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ORGANIC FRUIT AND VEGETABLE POTENTIAL AT RETAIL CHANNEL IN TURKEY

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Abstract: Organic farming activities starting in the 1980s in Turkey and developed by the years so that it has become an important sector recently. But the market for organic goods in Turkey, although small, is growing and has great potential for future. Organic farming, which started with foreign market demand, accelerated with interest of domestic consumers that emerged as a necessity for the distribution channels to meet this demand. Hence, export potential and higher profit of organic farm products aimed to producers towards organic farming system. Most of the organic production in Turkey is targeted for export, with the European Union as the largest potential market. Despite support and efforts to promote organic production, domestic consumption and awareness of organic products remains relatively limited.

Organic farming also support sustainability of agricultural production and natural resources. At this work, world and domestic trade system of organic farming products examined regarding flow of distribution. Furthermore, marketing issues of these organic products at the retail level should be evaluated. At the result of this paper, Turkey has a better share of organic products' market on the world trade. Due to opportunity of the increasing domestic demand, retailers should be more emphasize and manage the organic food category line.

Keywords: organic farming, consumer, category management, foreign trade.

INTRODUCTION

The necessity of provide for nutritional needs of mankind, has made agriculture a very important sector for mankind. Human beings have work away farming since B.C. the ten thousand years. These activities have continued without detriment to, until the industry revolution and purpose to achieve more efficiency from the unit area. Following this,

generated commercial concern, unconsciously use of resources and chemicals and purpose to achieve more efficiency from the unit area made important problem. Organic agriculture, keep nature's balance, providing continuance in soil productivity. Also get under the control morbidity and damage to environment and continuity of living beings in the nature. Organic agriculture is system of optimum use of naturel resources and energy, getting maximum yield. Moreover, organic agriculture is an approach that integrates human, environment and economically sustainable agricultural production system (Ak, 2004).

There is a growing need in the world for the development of agricultural production techniques which do not pollute air, water and soil, reduce the negative effect of erosion, soil salinity, and diseases and pests. Organic farming is an environmental-friendly production method, which aims to respond to this need. Organic farming is a controlled and certified way of agricultural production, which does not harm human health and environment and which does not include the use of chemicals. Organic farming aims to protect the life-sustaining resources and natural life by maintaining the natural balance. In organic farming, chemical and pesticides are not used in any stages including cultivation, harvesting, classification, packing, labelling, storing and transporting. Thus, the health of farmers and their families and eventually the society is protected and improved. As the use of organic farming methods extend, the possibility of catching a disease which requires an expensive treatment is reduced, positively affecting the economy (www.tarim.gov.tr, 2017).

Organic agriculture begins in Europe in 1950s. After 1970s, it started to spread with respect governmental support. The developments in countries such as Europe, North America and Japan, Turkey influenced for this evolvement. However, organic agriculture improved in Turkey, in contrast to European countries, not consumer or producer demand it improved representatives of European organic agriculture firms (Aksoy, 1999).

Member Countries of the European Union are pioneer in organic agriculture products, products in the quantity and land of cultivation. In Turkey, examining the development of organic agriculture it is observed that there is a development due to demand in the foreign market. At the same time, development will be linked expected to due to increased consumption on the domestic market. With this expectation, possibility in domestic market on demand, product variety, number of producers, product quantities will also increase in parallel. In 1990, economic expectations, factor of income and market guarantee, has become most factor for businesses enter the organic agriculture sector. However, in addition to economic factors, the development of environmental consciousness and the increase of the importance of human health, acceptance of organic agriculture by everyone.

ORGANIC AGRICULTURE IN THE WORLD

After the importance of organic farming all over the world, all countries have begun to develop and disseminate organic farming activities in their own circumstances. Along with these developments, International Federation of Organic Agriculture Movements-IFOAM was established in 1972 to collect and organize the organic agriculture movement in the world under one roof (Deviren & Çelik, 2017).

Organic agriculture in the world is developing rapidly. Over the last 20 years, demand for organic products has increased in Europe, North America and Japan. As of the end of 2010 37,04 million hectares of organic agriculture in the world are organic agriculture lands. The range of this land is 33% in Oceania, 27% in Europe, 23% in Latin America, 7% in Asia, 7% in North America and 3% in Africa. The country with the most ecological product cultivation area among the EU countries is Spain with 1,5 million hectares. After Spain, Italy and Germany are another the most important countries with the most ecological product cultivation area. All countries in the 2008-2009 period the highest increase in organic agriculture lands in the world Argentina and Turkey (Kilcher & Kilcher, 2011).

According to the February 2017 report 2,4 million producers in the world are farming 50,9 million hectares of organic farmland. The number of organic agriculture producers increased 7% between 2014 and 2015. Organic farming lands have expanded by 356% in the last 15 years. Its reach to 14,9 million hectares. The volume of global organic food and beverage market in 2000 was 18 billion dollars. After 2000 in 15 years, its increased 240% and reach to 81,6 billion dollars (FIBL & IFOAM, 2017).

ORGANIC AGRICULTURE IN TURKEY

Organic agriculture movement started by not Turkish farmers, it started initiated through representatives of European organic farming companies. European countries demanded organic agricultural export products that cannot be grown in Europe from Turkey. After this request, organic agriculture started in Turkey by effect of European countries (Demiryürek, 2004).

Parallel to the increasing demand from European countries, organic production has become varied and organic production projects have been started to be carried out in all of Turkey since the mid of 1980s (Rehber & Turhan, 2002).

According to the Ministry of Food, Agriculture and Livestock figures in 2016 67 878 producers in Turkey are organically farming with a total of 523 thousand 778 hectares of field and 225 varieties of products. 29 thousand 199 hectares picking area from the nature. Turkey, with approximately 70 thousand producers working in this area, is located among 8 countries the most organic agricultural producers. Turkey has 62 million euros in the organic products market revenue according to 2015 data. Looking at the Eastern Anatolia region is prominent in organic agriculture in Turkey ranks first with 57% share. This region is followed by Aegean with 23,7% and Southeast Anatolia region with 6,4%. When we look at the number of farmers, Aegean is in first place with 32,2%. This region is followed by Eastern Anatolia with 30,3% and region of Black Sea with 25,1%. Among the products organically grown in Turkey nuts, walnuts, pistachios, dried figs, dried apricots, raisins and dried tomato shine out. Legumes, medicinal aromatic plants, cotton and olives are also take part in the products that are in organic production (www.tarim.gov.tr, 2017).

Organic agriculture's development in Turkey

In the field of organic agriculture in Turkey, published in 1994, "the production of vegetable and animal products in an ecological manner" following the regulations is provided very rapid developments. These developments can be observed in the following table (Bayram, Yolcu, & Aksakal, 2007).

Table 1. Organic Agriculture in Turkey

Year	Number of Products	Number of Producers	Area (Hectares)	Production (ton)
2003	179	14 798	113 621	323 981
2004	174	12 806	209 573	378 803
2005	207	14 401	203 811	421 934
2006	203	14 256	192 789	458 095
2007	201	16 276	174 283	568 128
2008	247	14 926	166 883	530 225
2009	212	35 565	501 641	983 715
2010	216	42 097	510 033	1 343 737
2011	225	42 460	614 618	2 905 755

Year	Number of Products	Number of Producers	Area (Hectares)	Production (ton)
2012	204	54 635	702 909	1 750 127
2013	213	60 797	769 014	1 620 466
2014	208	71 472	875 835	1 642 236
2015	197	69 967	515 268	1 829 291
2016	225	67 878	523 778	2 473 600

Source: (Turkish Statistical Institute, 2017).

Distribution channels

The purpose of distribution channel is reach to organic fruit and vegetable products at appropriate time and retail point. The distribution channels are of great importance as they provide maximum benefits at the consumer level. Nowadays the demand for organic products is rising so the distribution channels such as the internet, ecological public markets, completely organic sales points are emerging but Supermarkets are still the most used distribution channel for organic product marketing. In addition to these exports have a significant share in the distribution channel.

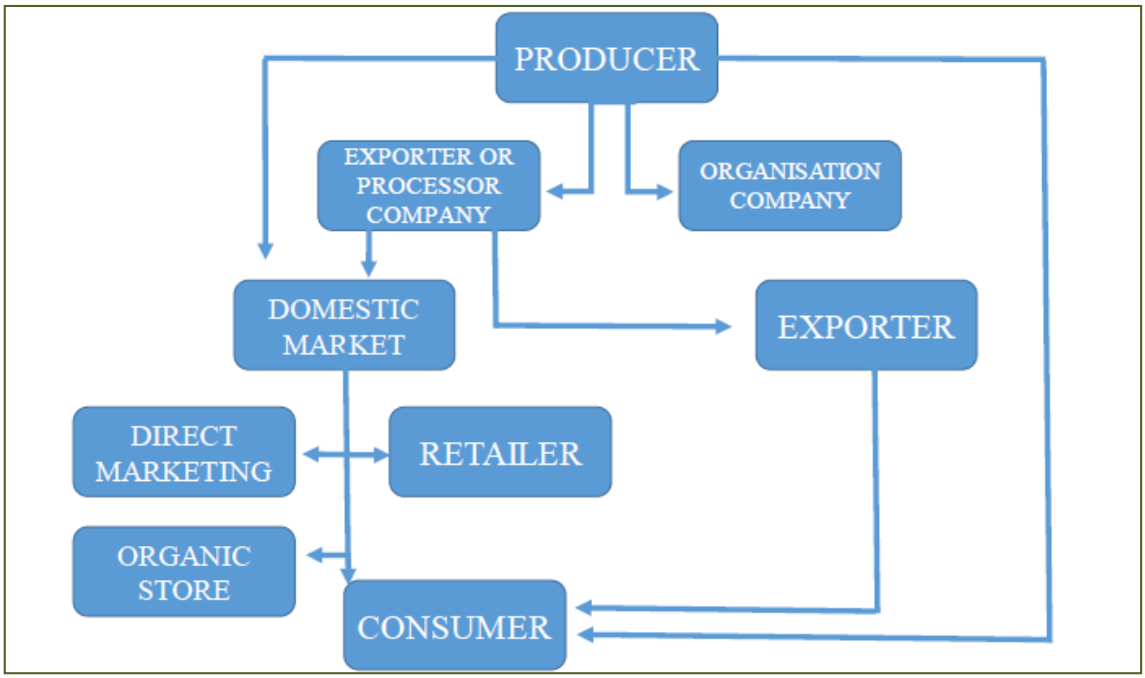

Figure 1. Organic Products Distribution Channel Flow

Retailers

The share of retail chains on the distribution channel is also not the desired level. It has increased significantly since 1990. All retail chains on the world provide quality products, change warrants to their customers so they were especially strongly encouraged in the field of fruit and vegetables. The traceability system is another advantage. Examining these characteristics, it is obviously seen that positive effects both from the producer and the consumer. Retail, which is an important distribution channel for organic product marketing, is one of the most used enterprises in the supply of food in Turkey as well as in the world. At retail, customer demand increases due to the plenty of organic product after this demand, the shelf share has been increased. In addition, retailers are marketing organic products with their

own names (Private Label) or only marketed by them. In Turkey, almost all retailers chain has organic product. After these products have been sold in retail chains, all income groups have access to organic products and give opportunity to have information about them. Although organic product sales are not at the desired level but sales are slowly increasing. It is very important to create customer consciousness in organic products. A lot of customers do not know that the product is an organic substitute. Also, products sold in retail chains, when did not appreciate to customer, there is hard to sell its products; causing the return rates of products. Moreover, while operating price are rising between retailer and supplier, promotional activities that need to be done to promote the organic products on retailer. This operation increase product prices for customers (Dalkıran, 2009).

Specialty Stores

Another point where organic products are offered to the customer is which are usually located in the city center and share in the distribution channel. These stores are usually located at the known locations of the city by everyone. Customer groups are the people in the high-income group. The targets of these stores are the customers who demand organic products. Store decorations attracting customer and positively affect organic product sales. They use natural materials for packaging. Specialty Stores sell organic fruit and vegetable, jam, olive oil, fruit juice, breakfast products. Also, cosmetics, textile products and non-food products selling in Specialty Stores.

Organic (Ecological) Public Market

One of the most important selling places for agricultural food in Turkey is the public markets. The development of modern retailing in Turkey has started since 1990 despite the retail sector could not to achieve world standards. Due to this reason, public markets are still important places for fruit and vegetables. Turkey's first 100% Ecological Public Market was founded in Istanbul's Sisli district, June 27, 2006. Public markets generally appeal to the whole society even when research conducted, the lower income group seems to prefer more. But the target mass of the ecological market is conscious consumers at every level of income, health, taste and economic issues.

Internet Marketing

As regards the marketing of organic agricultural products in the world and Turkey on the internet e-commerce is taking place. Organic products selling like stores, can be sold in virtual markets on the internet. Major retail chains and companies are offer to sale on e-commerce, as well as fruit and vegetable trading companies offer to sale fruit and vegetable on internet.

Foreign Market

Organic agricultural products are generally in high demand in developed countries. The demand is very high therefore the supply amount is insufficient. This is an important opportunity for developing countries. Organic fruit and vegetable exports began in the 1980s with the demand from abroad. Type of contracted production, started with eight products. Export in the distribution channel cannot reach the desired level in an important place. Turkey compared to the demand in the domestic market, especially the cause of a large part of our production is exported to the rapidly increasing demand for organic products in European countries. As yet in Turkey as in other countries, organic agricultural products could not be established statistical infrastructure relating to foreign trade.

Marketing Problems of Organic Agricultural Products

Organic agriculture, which has been working on to offer useful products for human health, it is necessary to increase the level of producer and consumer consciousness in order to make it possible to develop and maintain, to make intermediate staff more efficient and to encourage and support the producer. If quality and maintainability of organic agricultural production has been ensured, the cost of these products might be decreased. For this reason, due to the decreasing quantity of imported products causes improvement on organic agriculture. With the system that is developed in the future, the amount of the increased product release to the domestic market and remaining product could export. Providing consciousness at the level of producer is also very important. Producer looks at organic production with low yield, actually it could get more profit for producer. Also, agriculture with organic farming is both healthier for ecology as well as healthier for the consumer, and chemicals and medicines are less harmful than normal farming. In fact, the loss is not inefficiency for organic agriculture season is the source of the manufacturer's inability to market the product. The number of producers contracted by export firms is limited to the connections made with buyers in foreign countries. A small producer with insufficient capital is obliged to make contractual organic production with the companies. Because the cost of certification is expensive. Barely, the manufacturer or a collective producer community with sufficient capital could get certify for the product. In this case brokers fall out. Due to shortage of distribution and promotion in the domestic market, creating a market for the product can be a problem. For this purpose, a Farmer's Union or a cooperative's point of sale, only organic points of sale, and direct marketing methods could use. The production of Private Label Products where retailers use their own brands can facilitate entry into this market by producer (Öztürk & İslam, 2014)**.**

In Turkey, there are general factors affecting the development of organic farming to avoidant. Turkey, is defined as agricultural country despite, inequality is still observed in the pricing of agricultural products. This is an indication that the stock market and farmers' cooperatives are not being used effectively. Turkey has various agricultural products in the various zones can be grown. However, these products produced are still limited. This is caused by the ineffective use of modern farming. With a good plan this is possible in Turkey to produce agricultural products as organic. Organically produced products are manufactured in Turkey with the purpose generally being exported. The remaining products are selling on the domestic market. It is observed that the quantity of products in the domestic market is low when compared to the exports and the goods to the domestic market. If it is desired to ensure the continuity of the products in the domestic market, the increase of diversity must be supported. In addition, the level of consumer awareness of organic products should be increased. Provide for needs of consumers, the products need to be easily accessible. Also, necessary to increase products availability and reachability in marketing channels. In domestic market, organic fruit and vegetable prices are higher than other agricultural products so it is decrease customer demand. Within this context consumers supply basic needs and do not prefer organic products.

Meeting Consumer Demands More Regularly

Many consumers are concerned about the relation among environmental problems and economic development. Organic product consumers are people with high environmental awareness it is necessary to consume the products that grow in the region they are in, meet the needs in a shorter time and the freshness, color and smell are unchanged in terms of both customer satisfaction and economic in terms of being important.

Accessibility

Reach to the consumer, low production and marketing costs, support of local companies, packaging costs are of great importance. For example; consuming products such as lettuce, spinach, and parsley, which are produced organically, in the area where they are grown, its provide of reduce the costs. In addition, consumers could to change the idea of "luxury" or "expensive product" in their minds about organic products by buying organic products from the public markets.

CONCLUSION

In the organic agriculture that has developed since the 1990s, customer and producer awareness has increased. But still cannot reach the desired level. Units in the organic farming production and marketing channel are still low level of knowledge and negative attitude is excessive. If examining from the beginning, as the level of knowledge increases, the sector grows. Still many producers think the yield is lower in organic agriculture. In fact, both sustainability and ecological benefit are more. Also, the value of organic agricultural products is higher than that of normal agricultural products. Especially a good branding opens up the difference much more. The average value of an organic agricultural product is 40% higher than a normal agricultural product. Product diversity, rich ecosystems, land and labor structure with potential for organic agriculture is a high for Turkey. If these facilities are used for organic agriculture with an effective marketing channel, the gain and value of agriculture will increase.

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