

MONITORING AGRICULTURE OF TURKEY BEFORE ACCESSION PROCESS FOR EU MEMBERSHIP

Harun Ucak

INTRODUCTION

In September 1st 1963, Turkey signed the Association Agreement with the European Economic Community (EEC), which led Turkey to Customs Union and eventually full membership. After four decades, Turkey launched its EU accession negotiations on 3 October 2005.

The paper presents Turkey's agricultural sector site in all economy in the process of negotiations for being a full member of EU. The data which are used in the paper collected from Worldbank statistics, EUROSTAT, T.R. Prime Ministry State Planning Organization (SPO), Prime Ministry Republic of Turkey Turkish Statistical Institute (SIS), T.R. Undersecretariat of The Prime Ministry for Foreign Trade (UFT).

Monitoring Agriculture of Turkey

Turkey is one of the largest producer and exporter of agricultural products in the Eastern Europe, Near Eastern and North African region. Despite the overall trade deficit of Turkey, the agricultural trade balance is significantly positive, providing some relief to external accounts. Agriculture sector consist %12 of GNP and %34 of total labor force in Turkey in 2004. Although the importance of agriculture within the GDP decreases with respect to years, a great part of the population is still earning their living from agriculture

Table 1. Labor Force in Turkey (%)

Employment	1980	2001	2002	2003	2004
Agriculture	50,0	37,6	35,0	33,9	34,0
Industry	12,0	17,5	18,5	18,2	18,3
Services	33,0	44,9	46,6	47,8	47,8
Construction	5,0	5,0	4,4	4,6	4,7

Worldbank, SIS, SPO

The share of agricultural sector in total employment, which was 50,0 per cent in 1980, went down to 34 per cent in 2004. However, the fact that the work force that left the agricultural sector could not be employed adequately in industry and services sectors led to a decrease in employment rates in the mentioned period. In addition to moving away from the in agricultural sector, factors like the reduction in public employment, widespread informal employment and privatization practices aggravate the unemployment problems (DPT 2006,12). Accompanying the trends in population growth and urbanization, the economy experienced a marked change in structure, in which agriculture as the primary source of output and employment was displaced by more urban-based manufacturing and services. Agriculture was the largest employer in 1980, accounting for 9.0 million jobs or half (50 percent) of the total. By 2004, agricultural employment had declined in absolute terms, shedding 1.6 million jobs to 7.4 million or a third (34 percent) of the total (Worldbank 2006;7)

The labor force survey (LFS) defines employment in agriculture, hunting, forestry and fisheries on the basis of the main income of the natural persons. The LFS reports that, in 2004, 5.1% of the total labor force in the EU-25 is employed in agriculture, hunting, forestry and fisheries (EU-15: 3.9%). (Eurostat 2006). In the comparison between EU's agricultural work force level and Turkey's, agricultural work force has engaged more place in labor market.

Within the agricultural labor markets, various offsetting trends have likely reduced labor demand, on balance. On the one hand, cereal production has been displaced by more labor-intensive crops grown under glass. At the same time, capital intensity has risen. (Worldbank 2006)

In Turkey, more of the agricultural area contained as cultivated field, and contained about %70 of this area. More of the products in cultivated area are domestic consumption. However, area of vegetables gardens and fruit trees are contained in smaller area in total area percentage, they have important place in Turkey's agricultural export.

Despite field crops engage about 70 percent of agricultural area in volume, its share is less in value size. Percentage distribution of value of marketable crop production are %46 field crops, %26,05 vegetables, %27,95 fruits. (SIS 2005)

Table 2. Agricultural Area in 2004

	Cultivated field area		Area of vegetable Gardens	Area of vineyard	Area of fruit trees	Area of olive trees
	Area sown	Fallow land				
(1000 Hectare)	18 110	4 956	805	520	1 558	644
%	68,10	18,64	3,03	1,96	5,86	2,42

SIS

One of the most important problem in Turkish agriculture is about size of parcels and their holdings. The size of parcels usually in small size when it compared with EU countries' level. This small size may not so important problem for the Mediterranean side of Turkey, because of climate conditions and thus, production in greenhouses.

Table 3. Agricultural Holdings and Parcel by Size of Holdings and Parcels (2004)

Number of parcels	of	Total	Size of Holdings							
			<5	5-9	10-19	20-49	50-99	100-199	200-499	500<
Percentage holdings	of	100	5,9	9,6	17,9	31,4	18,5	10,1	5,1	0,1
Percentage parcels	of	100	2,4	5,4	13,4	31,1	23,0	15,3	8,1	1,4

Own calculation by the datas from SIS

Cadastral work on rural areas has been progressing. It now covers about 85% of the rural areas. 10% of cadastral maps are now digitized. Furthermore, Turkey has enacted a law changing inheritance rules, with the aim of reducing farmland fragmentation. (Commission of The European Communities 2004 Report)

Cereals are main production in cultivated field area. However, cereals production heavily depend on seasonal rainfall. Thus, the percentages on the table can be change in other years. When there have been a deficit in cereal production, EU countries have been taken in cereal trade of Turkey. Cereals are both import and export products of Turkey's agricultural sector.

Table 4. Cultivated field area (2004) %

Cereals	Pulses	Industrial Crops	Oil Seeds	Tuber Crops	Fodder Crops
59,97	5,75	5,37	2,75	1,18	3,49

SIS

Turkey has high growth rates for 5 years. However, growth rates in agricultural area has been not the same as services and industrial sectors. Its average growth rates are slower than other sectors, and has been not stable increase. Thus, Agricultural production share in Turkish economy has been decreased year by year as it has seen on table 6.

Table 5. GNP Growth in Turkey

	2000	2001	2002	2003	2004	2005	2006*
Agricultural	3,8	-6,0	7,4	-2,4	2,0	5,7	-1,1
Industry	5,6	-7,4	7,9	7,3	9,3	6,8	10,4
Services	6,5	-6,1	6,0	5,1	8,1	7,6	5,9
GNP	6,3	-9,5	7,9	5,9	9,9	7,6	8,5

SIS,SPO

Agriculture is a very important sector for Turkish economy, despite its share in GDP has been decreased. It consist 12,9 share of GDP by 2004 datas. In addition, it is expected that Agriculture sector share decreasing will continue in the following, by the negotiations with EU about workforce in agricultural sector.

Table 6. GDP Sectoral Distribution in Turkey

	2000	2001	2002	2003	2004	2005 (1)	2006 (1)
GDP – SECTORAL DISTRUBITION (%)							
Agricultural	15,4	12,8	13,0	13,4	12,9	11,9	5,2
Industrial	20,0	21,1	19,7	18,5	18,9	19,2	22,7
Services	64,6	66,1	67,3	68,2	68,2	69,0	72,1

SIS,SPO

1* permanent

In 2004, 2.0% of the EU-25 gross value added is produced by agriculture, hunting, forestry and fisheries. The share of these primary sectors in the gross value added is for most of the new Member States higher than for most of the old Member States. This finding, however, cannot be generalized. For example, the share for Poland is 2.9% in 2004, which is only slightly higher than for France (2.5%) but lower than for Spain (3.5%) (Eurostat 2006). Agricultural share in Turkish Economy has decreased about 3% from 2000 to 2005. This share has still more than EU(15) and EU (25). However, the trend has showed that its share has decreased by years. Turkey's nearly half of the total trade are with EU countries. The volume of the trade is about 55 Billion USD, including 24,285 Million USD export and 31,678 Million USD import in 2005. In percentagely, Turkey's export to EU countries is more than import from EU countries. However, there is a trade deficit for Turkey in volume.

Table7. Export and Import of Turkey in 2005

EXPORT	USD Million	Percentage	IMPORT	USD Million	Percentage
Total Export	46,701	100,0	Total Import	74,963	100,0
EU Countries	24,285	52,0	EU Countries	31,678	42,0
EU (15) Countries	22,765	48,7	EU (15) Countries	29,325	39,0
EU (10) Countries	1,520	3,3	EU (10) Countries	2,354	3,0

Eurostat/ Comext, Worldbank

Agricultural products trade has been taken important place in Turkish economy. Both of import and export are an increasing trend in Turkish economy. Despite the overall trade deficit, the agricultural trade balance is significantly positive. While fruits and vegetables and their manufactures are an important place in Turkish agricultural export, agricultural raw materials have an important place in Turkish agricultural import.

Turkey's closeness to the Europe, the Middle East and the North Africa; gives her the opportunity of accessing easily to large markets through the Black Sea on the north, the Aegean Sea on the west and the Mediterranean Sea on the south. Likewise, Turkey's internal market also experiences rapid growth in demand for more food of higher quality, due to the high rates of population growth and rising income. Thus, agriculture in Turkey holds the promise of making a major contribution to Turkey's economic development (EPC 2005).

Table 8. Agricultural Import and Export of Turkey

Years	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Import (Million USD)	4.866	4.926	4.321	3.398	4.156	3.079	3.995	5.265	6.059	6.480
Export (Million USD)	4.949	5.470	5.053	4.442	3.855	4.349	4.052	5.257	6.501	8.309

Eurostat/ Comext, Worldbank, UFT

Turkey's agricultural exports are diverse: hazelnuts, tobacco, lentils, chickpeas, citrus fruits, vegetables, pistachios, dried apricots, seedless raisins, and olive oil. Turkey also exports ready-to-eat and ready-to-cook products such as pasta, tomato paste, canned vegetables and fruits, margarine, candy, and confectionery products. Turkey's trade for wheat, barley, and sugar depends on production and stock levels. Turkey ranks number one in the world in apricot, cherry, fig and hazelnut production (FAO, 2004). Most of these products have exported EU countries.

Table 9. Agricultural Export of Turkey to EU 15 2004 (percentagely)

	Volume million USD	Percentage in total agricultural import
Edible fruits & nuts	926	39
Preps. of vegetables, fruits, nuts & plants	644	27,1
Edible vegetables, roots & tubers	198	8,3
Tobacco & tobacco products	120	5,0

Eurostat/ Comext, UFT

Turkey's export to EU countries is in 3 main chapters. These chapters include important part of Turkey's total agricultural export to EU countries. However there is no domain chapter share in Turkey's agricultural import from EU countries. Turkey's import from EU countries also depend on productions which have been fluctuated yearly. Turkey's main agricultural import products from EU are oils and fats; beverages and tobacco; coffee, tea and spices; animal feed; and dairy products.

CONCLUSION

In this paper, it has presented that Turkey's agricultural sector site in all economy in the process of negotiations for being a full member of EU. The negotiations about Turkish agricultural policy will be in a long way and pass difficult. It is expected that there will be structural change in Turkish agriculture for adaptation to CAP. There will be gains and losses for both Turkey and EU countries. But, in totally, it is expected that both of them will gain by this partnership.

Turkish agriculture will be facing difficulties in the transition period for full membership. In Turkey, 33 percent of the workforce is employed in agriculture and contributed about 12 percent of GDP. When these percents are compared with other countries in EU, it seems clearly that Turkey should do effective reforms to take workforce from agricultural sector to other sectors. However, the trend shows that the workforce percent in agriculture decreasing.

The reforms in both the CAP and Turkish agricultural policies will create opportunities and challenges during the transition period. In the longer run, Turkey will probably have a comparative advantage in field crops, fruits and vegetables while facing problems in the animal sector.

REFERENCES

- Commission of The European Communities, 2004 regular Report On Turkey's Progress Towards Accession, Brussels 2002
- EPC (Export Promotion Center of Turkey, T.R. Undersecretariat of The Prime Ministry for Foreign Trade, The Turkish Economy, 2005
- EUROSTAT, Official Publications of The European Communities, Regions: Statistical Yearbook 2006,
- SIS (T.R Prime Ministry Republic of Turkey Turkish Statistical Institute), Turkey's Statistical Yearbook, (, May 2006
- SPO (T.R. Prime Ministry State Planning Organization), Main Economic Indicators, August
- UFT (T.R. Undersecretariat of The Prime Ministry for Foreign Trade) Statistics, 2006
- Worldbank, Turkey: Labor Market Study, Poverty Reduction and Economic Management Unit Europe and Central Asia Region, April 2006.