






The Agro-based Industry, a sustainable solution for rural Central Anatolia Regional Development?



The Case of KARAMAN

May 2008 - Bari

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- Agro-based Small and Medium Enterprises (SME's) are part of the rural and agricultural development strategies.
 - Agro-based SME's can play an important role in sustainable rural development process.
 - This is especially true for the countries or regions where agriculture has a big share in the national/regional economy.

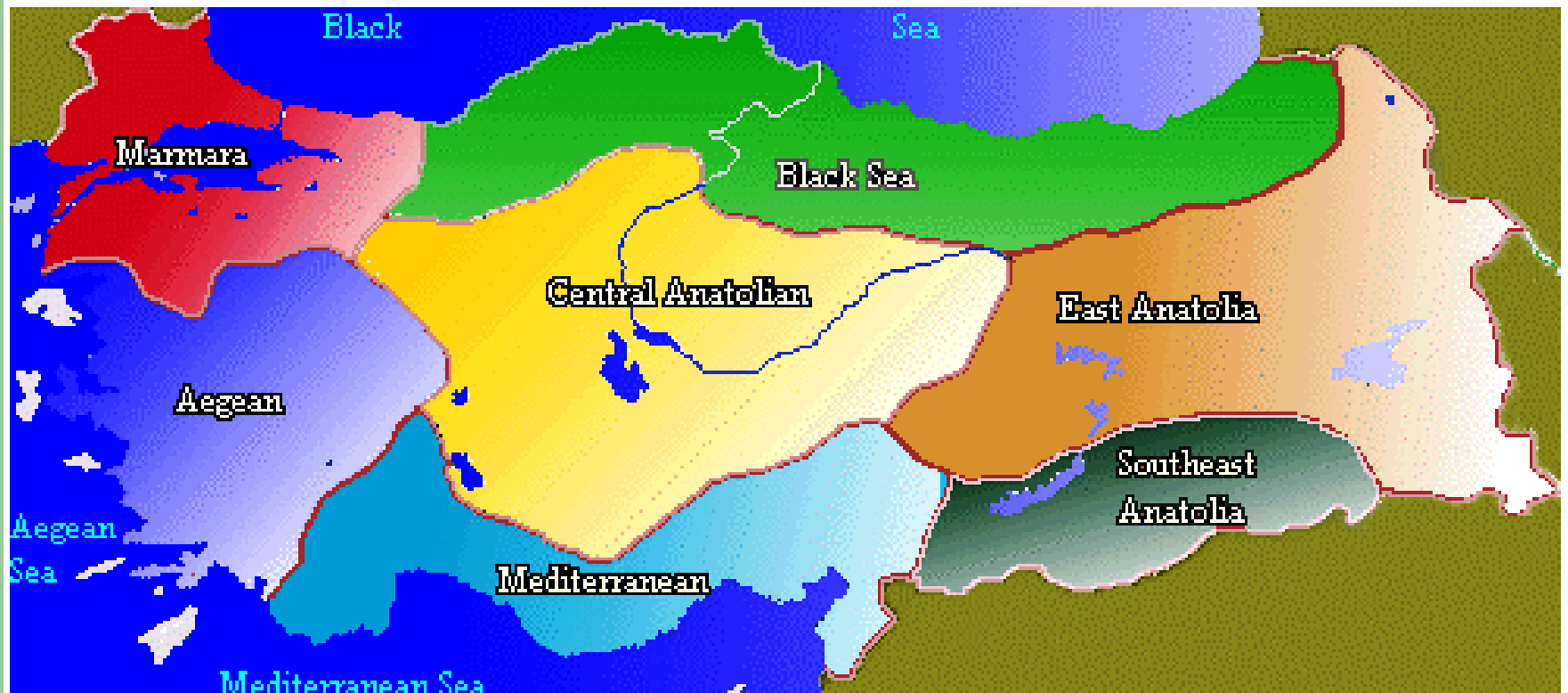
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- SME's achieve integration of agricultural product with industrial sector.
 - Agricultural products are processed physically and/or chemically, stored and transformed into food and fiber items.
 - While doing so value added, employment and additional income are generated.

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- Agro-SME's are usually located in or near agricultural/rural areas.
 - They use relatively simple technology with relatively lower investment cost.
 - They are labor intensive, so promotes employment in general, youth and women in specific

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- They use mainly locally produced agricultural products as inputs which creates a demand/market for them.
 - Very low dependency on imported inputs as compared to non-agro industry.
 - Domestic and foreign markets (exports) create the environment for market sustainability.

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- They provide technical, financial support and training to farmers which help to raise productivity.

REGIONAL MAP of TURKEY



PROVINCIAL MAP of TURKEY



POPULATION (2007)

	KARAMAN	TURKEY
Population	226.049	70.586.256
Urban (%)	65.1	70.5
Rural (%)	34.9	29.5

Land Distribution in Karaman

Agricultural Land	346.848 ha	% 37
Forest	209.459 ha	% 22
Pasture & Meadows	310.930 ha	% 33
Others	73.326 ha	% 8
T O T A L	940.743 ha	% 100

Agricultural Land Distribution in Karaman (Ha)

	2000	2002	2004	2005
Cereals	202.972	198.946	214.771	225.961
Legumes	22.822	26.012	27.537	17773
Industrial Crops	13.983	10.474	9.373	10.339
Fodder Crops	6.249	9.210	11.716	10396
Orchards	17.762	18.439	19.835	20.167
Vegetables	5.552	7.008	9.298	10260
Vineyards	19.009	19.136	19.911	19279
Fallow Land	45.413	44.621	32.231	31931
Others	11.690	11.706	880	742
TOTAL	345.552	345.552	345.552	346.848

SME's by sectors in Karaman (2006)

Sectors	Numbers	%
Food	37	30,2
Feed & Fertilizer	3	2,5
Paper & Packaging	9	7,6
Textile	3	2,5
Plastics	4	3,4
Mining	8	6,7
Furniture	2	1,7
LPG filling & Paint	2	1,7
Machinery & Metal	11	9,3
Cold Storage	17	14,3
Non-active firms	22	20,1
TOTAL	119	100

LABOR PARTICIPATION RATE

	KARAMAN*	TURKEY**
Men	69	69.6
Women	44	22.3
TOTAL	56	46.8

* 2003

** 2007

Share of GDP of Karaman in Central Anatolia Region & Turkey

Years	CENTRAL ANATOLIA Share (%)	TURKEY Share (%)
1995	2.21	0.36
1996	2.64	0.43
1997	2.77	0.42
1998	2.55	0.41
1999	2.26	0.38
2000	2.01	0.34
2001	2.06	0.33

Export Values of Karaman (Million \$)

Years	2000	2001	2002	2003	2004	2005	2006
Export Value	32.4	30.2	36.6	46.9	54.1	53.0	55.6

Development Index by category of provinces (2003)

FIRST DEGREE	SECOND DEGREE	THIRD DEGREE	FOURTH DEGREE	FIFTH DEGREE
1. İstanbul 2. Ankara 3. İzmir 4. Kocaeli 5. Bursa	1. Eskişehir 2. Tekirdağ 3. Adana 4. Yalova 5. Antalya 6. Kırklareli 7. Denizli 8. Muğla 9. Bolu 10. Balıkesir 11. Edirne 12. Mersin 13. Bilecik 14. Kayseri 15. Gaziantep 16. Zonguldak 17. Aydın 18. Sakarya 19. Çanakkale 20. Manisa	1. Konya 2. Karabük 3. Isparta 4. Hatay 5. Uşak 6. Burdur 7. Samsun 8. Kırıkkale 9. Nevşehir 10. Karaman 11. Elazığ 12. Rize 13. Trabzon 14. Amasya 15. Kütahya 16. Malatya 17. Kırşehir 18. Artvin 19. Afyon 20. Düzce 21. Çorum	1. Osmaniye 2. Kahramanmaraş 3. Niğde 4. Giresun 5. Kastamonu 6. Tunceli 7. Sivas 8. Kilis 9. Bartın 10. Aksaray 11. Sinop 12. Erzincan 13. Çankırı 14. Erzurum 15. Tokat 16. Ordu 17. Diyarbakır 18. Yozgat 19. Adıyaman	1. Bayburt 2. Kars 3. Şanlıurfa 4. Iğdır 5. Batman 6. Gümüşhane 7. Mardin 8. Siirt 9. Ardahan 10. Van 11. Bingöl 12. Hakkari 13. Şırnak 14. Bitlis 15. Ağrı 16. Muş

Comparison of Per Capita GDP in Karaman, Central Anatolia Region & Turkey

Years	Turkey (\$)	Central Anatolia (\$)	Karaman (\$)
1995	2,727	2,665	2,799
1996	2,888	2,804	3,575
1997	3,021	2,762	3,606
1998	3,176	3,053	3,692
1999	2,847	2,886	3,098
2000	2,941	2,909	2,799
2001	2,146	2,036	2,012

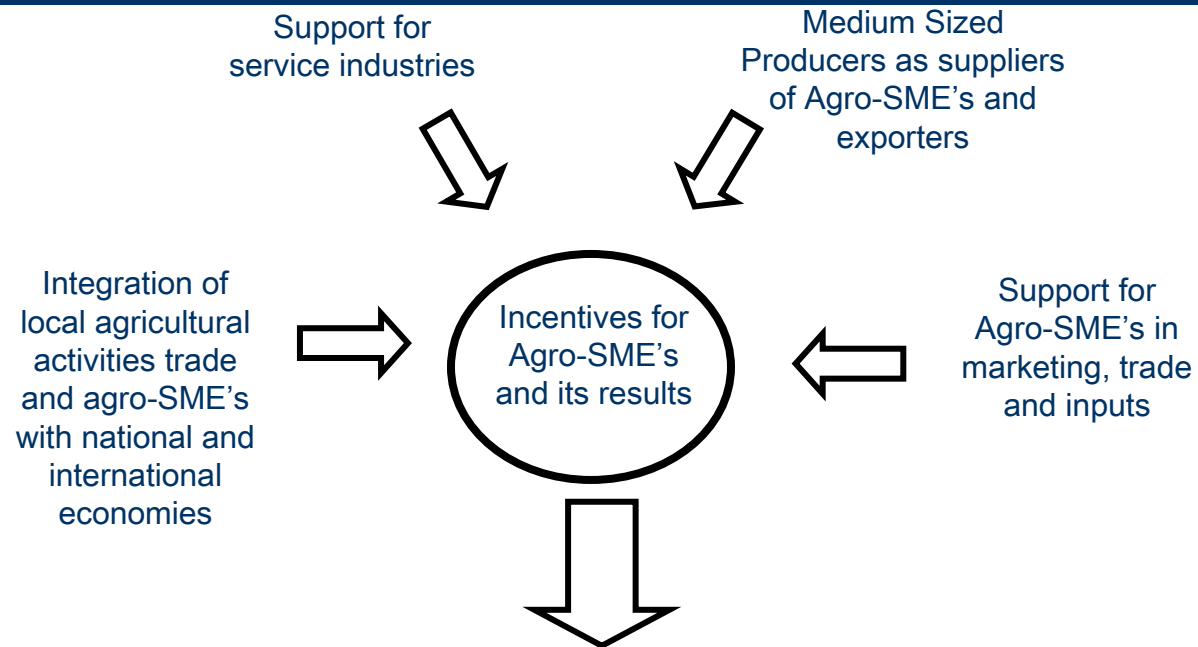
Economic ranking & growth rate of Karaman and other cities of Central Anatolia Region (2003)

Province	Socio-economic development ranking		Growth Rate %
	Central Anatolia Region	Turkey	
Ankara	1	2	3,8
Eskişehir	2	6	3,7
Kayseri	3	19	4,0
Konya	4	26	3,0
Kırıkkale	5	33	2,5
Nevşehir	6	34	2,2
Karaman	7	35	5,0
Kırşehir	8	42	1,3
Niğde	9	49	2,2
Sivas	10	53	2,9
Aksaray	11	56	5,7
Çankırı	12	59	1,6
Yozgat	13	64	3,3
İç Anadolu			<u>3,5</u>
Türkiye			<u>3,6</u>

GDP of Karaman, Turkey & Central Anatolia Region

(Current prices, YTL)

Years	Turkey (1)		Central Anatolia Region (2)		Karaman (3)	
	GDP	Growth rate (%)	GDP	Growth rate (%)	GDP	Growth rate (%)
1995	7,762,456	100.7	1,293,815	100.2	28,655	106.3
1996	14,772,110	90.3	2,423,834	87.3	64,203	124.1
1997	28,835,883	95.2	4,449,125	83.6	123,286	92.0
1998	52,224,945	81.1	8,416,663	89.2	215,342	74.7
1999	77,415,272	48.2	13,075,467	55.4	295,876	37.4
2000	124,583,458	60.9	21,130,036	61.6	426,182	44.0
2001	178,412,438	43.2	28,973,733	37.1	597,390	40.2



- Increase the food safety level
- More effective and sustainable regional development
- Better income distribution
- More non-agriculture employment and income
- For agricultural products, higher value added created and more dependable markets