

# Turkey and World Meat Outlook Current Situation and Prospects

**Melek Us**

National Red Meat Council

Chairman of the Board of Directors

**03-06 November 2010, Antalya/Turkey**

# What is National Red Meat Council?

- National Red Meat Council was established in 25 August 2010 according to the Agrarian Law number 5488 (Article 11).
- The aim of the Council is to make a strategy in Turkish Red Meat Sector with all stakeholders (the public, the producers, the industrialists, research institutes and non governmental organizations-NGOs)
- The temporary Board Members chosen from the Founder's Committee started to registrate members to the Council.

<http://www.ulusaletkonseyi.org.tr>

# TURKISH MEAT SECTOR

- Food sector is one of the first established sectors in Turkey's economy because of having rich agricultural sources and ecologic conditions. In 2009, there were 17391 food enterprises in Turkey according to TOBB (The Union of Chambers and Commodity Exchanges of Turkey) data.
- Unfortunately Turkey couldn't reach desired efficiency and quality in agricultural production.

# TURKISH MEAT SECTOR

- Turkish food processing industry has developed fastly in the recent years and there is currently a high volume of food products adequate for domestic consumption as well as for exports. The capacity usage compared to other developed countries is considerable high and is in average about 70%. According to the data in December 2009, meat and meat products sub-sector has the highest capacity with an amount of % 77,9.

# TURKISH MEAT SECTOR

- But Turkish meat sector has a low presence in world market. Due to negligible exports and imports, Turkish meat sector is shaped according to the domestic demand. However, as a result of integration with EU markets and with other international markets, the meat sector also has to reshape according to international standards.

# TURKISH MEAT SECTOR

- The production costs and prices are above world averages. In meat sector, per capita outturns are low with accompanying high unit prices.
- Animal diseases, insufficient inspections, unrecorded productions, high prices of raw material and finished products, small production units, incentives according to small production companies and late decisions in support policies are obstacles for the growth of the Turkish meat sector.

# TURKISH MEAT SECTOR

- Continuous, high quality raw material supply is an important problem in Turkey.
- Besides these, it is difficult to market the products easily.
- Uninspected, unregistered, registered but not adequately inspected production, unfair competition from government enterprises like EBK (Meat and Fish Authority), lack of adequate legislation for special products in the trade law could be listed as problems for the development of the sector.

# Number of Sheep, Goat and Bovine Animals

Source: TURKSTAT, The Results of Animal Production-2009

<b>Cattle</b>	<b>Culture</b>	<b>3.622.618</b>
	<b>Cross-breed</b>	<b>4.223.766</b>
	<b>Domestic</b>	<b>2.451.769</b>
	<b>Total</b>	<b>10.830.000</b>
<b>Buffalo</b>		<b>94.648</b>

<b>Sheep</b>	<b>22.030.345</b>
<b>Goat</b>	<b>5.062.117</b>
<b>Total</b>	<b>27.092.462</b>

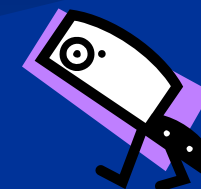




# Number of Slaughtered Sheep, Goat and Bovine Animals/ Quantity of Meat Production

Source: TURKSTAT, The Results of Animal Production-2009

Animal	Number of Slaughtered (heads)	Meat Production (tonnes)
Sheep	3997348	74633
Goat	606042	11675
Cattle	1502073	325286

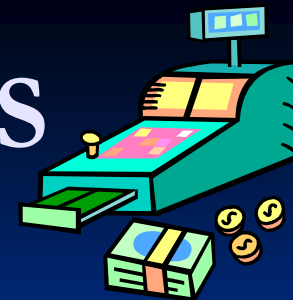




# BEEF AND VEAL PRODUCTION WORLD

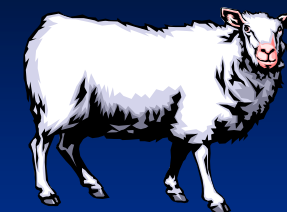
	<b>2008 PRODUCTION (THOUSAND TONNES)</b>	<b>2009 PRODUCTION (THOUSAND TONNES)</b>	<b>2010 PROSPECTS PRODUCTION (THOUSAND TONNES)</b>
<b>EU</b>	<b>8137</b>	<b>8080</b>	<b>7988</b>
<b>BRAZIL</b>	<b>6615</b>	<b>6540</b>	<b>6660</b>
<b>ARGENTINA</b>	<b>3113</b>	<b>3300</b>	<b>2980</b>
<b>AVUSTRALIA</b>	<b>2161</b>	<b>2127</b>	<b>2198</b>
<b>USA</b>	<b>12,163</b>	<b>12,310</b>	<b>12,158</b>
<b>URUGUAY</b>	<b>519</b>	<b>518</b>	<b>520</b>

# BEEF AND VEAL EXPORTS WORLD



	<b>2008 EXPORTS (THOUSAND TONNES)</b>	<b>2009 EXPORTS (THOUSAND TONNES)</b>	<b>2010 PROSPECTS EXPORTS (THOUSAND TONNES)</b>
<b>EU</b>	<b>212</b>	<b>180</b>	<b>200</b>
<b>BRAZIL</b>	<b>2086</b>	<b>1775</b>	<b>1860</b>
<b>ARGENTINA</b>	<b>429</b>	<b>600</b>	<b>380</b>
<b>AVUSTRALIA</b>	<b>722,1</b>	<b>725,9</b>	
<b>USA</b>	<b>456,1</b>	<b>425,2</b>	
<b>URUGUAY</b>	<b>376</b>	<b>368</b>	<b>378</b>

# MUTTON AND LAMB PRODUCTION WORLD

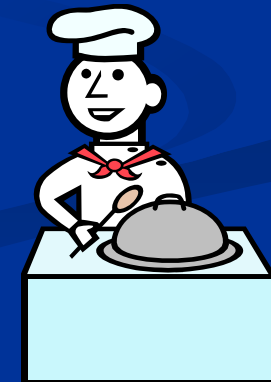


	<b>2008 PRODUCTION (THOUSAND TONNES)</b>	<b>2009 PRODUCTION (THOUSAND TONNES)</b>	<b>2010 PROSPECTS PRODUCTION (THOUSAND TONNES)</b>
<b>NEW ZELAND</b>	<b>500</b>	<b>499</b>	<b>-</b>
<b>AVUSTRALIA</b>	<b>670</b>	<b>643</b>	<b>629</b>

	<b>2008 EXPORTS (THOUSAND TONNES)</b>	<b>2009 EXPORTS (THOUSAND TONNES)</b>	<b>2010 PROSPECTS EXPORTS (THOUSAND TONNES)</b>
<b>NEW ZELAND</b>	<b>329,8</b>	<b>304,7</b>	<b>-</b>
<b>AVUSTRALIA</b>	<b>670</b>	<b>643</b>	<b>629</b>

# MEAT CONSUMPTION PER CAPITA TURKEY AND WORLD

(per capita)	USA	EU	TURKEY
BEEF	42,60	16,3	5,2
SHEEP- GOAT	-	2,21	1,9
POULTRY	45,10	15,5	9,4
TOTAL	87,70	34,01	16,5



# Meat industry and the Common (EU) market

## Advantages:

- ❑ Free flow of products and services.
- ❑ Common legislation !
- ❑ A clear platform to approach and defend.
- ❑ Inter community exports, easy.

## Disadvantages:

- ❑ Crisis's used as protecting argument (Dioxin, Avian Flu).
- ❑ Interpretation not always common.
- ❑ Import (raw materials) from 3rd countries is difficult.  
(Veterinarian, Quota's, Tariffs).

# Structure of EU Meat Processing Industry

- Processed meats counts for +/- 40% of meat sales and is growing (convenience, ready meals)
- Many small (family owned) companies.
- A huge variety of (national & local) products, the weakness and the strength of the industry.
- Hardly any brands, company names and **Retail Brands** dominate.

# WORLD PRICES

Years	Prices (US \$/tonnes)				
	Argentina (Beef)	Japan (Beef)	Avustralia (Beef)	US (Beef)	New Zeland (Sheep meat)
2006	2271	5686	2556	4127	4033
2007	2387	5925	2602	4327	4120
2008	3615	6275	3111	4325	4398
2009	2547	5254	2588	3989	3829

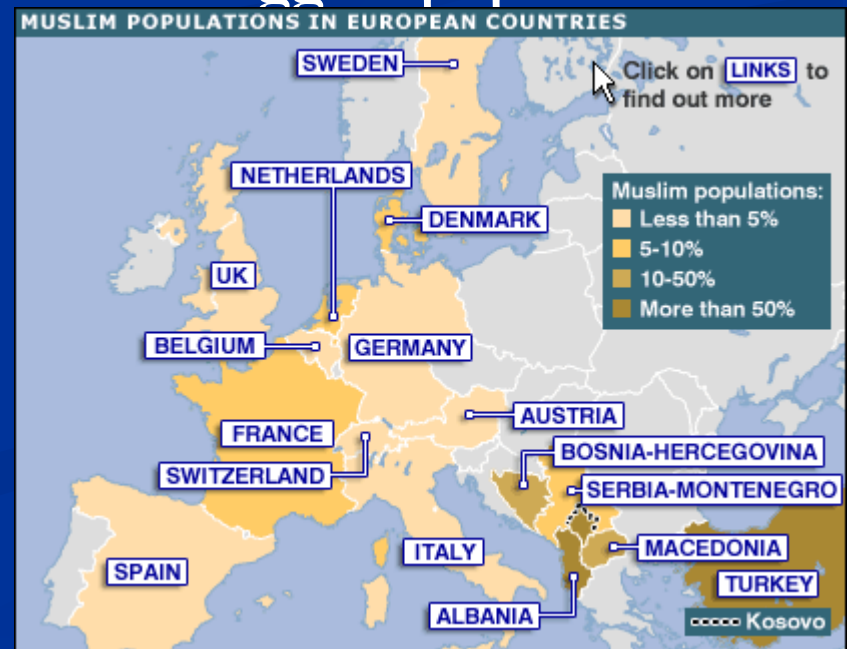
Bovine	EU 2009	EU 2010
(€/head)	170,77	181,21
(€/carcass)	515,52	517,34



# CHALLENGES FOR TURKISH MEAT INDUSTRY

## Consumers

- Actual +/- 8.5 million Muslim consumers in the EU.
- Estimated growth 2030(non immigration) from 15 (lowest) till 30 mill.
- France +/- 6 mill., Germany +/- 3 mill. Biggest population within EU.



# Opportunities in the EU

- Turkey has an opportunity in the (beef and sheep) speciality markets and can use the ethnical advantages (see success Döner Kebab) which most of the member states have already a base



BUT,



- For the Turkish meat industry to compete in the world markets, continuous and standard supply of raw materials, with low costs is a must.
- Energy with average world prices is a necessity for competition.
- Finance and qualified personnel is not an obstacle for the growth of the sector.
- However, getting a market share in a highly competitive world market will be a challenge for the industry.



In this context, to bring enterprises to EU standards is a must for Turkey. The question still stands for the already existing enterprises which are at world standards.

The challenge for Turkey would be to get a market share for already existing high quality enterprises and eliminate the obstacles for their fair trade. On the other hand creating a hospitable investment environment for new investments is a challenge ahead for Turkey.

THANK YOU FOR YOUR  
ATTENTION