

Antagonism Between Domestic Market and Exports: Case of Turkey

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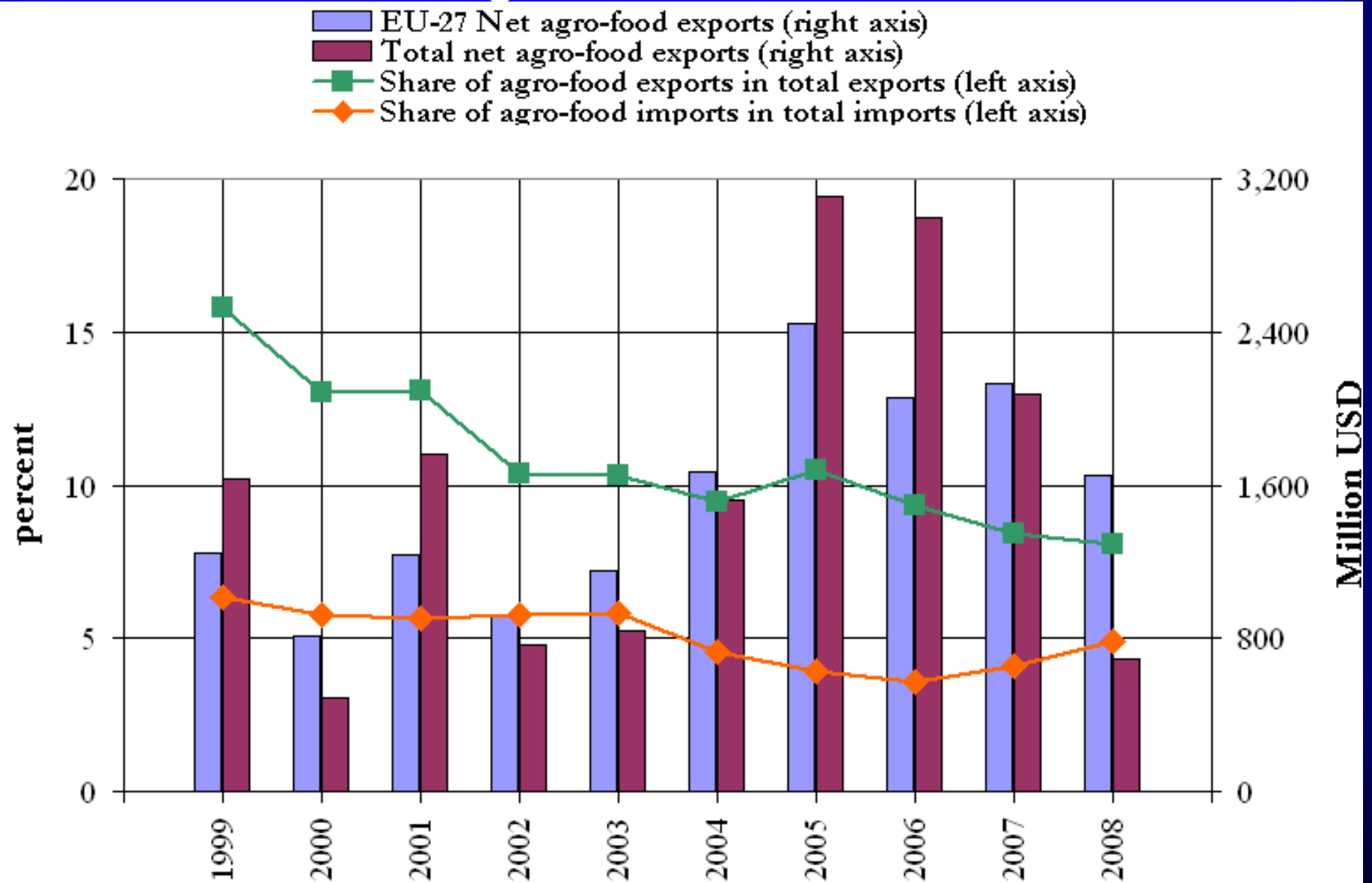
Selected Agri-food Indicators

Agri-food Indicators	1998-99	2000	2001	2002	2003	2004	2005	2006	2007	2008
Agricultural Value-Added and Productivity										
Share of Agriculture in GDP (percent)	12.0	11.9	11.6	11.9	11.1	10.4	10.2	9.7	8.6	8.9
Growth of Agricultural VA (percent)	n.a.	4.2	-8.1	9.3	-2.2	2.7	6.6	1.3	-7.0	3.9
Agricultural VA per employed (current USD)	3,223	3,370	2,079	3,135	4,104	6,333	8,488	8,606	9,815	10,883
Growth of Agricultural VA per employed (percent)	-1.2	20.1	-11.8	18.5	1.8	28.8	18.2	6.4	-6.2	0.8
Domestic TOT - Ag/Non-Ag (1998=100)	92.1	84.1	75.5	90.0	94.4	96.9	97.4	90.5	93.3	91.2
Employment										
Employment in Agriculture (million)	9.0	7.8	8.1	7.5	7.2	5.7	5.2	4.9	4.9	5.0
Employment share of Agriculture (percent)	40.8	36.0	37.6	34.9	33.9	29.1	25.7	24.0	23.5	23.7
Unemployment Rate - Rural (percent)	3.5	3.9	4.7	5.7	6.5	5.5	6.3	6.2	6.8	7.2
Agri-food Trade										
Agri-food Imports (USD billion)	2.5	3.1	2.3	3.0	4.0	4.5	4.6	5.0	7.0	9.9
Agri-food Exports (USD billion)	4.5	3.6	4.1	3.7	4.9	6.0	7.7	8.0	9.0	10.6
Agri-food Exports/Agro-food Imports	1.8	1.2	1.8	1.3	1.2	1.3	1.7	1.6	1.3	1.1
Share of Agri-food Imports in Total (percent)	5.8	5.7	5.6	5.8	5.8	4.6	3.9	3.6	4.1	4.9
Share of Agri-food Exports in Total (percent)	16.7	13.0	13.1	10.4	10.3	9.5	10.5	9.3	8.4	8.0

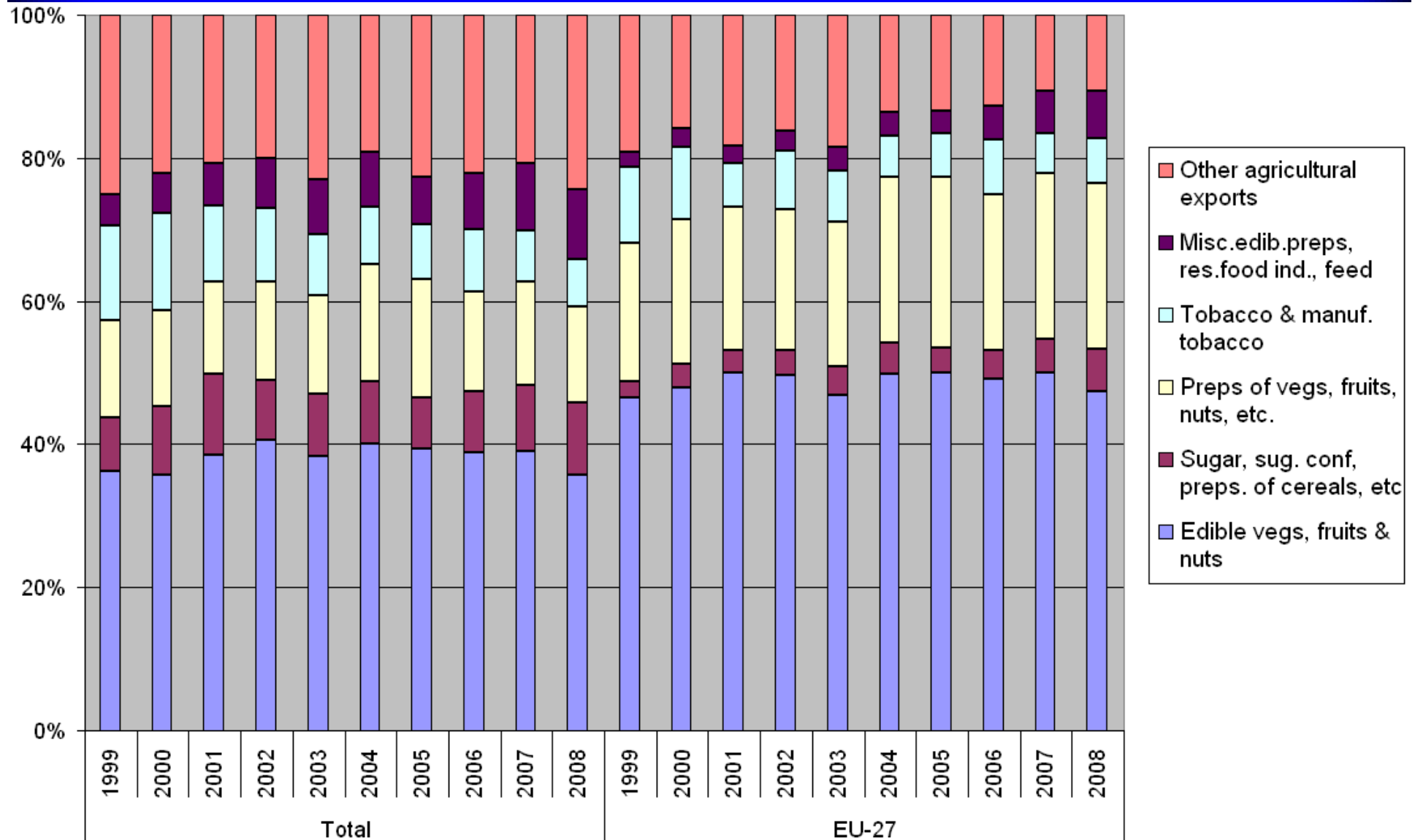
Policy Environment: Domestic and Trade

Transfers to Agriculture (million USD)	98-99	2000	2001	2002	2003	2004	2005	2006	2007	2008
TSE	12,961	10,515	4,037	7,786	11,721	12,108	14,222	12,376	12,421	17,373
Total PSE	8,864	6,747	843	5,741	10,737	11,445	12,498	10,592	11,807	16,317
Support based on commodity output	7,082	5,899	512	4,257	8,876	9,381	10,307	7,774	8,474	13,151
Market price support	6,925	5,542	58	4,121	8,670	9,035	9,503	6,569	7,064	11,645
Transfers to SEEs and ASCUs	3,965	3,646	3,090	1,927	853	526	1,555	1,505	521	963
Selected share indicators (percent)										
Percentage TSE (TSE/GDP)	4.9	3.9	2.1	3.4	3.9	3.1	2.9	2.3	1.9	2.4
Percentage PSE	24.3	20.8	3.9	20.9	28.3	26.2	25.1	19.9	18.9	24.5
Percentage CSE	-24.0	-21.2	-1.0	-17.4	-26.1	-22.0	-21.1	-14.8	-10.1	-18.1
Percentage GSSE (GSSE/TSE)	32.0	35.8	79.1	26.3	8.4	5.5	12.1	14.4	4.9	6.1
R&D/TSE	0.3	0.2	0.7	0.4	0.3	0.2	0.2	0.2	0.2	0.2
Transfers to SEEs/TSE	31.0	34.7	76.5	24.7	7.3	4.3	10.9	12.2	4.2	5.5
Shares of major support categories in total PSE (percent)										
Support based on commodity outputs/PSE	79	87	61	74	83	82	82	73	72	81
Market Price support/PSE	77	82	7	72	81	79	76	62	60	71
Payments based on output/PSE	2	5	54	2	2	3	6	11	12	9
Direct income support/PSE	0	0	8	22	14	15	14	18	11	5
Payments based on input use/PSE	20	12	29	4	2	3	3	8	9	6

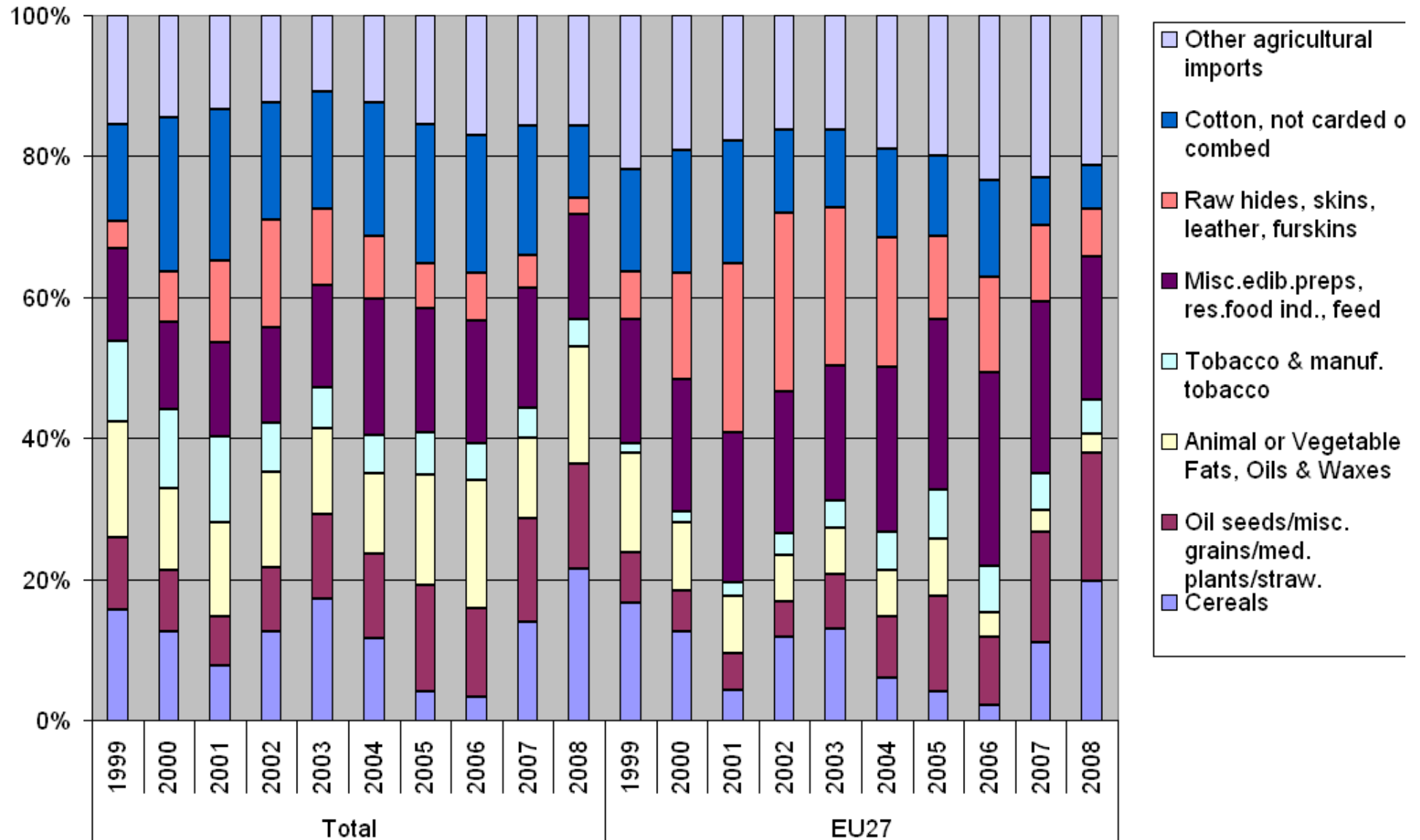
Net Trade in Agri-food Products



Structure of Agri-food Exports



Structure of Agri-food Imports



Concluding Remarks

- Food security vs self-sufficiency (in all agricultural commodities!)
- Hostile to (afraid of) importing basic food
- Dynamic (market-seeking) exporters
- Dichotomy in production and support reflected to trade
- Missing institutional and weak technical support in ag exports
- Delaying structural transformation and competitiveness improvement in agriculture