

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Sauces Dressings and Condiments Sector Brief

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Approved By:

Jess K. Paulson Ag Attaché

Prepared By:

Meliha Atalaysun, Ag Mkt. Asst.

Report Highlights:

The sauces, dressings and condiments sector in Turkey grew 23% over four years and were valued at US\$ 600 million in 2011. Turkish consumers are familiar with ketchup and mayonnaise, and are being introduced to a greater diversity of sauces such as barbeque, soy and vinaigrettes. U.S. exports of these products have grown 73% since 2009.

General Information:

Turkey Economy – Summary

Turkish economy registered 1.6% growth in 2012 and is the 17th largest economy in the world leaving behind countries like Holland, Belgium and Switzerland. 2012 gross domestic production is estimated at US\$ 783 billion. Per capita income is expected to be US\$ 16,000 in 2012. With a population of over 75 million, Turkey is also the 18th most populated country in the world. The ratio of working population, between the ages of 14-65, accounts to 67 percent of the total population. Turkey has a young population where the median age is 30, and 32% of the population is between the ages 15-35.

Urbanization rate is also increasing by the year and today 77 percent of the population lives in cities. Half of the total population lives in the largest 10 cities: Istanbul, Ankara, Izmir, Bursa, Adana, Antalya, Konya, Gaziantep, Sanliurfa and Mersin in a descending order.

According to OECD, Turkey is expected to be the fastest growing economy among OECD members between 2011 and 2017, with an expected annual average growth rate of 6.7 percent. A young population, increasing urbanization rates and a growing middle class help boost the economy.

Sector Situation

Domestic production currently dominates the market. Top three producers are Tat, Tamek and Tukas with market shares of 17%, 11% and 7.5% respectively. The leading international producer is Unilever with 11% market share. 70% of the products are sold through supermarkets, 7.5% through discounters and 21% through small or independent grocers.

Imports are dominated by European suppliers, especially from Germany and the United Kingdom, and shipments tend to be in mixed containers. U.S. exports are also strong in sauces, mixed condiments and seasonings and have seen 40% growth in 2011 and 2012. Items like soy sauce varieties are imported from far east, namely China and Thailand.

	2009	2010	2011	2012
Sales of Sauces, Dressings and Condiments (thousand US \$)	\$732	\$621	\$881	\$1,270

US exporters should watch for domestic regulations regarding labeling and biosafety. Currently genetically engineered products are not allowed for food use. As for labeling, aside from typical reporting requirements on content and place of origin, Turkey restricts the use of language or claims that imply a health benefit.

Imported US products face competition challenges from EU countries as well as domestic production. While EU products enjoy the advantage of proximity and a customs union with Turkey, domestic products offer lower cost alternatives and wider distribution.

Market and Distribution Channels

Retail is one of the fastest developing sectors in the Turkish economy. Food and beverage has the



largest share in the Turkish retail sector with 52% and industry sources estimate the retail food expenditure to be USD 100 billion. The share of traditional food sellers (that are mainly open-air bazaars and mom-pop stores) decreased to 46% and the share of modern supermarkets increased to 54 percent in the recent years. 50% of the fast moving consumer goods (FMCG) are sold through supermarkets. There are currently 135 supermarket chains with over 13 thousand stores throughout Turkey.

Imported food items are mostly sold through national and international supermarket chains like Migros, Carrefour, Tesco and Metro. The increased popularity of large-scale supermarkets allow greater variety of products at lower prices for the consumers and thus drives the processed food market forward. These supermarkets do not import food products themselves, or only import the ones for their private label items, and rather buy them from domestic importers. For a more detailed description of the retail sector, please refer to “Turkey Retail Sector Market” report TU7013 available on the FAS website:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods_Ankara_Turkey_1-3-2012.pdf

Through the widespread presence of modern international and domestic grocery retail outlets and rising incomes, the consumption patterns of Turkish consumers have shifted away from bulk and raw foods towards packaged and processed foods, including ready-to-eat meals and frozen foods.

Private label is also gaining popularity. According to the studies conducted by AC Nielsen, Turkey is the world’s most rapidly growing market in the private label sector, with a turnover reaching US \$2.5 billion. Private label products, which are priced approximately 30% cheaper than well-known brands are most common in discount stores.

Opportunities

There is an opportunity for building on the popularity of existing products with new varieties, such as honey-mustard, mustard-mayonnaise, brown sauces, fish sauces, and dips. Exporters may also focus on natural ingredients as more consumers are paying attention to the ingredients of the products they buy.

Contact for more information

USDA, Foreign Agricultural Service - U.S. Embassy, Ankara
agankara@fas.usda.gov