

TURKEY: A Heaven for Investors in Agriculture Sector

TİGEM Malya Agricultural Enterprise

REPUBLIC OF TURKEY PRIME MINISTRY
INVESTMENT SUPPORT AND
PROMOTION AGENCY



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Why to invest in Turkey



- ❖ Unique Geographical Location
- ❖ Large domestic market
- ❖ High-skilled and competitive labour
- ❖ High quality standards in production
- ❖ Strong ties with Caucasus, Central Asia and Middle East
- ❖ A strong foreign direct investment record
- ❖ A member of many multinational institutions

- UN
- NATO
- OSCE
- OECD
- ...

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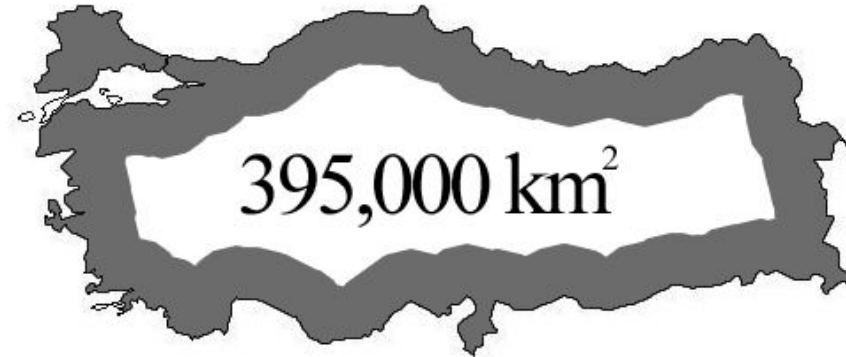


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Agriculture in Turkey

& TIGEM AGRICULTURAL ENTERPRISES



Turkey's arable land is

2 times larger than France's,

3 times larger than Germany's,

5 times larger than Italy's,

44 times larger than Netherlands' arable land.

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Organization

I. Agricultural Overview

II. TIGEM Agricultural Enterprise Overview



I. Agricultural Overview

Turkey & Agriculture

- One of the most important agricultural producers in the world
- Convenient land and climate for all types of agriculture
 - Plants
 - Animal Products
 - Fishery
- Agriculture in Turkey
 - Constitutes 15% of the total GDP
 - Accounts for about 40 % of total employment



Turkey & Agriculture

Turkey's arable land is 9.5 times larger than Switzerland's total area.



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Did you know?

Turkey has the 8th largest arable land in the world.

	million hectares
Total Arable Land	
United States	174.4
India	159.6
Russia	121.7
China	103.3
Brazil	59
Australia	49.4
Canada	45.6
Turkey	39.5

Source: Nationmaster; TUIK



Diversity in Agricultural Products

Fertile land supports all types of agricultural products.

Selected Vegetative Products over 1 million tons

Cereals	tons 1/
Wheat	17.782.000
Barley	5.923.000
Potato	4.238.901
Maize	4.274.000
Cotton	1.938.000
Fruits	
Grape	3.928.144
Apple	2.495.229
Orange	1.397.186
Olive	1.321.269
Vegetables	
Tomato	11.003.208
Watermelon	3.971.158
Onion	2.035.411
Melon	1.764.310
Cucumber	1.690.852

Source: Ministry of Agriculture

1/ 2008 figures

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Did you know?

Turkey is the 9th largest wheat producer among 26 countries in the world.

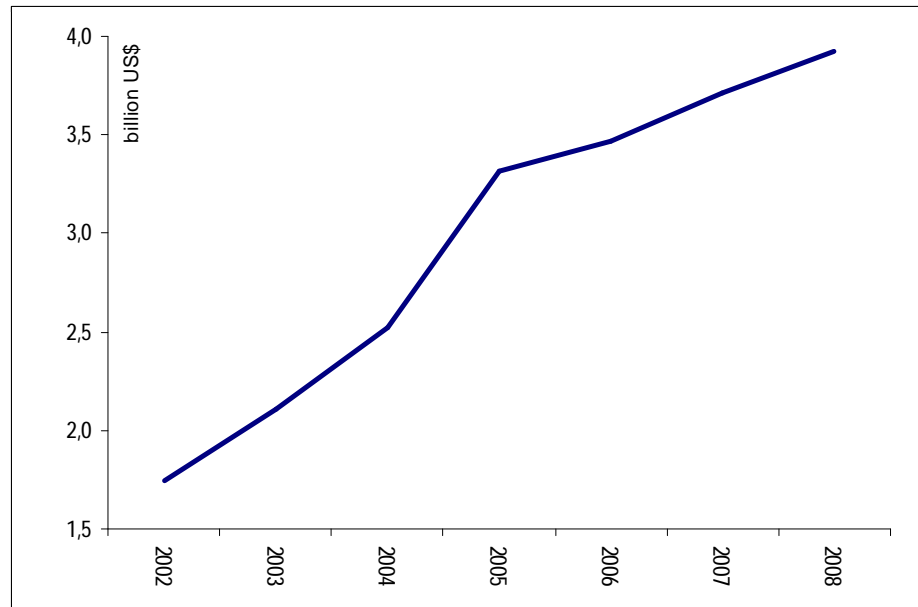
Wheat Production	million tons
China	86.5
India	65.1
United States	63.8
France	30.6
Australia	26.2
Canada	23,6
Germany	19.2
Pakistan	19.1
Turkey	17.7

Source: Nationmaster; Ministry of Agriculture



Agriculture: Exports

Turkey's agricultural exports have increased by more than two fold in the last 6 years.



Source: TUIK

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Did you know?

Turkey is the world's largest producer of apricot and the leading apricot exporter to USA.

	million US\$
Exports: Apricot	
Turkey	28.6
Chile	3.2
New Zealand	1.5

Source: Nationmaster





II. TiGEM Agricultural Enterprises Overview

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TiGEM Malya Agricultural Enterprise: TMAE

Proximity: 27 km away from Kırşehir
200 km away from Ankara

Rainfall (average over the last 12 years): 330 mm

Total Number of Staff (currently): 164



Malya Agricultural Enterprise: Land Utilization (2008)

LAND TYPE	Area (ha)
CULTIVATED LAND	15.318
Crops (Wheat, Barley etc.)	6.494
Fallow	6.276
Fodder Crops (Clover, Trefoil, Vetch, Silage Corn etc.)	1.998
Garden - Park	275
UNCULTIVATED LAND	5.568
TOTAL	20.885
<i>of which:</i>	
Irrigated	208
Irrigable	305
<i>Source: MoA</i>	

Current Situation-I: Building & Facilities

BUILDINGS	
Administration Building (496.5 m ²)	1
Guest House (32 beds)	2
Singles' Guesthouse (80 beds)	1
Employee Dorm (297 m ²)	1
Employee Dining Hall (402 m ²)	1
Officer Clubhouse (477 m ²)	1
Employee Clubhouse (175 m ²)	1
Lodging (4.528 m ²)	60
Workshop Building (1.156 m ²)	1
Material Warehouse (400 m ²)	1
Weight House (50 m ²)	2
Mosque (242 m ²)	1

FACILITIES	
Corrals (5.904m ²)	8
Staples (6.276 m ²)	6
Selector Building (1.748 m ²)	2
Parking Area (240 m ²)	1
Hangars (8.920 m ²)	23
Deep Wells	5

Current Situation-II: Personnel Overview

2008



Job Title	Headcount
Director	1
Deputy Director	1
Agricultural Engineer	6
Mechanical Engineer	1
Veterinary	3
Construction Technician	1
Electric Technican	2
Adminstritive Chief	3
Adminstrative Asistant Chief	4
Warehouse Keeper	1
Officer	1
Agricultural Technician	1
Security Guard	13
Permanent Workers	126
Total	164
<i>Source : MoA</i>	

Proposed Production Configuration

Livestock production is considered as the best-use of the land.
The following configuration is
proposed as an investment project

Livestock breeding	Land Utilization (Fodder Crops)
30,000 Akkaraman stud sheep	208 ha barley-irrigated
	6,500 ha vetch and oat-dry
	676 ha barley-dry
	275 ha gardens
	275 ha pasture
	7,383 ha fallowed land
	5,568 ha uncultivated terrain
	Total: 20,885 hectares

TMAE: Basic Project Metrics

Project Cost: USD 23,848,725

Project Horizon: 30 years

Project IRR¹: 19.8 %

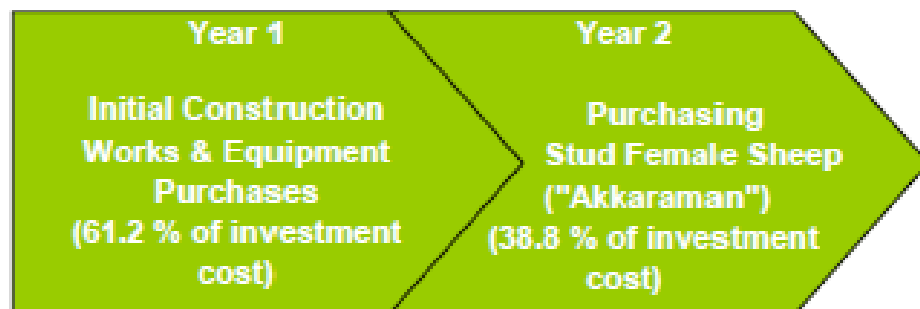
NPV¹: USD 38.3 million

Discount Rate: 8 %

1/ In the case of the investor benefit from incentive premiums granted by the Turkish Government

TMAE: Annual Breakdown of Investment Outlays

- The investment is assumed to be completed within two years
- Construction and the equipment purchases will be realized in the first year
- Stud Female Sheep studs will be purchased in the second year and the livestock production will be initiated at the same year



WHY TO INVEST IN TMAE ?

- ✓ Large, block land compared to it's peers in Turkey (20,885 ha)
- ✓ Adequate infrastructure
- ✓ Highly experienced personnel
- ✓ Strong market image
- ✓ High technology in seedbed production
- ✓ Adequate livestock (especially, sheep) breeding infrastructure
- ✓ Proximity to domestic and export markets
- ✓ Adequate transportation links compared to it's peers in Turkey
- ✓ Good relations with stakeholders
- ✓ A good management experience and a reliable record system

