

# Bovine & Ovine breeding

## In Turkey



While agriculture is a sector in which Turkey has a positive trade balance, and while poultry farming performs at European level, **bovine & ovine farming** remains a sector of contrast.

Two models coexist: **very small farms** with less than 5 heads for their own production and **very large farms** of more than 10,000 heads, most often belonging to companies with a diversified portfolio of activities or having integrated the upstream production.

The improvement in the standard of living of Turks has led to a significant increase in domestic demand for meat, which local producers are unable to meet due to **high costs**, particularly of animal feed and raw materials that are largely imported.

To cope with this, the State has encouraged an **import policy of live animals** and meat, making this market highly volatile in terms of prices because it is indexed in dollar and euro. Turkey is thus **the world's 2<sup>nd</sup> largest importer of live animals (after the United States) and the leading importer of Europe.**

In addition to its import policy, the State has **set up numerous aid schemes** for livestock farmers to remedy the weaknesses of the sector. Thus, livestock farming has become one of the priorities of the Ministry of Agriculture, which devotes a large part of its support to the development of more structured and modern livestock farming.

## STATUS OF THE CATTLE

Since 2012, the number of cattle and sheep has increased by 21%.

Evolution of the number of cattle and sheep in Turkey, per head



BOVINES include :



**BEEF\***  
99% of the cattle  
+13.2% vs 2016



**THE BUFFLES**  
1% of the cattle  
+13.6% vs 2016

OVINE include :



**SHEEP**  
76% of the cattle  
+8,7% vs 2016

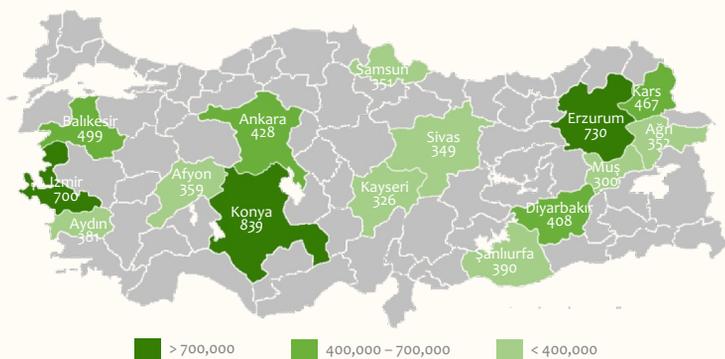


**THE GOATS**  
24% of the cattle  
+2.8% vs 2016

\* Cows include. **Dairy cows** make up 37% of the total number of cattle.

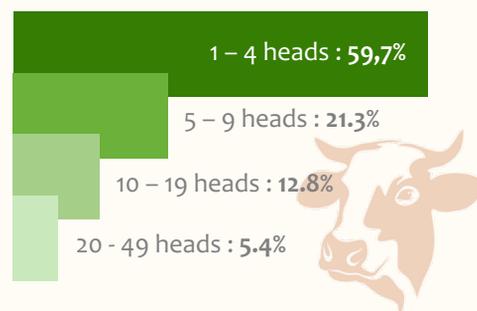
43% of cattle are concentrated in 15 Turkish departments

Distribution of the number of cattle per head by department, in thousands, 2017



Livestock is mainly made up of very small farms

Distribution of cattle and sheep farms per head, 2017



## DEPENDENCE ON IMPORTS OF LIVE ANIMALS

Turkey imported \$1.2 billion worth of live animals in 2017 - the 1<sup>st</sup> importing country in Europe and 2<sup>nd</sup> in the world

Figures on imports of live animals, 2017

### BOVINE



Amount (kg) : **286,818,287**

Number (per head) : **889,307**

Value : **1,149,194,644 \$**

Turkey imported 1.4 million live animals during the first 8 months of 2018 (compared to 1.2 million imported in 2017).

### OVINE



Amount (kg) : **10,816,011**

Number (per head) : **280,669**

Value : **31,313,253 \$**

**URUGUAY:** 1<sup>st</sup> country of origin of cattle imports (France is 8<sup>th</sup>)

**AUSTRALIA:** 1<sup>st</sup> country of origin of sheep imports



75%

Fattening animals



13%

Farm animals



12%

Slaughter animals



15%

Farm animals



85%

Animals not intended for breeding

### RELATIONS BETWEEN FRANCE AND TURKEY

Stopped from 2011 to 2014, restarted in 2015, then stopped again immediately following the detection in France of bluetongue virus (FCO) stereotype 8 or blue tongue disease, the Turkish market has been reimporting French cattle since late 2017 after 2 long years of negotiations between the French and Turkish veterinary services. As the level of requirements required by the Turkish authorities is extremely high, France continues to invest in health negotiations to enable exports to increase further.

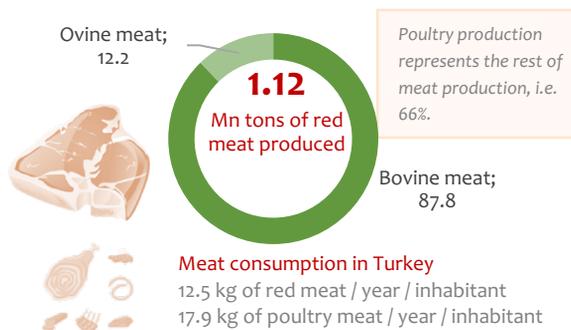
The recent depreciation of the Turkish lira against the euro and the dollar has raised the price of European animals on the Turkish market and therefore impacted exports of French live cattle. Despite this situation, the national need for red meat and live cattle is estimated to be sustainable in the middle term given the number and evolution of the Turkish population (82 million inhabitants, +1.2% per year) and Turkey's very high purchasing potential.

Turkey therefore remains an important market for France, which shows this openly as it did at the last Livestock Summit held last October with Turkey as guest of honor.

## MEAT PRODUCTION

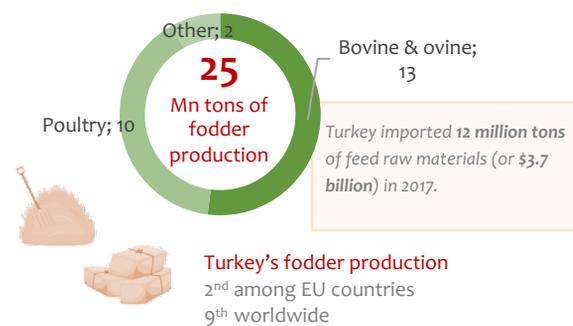
### Red meat accounts for 34% of total meat production

Distribution of red meat production by species, 2017



### The country remains dependent on feed raw materials

Turkey's fodder production, million tons, 2017



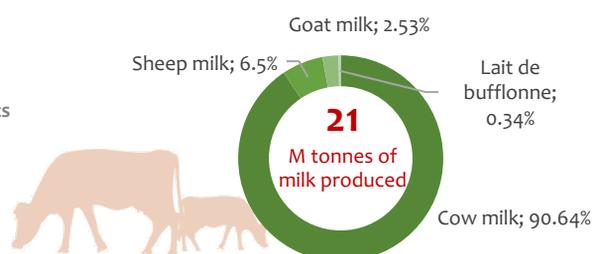
### Dairy products: Turkey generated a surplus of \$243 Mn

Foreign trade in dairy products, 2017



### Cow's milk dominates milk production

Distribution of milk production by species, 2017



#### Turkey's classification in milk production (worldwide)

2<sup>nd</sup> of sheep's milk

9<sup>th</sup> of cow's milk

10<sup>th</sup> of buffalo milk

11<sup>th</sup> of goat's milk

## AVAILABLE AID & SUBSIDIES

### TKDK'S SUPPORT

#### The IPARD program

The IPARD program (Instrument for Pre-Accession Assistance for Rural Development) is an EU funding mechanism established in 2007 for EU candidate countries and potential candidates. The program, managed by the TKDK in Turkey (Institute for Rural Development), aims to improve the situation of small farms by strengthening their productivity and bringing them into line with European standards. These measures, partly financed by the EU, provide investment support to promote the production, processing and valuation of agricultural products. Since its inception, approximately TRY 3.5 billion (≈ \$640 million) has been agreed to more than 10,000 projects.

#### Other TKDK subsidies

The TKDK can subsidize up to TRY 120,000 (≈ \$22,000) for expenses related to sheep farming (business creation, construction of the farm, purchase of necessary equipment...). Similarly, the TKDK can subsidize up to 50% of the expenses related to the purchase and breeding of at least 500 heifers.

### AID FROM THE MINISTRY OF AGRICULTURE

#### « Young Farmers » Project

This project aims to help young farmers get started in livestock farming. These farmers, subject to meeting very strict criteria, can receive a total grant of TRY 30,000 (≈ \$5,500).

#### Investments in livestock subsidized at 50%.

Recently, the Ministry of Agriculture granted a 50% contribution to capital expenditure related to cattle and sheep farming, including the construction and/or modernization of the farm, the purchase of animals (bulls and rams), the purchase and/or modernization of equipment (milking machines,...) in order to reduce disparities between the different farms and increase productivity.

#### Up to 100% subsidy for the purchase of animals

Recently, a new subsidy has been introduced for the purchase of certain animals: 50% of the purchase of heifers, buffaloes, rams or he-goats; 60% for the purchase of swarms of bees; 75% of the purchase of turkeys, geese or ducks and finally 100% of the purchase of silkworms.

Since 1 January 2019, agricultural production companies have been exempt from taxation for five years.

You wish to:

Export

Outsourcing

To implant yourself

Discover the market

The Advantis team is at your disposal, contact us!



Advantis Consulting Turquie



@InvestTurquie



+90 216 622 622 8



projet@advantis.com.tr

advantis  
Tailoring Operational Solutions.