



**TARMAKBİR**

Türk Tarım Alet ve Makineleri  
İmalatçıları Birliği



# Country Report Turkey

16.04.2024

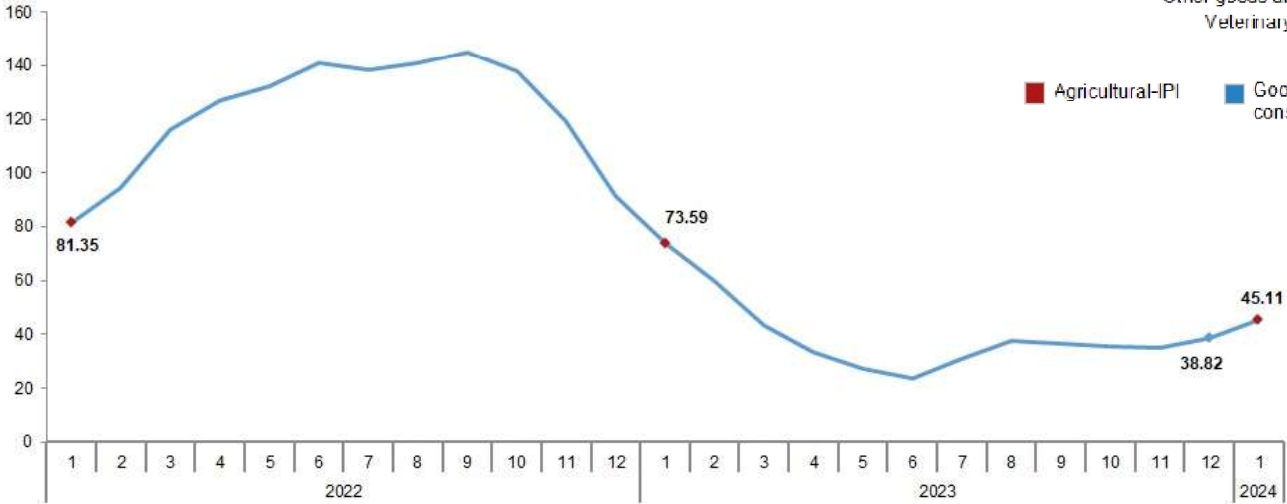
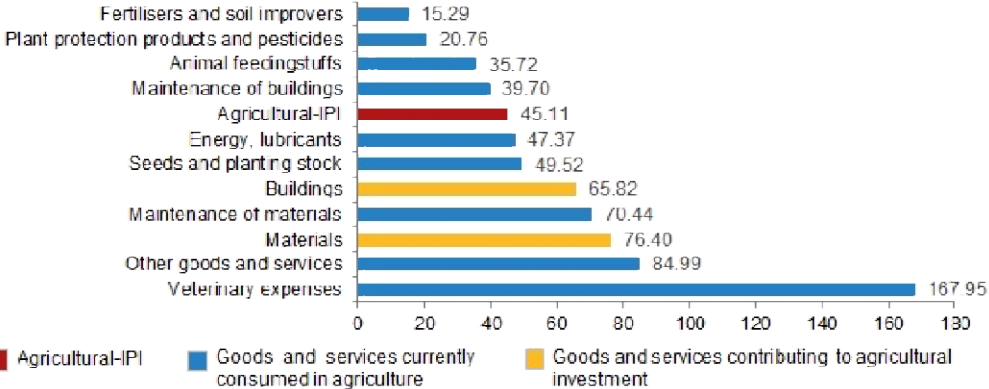
# Economic Snapshot & Commodity Trends



# Economic Snapshot

## Agricultural Input Inflation Keeping Food Price Elevated

	Index	Monthly change (%)	Rate of change on December of the previous year (%)	Annual change (%)	Rate of change in 12 months moving averages (%)
<b>Agricultural-IPI</b>	<b>520.65</b>	<b>7.51</b>	<b>7.51</b>	<b>45.11</b>	<b>36.81</b>
Goods and services currently consumed in agriculture (Input 1)	504.21	7.27	7.27	41.22	32.17
Goods and services contributing to agricultural investment (Input 2)	651.98	9.07	9.07	74.88	77.72

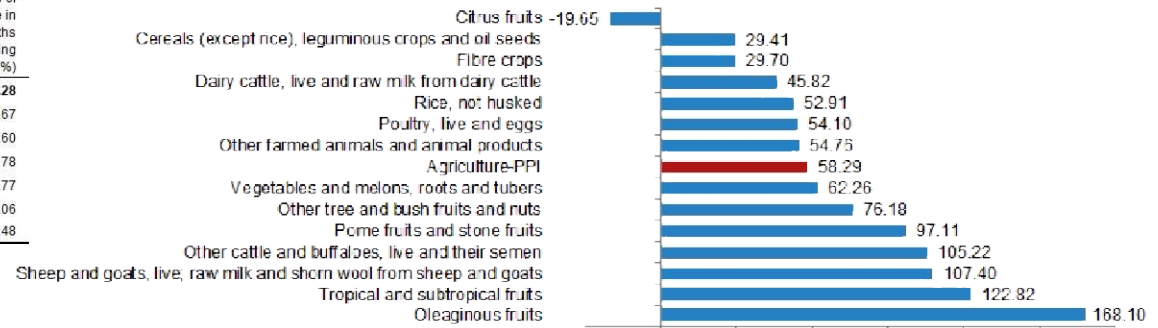


Agricultural-IPI (2020=100) increased by 7.51% compared to previous month, increased by 7.51% compared to December of the previous year, increased by 45.11% compared to same month of the previous year and increased by 36.81% compared to twelve months moving averages, in January-2024.

# Economic Snapshot

## Producer Price Index of Agricultural Products (Agriculture-PPI) Dependent on the Cost Increase of the Agricultural Inputs

	Index	Monthly rate of change (%)	Rate of change on December of the previous year (%)	Annual rate of change (%)	Rate of change in 12 months moving average (%)
<b>Agriculture-PPI</b>	<b>609.88</b>	<b>7.18</b>	<b>11.30</b>	<b>58.29</b>	<b>60.28</b>
Products of agriculture, hunting and related services	604.01	7.28	10.99	58.08	61.67
Non-perennial crops	616.64	8.98	9.73	44.36	41.60
Perennial crops	521.33	2.55	11.28	69.78	75.78
Live animals and animal products	634.37	6.02	10.32	70.43	82.77
Products of forestry, logging and related services	813.51	5.25	14.99	55.60	36.06
Fish and other fishing products; aquaculture products; support services to fishing	623.26	5.93	18.15	69.67	49.48



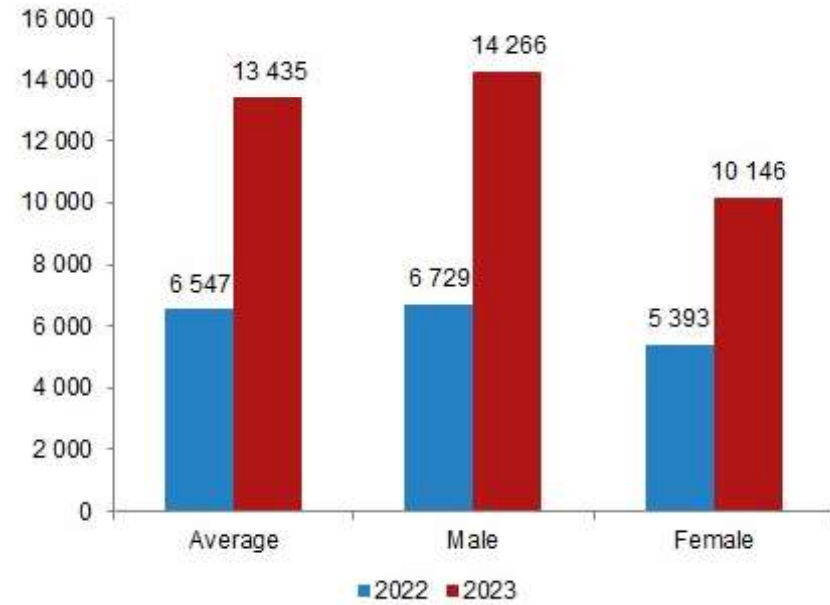
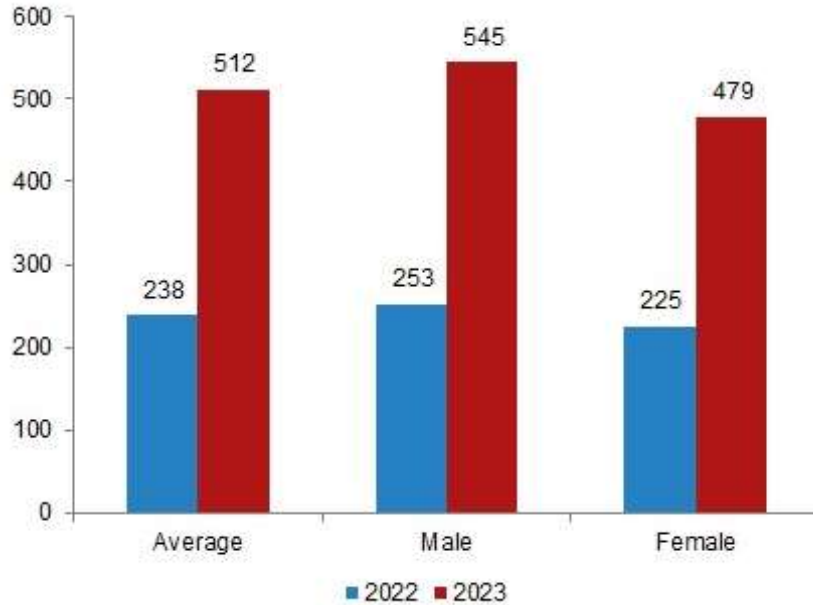
Agriculture-PPI (2020=100) on the previous month increased by 7.18%, on December of the previous year increased by 11.30%, on same month of the previous year increased by 58.29% and on the twelve months moving averages basis increased by 60.28% in February-2024.

# Economic Snapshot

**Increasing Wages Keep the Inflation Rising: Average Daily Wage of Seasonal agricultural workers increased by 114.6% in 2023**

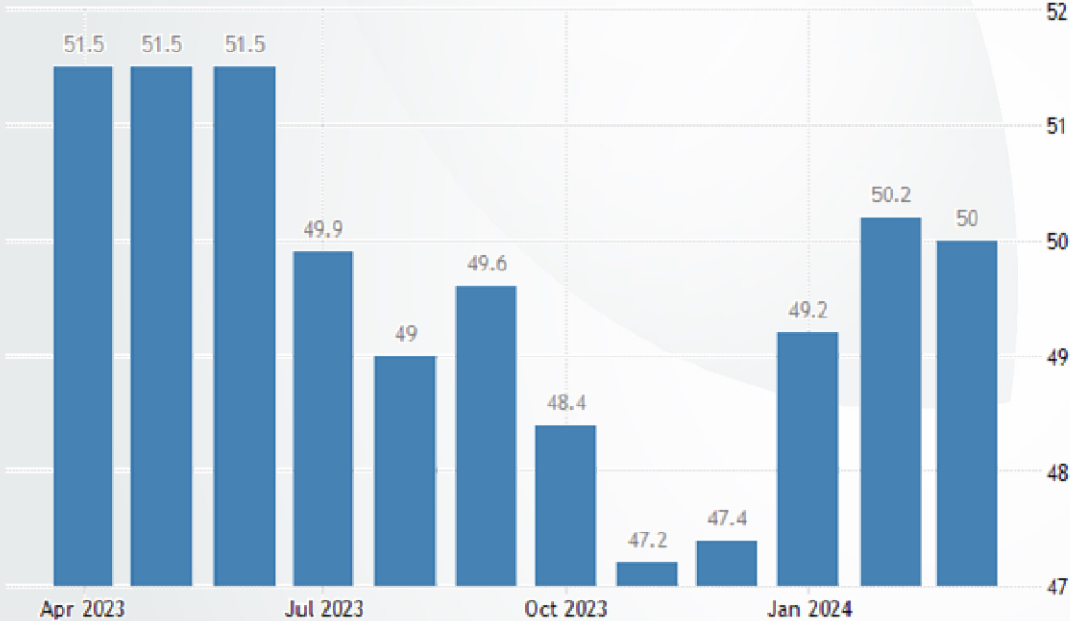
**Agricultural Holdings  
Labour Wage Structure, 2023**

	Daily wages of seasonal workers (TL)			Monthly wages of permanent workers (TL)		
	2022	2023	Rate of change <sup>(1)</sup> (%)	2022	2023	Rate of change <sup>(1)</sup> (%)
Average	238	512	114.6	6 547	13 435	105.2
Male	253	545	115.7	6 729	14 266	112.0
Female	225	479	113.0	5 393	10 146	88.1



# Economic Snapshot

The headline PMI posted at the 50.0 no-change mark in March, ticking down slightly from a reading of 50.2 in February. Business conditions were therefore stable overall during the month.



- Output ticks higher, while new orders and employment near stabilisation
- Input buying increases for second month running
- Rates of inflation moderate but remain marked



# Economic Snapshot

## Agricultural Machinery Production Index Had an Upward Trend in 2023 and 15 Points Up

Turkey's Agri-Machinery Production Index



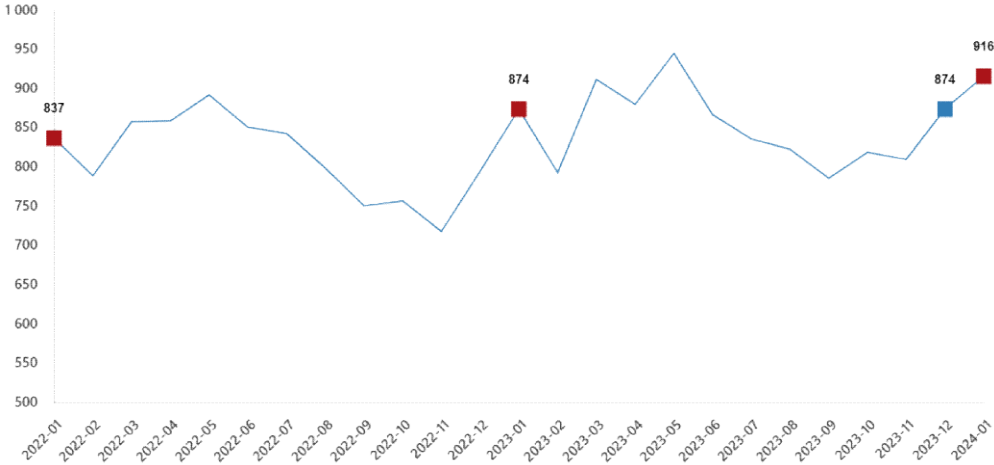
The industrial production index (IPI) measures levels of production and capacity in the ag-machinery manufacturing. The Agri-Machinery production index posted 203,8 points in last December, 15 points up from November.

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
2020	77,4	79,5	77,8	60,9	81,7	89,2	114,6	122,6	128,8	134,6	132,5	167
2021	143,3	142,5	151,6	144,5	146,9	144,5	133,7	128,9	142,8	133,3	127,2	136,6
2022	139,4	138,7	149,5	143,6	136,9	154,3	140,5	155,9	161,3	166,7	187,7	196,5
2023	177,5	183,5	180,7	187,1	199,6	191,7	184,3	175,3	216,2	198,1	188,5	203,8

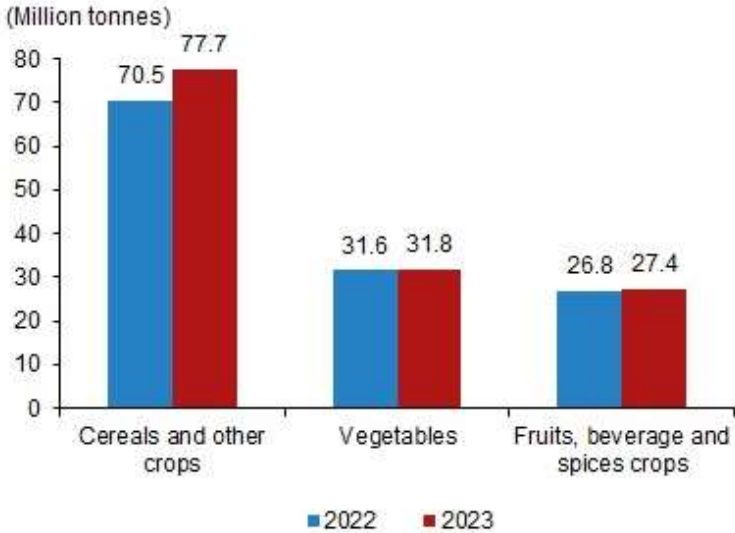
# Commodity Trends

## Milk Production Increased by 4,7% in January, While Cereal Production Up More Than 10% in 2023.

The amount of cow's milk collected by dairy enterprises, increased by 4.7% in January compared with the same month of the previous year. In the first month of 2024, Cheese production from cow's milk increased by 12.3%, drink made of yoghurt (ayran) production increased by 13.2%, yoghurt production increased by 9.2%, drinking milk production increased by 6.0%, butter production increased by 20.0%.



In 2023, production quantities of cereals and other crops (except fodder crops) increased by 10.3%, vegetables increased by 0.6%, and fruits, beverage and spices crops increased by 2.3% when compared with the previous year. Production quantities for 2023 became approximately as follows; 77.7 million tonnes for cereals and other crops, 31.8 million tonnes for vegetables, and 27.4 million tonnes for fruits, beverage and spices crops.



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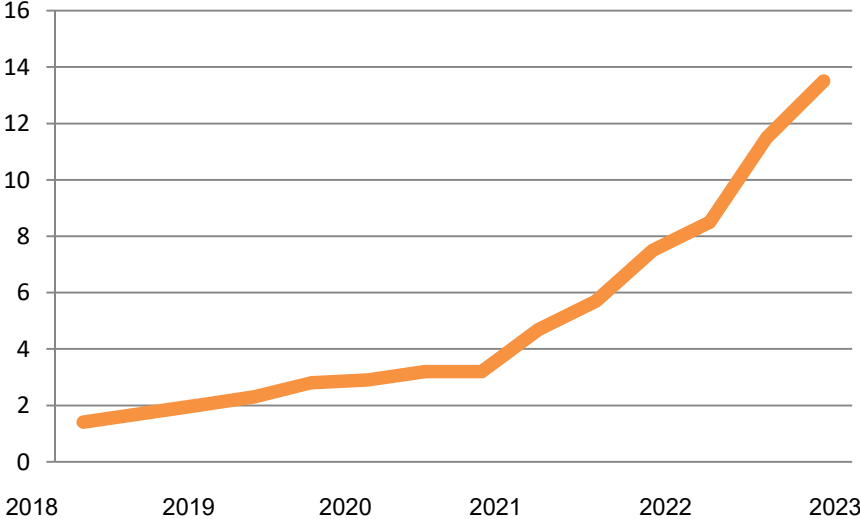


# Commodity Trends

Milk prices are still on the rise due to the increasing expenses.

## Milk Prices

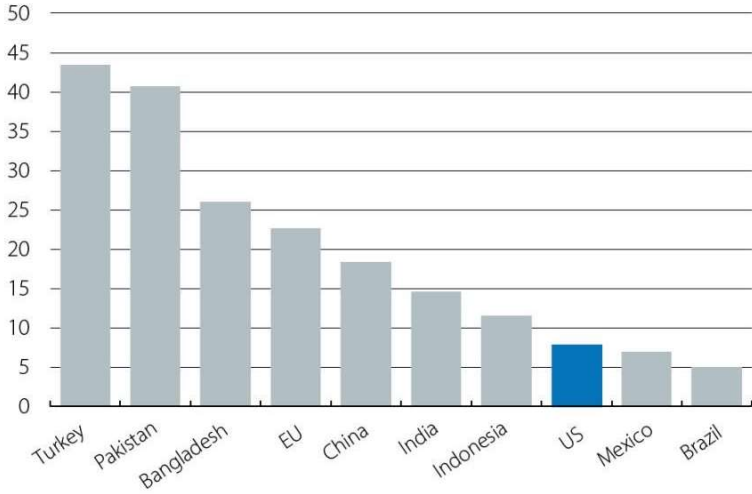
As of January 2024 milk prices rise to 13,5 tl from 11,5 tl(%26).



## Wheat Prices

Wheat prices has increased more than %40 percent in 2023.

Wheat: price change in local currency (%)



# Sales Forecast & Production Volume



# Sales Forecast

The decrease in forecasts is at remarkable levels depending on the limited financial loans

- High interest rates and limited loans.
- Low allocation for new grants and other governmental supports.
- Low demand for tractors and equipment due to economic conditions.

	Last 12 Months – Next 12 Months			
Equipment for soil working, seeding, fertilizing, plant protection	↑	more than 18%	↓	less than 5%
Components	↑	more than 15%	↑	more than 10%
Irrigation	↓	more than 15%	↑	more than 5%
Livestock Equipment	↑	more than 10%	↑	less than 5%
Tractors	↑	more than 25%	↓	more than 20%
Trailers / transportation equipment	↑	more than 10%	↓	less than 5%
Harvesting equipment	↑	more than 12%	↓	less than 5%

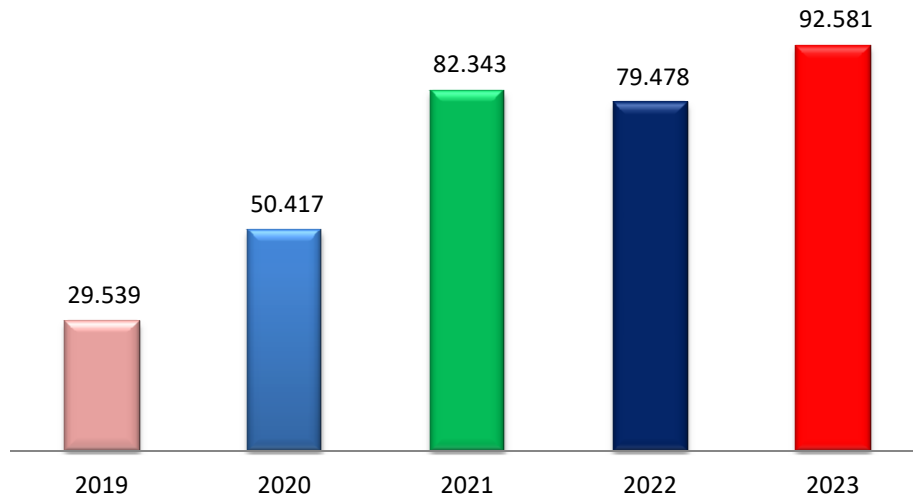
Source: Tractors Tarmakbir Tractor Registrations, CEMA Barometer Fall 2023



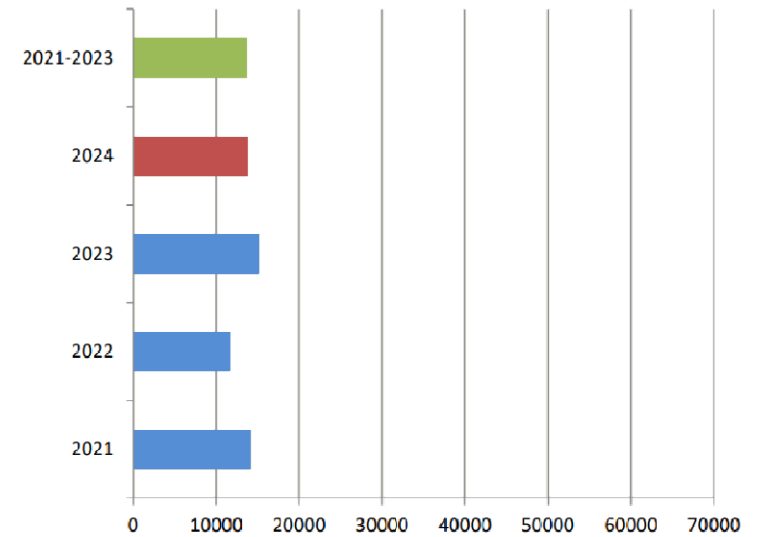
# Production Volume

In 2023, 92,581 tractors were produced, an increase of 16.5% yoy.

Tractor Production By Years



Tractor Production (Jan-Feb. Period)



Source: Tarmakbir Tractor Report

In the January-February period of 2024, 13,746 tractors were produced, a decrease of 8.7% compared to the same period last year..

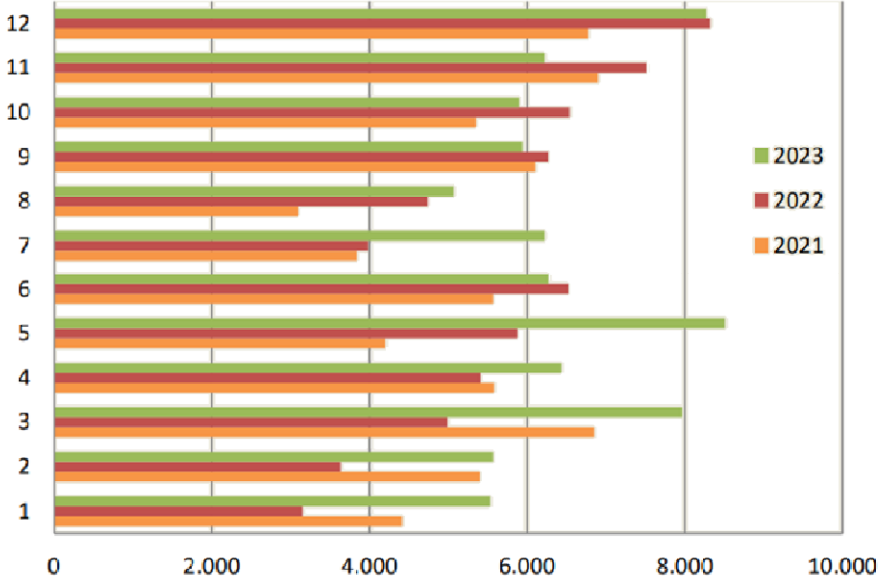
# Market Outlook



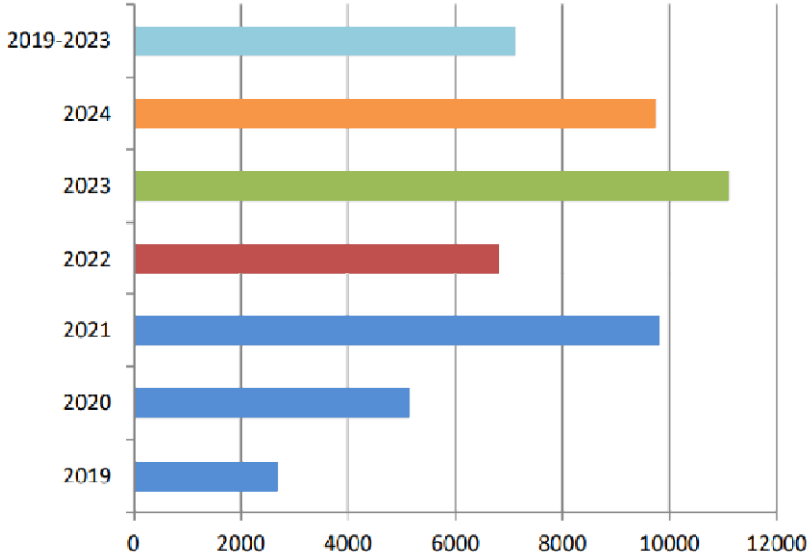
# Domestic Market

In 2023, 77,901 tractors were sold in the domestic Tractor market, an increase of 16.4% yoy.

Registrations by Month



Registrations (Jan-Feb. Period)



Source: Tarmakbir Tractor Report

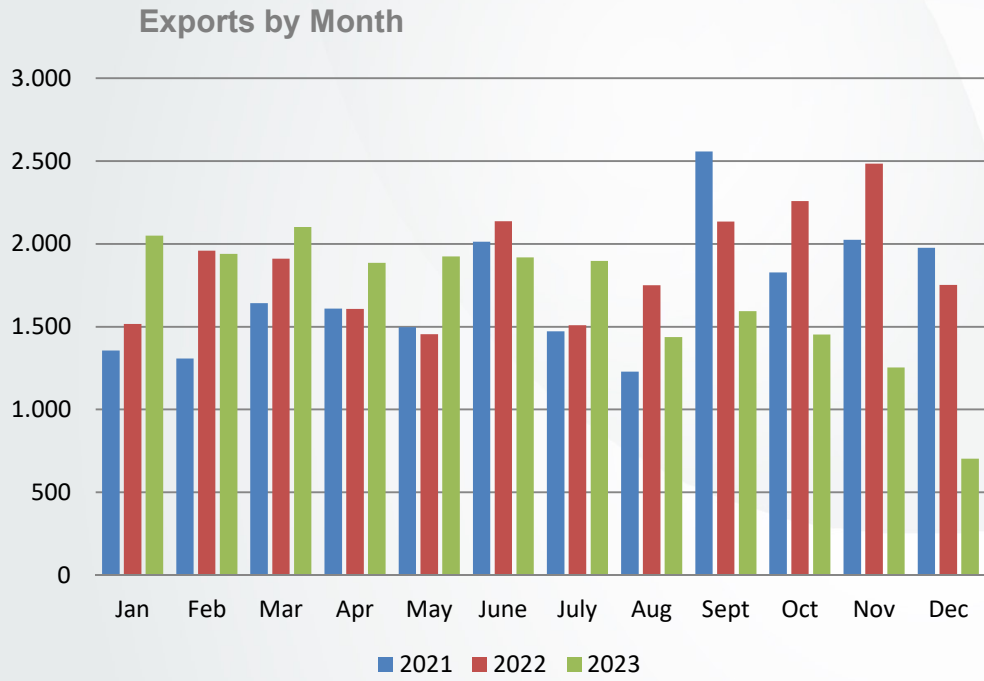
In the January-February period of 2024, 9,729 tractors were registered, a decrease of 12.4% yoy.



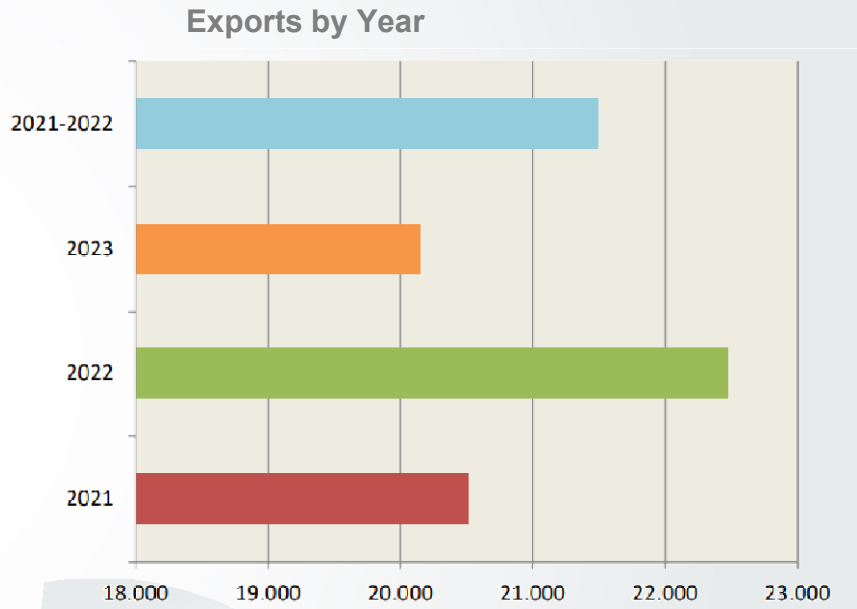


# Exports

## Slight Decline in Tractor Exports in 2023



Source: Tarmakbir Monthly Tractor Report



20,148 tractors were exported in 2023, 10,3% Less than Previous Year.



# Key Influencers

- ⦿ Drawbacks on national farming policies
- ⦿ More stable prices, however food prices still high(Agflation)
- ⦿ Expectations of bigger Slump in the Economy
- ⦿ Price surge in major commodities(Milk and Meat)
- ⦿ Challenges in Supply Chain almost settled
- ⦿ Decline in Farmers' Income
- ⦿ High prices for Agricultural inputs
- ⦿ Profitabilty Difficulties
- ⦿ High rates, insufficient financial loans and getting worse.