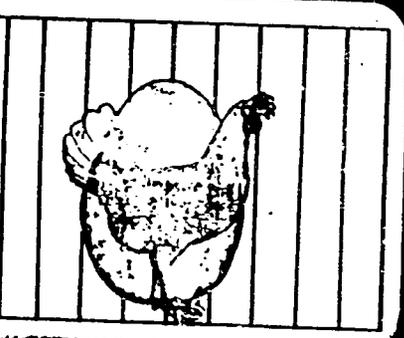
Tescil T. : 11/10/1978

Tescil No : 103 - 077

NET 50 KİLO

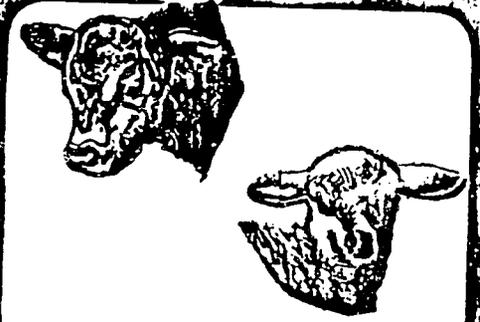


ÖZKAŞIKCI BULKON
GIDA SANAYİ ANONİM ŞİRKETİ
VİTAMİNLİ SANAYİ YEMİ FB.



ÖZKAŞIKCI BULKON
GIDA SANAYİ ANONİM ŞİRKETİ
VİTAMİNLİ SANAYİ YEMİ FB.

D-2
BUZAĞI-KUZU
YEMİ
«pelet»



İskitler, Sanayi Sokak No. 17
Tel : 11 09 67 - 11 75 55 - Ankara



ÖZKAŞIKCI BULKON
GIDA SANAYİ ANONİM ŞİRKETİ
VİTAMİNLİ SANAYİ YEMİ FB.



ÖZKAŞIKCI BULKON
GIDA SANAYİ ANONİM ŞİRKETİ
VİTAMİNLİ SANAYİ YEMİ FB.

D-5
SIĞIR KOYUN
BESİ YEMİ
«pelet»



İskitler, Sanayi Sokak No. 17
Tel : 11 09 67 - 11 75 55 - Ankara

KAFES TAVUĞU YUMURTA YEMİ**C — 3 (İNCE)**

Temel Besin Maddeleri :

Ham Protein	en az	% 16
Methionin	en az	% 0.26
Ham Sellüloz	en çok	% 9
Ham Kül	en çok	% 14
Kalsiyum		% 2.5 - 4.0
Fosfor	en az	% 0.6
Sodyum		% 0.1 - 0.3
Metabolize enerji		2550 kcal ME/kg

Kullanılan Ham Maddeler : Mısır, Arpa, Buğday, Yulaf, Mercimek, Mısır proteini, Ayçiçeği küspesi, Pam. Toh. küspesi, Et - Kemik unu, Kemik unu, Kepek, Razmol, Griz, M. Kepeği, Mermer tozu, Tuz, Melas.

Vitamin ve İzolementler .

Vitamin A	en az	6.000 IU/kg
Vitamin D3	en az	750 IU/kg
Vitamin B2	en az	2,5 mg/kg
Vitamin B12	en az	10 mcg/kg
Vitamin E	en az	10 mg/kg
Vitamin K3	en az	3 mg/kg
Çinko	en az	50 mg/kg
Mangan	en az	50 mg/kg

Diğer Vitamin ve İzolementler.

Bu yem; gelişmelerini tamamlamış ve yumurtaya başlayınca kafese alınmış kafes yumurta tavuklarının ihtiyaçları dikkate alınarak hazırlanmıştır.

Tescil Tarihi : 20/5/1980
Tescil No. : 105 - 9

NET 50 Kilo**BUZAĞI — KUZU YEMİ
D — 2 (PELET)**

Temel Besin Maddeleri :

Ham Protein	en az	% 17
Ham Sellüloz	en çok	% 11
Kalsiyum	çok	% 10
Fosfor	en az	% 1
Sodyum	en az	% 0.6
Nişasta değeri	en az	55 ND/100 kg.

Kullanılan Ham Maddeler :
Arpa, Buğday, Yulaf, Çavdar, Fiğ, Mercimek, Malt flizli, Mısır özü küspesi, Ayçiçeği küspesi, Pam. Toh. küspesi, Ketan küspesi, Kemik unu, Kepek, Razmol, Griz, Mısır, Pirinç, Mercimek kepeği, Mermer tozu, Tuz, Melas.

Vitamin A	en az	10.000 IU/kg
Vitamin D3	en az	1.000 IU/kg
Vitamin E	en az	12 mg/kg

Diğer Vitamin ve İzolementler.

Bu yem; Buzağı ve kuzuların ihtiyaçları dikkate alınarak hazırlanmıştır. Özellikle buzağı ve kuzuların analarının ağız sütü ile beslenmeler. Kuzular ana sütünü 2-2,5 ay emmelidirler, buzağılar 3 ncü hafta sonundan itibaren azda olsa bu yemle beslenebilirler günde 0,5 kg la başlanarak 6 aylık oluncaya kadar günde bu yem 2-3 kg ma çıkarılabilir. Bu zaman zarfında işkembeye genişledikçe yem olarak ot ve saman ot ve saman miktarı da artırılabilir. Kuzulara 3,5 aylık oluncaya kadar günde 200-300 gr verilir. Bu miktar 6 aylık oluncaya kadar bir misli artırılır.

Kuzu ve buzağuları barındıkları yer sıcaklığında temiz su vermeyi ihmal etmemelidir.

Tescil Tarihi : 11/10/1978
Tescil No. : 103 - 085

NET 50 Kilo**SÜT YEMİ (İNEK — KOYUN)
D — 4 (PELET)**

Temel Besin Maddeleri :

Ham Protein	en az	% 16
Ham Sellüloz	en çok	% 15
Kalsiyum		% 0.7 - 1.8
Fosfor	en az	% 0.6
Sodyum	en az	% 0.4
Nişasta değeri	en az	60 ND/100 kg.

Kullanılan Ham Maddeler :
Arpa, Buğday, Yulaf, Çavdar, Fiğ, Mercimek, malt flizli, Mısır özü küspesi, Ayçiçeği küspesi, Pam. Toh. küspesi, Ketan küspesi, Kemik unu, Kepek, Razmol, Griz, Mısır, Pirinç, Mercimek kepeği, Mermer tozu, Tuz, Melas.

Vitamin A	en az	10.000 IU/kg
Vitamin D3	en az	1.000 IU/kg

Diğer Vitamin ve İzolementler.

Bu yem; Sağılmakta bulunan süt inekleri ve süt koyunlarının ihtiyaçları dikkate alınarak hazırlanmıştır. Emzirmekte veya sağılmakta olan koyunlara bu yemden günde 1 kg kadar kuru ot, saman veya kepek ile birlikte verilir.

İneklere her 3 kg süt verimi için bir kilo bu yemden verilmelidir. Her 3 kilo süt için bir kilo yem artırılmak suretiyle yemlemeye devam edilir. Bu yemle beraber sağılan hayvanlara ot, saman, kepek, kavrunga, yonca veya mısır kocanı verilir.

Hayvanın ihtiyacı olan temiz su her zaman zamanında verilmelidir.
Tescil Tarihi : 11/10/1978
Tescil No. : 103 - 087

NET 40 — 50 Kilo**SİĞİR — KOYUN BESİ YEMİ
D — 5 (İNCE)**

Temel Besin Maddeleri :

Ham Protein	en az	% 15
Ham Sellüloz	en çok	% 14
Kalsiyum	çok	% 9
Fosfor	en az	% 1
Sodyum	en az	% 0.6
Nişasta değeri	en az	60 ND/100 kg.

Kullanılan Ham Maddeler :
Arpa, Buğday, Yulaf, Çavdar, Mercimek, Fiğ, Malt flizli, Mısır Öz Küspesi, Ayçiçeği küspesi, Pam. Toh. Küspesi Ketan küspesi, Kemik unu, Kepek, Razmol, Griz, Mısır, Pirinç, Mercimek kepeği, Mermer tozu, Tuz, Melas.

Vitamin A	en az	8.000 IU/kg
Vitamin D3	en az	800 IU/kg

Ve İzolementler.

Bu yem; gelişmekteki besli sığırlar ve koyunların ihtiyaçları dikkate alınarak hazırlanmıştır. Besli başlangıç günlerinde 6 aylıktan büyük buzağı ve kuzulara günde yarım kilo koyun ve sığırlara bir kilo verilmek suretiyle besliye başlanması uygundur. Onu takip eden günlerde sair maddelerle birlikte bu yem miktarı artırılarak 3-6 kiloya çıkararak besliye devam edilir.

Besli hayvanları için her zaman lüzumlu ahır hararetinde ki temiz su muntazaman verilmelidir.

Tescil No. : 103 - 086
Tescil Tarihi : 11/10/1978

NET 40 — 50 Kilo

OILSEED COMPLEX

TRIP REPORT

Agricultural Investment Mission to Turkey

CONTENTS

- I. Introduction
- II. A) Turkish Oilseed Production
B) Vegetable Oils - Production, Consumption and Imports
C) Oilseed Meals - Production, Utilization and Imports
- III. Profile of the Turkish Oilseed Processing Sector
- IV. Profile of the Turkish Livestock and Poultry Feed Sector
- V. Profile of Turkish Grain and Oilseed Storage and Handling Infrastructure
- VI. Overview of Turkish Oilseed Import Policies
- VII. Overview of the Turkish Livestock - Dairy-Poultry Complex
 - A) Cattle and Sheep
 - B) Dairy
 - C) Poultry
- VIII. Conclusions
 - A) Suggested Policy Alterations
 - B) Prime Areas for U.S. Joint-Venture Investment

OILSEED COMPLEX

TRIP REPORT

Agricultural Investment Mission to Turkey

I. Introduction

The writer, John Baize, Washington Program Manager of the American Soybean Association (ASA) visited Turkey during the period September 30, 1982-October 12, 1982. The trip was made on behalf and at the expense of the U.S. Trade Development Program (TDP).

The purpose of the visit was to attend the American-Turkish Society Business Conference and to participate as a member of a TDP-USDA-sponsored Agribusiness Mission to Turkey. The overall purpose of the mission was to promote Turkish agricultural and agroindustrial development through the use of American technology and products. Specifically, Baize was charged with the responsibility of assessing Turkey's oilseed production and processing industries, and the Turkish poultry, livestock, and feed industries as they interrelate with the oilseed complex.

In addition to Baize, others participating in the Turkish Agribusiness Mission were Jim Ross, Foreign Agricultural Service, USDA, (USDA representative); Mr. Terry Vorachek, U.S. Feed Grains Council (feed grain sector); Mr. Doyle Jacklin, American Seed Trade Association (seed sector); Mr. Robert Krueger, Applied Economics (poultry sector); Mr. Ron Bobel, TDP (team leader); and Don Taylor, Agricultural Associates, Inc. (economic analysis).

The itinerary for the mission included six days in Istanbul to attend the American Turkish Society Business Conference, and meetings with Turkish business leaders; two days in Ankara for meetings with Turkish Government officials and Ankara business leaders; and two days in Adana for meetings with Cukurova region agribusiness officials and agricultural site visits.

II. A) Turkish Oilseed Production

Oilseed production in Turkey is derived primarily from three crops, cottonseed, sunflowers, and soybeans. However, small amounts of sesame seeds, peanuts, rapeseeds, and poppy seeds are also being produced. The statistical breakdown of the Turkish oilseed complex is provided in Table I.

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It is apparent that Turkey's production of cottonseed and sunflowerseed is declining, or at best, remaining stable. It is believed the main reasons for declining production of sunflowerseed is domestic seed quality degeneration, and the lack of quality seed imports. Cotton production is declining as a result of low cotton prices being paid by the government and a shift toward increased production of wheat doublecropped with soybeans or corn. An export tax on cotton of 25TL/kg (6.5¢/lb) results in most cotton staying in Turkey for use by the Turkish textile industry, often at a lower price than is available on the world market.

In an effort to better utilize prime agricultural lands in the south of Turkey and expand production of oilseeds and corn, the Turkish Government has begun assessing tax penalties to farmers not producing at least two crops from their land annually. While excellent farm lands exist in the Antalya region, the best farming area adapted to oilseeds is the Cukarova Valley, the center of which is Adana, a city of approximately 1 million.

The Cukarova Valley is approximately 100 Km by 60 Km and includes approximately 1.7 million hectares (4.2 million acres). The area is a large alluvial plain with deep, dark topsoil. Rainfall in the region is only about 400 mm (15.7") per annum, but abundant irrigation water is available throughout the region from a dam on the Seyhan River. Farmers are able to use all of the water they want to irrigate their fields at very low cost. Local farmers indicated the annual cost for unlimited water is as follows.

<u>Crop</u>	<u>Irrigation Water Cost</u>	
	<u>TL/HA</u>	<u>\$/Acre</u>
Wheat	80	1.75
Cotton	205	4.75
Soybeans	160	3.70
Corn	160	3.70

Other input costs for farming in the region include 57 TL/liter (\$1.23/gal) for diesel fuel and 9 TL/Kwh (5.7¢/Kwh) for electricity. The largest tractor available is 65 horsepower and costs farmers approximately 2 million TL (\$11,500).

The Turkish Government has given highest priority to expanding soybean production in the Cukarova Valley, primarily as a second crop following wheat. Four-thousand tons of AMSOY 71 soybean seed were purchased in 1980 and 1981 combined to provide farmers with quality soybean seed. While the germination rate was low for the seed imported in 1980 seed is now available to farmers desiring to produce soybeans. Thus far, results of soybean plantings have not lived up to expectations. The crop being harvested in the fall in 1982 is expected to total only about 20,000 mt from approximately 15,000 ha. The goal is to produce 100,000 ha of soybeans in the Cukarova Valley by 1985, but it is doubtful the goal can be met under current conditions.

Soybean yields have been greatly variable. A major pest in the region, the white fly, has attacked soybean plantings and reduced yields by sucking the sap from leaves. However, favorable results in controlling the pest were achieved in 1982 through the use of Thimet, a systemic insecticide produced by Union Carbide. Maximum yields in the area from single-crop soybeans has been 4 mt/ha (59 bu/acre) and 2 mt/ha (29 bu/acre) from double crop plantings. However, it appears the average soybean yield will not exceed 1.3 mt/ha (19 bu/ac).

In order to encourage soybean plantings, the Turkish Government is offering a guaranteed purchase price of 52 TL/Kg (\$8.11/bu) with an additional 17,500 TL (\$100) for each hectare planted. Seed is advanced on credit. While the program will certainly result in expanded production in future years, it will be limited by artificially-low government-imposed price controls on soybean meal and oil and by a lack of quality planting seed. Currently, all seed imports and seed breeding is under the control of the government and overly-restrictive requirements on private sector seed firms have prevented any significant role by the private sector in the seed business.

Rapeseed production contributes only a small portion of Turkish oilseed production. Low erucic acid content rapeseed was imported in 1981, but total production reached only 22,000 mt. The outlook for future rapeseed production is unclear.

B) Vegetable Oils - Production, Consumption, and Imports

Total Turkish vegetable oil consumption in 1981 was estimated at least 550,000 mt. The primary uses of the oil are for margarine, vegetable ghee, shortening, and olive oil for vegetable dressings. Exact levels of utilization are hard to determine since Turkish margarine, ghee, and shortening manufacturers tend to overestimate demand in order to justify larger vegetable oil imports while vegetable oil crushers underestimate demand in order to justify restricting imports. It is clear that vegetable oil demand in Turkey is rising rather rapidly as margarine manufacturers increase their exports of margarine and ghee into Iran, Iraq, and other nearby Moslem nations. It is this writer's speculation that total vegetable oil demand in 1983 may well exceed 600,000 mt, the increase due largely to expanded exports. An analysis of the Turkish vegetable oil situation is provided in Table II.

Per capita consumption of vegetable oil in Turkey currently is 12 kg with local production only able to supply 10 Kg. Olive oil is the only oil consumed in liquid form with 1982 consumption estimated at approximately 75,000 mt, down from 84,000 mt in 1981. Olive oil continues to sell for approximately 60% higher than other vegetable oils with the result of depressed consumption. However, no firm is marketing sunflower oil, cottonseed oil, or soybean oil as a liquid oil substitute for olive oil. There is no reason it would not sell, it just isn't being done. Instead, vegetable oils exclusive of olive oil are used to manufacture breakfast margarine, shortening, and ghee for domestic use and export.

Total breakfast margarine and shortening production capacity in Turkey is 195,000 mt and 275,000 mt, respectively. The best available estimate of liquid seed oil consumption by the margarine and shortening industry in 1981 was 481,000 mt with 492,000 mt projected for 1982.

Imports of vegetable oil during the period November 1, 1980-October 31, 1981 totaled 140,440 mt with the composition being 115,561 mt of soybean oil; 18,632 mt of sunflower oil, and 3,287 mt of cottonseed oil. Imports in 1982 are expected to be only about 100,000 mt, almost all soybean oil. The principle suppliers of soybean oil are processors in Spain, France, and the U.K. Foreign brokers are largely used to arrange purchasers for Turkish margarine and shortening manufacturers although at least one Turkish firm represents a Spanish processor. While there are reports one American processor has offered soybean oil in Turkey at competitive prices, there are no reported sales. By and large, U.S.-produced soybean oil continues to be uncompetitive in the Turkish market because of higher freight costs and the subsidies offered by Spain.

C) Oilseed Meals - Production, Utilization, and Imports

The supply of oilseed meal in Turkey as provided by the U.S. Consulate is cited in Table III. The largest source of vegetable protein meal is cottonseed with total 1981/1982 production estimated at 286,000 mt. Most of the cottonseed meal is produced by processors in the Adana-Izmir area. The second largest source of protein meal is sunflower meal with 1981/1982 production estimated at 210,000 mt. Sunflowers are grown broadly in Turkey. Soybean meal is the third largest source of soybean meal with 1981/1982 production estimated at 20,000 mt. However, on-site discussions suggest the actual production will be less than estimated.

While tonnage figures for Turkish oilseed meal are available, it is difficult to determine the relative quality of such meal. No quality standards exist in Turkey for meal and it was found that the level of protein content in cottonseed or soybean meal often dropped as low as 30% versus the world standards of 41% and 44%, respectively. Faced with arbitrarily low government-established prices for oilseed meal, crushers, as noted earlier, have resorted to blending low quality feed ingredients into meal to increase its weight. Of course, the result is a drop in meal quality. Most feed manufacturers in Turkey evidently do not measure the quality of incoming feed ingredients, and it has thus far been possible for processors to easily market the low quality meal.

III. Profile of the Turkish Oilseed Processing Sector

There are 72 oilseed processing plants presently operating in Turkey with the greatest concentration in the Adana-Izmir region in the south. No total processing capacity is available and no reliable assessment of the technical sophistication of the various plants was available. However, it is known that most processing plants are multi-purpose operations crushing cottonseed, sunflowers, and some soybeans as well as small amounts of sesame seed, rapeseed, peanuts, and poppyseeds. One processor indicated he produces rice bran oil when he can get hold of rice bran.

The greatest oilseed processing capacity is centered around Adana because of the large supplies of cottonseed, soybeans and sunflowers available there. The largest processing plant in Turkey, the MARSA plant, is a cooperative mill financed by the Turkish government and has a daily crushing capacity of 500 mt. The Karatas processing firm is family-owned and has a daily crushing capacity of 400 mt of cottonseed or sunflowerseed, or 200 mt of soybeans. Both plants utilize an extruder-hexane solvent process and both have cottonseed delinting operations. Hexane loss at the Karatas plant approximates 0.5% with higher losses for cottonseed. Both the Karatas and Marsa plants also manufacture margarine and ghee for sale domestically and for export, principally to Iran and Iraq. Both plants have vegetable oil refining and hydrogenation facilities, and margarine production facilities.

The single largest problem for the Adana region processors is a lack of oilseeds to process. Most processors operate at 30 percent or less of capacity on a year-round basis and are desperately seeking oilseeds to process. Processors have indicated an interest in importing soybeans but need competitive short-term foreign credit and a commitment by the governmental agency controlling the Port of Mersin to schedule docking space and to offload arriving ships.

It is clear that more oilseed processing technical sophistication is needed in Turkey. If bulk soybean import shipments develop in the future, existing processors will need to modify their operations to more efficiently process the soybeans. There is a great deal of investor interest in constructing new, efficient plants to process imported soybeans. Several non-agricultural Turkish holding companies expressed an interest in joint-ventures with U.S. companies to build port-side processing plants to process imported soybeans with the products being sold within Turkey or in other areas in the Middle East. Similarly, T.M.O., the Turkish agency which controls grain purchasing, exports and storage, also expressed a desire to build a soybean processing plant at Adana. A Spanish firm reportedly is also considering a Turkish crushing facility.

Another major problem faced by processors is inequitable price controls on soybean meal. Currently, processors are paid 37 TL/Kg (\$211.43/ mt) for soybean meal by the government. Soybean oil is selling for 110 TL/Kg (\$628.57). In turn, processors must pay 52 TL/Kg (\$297.14/mt) for soybeans produced in Turkey. With a normal processing yield of 18% oil and 80% meal from soybeans the processor produces oil worth 19,800 TL and meal worth 29,600 TL. Thus, the processor currently realizes a negative crushing margin of 2,600 TL (\$14.85) per metric ton. In order to achieve a positive crushing margin most crushers have resorted to blending low quality feed ingredients such as bran, wheat and barley screenings and other products into the meal to increase volume and total meal return. Of course, the resulting meal is of lower quality, often not exceeding 32% protein - normal soybean meal contains 44% protein.

It must be noted that while the Turkish Government purchases soybean meal from processors for 37 TL/Kg, it sells the same meal to feed compounders for only 30 TL/Kg (\$171.43/mt), f.o.b. Adana. This subsidy is evidently a government effort to assist the development of expanded Turkish livestock and poultry production. It is unclear whether the subsidy would also apply to soybean meal produced from imported soybeans.

IV. Profile of the Turkish Livestock and Poultry Feed Sector

There is a total of 106 feed plants in Turkey with a total annual capacity of at least 2.5 million mt on a one-shift basis. The Turkish Government owns 19 existing feed plants with eight more under construction or planned. The total capacity of government plants is estimated at 587,000 mt on a one-shift basis. Of the feed manufactured, approximately 25 percent is for poultry with the remainder for sheep and cattle.

The feed sector in Turkey is definitely a weak link which must be strengthened if Turkey is to realize its poultry and livestock production objectives. A few modern feed plants exist, but little attention is paid to ingredient quality analysis, final feed analysis, or to least-cost formulation. Also, inadequate capability to measure and mix drugs, trace elements and premixes exists. Minimum feed quality standards for prescribed rations are established by the government. However, since incoming feed ingredients are not analyzed for protein, fiber, etc., it is doubtful whether most prepared feeds closely approximate the minimum government feed quality standards. In particular, it is felt that inadequate quality control exists to effectively prepare quality poultry rations including drugs. There is a sporadic feed quality sampling program conducted by the government to determine if prepared feeds fulfill quality standards. However, one feed manufacturer indicated its feed had not been sampled by the government in over a year.

The writer visited one Ankara feed mill (Ozkasikci Bulkon Gida Sanayii A.S.) and found it, on the whole, to be a very good operation. Daily feed output is 260 tons. However, several areas needed improvement. First, neither incoming feed ingredients nor prepared feed were analyzed for nutrient content. The owner did indicate a desire, however, to install a feed analysis laboratory in the near future in order to maintain better quality control and cost efficiency. Second, no accurate measurement of minor feed additives was made. Items such as salt, calcium, and vitamins were added by a volume measurement rather than by a weight measurement. Third, sunflower oil was being used as a fat energy source at levels up to 3% even though it is very expensive and liquid at ambient temperatures. No animal tallow had ever been used in feed even though it is cheaper. Fourth, there is not a daily or weekly change in feed formulas based on least-cost formulation. Formulas are only changed when certain important feed ingredients are unavailable. It is important to note that the owner of the feed mill did know improved technology and methodology should be used in the feed mill. The assistance of the American Soybean Association and U.S. Feed Grains Council was requested for improving the feed mill, and it was indicated the owner would

pay the cost of a technician's visit to the mill to provide technical assistance. The feed ingredients used in the Ankara feed establishment and their costs were as follows:

<u>Feed Ingredient</u>	<u>Cost</u>	
	TL/Kg	Dollars/mt
Turkish yellow corn	25	\$143
Oats	18.5	\$106
Cracked wheat	23	\$131
Wheat bran	12	\$ 69
Broken barley	18.5	\$106
Ground lentils	20	\$114
Lentil hulls	10	\$ 57
Meat meal	45	\$257
Corn gluten	55	\$314
Fish meal	85	\$486
Sunflower meal	27	\$154
Cottonseed meal	24	\$137
Soybean meal	31.5	\$180

The writer also visited a beef feeding operation and slaughterhouse near Istanbul (Seven Insaat ve Ihracat Sanayii, A.S.). Bulls weighing approximately 300 Kg were chained to feed bunks in a shed and were being fed a daily ration of 10 Kg of prepared feed and 10 Kg of very poor quality wheat straw. The bulls would be fed to a weight of 500 Kg and slaughtered. Daily gains reportedly were as high as 1.5 Kg, but I speculate actual gains did not exceed 1 Kg per day at best. The prepared feed being fed the bulls was prepared on site and contained the following ingredients:

Barley	33.70 Kg
Cottonseed meal	21.75 Kg
Wheat bran	28.75 Kg
Sugar beet pulp	6.06 Kg
Rapeseed meal	6.25 Kg
Calcium (limestone)	2.00 Kg
Salt	1.00 Kg
Vitamin premix	0.50 Kg
	<u>100.00 Kg</u>

On the whole, feed ingredients are readily available in Turkey, but shortages of yellow corn and soybean meal do exist. Also, there is little usage or knowledge of drug additives to feeds. In order for efficient poultry operations to become a reality in Turkey it will be important to increase supplies of yellow corn and 44% soybean meal as well as increase the usage of feed-grade drug additives. Most feed mills will also have to institute analysis of feed ingredients and prepared feeds and install improved measurement capabilities for trace additives.

V. Profile of Turkish Grain and Oilseed Storage and Handling Infrastructure

Practically all grain storage and port facilities in Turkey are owned and operated by T.M.O. (Soil Products Office) of the Ministry of Commerce. The writer was told by Mr. Zekai Burak, Director

of TMO's Office of Research Planning and Coordination, that TMO presently has silos spread across Turkey with a combined capacity of two million mt. Under funding provided by a \$150 million World Bank loan, TMO is presently constructing 36 concrete silos with a combined capacity of 910,000 mt. The project will be completed in 1986. In the interim, TMO intends to seek funding for 280,000 mt of additional storage and the installation of a new portside export-import silo at Bandirma. The total storage capacity at the Bandirma silo is planned to be only 20,000 mt with additional amounts to be moved by rail or truck from an inland silo 60 kilometers away. Bandirma is located on the Marmara Sea, approximately 115 Km southwest of Istanbul.

Of special importance to potential U.S. exports of corn and soybeans to Turkey, is the TMO export-import elevator at the Port of Mersin, approximately 50 Km southwest of Adana. The facility was designed for handling export shipments of Turkish wheat and has a storage capacity of 100,000 mt. The writer visited the facility, but was unable to tour it because of security precautions at the port. The facility appears to be very modern and efficient for handling exports, but is evidently inefficient for handling imported bulk grains. Oilseed crushers in Adana indicated to the writer that one 30,000 mt ship once required 13 days for offloading at the Mersin elevator. It is not clear whether the inefficiency bottleneck lies with inadequate pneumatic unloading capacity or inadequate movement from the offloading site to the storage bins. It is also known that TMO has heretofore been reluctant to provide potential importers with a guaranteed date when grain or oilseed laden ships can dock and offload at the Mersin elevator. Thus, potential importers have been reluctant to make purchases of imported oilseeds and grains for fear of having to pay several days of demurge while awaiting to offload the commodities at Mersin. Similar difficulties reportedly also are encountered at other TMO port facilities.

Internal transportation of commodities in Turkey is largely handled by trucks, but rail lines do connect the major cities including Istanbul, Izmir, Ankara, Adana, Malatya, Sivas, Konya, and Ifyon. Antalya, on the southern coast, does not appear to have rail service even though it is a major agricultural area.

Roads in Turkey are fair to good for the most part. In the major urban areas like Istanbul and Ankara the roads are quite good for a developing country. Two-lane asphalt roads are extensive with some multi-lane highways in the urban areas. Turkey is presently working to expand its highway network with its own funds and through a large World Bank loan.

One major problem at present is rapid degradation of the major highways linking Bulgaria on the west with Iran and Iraq on the East, and linking Mersin and Adana with Iran and Iraq. As a result of the Iran-Iraq war and the lack of trading relations between the U.S. and Iran, large shipments of goods are being carried into Iran and Iraq via truck through Turkey. Huge over-the-road trucks from Western Europe are transitting Turkey on the way to Iran and Iraq and in doing so, are rapidly destroying the main arterial highways. In order to raise funds to rebuild and maintain these roads (and likely to discourage trans-Turkish

shipments) the Turkish Government is reportedly about to substantially increase the tolls for foreign-licensed trucks transitting Turkey.

There is no shortage of trucks to transport feed ingredients within Turkey. Most trucks are driver-owned. The writer was told trucks could be arranged on short notice to transport commodities with little problem.

The writer was unable to determine the capabilities or reliability of the Turkish railroad system. However, it is likely that rail transport is relatively slow and unreliable since most shippers preferred to ship on trucks.

The only transport rate learned was for soybean meal. The feed manufacturers in Ankara indicated the cost of shipping soybean meal from Adana to Ankara was 1.5 TL/Kg (\$8.60/mt). Since the distance from Adana to Ankara is 487 Km (302 miles) it would appear the 1.5 TL/Km rate is reasonable.

VI. Overview of Turkish Oilseed Import Policies

According to Dr. Namik Kemal Kilic, Advisor to the State Planning Organization, soybeans, corn, rice, cottonseed meal, and sunflower meal can be imported into Turkey duty free. The decree granting such duty free status was #484044 of February 9, 1981. Kilic also noted that there is no problem getting import licenses for these commodities as they will be freely granted by the Ministry of Trade. No import quotas are in effect.

While soybeans can be freely imported into Turkey there is a ban on the importation of soybean meal. Evidently, the ban on soybean meal is to provide incentive for the processing in Turkey of imported and domestically grown soybeans. Also, Turkey wants soybeans rather than soybean meal imported in order to get the soybean oil needed to meet domestic demand.

The Turkish tariff classification for soybeans is 12.01.23; soybean oil, 15.07.13; and soybean meal, 23.04.90. Other major commodities and their respective tariff numbers are: corn - 10.05; tallow - 15.02.00; cotton oil - 15.07.14; peanut oil - 15.07.15; palm oil - 15.07.17; coconut oil - 15.07.18; sunflower oil - 15.07.25; colza oil - 15.07.28; cottonseed meal - 23.04.10; sunflower meal - 23.04.50; and fish meal - 23.01.10.

Because of the Turkish Government's efforts to stem inflation, reduce the trade deficit, and stabilize the value of the Turkish Lira there are strict regulations governing the movement of Lira outside of Turkey for the purchase of imports. An importer wishing to import soybeans, soybean oil or live animals for breeding must deposit in cash 1% of the value of such goods to be imported with the Turkish Central Bank prior to beginning the imports. However, if the imports are covered by foreign credit, no guarantee is required. It should be noted that most other imported goods require a pre-import cash Central Bank deposit of 10% to 20% of the products' value.

The greatest financial problem faced by oilseed importers in Turkey is the rapid devaluation of the Turkish Lira. In October 1980 the conversion rate for Turkish Lira was 84 TL per U.S. dollar. Upon this writer's arrival in Turkey on October 2, 1982, the official exchange rate was 175.25 TL per dollar. During the ten-day visit the Lira fell to as low as 176.40 TL/dollar. (In this report the conversion rate used is 175 TL to one (1) U.S. dollar.) Thus, importers purchasing in foreign currency, especially dollars, often realize a substantial rise in the Lira price of imported goods between purchase and delivery. Of even greater concern is the high cost of borrowing for importers. In October 1982, the interest rate on money borrowed from the Turkish Central Bank was 55-60%, or about 5% per month.

Oilseed processors wishing to purchase imported soybeans indicated the need to receive short-term (2-3 months) U.S. credit at interest rates below 12 percent per annum. Even with such low credit the Lira valuation may result in a real interest rate of as much as 3% per month. The Turkish Government does not provide any importer with exchange rate protection and the fact that the Lira is not fully convertible at present prevents an importer from hedging on world currency markets.

VII. Overview of the Turkish Livestock-Dairy-Poultry Complex

A) Cattle and Sheep

Turkish livestock production and disposition numbers are provided in Table IV. Since 98% of the Turkish population is Moslem, there obviously is little pork production. The total swine population of Turkey is only about 14,000 head, but it must be noted that the swine population has increased by 40% since 1979.

The major sources of red meat in Turkey are beef, lamb, and goat meat with only negligible consumption of horse meat. Per capita Turkish consumption of beef is approximately 4.5 Kg (9.9 lbs) per annum while combined lamb, mutton, and goat consumption averages approximately 5.5 Kg (12.1 lbs) per capita. Lamb consumption alone is approximately 1.5 Kg (3.3 lbs) per capita. Thus, per capita consumption of all red meats in Turkey at present is approximately 10 Kgs (22 lbs) per annum. Considering the average per capita annual income of the Turkish population is approximately \$1000 at present, and since red meat averages 350-400 TL per kilogram (\$0.93-\$1.08/lb) it is obvious why red meat consumption is no greater. High grade red meat cuts (filets, chops, etc.) are currently selling at approximately 550 TL/Kg (\$1.42/lb).

Most Turkish livestock is raised by small landowners or peasants under range conditions. Little prepared feed is fed to sheep or cattle prior to marketing and little lamb feeding is presently being done. In recent years, there has been a great deal of interest in feeding cattle and several relatively small beef feeding operations are now in existence. The one cattle feeding operation visited by the writer and noted earlier was very small and relatively unsophisticated.

The principle sheep bred in Turkey is the fat-tailed sheep common throughout the Middle East. Some European-type sheep is being raised in Turkey, but the Turkish taste preference is for the meat of the fat-tailed sheep. The beef animals in Turkey are largely of dual-purpose breed with no European beef breeds seen by the writer. It appears most villagers raising cattle also milk some of the herd, and thus, have preferred the dual-purpose breeds.

Aside from the domestic market, Turkey has also greatly expanded its exports of beef and sheep meat into neighboring Moslem countries. Since the Islamic slaughter method is utilized for sheep and cattle, the meat produced is highly preferred by the fundamentalist Moslem consumers of Iran, Iraq, Saudi Arabia, and Libya. Since 1978, the value of beef and sheep meat exported by Turkey has increased from \$87 million in 1978 to over \$345 million in 1981. For 1982, the value of red meat exports may well exceed \$900 million. Exports of red meat have been encouraged by the Turkish Government through the granting of export subsidies. At present, exporters receive a subsidy of 15% for their sales up to \$4 million, 20% on sales between \$4 million and \$15 million, and 25% on all sales over \$15 million. However, exporters of cattle and sheep must make deposits of 1200 TL (\$6.85) and 400 TL (\$2.28) respectively to a "Price Support Stabilization Fund" to help in stabilizing domestic meat prices.

B) Dairy

The writer learned little of the Turkish dairy industry as no visits were made to a dairy operation. However, discussions were held with one dairy producer. The number of animals milked and milk produced in Turkey is provided in Table V.

During a meeting with Mr. Ali Nail Kubali of Yasar Holding Company it was learned that the company owns and operates a dairy operation. Yasar Holding owns no dairy cattle. Instead, it has imported Holstein cattle from Denmark and Germany for sale to villagers who, in turn, sell milk to Yasar Holding. The purchase price for milk from villagers is approximately 28 TL/liter (\$7.41/cwt). After processing and packaging Yasar sells the milk for approximately 138 TL/liter (\$3.00/gal). Obviously, Yasar Holding is making a very healthy profit from its dairy operation. It purchases approximately 250 mt/day of milk from farmers.

Most dairy products, whether from cattle, sheep, goats, or buffaloes is used to produce cheese (feta cheese), yogurt and butter. Feta cheese is a staple of the Turkish diet being consumed at each meal in the day. Similarly, yogurt is widely consumed throughout the country as a refreshing drink. Butter production is unknown. Based on available production figures, total annual dairy product consumption, expressed in fluid milk equivalent, approximates 128 Kg per capita (35 gallons).

Exports of dairy products have also expanded in recent years with 711 tons of cheese worth \$1,446,000 exported in 1980 and 649 mt worth \$1,295,000 exported in 1981. In the first four months of 1982, a total of 610 mt of cheese was exported.

It appears that a large potential exists in the Turkish dairy sector. In particular, it would appear a large integrated dairy could do well near any of the major urban areas.

C) Poultry

The supply and distribution of poultry meat in Turkey is provided in Table VI. The production of eggs in Turkey is provided in Table VII.

Poultry production is developing at a fast rate as a result of highly favorable government policies and strong interest from some of the nation's larger diversified holding companies. Izmir, in southwestern Turkey, appears to be the developing center of the Turkish poultry industry with several large integrated poultry operations under development there. At present, approximately 70% of total eggs and poultry meat is produced in large commercial farms with only about 30% produced in villages by farm families.

To encourage poultry production, the Turkish Agricultural Bank (T.C. Ziratt Bankasi) is offering low interest loans. In addition, poultry projects receive special tax breaks and reduced import duties for feedstuffs and parent stock. Poultry projects receive the highest priority of any agricultural industry in receiving government support.

At present, poultry meat costs approximately 70% as much as red meat in Turkey. This is somewhat misleading because red meat prices are exceptionally high as a result of high levels of red meat exports to neighboring Islamic countries. Turkish officials believe poultry prices will have to fall to less than 50% of the price of red meat in order for demand to pick up. The writer was cautioned that because of Turkish cooking habits, a pound of ground red meat will extend much further in a Turkish household than a pound of poultry. For example, a pound of red meat might feed a family of four while a pound of poultry will only feed one family member. Thus, even though poultry prices are less on a weight basis, they are higher on a per meal basis.

The greatest impediments to more efficient poultry operations in Turkey are inadequate supplies of soybean meal and corn, and a lack of quality poultry vaccines. In order to lower feed conversion ratios for broilers to approximately 2.1 pounds of feed per one pound of poultry produced, it will be necessary to increase the level of corn and 44% protein soybean meal in the poultry rations and have access to more vaccines for use in controlling and preventing diseases.

Poultry consumption in Turkey at present averages approximately 0.9 Kg per capita annually. However, it is expanding somewhat faster than consumption of red meats. Egg consumption presently is approximately 120 eggs per capita annually and is increasing rapidly with the development of large efficient layer operations near the major metropolitan areas.

The writer visited a caged layer operation near Adana which is owned by Bulent Paksoy. The eggs produced at the Paksoy facility

are marketed under the brand name TAVAS. Paksoy has a contract to supply a large share of his egg output to a nearly U.S. military base.

Paksoy purchases his day-old chicks from a company in Izmir (Kocmar) for a price of 170 TL (\$0.97) for layers and 80 TL (\$0.46) for broilers. He rears the chicks for 16 weeks in a growing house from where they are transferred to nearby cage laying houses. The hens begin to lay at 20 weeks of age and produce until they are 80 weeks of age, when they are slaughtered. Paksoy currently has five laying houses with 17,500 hens per house. His average egg output per hen is 200 eggs. All birds are vaccinated for Newcastle disease, salmonella, and CRD.

At the time of the writer's visit, Paksoy was paying 34 TL/Kg (\$195/mt) for chick feed, 32 TL/Kg (\$183/mt) for pullet feed, and 30 TL/Kg (\$172/mt) for layer feed. He sells his eggs at present for 10.5 TL per egg (72¢/doz) in 30-egg flats. The retail egg price in the area is 12.5 TL per egg (82¢/doz.). At present, Paksoy's feed conversion ratio is 190 grams of feed per egg. He realizes the ratio should be only 165:1, but has been unable to achieve that ratio because of an inadequate amount of soybean meal and corn in the ration. The best soybean meal he can purchase contains only about 33% protein because of government price controls.

The overall poultry industry in Turkey appears to be a prime area for investment and one which should greatly expand in the future. However, its success and profitability is greatly dependent on an assured supply of soybean meal and yellow corn, and on the Turkish Government's relaxation of the restrictions on importing or producing quality poultry vaccines.

VIII. Conclusion

In order to foster growth in output and profitability in the oil-seed, poultry, and livestock sectors of Turkey, several policy and structural changes are suggested. Also, the writer believes there are several areas where U.S. joint venture investment should be initiated not only to reward U.S. investors, but also to expand the Turkish economy and foster U.S. exports.

A) Suggested Policy Alterations

1) The present prohibition on the private sector importing, manufacturing, and selling vaccines for the livestock industry should be eliminated by the Government of Turkey. Unless the livestock and poultry sectors have free access to the latest vaccines they will not be able to achieve the levels of efficiency necessary to lower costs of production and market prices to world standards. Also, without such improved efficiency, Turkish poultry and egg producers will not be able to effectively compete with the European Community in the Middle East poultry markets without continued government subsidies.

- 2) The Turkish Government (TMO) should expand the ship off-loading capabilities of the elevator at the Port of Mersin and establish procedures for scheduling docking and prompt off-loading of ships carrying needed soybeans and corn. Similarly, the ports at Izmir, Antalya, and Istanbul should be improved to provide adequate offloading and storage of imported feed ingredients.
- 3) The proposed TMO elevator at Bandirma should be expanded to provide a minimum of 50,000 mt of storage and should be equipped with ship offloading facilities. The proposed 20,000 mt storage capability is grossly inadequate either for loading or offloading ships carrying 30,000 mt.
- 4) Price controls presently in place for soybean meal should be eliminated to allow the profitable production and marketing by Turkish processors of soybean meal containing a minimum of 44% protein.
- 5) A large free trade zone should be established near the Port of Mersin to allow the development of export-oriented agribusiness projects such as oilseed processing plants, integrated broiler operations, and feed manufacturing facilities. Such a free trade zone would free participating businesses from the "red tape" imposed on imports while not eliminating government restrictions on goods shipped into Turkey.
- 6) The proposed TMO construction of a soybean processing facility at Adana should be abandoned. Adequate private sector oilseed processing capacity presently exists in the Adana region to handle current demand, and the private sector can best meet future expanded needs.
- 7) The Government of Turkey should cancel plans to increase the inland grain storage capacity controlled by TMO and instead provide the private sector with incentives to construct such facilities.
- 8) The virtual government monopoly on the seed business in Turkey should be eliminated. Instead, the Government should further relax pre-testing requirements for imported seed, and encourage the development in Turkey of a private sector seed industry to provide Turkish farmers with quality seed.
- 9) Increased emphasis should be placed on expanding internal rail transportation in Turkey. Specifically, there should be an expansion of the capability to efficiently transport bulk feed ingredients from growing areas and ports to areas of livestock and poultry production.
- 10) The Government of Turkey or the Turkish private sector should establish internationally accepted minimum nutrient requirements for vegetable protein meals and institute a system for assuring meals produced meet those requirements.

B) Prime Areas for U.S. Joint Venture Investment

While the Turkish agribusiness sector has enormous potential for U.S. investors, it is the writer's belief that the following areas represent the highest priority and opportunity:

1) Bulk Portside Handling and Storage Facility at Mersin

Because of the current reluctance of TMO to effectively handle bulk commodities at the elevator in Mersin, it appears a profitable joint-venture investment would be to construct a bulk offloading facility in the port area. The facility should have a minimum storage capability of 50,000 mt in order to handle back-to-back offloading of more than one ship while simultaneously shipping incoming commodities to internal processing and manufacturing facilities. The U.S. investor should attempt to form a joint venture with soybean processors and/or feed manufacturers in the Adana-Mersin region who have need for imported soybeans, corn, and other feed ingredients. The facility could also be used to export prepared feeds and domestically grown grains to nearby markets.

2) Cold Storage Facility at the Port of Mersin

In order to more efficiently handle exports of chilled and frozen meat and poultry by ship to other Turkish ports, and to other markets in the Middle East as well as to handle imported frozen foods, it appears a good investment for a U.S. firm would be a cold storage warehouse in the Port of Mersin. The facility should preferably be dockside and able to offload containers, but it may be possible to locate the facility somewhat inland with offloading handled by existing port facilities. A similar facility at Izmir may also be sound.

3) Integrated Broiler Production Projects

It would appear that several large, efficient integrated broiler projects can be sustained by the Turkish domestic market or by export markets in the Middle East. Any new poultry facilities should either be jointly constructed along with modern slaughter facilities or built near existing facilities. The best locations appear to be in the Izmir or Adana regions, or near Istanbul. Several Turkish companies with available investment capital are very interested in joint venture investments in poultry projects along with a U.S. company with successful experience in integrated broiler operations. Successful operation of such broiler operations, however, is contingent upon available supplies of soybean meal and other feed ingredients, and upon government liberalization of disease control vaccines and feed additives.

4) Soybean Processing

Contingent upon a Turkish Government commitment to facilitate a free flow of imported soybeans into the country, it would appear feasible for a U.S. firm experienced in soybean processing to enter into a joint venture with a Turkish company to construct a new, modern hexane solvent soybean processing

plant or to modernize an existing facility either in Adana or Izmir. Based upon the writer's limited experience it would appear most advantageous to join with an existing crusher in the Adana region to install new components in an existing facility to increase the plant's efficiency in processing soybeans. The soybeans could be supplied both by the Cukarova Valley's limited production and by imports through the port at Mersin. In the future as Turkey's demand for soybeans expands the modernized plant could be expanded.

If a soybean processing facility is built in the Izmir area it would likely need to be a new plant constructed near the port area. It is unlikely large supplies of soybeans will be grown in the Izmir area, but demand for soybean meal in the area should be high because of the rapid poultry development expected there.

Aside from supplying soybean meal to the Turkish poultry and livestock feed sector it would appear there are export markets in neighboring countries for soybean meal. Likewise the demand for soybean oil in Turkey and neighboring appears to be expanding at a rapid rate.

It is important that the U.S. company investing in a joint venture to build or modernize a soybean processing plant has experience in the soybean processing industry. The facility will require a large capital investment and extensive management expertise in the future if it is to be profitable. While Turkish processors are efficient they do not have experience with the latest technology and methods.

5) Livestock and Poultry Feed Manufacturing

A company with experience in the U.S. feed industry may find it economically inviting to form a joint venture company in Turkey for the production of livestock and poultry feeds. In particular, a modern facility in the Adana or Izmir areas for the manufacture of poultry feeds appears to be a top prospect. Based on the writer's experience in the feed industry, any new feed manufacturing firm should stress quality feed and strive to develop a reputable brand name. Also, the firm could become a major supplier of vitamin, mineral, and veterinary drug premixes to other feed manufacturers. Like other industries in the agricultural sector, there appears to be a substantial market for prepared feeds in neighboring nations, especially Iran, Iraq and Syria.

One type of feed manufacturing which deserves attention is the area of range animal feeds. Because of Turkey's large amount of dry rangelands and the large number of cattle and sheep, there appears to be a large unexploited market for supplemental feeds, including protein and mineral blocks. Development of this market will require an extensive effort to educate the cattle owners, but it should not be insurmountable.

6) Marketing of Liquid Edible Oils

At present, little soybean oil, sunflower oil, or cottonseed oil is marketed in Turkey in a liquid form for cooking. Only olive oil is available in liquid form with other oils being marketed as vegetable ghee or shortening. Because of the lower price for soybean, sunflower, or cottonseed oil compared to olive oil, there should be a market for such oils as a lower priced substitute for olive oil. A U.S. firm should explore the feasibility of producing and marketing such a product in a joint venture with a Turkish oilseed processor.

Table I

SUPPLY AND DISTRIBUTION OF OILSEEDS IN TURKEY

(Hectares and Metric Tons in Thousands)

Commodity and Year	Planted Area	Supply				Distribution				End Stocks
		Begin Stocks	Production	Imports	Total Supply	Exports	Crush	Food Use	Feed/Seed Waste	
Cottonseed										
79/80	612	5								
80/81	672	10	762	-	767	-	697	-	60	10
81/82	653	5	800	-	810	-	740	-	65	5
82/83	650	5	780	-	785	-	715	-	65	5
			770	-	775	-	715	-	55	5
Sunflower Seed										
79/80	445	15								
80/81	520	5	550	-	565	-	520	5	35	5
81/82	450	10	630	-	635	-	586	4	35	10
82/83	425	5	575	-	585	-	545	5	30	5
			550	-	555	-	515	5	30	5
Sesame Seed										
79/80		2								
80/81	45	1	28	-	30	-	21	4	4	1
81/82	45	1	26	-	27	1	18	4	3	1
82/83	45	1	28	-	29	2	18	4	4	1
			28	-	29	2	18	4	4	1
Peanut Seed										
79/80		1								
80/81	25	2	58	-	59	2	15	38	2	2
81/82	19	2	41	-	43	6	15	18	2	2
82/83	25	2	56	-	58	6	15	32	3	2
	26	2	60	-	62	8	18	30	3	3
Rapeseed										
79/80		1								
80/81	27	4	43	-	24	-	25	-	15	4
81/82	10	2	12	-	16	-	12	-	2	2
82/83	11	1	22	-	24	-	20	-	3	1
	20	1	25	-	26	-	22	-	2	2
Soybeans										
79/80		-								
80/81	3	-	3	-	3	-	3	-	-	-
81/82	3	-	3	4	7	-	3	-	-	-
82/83	15	4	20	-	24	-	21	-	3	4
	25	3	30	-	34	-	30	-	4	4
Total Oilseeds										
79/80	1175	25	1457	-	1482	3	1290	48	107	24
80/81	1288	24	1527	4	1555	11	1383	27	105	25
81/82	1217	25	1495	-	1530	11	1343	42	109	25
82/83	1211	25	1478	-	1517	14	1327	40	99	37

*Source: U.S. Consulate, IZMIR.

Table II

SUPPLY AND DISTRIBUTION OF VEGETABLE OILS IN TURKEY

(Hectares and Metric Tons in Thousands)

Commodity and Year	Supply				Distribution				End Stocks
	Begin Stocks	Production	Imports	Total Supply	Exports	Industrial Use	Food Use	Total Usage	
<u>Cottonseed Oil</u>									
79/80	2	105	10	117	-	15	100	115	2
80/81	2	111	3	116	-	6	105	111	5
81/82	5	107	-	112	-	5	105	110	2
82/83	2	107	-	109	-	5	100	105	4
<u>Sunflower Oil</u>									
79/80	10	224	27	261	10	20	185	205	46
80/81	46	252	19	317	5	28	208	236	76
81/82	76	223	5	304	5	29	218	252	52
82/83	52	206	20	278	5	25	221	251	27
<u>Soybean Oil</u>									
79/80	25	1	101	127	-	-	110	110	17
80/81	17	1	116	134	5	-	110	115	19
81/82	19	5	95	119	5	-	115	110	1
82/83	-	10	120	130	5	-	120	125	5
<u>Olive Oil</u>									
79/80	69.0	52	-	121	5	11.5	85	101.5	19.5
80/81	19.5	170	-	189.5	35	14.0	80	129.0	60.5
81/82	60.5	60	-	120.5	25	5.0	70	100.0	20.5
82/83	20.5	170	-	190.5	50	15.0	70	135.0	55.5
<u>Other Oils</u>									
79/80	-	28	2	30	-	5	25	30	-
80/81	-	21	-	21	-	4	17	21	-
81/82	-	24	-	24	-	7	17	24	-
82/83	-	27	-	27	-	8	19	27	-
<u>Total Vegetable Oils</u>									
79/80	106.0	410	141	658	15	51.5	505	602	84.5
80/81	84.5	555	140	782	45	55.1	520	610	160.5
81/82	160.5	419	100	681	35	47.0	520	602	78.5
82/83	78.5	520	140	739	60	55.0	530	645	94.0

*Source: U.S. Consulate, IZMIR.

SUPPLY OF VEGETABLE PROTEIN MEALS IN TURKEY

<u>Commodity</u>	<u>Total Supply (000 MT)</u>			
	<u>79/80</u>	<u>80/81</u>	<u>81/82</u>	<u>82/83*</u>
Cottonseed Meal	279	296	286	286
Sunflower Meal	198	223	210	200
Sesameseed Meal	9	8	8	8
Peanut Meal	5	5	5	7
Rapeseed Meal	15	12	7	13
Soybean Meal	2	2	20	36
Poppyseed Meal	4	4	4	4
Total	512	550	540	554

*U.S. Consulate, IZMIR.

<u>Class of Livestock</u>	<u>Year</u>	<u>Beginning Inventory</u>	<u>Imports</u>	<u>Exports</u>	<u>Slaughter</u>	<u>Ending Inventory</u>
<u>Cattle</u>	1979	15,964	2	8	3,678	16,607
	1980	16,607	3	-	3,196	16,925
	x1981	16,925	3	42	3,200	17,200
	xx1982	17,200	2	30	3,200	17,500
<u>Swine</u>	1979	10	-	-	7	13
	1980	13	-	-	6	13
	x1981	13	-	-	5	14
	xx1982	14	-	-	6	13
<u>Sheep</u>	1979	43,942	-	347	17,320	46,026
	1980	46,026	-	830	18,720	48,630
	x1981	48,630	-	1,609	18,004	50,000
	xx1982	50,000	-	2,000	17,500	51,000
<u>Goats</u>	1979	18,447	-	104	4,360	18,775
	1980	18,775	-	104	3,830	19,043
	x1981	19,043	-	311	3,700	19,200
	xx1982	19,200	-	500	3,500	-

x Preliminary

xx Estimated

Source: U.S. Embassy, Ankara.

NUMBER OF ANIMALS MILKED AND MILK PRODUCED DURING THE LAST FIVE YEARS IN TURKEY

Years	Cows	Sheep	Common Goats	Angora Goats	Buffaloes	Total
Number of animals milked (100 head)						
1978	5,538	22,243	7,454	1,340		
1979	5,840	23,244	7,478	1,376	337	36,912
1980	5,931	24,049	7,592	1,353	351	38,289
1/ 1981	6,100	24,500	7,600	1,365	344	39,269
2/ 1982	6,200	25,000	7,650	1,370	345	39,910
					350	40,570
Milk production (1000 Metric Tons)						
1978	3,209	1,056	567	54		
1979	3,386	1,102	571	55	271	5,157
1980	3,421	1,177	577	53	297	5,411
1/ 1981	3,500	1,200	580	54	274	5,502
2/ 1982	3,600	1,250	600	55	275	5,609
					280	5,785

1/ Preliminary

2/ Forecast

Source: State Institute of Statistics

Table VI

SUPPLY AND DISTRIBUTION OF POULTRY MEAT IN TURKEY (000 MT)

<u>Commodity</u>	<u>Year</u>	<u>Production</u>	<u>Beginning Stocks</u>	<u>Total Supply</u>
Young Chicken	1979	42	6	48
	1980	45	6	51
	1981	48	5	53
	1982	51	5	56
Other Chicken	1979	30	1	31
	1980	29	1	30
	1981	28	1	29
	1982	27	1	28
Turkey	1979	6.0	0.2	6.2
	1980	6.2	0.2	6.4
	1981	6.4	0.3	6.7
	1982	6.6	0.4	7.0
Other Poultry	1979	0.5	-	0.5
	1980	0.4	-	0.4
	1981	0.3	-	0.3
	1982	0.3	-	0.3
Total Poultry Meat	1979	78.5	7.2	85.7
	1980	80.6	7.2	87.8
	1981	82.7	6.3	89.0
	1982	84.9	6.4	91.3

Source: U.S. Embassy, Ankara.

EGG PRODUCTION IN TURKEY (MILLIONS OF EGGS)

<u>Year</u>	<u>(Million Hd)</u>	<u>Production</u>	<u>Beginning Stocks</u>	<u>Total Supply</u>	<u>Exports</u>
1979	52	4,323	380	4,703	-
1980	56	4,500	400	4,900	-
1981	59	4,800	450	5,250	62
1982	61	5,000	500	5,500	120

Contact Report for John Baize

During a visit to Turkey, the writer made numerous contacts ranging from in-depth discussions where notes were taken, to casual reception discussions where only business cards were exchanged. The contacts and available notes are as follows:

Istanbul

- 1) Atomkimya Sanayi Ve. Ticaret A.S.
Gumussuyu Cad. Litros Yolu No. 26
Topkapi/Maltepe - Istanbul
Tel: 77 56 70
77 09 70
77 09 71

Mr. Ozdemir Ali Yarar, Murahhas Aza
Mr. A. Tahir Kiziltepe, Saltinalma Muduru

Atomkimya is a company which produces cake mixes and other prepared foods. Mr. Yarar is interested in producing bulgar and soy-fortified bulgar using soy flour. Mr. Yarar has visited the U.S. several times and has visited Archer Daniels Midland in Decatur, Illinois, and has visited with Mr. Joe Rakosky, consultant to the American Soybean Association. Mr. Yarar would like to have available information on producing or importing soy flour, textured soybean protein, and soy-milk. He is interested in constructing soyflour - textured soybean protein plant in Turkey. Interested in possible joint-venture with U.S. firm.

- 2) Anadolu Endustri Holding A.S.
Emirler Sok 3/1
Sirkeci, Istanbul
Tele: 26 64 07
Telex: 22564 JAWA TR

Mr. Ustun Cevik

Anadolu Holding is a major holding company in Turkey. Among its holdings are Efes Pilsner Beer (75% of Turkish beer market), an automotive products group, a pencil group, an export group, and a shipping group. Presently, Anadolu owns one ship (Anadolu I) with a capacity of 66,000 dwt which it uses to transport coal. It is planning to buy two other ships: one bulk carrier and one oil tanker.

Mr. Cevik has previously contracted with a consultant to prepare a review of the Turkish livestock industry and to suggest investments for Anadolu. The consultant's report seems quite good and thorough and has convinced Cevik to invest in a beef-lamb slaughterhouse and a 20,000 head/year feedlot. He is seeking a U.S. consulting firm to conduct an in-depth feasibility study of the proposed feedlot/slaughterhouse and to supervise its design and construction. U.S. bids are due by November 15, 1982.

Cevik indicated he wants to feed steers 100 days to a weight of 400-450 Kg and hopes to sell on U.S. beef standards. Cevik is now selling lamb meat to Libya at \$2600/mt (\$1.18/pound).

Anadolu is also interested in constructing a soybean processing plant in a joint-venture with a U.S. firm. Feels the best way to go about a joint-venture is for Anadolu and U.S. venture partner to establish a Turkish company and each put up \$100,000 to serve as capital for feasibility of new project. If feasibility is positive, additional capital could be put into company. Mr. Cevik indicated in finding U.S. consulting firm to do feasibility study on several agricultural projects.

3) Unilever - Is Tic. Ve. San.
Cumhuriyet 16
Harbiye - Istanbul
Tel: 46 61 50

Mr. U.F. Schroeder, Turkish Director

Unilever, of course, is one of largest food industry companies in the world with total worldwide sales in excess of \$20 billion. Specifically, Unilever worldwide today purchases approximately \$1 billion worth of U.S. soybeans.

Mr. Schroeder said Unilever produces approximately 100,000 mt of margarine annually in Turkey. The brand of the margarine is Sana, the largest seller in Turkey. He believes margarine and vegetable oil market in Turkey currently totals in excess of 600,000 mt. Schroeder said Unilever was forced to reduce its equity share in its Turkish operations from 80% to 65% recently as a condition for building a new margarine plant. Turkish government restricts Unilever's total margarine output because its Turkish subsidiary is majority-owned by foreign based company.

Unilever is interested in expanding Turkish soybean production by providing seeds to growers. However, Schroeder is pessimistic about the potential for Turkey to ever be self-sufficient in vegetable oils. He indicated Turkish port facilities are poor, often taking a week or two to offload ships.

Schroeder indicated he currently must export 30% of Unilever's margarine production to Middle East markets at a loss because of government export requirements. He said Unilever considered the Turkish director's post in the past to be one of its most difficult assignments because of Turkish red tape.

4) Turk Siemens - Etmas
Simko - Hatas A.S.
P.O. Box 31 Etiler
Istanbul
Tel: 49 72 61
45 20 90
Telex: 24233 Sies TR.

Dr. M. Nusret Arsel, President

Dr. Arsel is very familiar with the American Soybean Association having attended the ASA Convention in Minneapolis in 1982. Mr. Arsel's wife is the daughter of Mr. Koc, Chairman of Koc Holding A.S., one of the largest three holding companies in Turkey. Mr. Arsel sits on the Board of Directors of Koc Holding and is president of his own company, Turk Siemens. Turk Siemens is the manufacturer and distributor of Siemens appliances in Turkey and is a manufacturer of steel electrical cable.

Dr. Arsel has been one of the most vocal supporters for building up Turkey's soybean industry. He supports increased production of soybeans and increased utilization of soybeans in livestock and poultry feeds. Dr. Arsel believes the most profitable potential joint-venture investment opportunity in Turkey is a cold storage port-side warehouse at the Port of Mersin, near Adana. His belief is based upon the growth of meat, poultry and margarine exports to nearby countries. He also believes soybean processing represents a sound investment opportunity as would bulk commodity storage and handling facilities at the Port of Mersin.

Dr. Arsel would like to receive a copy of the final trip report for the TDP team visiting Turkey.

- 5) Koc Holding A.S.
 Meclisi Mebusan Cad. 53
 Findiki - Istanbul
 Tel: 43 29 00
 49 53 45
 Telex: 24218 Koc TR

Mr. Tunc Ulug, Executive Vice President, Energy and Marketing

Koc Holding is the largest or one of the largest companies in Turkey. Its primary business is the manufacture of Marat (Fiat) automobiles, the principal automobile sold in the country. It also owns hotels and a host of other businesses including appliance manufacturing facilities.

Koc believes the poultry industry is especially bright in Turkey, but is not now interested in investing in this sector. Koc is interested in entering into a joint-venture with a U.S. firm to construct and operate a beef feedlot. Feed for the cattle would be bought from other firms. Koc is also very interested in the soybean processing sector. If U.S. company wants to join in joint-venture with Koc, the U.S. company should be prepared to only seek 40% of equity and ownership.

Koc also owns a margarine manufacturing facility using domestic sunflower oil and imported soybean oil.

- 6) Zihni Holding Inc.
 Buyukdere Cad. Nevtron Han No. 119
 Gayrettepe - Istanbul
 Tel: 67 79 00
 Telex: 23328
 Cable: Zihni/Istanbul

Professor Dr. Cevik Uraz, General Manager
 Metin Arel, Deputy General Mgr., Agricultural and Industrial Products Export and Trade S.A.
 Perran Ersu, Pazarlama ve. Halkla Iliskiler (Public Relations Asst.)

Zihni is the largest transportation company in Turkey with several joint-venture partners for an integrated cattle raising, slaughtering, and marketing project in eastern Turkey. Has access to large land holding and has adequate financing. U.S. joint-venture partner should be prepared to have a minimum of \$1 million in capital to put up in joint-venture investment.

Zihni is not now interested in poultry, but is very interested in feed manufacturing. Zihni is interested in receiving a consultant feasibility proposal in the area of feed manufacturing.

7) ENKA Holding
 Balmumcu, Bestekar Sevki Bey Mah
 Besiktas, Istanbul
 Tel: 66 34 90
 66 22 15
 Telex: 26139

Mr. Faruk Cengic, Coordinator for Industrial Group of Companies

Enka reportedly is soon to become the largest holding company in Turkey. It currently has 4000 employees in Turkey and 8000 employees working in civil engineering projects outside of Turkey. Enka currently has \$1.3 billion worth of construction equipment outside of Turkey and \$500 million worth of projects inside Turkey. It has subsidiaries in steel, casting, tractors (John Deere), automotive products and plastic. It owns shares in a wheat milling company and has an interest in two feed manufacturing plants near Izmit (100 Km east of Istanbul).

Enka's highest priority for new investments is the agri-industry sector. They are interested in expanded wheat production and marketing. Mr. Cengic is very interested in and knowledgeable of the soybean complex and interested in expanding soybean meal usage in feed industry.

Mr. Cengic believes the key to improving Turkish agriculture's future is the introduction of improved technology. He is interested in agri-industry projects only where latest worldwide technology is used. In particular, Enka Holding wants to enter into joint venture with U.S. company to build an automated, sophisticated, integrated poultry project.

Enka Holding also owns a grain silo near Derince, outside of Izmit.

8) Alarko Holding Company
 Gonen Gida Sanayi A.S.
 Buyukdere Cad. Maslak Meydani No. 37
 Ayazaga - Istanbul
 Tel: 64 22 75
 68 11 20

26242 ALHO TR
 26395 ALMU TR
 26395 ALMU TR

Mr. Mesut Zaloglu, Genel Mudor
 Mr. Aydin Burcuoglu, Ihracat Sefi

Alarko is reportedly one of the better managed trading companies in Turkey although the writer found it difficult to learn much about them because of the language barrier. Alarko is presently involved in producing tomato paste and canned foods, and exports \$2 million worth of food products to the European Community annually. Alarko is interested in frozen food industry, flour milling, and a wide range of other agribusiness. Is not clear of its objectives, however, and must clarify its objectives before it is a prime potential for joint-venture with U.S. company. However, the writer was told by a high level Turkish business leader that Alarko is well managed and keeps a low-key position because its leadership is Jewish in a country where 98% of the population is Islamic.

- 9) Bilecik Feed Mill Company
 Meclisi Mebuson Cad. 81-83
 Somer Han Kat 3
 Kabatos - Istanbul
 Tel: 43 74 55
 49 51 30
 Telex: 24710

Mr. Mehmet Aktay, General Director

Mr. Aktay has an M.S. in poultry production and is very interested in expanding the usage of quality soybean meal in his poultry and livestock feeds, as well as entering into a joint-venture with a U.S. company to build an integrated poultry facility. He is very interested in maintaining contact with the American Soybean Association and U.S. Feed Grains Council.

- 10) Bigtem
 Aga Ciragi Sok.
 7/10 Taksim
 Istanbul
 Tel: 44 47 86
 49 28 39
 Telex: 24852 Food TR

Mr. Bengisu Portuoglu, Director

Bigtem is an engineering consulting firm specializing in the food and agricultural industries. It would appear the firm would be a good source of consulting expertise for a U.S. company considering a food industry investment in Turkey.

- 11) Atak Vegetable Oil Representation Import and Export Ltd.
 Islamur Nisantasi Yolu 16/18 D.S.
 Istanbul
 Tel: 40 72 24
 20 93 34
 Telex: 24379 Teye TR.

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Mr. Merih B. Akgun, Managing Director

Mr. Akgun has previously been visited by a representative of the American Soybean Association's West European office, Mr. Joe Zak. Atak represents a Spanish soybean processor (OESA) and is selling vegetable oil to Unilever in 3000 mt tankers. The current price is \$465/mt cf Turkey. Atak also has arranged for some oil shipments from France Huile, a French processor.

Akgun also has an interest in a cattle feeding operation and lamb-cattle slaughter operation owned by Seven Insaat ve Ithracat Sanayii A.S. Akgun graciously took the writer, Mr. Jim Ross of USDA/FAS, and Mr. Terry Vorachek of the U.S. Feed Grains Council on a tour of the operation.

12) Seven Insaat ve Ithracat Sanayii A.S.

Muhurdar Cad No. 2

Kadikoy - Istanbul

Tel: 37 90 09

36 17 97

Telex: 22867 Hul TR.

Mr. I. Ethem Seven, General Director

Mr. Seven has constructed a lamb-cattle slaughterhouse approximately 20-25 Km N.E. of Istanbul. The writer visited the operation and found it to be unacceptable by American standards, but fairly advanced by Turkish standards. Approximately 1000 lambs per day are slaughtered at the operation using the Islamic method. There is no climate control in the plant, except for the refrigerated chilling sections. Mr. Seven is in the process of installing a new meat processing section in the facility.

Seven also has a nearby cattle feeding operation where bulls are fed under sheds to a weight of 400-500 kg before slaughter. Feed is prepared on site according to the following formula:

Barley	33.70 kg
Cottonseed Meal	21.75 kg
Wheat Bran	28.75 kg
Sugar Beet Pulp	6.05 kg
Rapeseed Meal	6.25 kg
Calcium	2.00 kg
Salt	1.00 kg
Vitamin Premix	<u>0.50 kg</u>

Total 100.00 kg

The bulls are fed 10 kg daily of the prepared feed and 10 kg of a very poor quality wheat straw.

Overall, the writer was not impressed with the sophistication or sanitary conditions of the slaughterhouse or with the sophistication of the beef feeding operation. Very inefficient.

13) Other Istanbul Contacts

- a) Ekinciler
 Findikli Meclisi Mebusan
 Cad. CBS Ishani Kat 4
 Findliki - Istanbul
 Tel: 45 40 47
 Telex: 24441 Orek TR
 Mr. Orhan Ekinci, Idare Meclisi Bsk.
- b) Transturk Idil Insaat ve Muhendislik A.S.
 Cumhuriyet Cad. No. 1/5
 Taksim - Istanbul
 Tel: 43 49 16
 49 29 04
 44 03 20
 Telex: 24164 TTEK TR
 Mr. Cenan Sahir Silan

Transturk is a large multidiversified company with some agricultural interests. It is interested in joint-venture investments in eggs and poultry production.

- c) Knorr
 Besin ve Misir Sanayii A.S.
 Halaskargazi C. 342/7
 Sisli - Istanbul
 Tel: 47 65 04
 48 44 97
 Telex: 22868 BMS TR
 Mr. Franz Schneider
- d) Hisarbank A.S. (Major bank)
 Zincirlikuyu
 Istanbul
 Tel: 41 63 88
 Telex: 26444 HAIR TR
 Mr. Metin Baysan, Coordinator, International Division

Izmir

The writer did not visit Izmir, but met with the following companies in Istanbul.

- 1) Yasar Holding A.S.
 Sehit Fethi Bey Cad. 120
 Izmir
 Tel: 14 23 60
 Mr. Ali Nail Kubali, Baskan Vekili

Yasar Holding is a large diversified holding company with several subsidiaries in the agricultural sector. Among its holdings are the following:

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- * Brewing - Tuborg beer, in joint-venture
- * Malt production and export
- * Fertilizer production (N, P, K)
- * Dairy cooperative (in cooperation with Kraft)
- * Tin can manufacturing
- * Construction, domestic and abroad
- * Fabrication of steam boilers and heavysteel machinery
- * Flour milling (one small mill)
- * Owns largest Turkish resort hotel
- * Nationwide travel agency
- * Insurance
- * German trading company
- * Own 70% of Turkish Tobacco Bank

Kubali believes joint ventures with U.S. firms should be structured with majority Turkish ownership. Since Turkey was once a colonial power itself it is hesitant to accept majority foreign ownership of Turkish companies or have foreign management.

Yasar Holding purchases 250 tons of milk daily from local dairy producers for approximately \$7.72/cwt and sells milk for approximately \$3.00/gallon at retail. In the past, Yasar Holding imported quality Holstein cows from Germany and Denmark for resale to villagers. It is currently building a small livestock feed mill in Izmir, but Kubali admits the firm needs technical assistance on nutrition from American Soybean Association or U.S. Feed Grains Council. In the future, Yasar Holding hopes to develop a multi-product farm supply firm for farmers in the Izmir area.

Yasar Holding is a top notch company and an excellent joint-venture prospect.

2) Izdas Izmir Des Ticaret
1379 Sokak 59/7
Izmir
Tel: 14 83 34
Telex: 52687 12D tr
52645 idc tr

Mr. Fatih Cakmakoglu, Sales Coordinator
Mr. Mehmet Ozdemir, Sales (Chief Engineer)

Izdas Izmir own nine separate companies including the following:

- * IDC - Three steel rolling mills
- * ASMAS - Heavy industrial machine manufacturing
- * Santes - Construction contracting
- * Poyraz - Ocean freight forwarding
- * Four other commercial companies handling steel and other building materials.

All foreign trade is handled through Izdas Holding where there are four trade divisions: construction materials, machinery and equipment, textiles, and foodstuffs.

Izdas is selling large amounts of food to Iran including cheese, eggs, and poultry meat. It is interested in selling meat to Iran. Izdas recently signed a contract to supply broiler feed to Iran. It will buy feed from Bankesir Yem San. Iran buys feed in 2-3,000 mt lots. Izdas is buying eggs for 175 TL/18 eggs (65¢/dozen).

Izdas's total export volume in 1982 will be \$80 million. It is a good company and a prime prospect for a U.S. joint-venture investment in Turkey.

Ankara

1) Government Contacts

- a) State Planning Organization
 Directorate of Foreign Investment
 G.M. Kemal Bulvari No. 16
 Ankara
 Tel: 29 20 06
 29 75 75
 Telex: 42110 d.p.t. tr.

Mr. Hosnu Dogan
 Mr. Namik Kemal Kilic, Ph.D. (Advisor)

The Directorate of Foreign Investment is the agency charged with the responsibility of approving requests by foreign companies to invest in Turkey. Dr. Kilic was very helpful throughout the mission to participants. He guided us through the nation's confusing investment and import policies, and was always very patient. Without Kilic's assistance, the mission would not have been a success.

Dr. Kilic gave the writer a copy of the foreign investment decree (No. 6224) issued by the Turkish Government. While several areas of investment are encouraged by the government, agriculture is the highest priority: Specifically, foreign investment is sought in the following areas of the agribusiness sector:

- * Seed production
- * Any kind of stud cattle breeding
- * fodder plants production
- * Integrated animal husbandry projects
- * Export-oriented fresh vegetable and fruit production
- * Other investments which will ensure technological development of agriculture
- * Investments in the food industry, of any kind, on the condition that at least 30 percent will be exported

It should also be noted that the decree classified foreign investment in dockyards to be a high priority. Under the decree, foreign investment permits can only be issued by the Foreign Investment Department if it meets the following three conditions:

- 1) The total fixed investments do not exceed \$50 million, including both Turkish and foreign direct investment.
- 2) The foreign capital participation ratio can neither be less than 10% nor more than 49%.
- 3) Foreign capital must participate in the high priority areas established by the government. Those listed above in the agricultural sector do qualify.

If the proposed investment project does not meet the three above criteria it must be approved by the full Council of Ministers. At the time a foreign company applies for permit to enter into a joint-venture in Turkey, 25% of the proposed investment must be deposited at the Central Bank. Kilic indicated foreign firms can own land in Turkey.

Any potential American investor in Turkey should visit Dr. Kilic before going forward to any extent in order to gain his advice and recommendations. He is a graduate of Michigan State University and has excellent English skills.

- b) T.C. Ziraat Bankasi (Turkish Agricultural Bank)
Ankara
Tel: 11 41 30
Telex: 42703 Zbum tr.
43249 Zbho tr.

Mr. Rahmi Onen, Chairman
Mr. Serhan Altinordec, Manager

T.C.Z.B. is the largest bank in Turkey with over 600 offices. It is totally government owned. It was established in 1863 to finance agriculture. At present, 80% of its funds are allocated to agricultural programs. In recent years, emphasis on loans has been to finance agricultural exports. The T.C.Z.B. is presently placing a heavy emphasis on technology-oriented, mass production industries.

T.C.Z.B. is a major recipient of World Bank loans. At present, it is the delivery bank for World Bank loans in livestock development, dairy production, beef feeding operations, and poultry production. It presently is involved in five World Bank projects. Thus far, it has received \$243 million from the World Bank. It is now seeking an additional \$100 million in loans for agricultural development.

Most short-term production loans are distributed through cooperatives. Its interest rate charge for short-term loans is 20% per annum, 22% for long-term loans. Cooperatives channeling loans to farmers get 2% handling fee. Private companies can take no handling fee. The bank requires 30% of products supported with bank loans be exported. The bank does now and then take equity.

- c) TMO (land Products Agency)
TMO Genel Mudurlugu
APK Muduru
Mudafaa Cad. No. 18
Kizilay/Ankara
Tel: 18 23 30

Mr. Zekai Burak, Director of Research, Planning, and
Coordination

TMO is the agency which handles all grain exports from Turkey. It also owns almost all of Turkey's inland and port storage facilities.

At present, TMO has two million mt of storage capacity and with a World Bank loan, is building 36 new concrete silos by 1986 to hold another 910,000 mt. It will seek funding for an additional 280,000 mt of storage capacity and a new export silo (20,000 mt storage) at Bandemir. The Bandemir silo will have 12 meters of ocean draft.

TMO is considering building a soybean processing plant near Adana to process domestically produced silos. It would appear that TMO has little understanding of the soybean processing industry, and has done very little to investigate the feasibility of such a processing facility.

d) Ministry of Agriculture and Forestry
Ankara
Professor Sabahattin Ozbek, Minister

The Minister announced some liberalization in Turkish seed import and production regulations, but the changes were not great enough to foster the growth of a sound Turkish seed industry. He did say that corn and soybean seed production will be handled more by the private sector.

Turkey is importing 10% of its fertilizer needs and will need to import ten mmt annually in ten years. The Minister stressed the need to develop a double cropping system in southern Turkey. In 1981, 8.5 million hectares of land was in summer fallow following winter wheat production. Minister wants more production on lands during summer, especially corn and soybeans.

The Minister discussed the large World Bank-financed animal production programs presently ongoing. Next project will fund 600 farmers to produce 2000 chickens annually. At present, two million sheep are being fattened; goal is four million.

The Minister is concerned that important issues impacting Turkish agriculture are not under control of Ministry of Agriculture and Forestry. Among those issues are export marketing-intelligence, domestic grain transportation, grain storage, standardization of quality criteria, and farm credit. He favors those issues being brought under Agriculture and Forestry Ministry.

The Minister is a very articulate and insightful man. He has served in several cabinet posts in the past and was head of the agricultural university in Ankara.

2) Private Sector Contacts

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a) Ozkasikci Flour Mills Ltd.
 Samyeli Sokak 8
 Iskitler, Ankara
 Tel: 11 32 18
 11 79 71
 Telex: 42874

Mrs. Nurten Kizildeli, President
 Erdem Ozkasikci

Ozkasikci Bulkon Gida Sanayii (Ozkasikci Flour Mills Ltd.) operates a flour mill (280 mt/day) and a modern feed mill (260 mt/day). It also has a 900 mt truck capacity. The firm is very professional and would be a very good prospect as a joint-venture partner.

The writer walked through the firm's feed mill and found it, on the whole, to be modern and efficient. Feed mixing, grinding, and pelleting are automated with electronic control room. Only minor feed additives (minerals, premix, and vitamins) are manually added to feed mix. However, the minor feed element addition is measured by volume rather than by weight and, thus, is not very accurate. Certainly it will be necessary to sophisticate this area if poultry feed drugs are to be added.

The firm does not measure incoming feed ingredients or prepared feeds for nutrient content. Mrs. Kizildeli indicated to the writer her desire to install a modern feed analysis laboratory, and to contract for an expert on feed mill technology to spend some time critiquing her mill and suggesting changes.

The firm manufactures several different feeds including poultry feeds. The writer was able to see feed formulas and cost of feed ingredients. One apparent problem was low quality (32% protein) of soybean meal available from Turkish crushers. Mrs. Kizildeli expressed interest in building a soybean processing plant.

b) Gama Endustri Tesisleri Imalat ve Montaj A.S.
 Gama Building
 Ataturk Bulvari 229
 Kavaklidere, Ankara
 Tel: 28 61 10
 Telex: 43290 Gama TR
 42434 Gama TR

Mr. Yuksel Erimtan, Chairman and C.E.O.

Mr. Erimtan expressed great interest in building a poultry operation. Currently, the company is in construction business and seeks joint-venture in agriculture with experienced U.S. or Turkish firm.

c) Union of Chambers of Commerce, Industry and Commodity Exchanges of Turkey
 Ataturk Bulvari
 Ankara

Tel: 17 56 42
 18 33 60
 Telex: 42343 Tobb TR

Mr. Mehmet Yazar, president
 Dr. Mehmet Saglam, Secretary Counsel

- d) Pasiner Endustriyel Tesisler Sanayii ve Ticaret A.S.
 Kirkpinar Str. Nr. 5/5-6
 Cankaya - Ankara
 Tel: 27 55 58
 27 41 85
 26 35 60
 Telex: 42463 Pasr TR

This firm is a feed manufacturer. Very interested in using more soybean meal.

- e) Doc. Dr. Cafer Tayyar Sadlikar
 Bestekar Sok 42/4
 Kavaklidere
 Ankara
 Tel: 17 24 91

An economist formerly with Central Bank.

Adana-Mersin

- 1) Karatas Yag Sanayii ve Ticaret
 P.K. 151
 Adana
 Tel: 94 95 96
 Telegraf: Karyag
 Telex: 62232 TAS TR

Mr. Mehmet Y. Yaltu

Karatas is an oilseed processing and margarine producing firm. Oilseed processing plant capable of crushing soybeans, cottonseed, sunflowers, and just about any other vegetable oil source. Daily crushing capacity is 400 mt cotton or sunflowers per day or 200 mt of soybeans per day. Uses extrusion-hexane solvent process. Has desire to import greater amounts of soybeans, but high interest rates and poor offloading facilities at Port of Mersin are great impediments. Mr. Yaltu interested in reduced-interest, short-term loans.

Presently, Karatas is shipping margarine via truck to Iran and hopes to also sell to Iraq. Because of a shortage of oilseeds, the Karatas plant only operates at about 30% of capacity. A good prospect for joint-venture investment.

- 2) Paksoy Ticaret ve Sanayii A.S.
 P.L. 144
 Adana
 Tel: 14 66 6/7/8
 Telex: 62150 Sade TR
 62388 Chad TR

Mr. Ibrahim Paksoy

An oilseed processing firm which also manufactures margarine, vegetable ghee, refined oils, bakery fats, shortening, and soap. A well-managed family firm. Concerned with lack of soybeans and other oilseeds to process. Presently, the firm is operating at only about 30% of capacity. This firm is an exceptional candidate for joint-venture investment. Paksoy is a graduate of Cornell University.

- 3) Tavas A.S.
 P.K. 144
 Saygan Ishani 38/1
 Adana
 Tel: 14 66 6/7/8
 Telex: 62150 Sade TR

Mr. Bulent Paksoy, General Director

Bulent Paksoy is a cousin of Ibrahim Paksoy and both operate out of the same complex. Tavas is name of egg production company. Brand name is Tavas. Presently, Tavas has five laying houses with 17,500 hens/house. Hens put in laying house at 16 weeks, begin to lay at 20 weeks. Hens slaughtered at 80 weeks of age. Average output per hen is 200 eggs, less than one egg every second day. Paksoy graduate of University of London.

Currently, the feed conversion ratio is 200 grams of feed per 50 gram egg. Paksoy indicates low feed conversion ratio is (32% protein) and lack of corn in ration. A good partner for U.S. company.

- 4) Cukanam
 Post Office Box 148
 Ataturk Cad. Park Apt. Kat. 1
 Adana
 Tel: 16252, 11481, 12877
 Telex: 62137 Cuko TR

Mr. M. Cem Baysan

Baysan is a cousin of Bulent and Ibrahim Paksoy. Cukanam is a firm selling fresh fruits, Cukarova citrus, and vegetables. Baysan is graduate of Syracuse University. A very good prospect for joint-venture.

- 5) Dr. Ibrahim Atakisi
 Professor
 Department of Crop Science
 Faculty of Agriculture
 Cukarova University
 Adana

Dr. Atakisi is chief proponent of soybean production in Cukarova Valley. He is president of the local soybean association.

6) Timit Bakirli
Bakirli Koll. Stl.
Ceyhan
Tel: 1131-2403

A large farmer with a home in Adana.

7) Izzettin Ozgiray
Adana
Tel: 12885
12185

A farmer.

8) Timur Ozgiray
Adana
Tel: 12885

A farmer.

9) Mithat Ozsan, President
Cukarova University
Adana

A graduate of U.S. agricultural school and director of Cukarova University.

T. D. P. AGRIBUSINESS MISSION TO TURKEYPURPOSE:

A special agri-business team was funded by IDCA/TDP to attend the Turkish American Society Seminar in Istanbul in order to identify specific areas for investments in seeds, feed processing, dairy and livestock production. Additionally, in specific areas where U.S./Turkey joint agricultural ventures will be profitable, reports were to be made so that follow-up technical teams could identify and pursue specific project possibilities.

BACKGROUND AND PREVIOUS ASTA INVOLVEMENT:

On April 23, 1982 the Industry Council for Development, (I.C.D.) released a mission report to the Prime Minister's Office Of The State Planning Organization for the government of Turkey. This report entitled "Development of the Turkish National Seed Industry" made extensive recommendations for a complete overhaul of the legal and operational structures within the Turkish National Seed System in order to provide incentives for attracting local and foreign private involvement in the seed industry. As a result of the study and because of an indication from the Turkish government that changes would be made according to the I.C.D. study recommendations, a 4-man American Seed Trade team visited Turkey in May, 1982 to verify this commitment by the Turkish government. Prior to this time, nearly all legal Turkish seed imports, internal purchases, exports, and internal sales were controlled by the Ministry of Agriculture through the Seed Department and various sectors of that department including, The Agricultural Supply Company, State Seed Multiplication Farms, and various crop Research Institutes. A very small portion of business within the seed industry is done by two private seed companies, Tohum Islah Seed Company, and Beta Seed Company via licensing arrangements. (Tohum Islah Seed Company has a licensing arrangement for sorgham varieties through a German company and the Swiss owned, but American based Northrup-King and Company; Beta Seed Company has a licensing arrangement for certain vegetable seeds through the Dutch company, Sluis and Groot).

Following the American Seed Team trip in May, it was concluded that the Turkish government was making a somewhat general commitment allowing development of the private seed sector, and was in the process of formulating new rules and regulations for official government approval to implement these changes. At that time, Deputy Prime Minister, Turgut Ozal was in office and was a prime mover through the State Planning Organization to bring about accelerated development of the private seed sector. In late July, 1982, however, Deputy Prime Minister Ozal resigned and since that time, it appears that the impetus and aggressive program to remove government restrictions and requirements is experiencing a general slow-down. In addition to the previous restrictions which prevented private seed sector development through government control of all facets having to do with the seed industry, there also existed several governmental restrictions and/or requirements on seed importations, joint venture

arrangements, and currency rules. These governmental restrictions and requirements will most likely continue to prevent satisfactory development of private seed companies and will continue to hinder the importation, development, and improvement of genetic and mechanical seed quality for commodities including corn, soybeans, cotton, vegetables, as well as grasses and legumes.

STATEMENTS:

The following general statements and evaluations can be made regarding the "state of the Turkish Seed Industry."

1. There is a critical need for new genetic germ plasm for items including but not limited to corn, soybeans, cotton, vegetables, grasses and legumes. The Turkish government has attempted in the past to control the seed industry by purchasing nearly all internal seed requirements themselves on the open market and at as low a price as possible in order to provide these seeds to the farmers at correspondingly low prices. The result, however, has been the continued importation of inferior or common type varieties with poor mechanical quality and exhibiting mediocre performance. This purchasing arrangement appears to have also permitted possible internal profit at the various government levels from the point of seed purchase to actual resale to the farmer. Additionally, the poor quality/mediocre performing varieties have given rise to black market purchases of improved varieties outside Turkey for as much as 4 to 10 times as much as prices for poor quality government seed but only by larger farmers who could afford such prices.
2. The government has controlled importation of seeds through the import permit requirement, not only on commercial seed stocks, but also certified pedigreed mother seed stocks. These permits have effectively cut off all opportunities for foreign private seed company sales to other companies in Turkey without first being purchased by the government on a tender or bid basis.
3. The government through its various Research Institutes, has required a 4 to 6 year testing period before varietal registration. This requirement has effectively prevented the introduction of new varieties and removed nearly all incentive for introduction and marketing of new and improved varieties. This testing requirement was and still is necessary even through varieties are already on certain approved lists or catalogs such as EEC, U.S., North American, or Canadian licensing or plant variety protection arrangements for areas of adaptability identical to Turkish conditions.
4. Seed production and marketing permits are required by the government for individuals or companies producing seed for resale in Turkey. This permit requirement continues to serve as a deterrent to companies desiring to establish open and free production arrangements in Turkey.
5. The Turkish government in the past has followed a very hard line on foreign capital investment in Turkey allowing a maximum participation rate of 49%. The government now indicates that they will continue to follow this requirement, however, under certain circumstances

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- and through approval by decree from the Foreign Investment Department, the percentage could be raised above 50% and perhaps even to 100%. This participation above 49% however, would again be subject to review and approval. Foreign capital investments from other countries including Saudi Arabia, Lybia, Iran, Iraq, Quwait, United Arab Emerits, Beran, and Qetar, are not limited in their participation percentage rates.
6. The need for joint venture participation from outside investors is very strong. The type of investment in the agricultural seed sectors, however, appears to be more from a technological standpoint rather than an actual monetary standpoint. Because of the lack of technology within the existing governmental seed sector as well as the limited private seed sector, a major opportunity and critical need exists for expertise and management in Turkey should joint venture arrangements be initiated. Funds will no doubt be welcome, but again, technology is the critical factor.
 7. The government of Turkey beleives that their country will serve as the "bread basket" for the other middle-eastern countries of Iran, Iraq, Syria, Algeria, Lybia, and Egypt. They do have the manpower, airable land, and available water if their water development programs proceed as planned. Therefore, the agricultural production potential is definitely possible if technical expertise, management, and improved genetic material so vital to future production success becomes available.
 8. There are two U.S. corn companies (Pioneer and DeKALB) and possibly a third who are conducting their own private performance trials in Turkey. These trials are not being conducted through the Turkish Research Institutes for corn, sorgham, and cotton. It is possible that one or all of these companies may enter into a licensing arrangement or attempt to establish wholly owned subsidiaries in Turkey after receiving the necessary permission from the Foreign Investment Department. There are at least two U.S. and perhaps two European seed companies who are interested in establishing vegetable seed production and distribution through the private seed sector, either through a licensing arrangement, joint venture, or through establishment of a wholly owned subsidiary.
 9. Mr. Yilmaf Akar, Head of the Ministry of Agriculture's Seed Department indicated during a meeting with the agricultural minister, that a new set of "rules and regulations" pertaining to the "seed law" had just been promulgated on October 10, 1982. These new "rules and regulations" were designed to enable the future development of the private seed sector within the Turkish seed industry. A copy was not available in English for discussion, and the extent of the new rules and regulations is not known at this time. Specific comments from the Seed Department Head indicate that the testing requirement for all hybrids would now be reduced to one season before approval for marketing, however, the hybrids would continue to be tested for several years to verify preformance results. Non-hybrids would be required to be tested for a minimum of 2 years before commercial release was approved. Greenhouse hybrid vegetables would also be required to have one year of testing, but would continue to be tested for several years to verify performance results.

RECOMMENDATIONS:

The following recommendations are made with a prespective in mind as to how improvements in the Turkish seed industry will also benefit the American seed industry through improved export possibilities, profitable joint venture arrangements, and the general benefit of agricultural interests.

1. Establishment of U.S. agricultural attache's office within the Intanbul-U.S. Consulate. Because of the vitally important role Turkish agriculture will play in future middle-eastern life and politics, the United States must be in a participatory, contributing, and advisory position with Turkish agricultural interests.
2. The U.S. Embassy in Ankara must put forth an aggressive and concentrated effort directed at both the Ministry of Agriculture and the head of the Foreign Investment Department/State Planning Organization in an attempt to:
 - a. Remove all import permit requirements on both pedigreed seed stocks and improved commercial seed stocks imported for the purpose of seed increase or for planting purposes.
 - b. Remove all seed production and marketing permit requirements that are presently being handled by the Turkish Seed Department.
 - c. Remove all testing and variety registration requirements if the varieties are currently being commercially marketed in other similar climatic areas of the world, or are on recognized lists and catalogs such as OECD Certified List of Cultivars, U.S. Certified Eligible Varieties, varieties officially licensed in Canada, E.E.C. Common Catalog, and UPOV or U.S.A. Plant Variety Protected or Patented varieties.
 - d. Allow complete and unregulated repatriation of funds without review or approval by the Turkish government if funds are the result of profitable seed ventures regardless of ownership status, i.e., wholly owned or joint venture.
 - e. Freedom to allow the establishment of a private seed sector within Turkey which would be able to produce and market seeds conforming to recognized quality standards now in existence for international seed trading.
3. Organize and confirm a high level trip by the U.S. Secretary of Agriculture, together with respected and interested U.S. agricultural representatives who are concerned with or interested in Turkish agriculture either from a joint venture standpoint, licensing standpoint, or wholly owned subsidiary standpoint. From indications received to date, Secretary Block has indicated the possibility of his traveling to Turkey in February or March for such a meeting.

The Turkish Minister of Agriculture has responded that if the U.S. Secretary of Agriculture's travel intentions are "firm" the Turkish Secretary of Agriculture would issue an official invitation to Secretary Block inviting him to attend with the U.S. agricultural representatives. It is further suggested that either Mr. William Schapaugh, the current American Seed Trade Association President, and also General Manager of Asgrow Seed Company's International Division - West, accompany Secretary of Agriculture Block on his trip to Turkey, or if he is unable to attend, Mr. Bill Chaney, American Seed Trade Association's International Committee Chairman accompany Secretary Block. It would be a fortuitous event if ASTA President Bill Schapaugh could attend, since his company, Asgrow, is in the process of setting up an arrangement in Turkey to market vegetable seeds, and if this arrangement could be finalized during the February/March visit, beneficial publicity could come forward not only for Turkish agriculture, but for the American Seed Trade Association and Asgrow International.

4. The American Seed Trade Association has indicated that it would host a 3 or 4 man team from Turkey in 1983. This team would tour the areas of improved varietal production of soybeans, corn, vegetables, as well as forage grass and legumes seed production for approximately 3 weeks and would be financed by the American Seed Trade Association. The objective would be for the Turkish delegation to meet with as much of the American seed industry leaders as possible, and to view seed production and conditioning facilities in as many areas of the U.S. as time permits. Specifically, I would recommend firstly that a member of a future possible seed company be invited and suggest two names as candidates: Dr. Nusret Arsel, President of the KOC Holding Group, or Mr. M. Cem Baysan, Executive Director of the Cukonam Company.

The second suggested individual should be Dr. Namik Kemal Kilic, the number one planner/advisor of the State Planning Organization. Address Yabancı Sermaye Bakanligi, Devlet - Planlama - Teskilati G.M. Kemai Bulvari No. 16, Ankara, Turkey. He has been a prime mover/pusher with former Deputy Prime Minister Turgut Ozal for the development of Turkish agriculture and the private seed sector. His immediate superior, Husnu Dogan, is head of the Foreign Investment Department and the State Planning Office and could be considered as a possible invitee, rather than Dr. Kilic. He has not been working on the problem on a day-to-day basis as has Dr. Kilic; however, he is Dr. Kilic's superior.

The third recommended person must be Yilmaz Akar, Head of the Ministry of Agriculture's Seed Department, who has complete charge of seed import and export permits, production and marketing permits, research institute varietal testing regulations, and seed quality specifications. He is also the individual who has made up the document allowing establishment of the private seed sector, but only after the Minister of Agriculture, through the Foreign Investment

Department/State Planning Organization brought pressure to bear on the Seed Department. This individual is quite important, and must be included on any team invited to the U.S. He is more "government control oriented" rather than "private industry" oriented.

The fourth possibility would be Professor Dr. Ibrahim K. Atakisi. Address is: Ulus Cordolslesi Ulus, Isharu, No. 20, Kat 2, Adona, Turkey, (his title is C.U. Ziraat Fakultesi, Tarla Bitkileri Yetistirme ve Islahi Bolumu). The telephone numbers are: Fakulte: 224 87-120 1/63 & Ev: 224 84/02. This individual is known as Mr. Soybean of Turkey; and is very instrumental in the production of soybeans, future establishment of soybean oil crushing facilities, and will be the "new variety development person: for all future soybean plantings in Turkey. He is a very important person in the soybean area; however, he does not do any work with corn or vegetables.

(SEE CONTACT REPORTS ON FOLLOWING PAGES)

Through the able assistance of the U.S. Consulate Office in Istanbul, a number of meetings were held with private Turkish companies interested in possible joint venture arrangements. The specific companies who expressed an interest in the development of the private seed industry during these meetings, as well as other "opportunity contacts" are provided for follow-up by American Seed Trade Association companies who may have seed production and/or marketing interests in Turkey:

DAL A.S. - Attention: Mihael or Zeki Levi
Kiragi Sok 35/4
Osmanbey
Istanbul, Turkey

A new company which was formed from Tekstiplik Textiles and are very interested in starting a new frozen foods venture needing U.S. contacts for high quality pedigreed vegetable seed for distribution to potential growers.

INCA - Attention: Faruk Cengic
Balmumcu, Bestekar Sevki Bey Mah.
Besiktas, Istanbul, Turkey

Involved in diversified businesses including irrigation supplies, fertilizer milling, and feed manufacturing. They now want to procure vegetable seed varieties for production and use as dried vegetables in soups. They are more interested in a "licensing arrangement" rather than a "joint venture arrangement."

YASAR HOLDING A.S. - Attention: Ali Nail Kubali
Sehit Fethi Bey Cad. 120
Izmir, Turkey

Diversified company involved in paint manufacturing, Tuborg beer licensing arrangement, fertilizers, resort hotels, insurance, banking and other businesses. One of the largest holding companies in Turkey and are now building a cattle feed operation together with a meat processing plant. Although they don't have an immediate interest in the seed business, they do feel as soon as they have their cattle feeding operation developed that they will need better forage grass and legume varieties available for farmers producing meat for their operation. They do see an opportunity to enter the importation and trading of pasture grass seeds, and therefore would be interested in visiting with companies wanting to test their varieties in one to two years.

IZDAS - Attention: Mehmet Ozdemir, Sales Chief Engineer
1379 Sokak 59/7
Izmir, Turkey

Izdas is involved in several different companies ranging from heavy industrial manufacturing to shipping operations and is actively trading in agricultural goods to Iran. They are pursuing the development of their foodstuffs department and would be interested in hearing from companies who have dealt in seeds with Iran in the past, and who still might like to deal with Iran through an intermediary such as Izdas. They feel they have many good agricultural connections in Iran and provide a service to interested companies.

ANADOLU ENDUSTRI HOLDING A.S. - Attention: Mr. Ustun Cevik
Emirler Sok. 3/1
Sirkeci, Istanbul

A large diversified holding company involved in Pilsen beer and malt distribu-

tion, aluminum sheets, pencils, automotive, and other marketing companies involving a meat export company. (Slaughter, chilling and shipping via air freight to Algeria and Lybia). This company is interested in a "joint venture arrangement", not necessarily for capital, but for technical assistance in setting up a livestock feeding operation. They are interested in contacting U.S. companies who have forage grass seed varieties for possible use by meat producers supplying them with beef, and in turn, Anadolu would distribute seeds to them. They are also interested in developing a "pilot company" for soybean seed research specifically designed for seed production and conditioning. They are very anxious for American soybean companies to contact them with information about the soybean varieties and other proposals involving variety licensing, production and export.

UNILEVER - Attention: Mr. U.S. Schroeder
Camhuriyet Caddesi 16
Harbiye, Istanbul, Turkey

Unilever Company is 65% wholly owned, and 35% owned by the Ish Bank of Turkey and is involved primarily in margerine production. They need new sunflower varieties to help Turkey become more self-sufficient in sunflower oil production. They are not interested in soya, and they are not interested in seed distribution, however, they feel that a good opportunity exists for a U.S. company with good agrigenetics in the form of improved hybrid sunflower varieties to begin testing and marketing new varieties in Turkey. They specifically request American Seed Trade companies involved in sunflowers to contact them with variety and supply information, and to indicate if they have an interest in testing their varieties in Turkey. Unilever would then proceed to make an arrangement with either another company or individual farmers to test these varieties with the hope that these individuals will also be future seed distributors.

ZIHNI HOLDING COMPANY, INC. - Attention: Professor Director General Manager
Buyukdere Cad Nevtron Han No. 119 Cevik Uraz
Gayrettepe-Istanbul, Turkey

Zihni Holding Company is the largest shipping company in Turkey and they are also involved in cattle slaughter, processing and chilled marketing. They would like to have an equity position in new slaughter house operations with technology and equipment being supplied from a U.S. company. As part of the slaughter operation, they would look forward to growing some of their own forage grass and legume seeds for redistribution to farmers producing cattle and sheep. At the present time, they are purchasing, processing, and exporting chickpeas and lentils. They would be interested in new varieties of these items if they are improved and show promise for Turkish production and distribution. Companies interested in either a "licensing arrangement," or a "joint venture arrangement," on forage grass seed, chickpeas, or lentils are urged to contact the general manager.

ALARKO HOLDINGS - Attention: General Manager Mesut Zaloglu
64 22 75 - 68 11 20
Buyukdere Cad Maslak Meydani No. 37
Ayazaga - Istanbul, Turkey

The company is a diversified holding company and is involved in tomato paste and other food processing ventures. They have a factory in Gernim, near Istanbul and plan to increase its capacity by 50%. They would like to expand the export of their products and are looking for a new investment field including possibly frozen foods, wheat flour, and vegetable seed distribution. Because of their inexperience and somewhat hesitancy in talking about specific proposals, this company should only be contacted as an exploratory measure to learn more about their actual interest in vegetable seeds.

SILKAR HOLDINGS A.S. - Attention: Buhan Silahtaroglu
Lamartin Cad. No. 21
Taksim - Istanbul, Turkey

This company is a diversified company wholly privately owned, now selling to agricultural coops, irrigation equipment companies, fertilizer companies, cultivators, sprayers, and pumps. This company is extremely interested in developing a seed commercialization venture either on a wholly owned basis, or on a joint venture basis with a minority or majority position. They feel they have a good connection with the government in variety testing, and know farmers and farmer groups through their marketing of sprinkler equipment and other items. They would like American Seed Trade private companies to contact them with brochures about vegetable seeds. They would like to distribute vegetable seeds on a licensing or joint venture arrangement. They do have an area which is available for demonstration plantings, and they do have a warehouse nearby for seed storage. They are presently making sales into Iran and feel that they would be in an advantageous position to resell U.S. vegetable seeds into Iran.

GAMA ENDUSTRI - Attention: Yuksel Erimtan, Chairman and Chief Executive
Gama Bldg.
Ataturk Bulvari 229
Kavaklidere - Ankara
Turkey

This company is involved primarily in heavy industry, mining, and technology consulting in the heavy industry field. They are now desirous of diversifying their company and are interested in seed commercialization. Any company who is interested in a joint venture arrangement providing primarily technology and management with soybean, corn, vegetable seeds or grass seeds should contact this company with brochures and a proposal, if possible.

BIGTEM - Attention: Bengisu Potuoglu, Director
Aga Ciragi Sok
7/10 Taksim
Istanbul, Turkey

This company is involved in engineering and manufacturing of equipment for vegetable, fruit and other agricultural packaging. They are primarily concerned with the equipment used for this type of processing, including slaughter house operations, and would not pursue a direct seed commercialization business, but feel they could act as an "intermediary" in bringing together a U.S. company

with another company or individual who would like to pursue the seed. They are in the consultancy business, therefore, they know the rules for investments in Turkey and they know several potential Arab investors if the Arab route is the recommended way to go. In summary, this company is definitely in an excellent position for advice and consultancy with a U.S. company who would like to establish a business relationship in Turkey.

C.U. ZIRAAT FAKULTESI - Attention: Professor Dr. Abraham K. Atakisi
Tarla Bikkileri Yetistirme ve Islahi Bolumu
Adana, Turkey

Actively testing soybean varieties received from a researcher at the University of Illinois who has since retired. He has been very instrumental in introducing soybeans to Turkey and will play a large role in the continued success or failure of soybean production, processing and marketing in Turkey. He is very desirous of having any U.S. company involved in soybeans contact him for variety testing, and to establish future relationships for soybean distribution and marketing in Turkey.

BAKIRLI KOLL. STI. - Attention: Ismet Bakirli
Vali Yolu
No. 16,
Adana, Turkey

Large farmer owning close to 10,000 acres of land in southwestern Turkey from Adana northward. At the present time, he is producing cotton as a primary crop, however, he would like to begin growing soybeans, possibly corn, and possibly sesame as a secondary crop. He does have some wheat as a primary crop, but cotton is his primary production. He is very anxious to establish a relationship with another seed company or a venture that would supply improved genetic material of soybean, corn and possibly vegetable seeds for production.

TEY-KOP - Attention: Teyfik Kisaacik
P.K. 451
Adana, Turkey

Individual farmer in the Adana area with large acreages devoted primarily to cotton production. He desires to establish a relationship with another U.S. company who will supply improved genetic material of cotton, soybean and corn.

MELODI RECORDS - Attention: Kayihan Caglayan, General Manager
Istiklal Caddesi 387
Istanbul, Turkey

Mr. Caglayan has recently sold his record business to Warner Communications and is anxious to act as a "third party" to develop joint venture arrangements between U.S. companies and Turkish representatives. He knows nothing about seeds, but is quite knowledgeable about business in Turkey and has many important contacts in Iran. He feels that he can make arrangements in the Adana, Izmir, and Mercene area, and would work on a retainer with local people and U.S. parties. He would provide the information and specifications of seeds into Iran, for their purchase via the "Turkish connection."

TRANSTURK IDIL INSAAT ve MOHENDISLIK A.S. - Attention: Cenan Sahir Silan
Cumhuriyet Cad. No. 1/5
Taksim - Istanbul
Turkey

Transturk was the first company to go public in Turkey and is one of the five largest companies in Turkey. They are involved in foreign trade with mechanical tools, brakes, clutches, plastics, chemicals, timber and other food industrial items. They have a packing house in citrus, but not with vegetables. They export fruit, chilled meats, including chickens, sheep and cattle. They don't deal directly with farmers, but they would like to get into the business distributing seeds and other agro industrial products to farmers. They have an Iranian connection through their distribution of meat, poultry, eggs, butter and cheese and would be very interested in any seed company who would like to do business with Iranian connections through Transturk.

KOC HOLDING A.S. - Attention: Tunc Ulig, Executive Vice President Energy and Marketing
Meclisi Mebusan Cad. 53
Findikli - Istanbul
Turkey

This particular holding company has been a pioneer in the agro industry for export of tomato paste and margarine. They are now interested in the meat processing business through the RAN Export Company. They are exporting chilled lamb, poultry, and other meats. They have a possible interest in establishing poultry production and other seed production to produce soybean and soybean meal for poultry feeding. Meat, however, is their primary interest for now and they do see the seed business coming along in the future, but not until their slaughter houses and feeding operations are established. Seed will be required and they are desirous of having improved varieties and a distribution arrangement. They are thinking of hiring an individual from either the Seed Department, Seed Supply Department, or Seed Multiplication Farms to work for them in developing this technology. Individuals interested in contacting the KOC group should do so through Mr. Ulig with a detailed description of their seeds and their characteristics, together with a proposal for participation.

TURK SIEMENS - ETMAS - Attention: Dr. M. Nusret Arsel, President
P.O. Box 31
Etiler - Istanbul, Turkey

Turk Siemens is headed by Dr. Arsel who is also a primary in the KOC Holding group. Dr. Arsel is personally very interested in establishing and pursuing soybeans as a #1 crop in Turkey. He works quite closely with Professor Atakisi and has an interest to establish a joint venture in a soybean crushing plant, a seed distribution plant, seed production plant, and port facility handling arrangements. He is very knowledgeable of the U.S. and has a sincere interest in investing money in an operation if he can obtain technical and management expertise. Dr. Arsel is waiting for proposals from U.S. seed companies. Of all of the individuals or holding companies, Dr. Arsel is most genuine in his belief and desire to better Turkish agriculture.

HUSEYIN GULEK HOLDING A.S. - Attention: Huseyin Gulek
Idare Meclise Reisi
Istanbul, Turkey

A very wealthy individual involved in electronics, heavy manufacturing, electric cable and other businesses, and a very close friend of Dr. Nusret Arsel. Together with Dr. Arsel, he would like to be a participant in a company that might be developed to handle the seed production, conditioning, and distribution. Contact for such a venture should be made through Dr. Arsel, but with acknowledgement of Mr. Gulek.

CUKONAM - Attention: M. Cem Baysan, Executive Director
P.O. Box 148
Ataturk Cad. Park Apt. Kat. 1
Adana, Turkey

Mr. Baysan is active in the distribution of citrus, fresh fruits and vegetables. In the past, his families and relations have been involved in seed distribution. With the government control of such distribution, however, they are no longer active, but would like to become active in the future. He is related to the Arsel and Gulek families (2 of Turkey's wealthiest families) and would like to be a participant with Dr. Arsel and Mr. Gulek in any future seed venture. He attended school in the United States and is quite knowledgeable in all economic and business matters, as well as agriculture matters. He is presently testing Pioneer Corn hybrid varieties, and is very desirous of establishing a corn distribution arrangement.

PAKSOY - Attention: Bulent or Ibrahim Paksoy
P.K. 44
Adana, Turkey

The Paksoy Company is involved in the feed production business and also in a poultry operation. They are related to the Baysan family, Gulek family and the Arsel family. They would be interested in participating in any venture involving soybeans for production and crushing whereby the meal could be used for feed and poultry feed.