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## Turkey

### Market Development Reports

### Turkish Ice Cream Market

### 2006

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**Report Highlights:**

The Turkish ice cream market showed a great increase during the last six years when production reached 125 million liters in 2005 compared to 60 million liters in 2000. An additional twelve percent increase is foreseen for 2006. Local per capita ice cream consumption also doubled during the same period and reached 1.8 liters per person. It is expected to continue to grow an average of ten percent a year for the next five years. Despite the large increase in recent years, per capita consumption is still less than in Europe. Turkey represents a good opportunity for ice cream manufacturers and exporters with its large potential for increase in the overall size of the market, increasingly young urban population with changing life style and strong potential for growth in tourism.

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## Production

Total ice cream production in Turkey for 2005 is estimated to be about 125 million liters compared to 60 million liters in 2000. Total production is projected to increase further and reach 140 million liters in 2006. Seventy-five percent of the of the total production, 110 million liters, is estimated to be industrial ice cream and the rest, 30 million liters, is artisan type in-house production by local pastry/sweet shops. In coming years, industrial ice cream is expected to capture an even larger market share as producers are investing very heavily to increase their production capacities. Industrial ice cream producers are also investing in marketing activities to increase their market penetration.

There are six leading firms currently producing or importing and marketing industrial ice cream in Turkey; Unilever's Algida, Ulker's Natura, a local food and confection company that bought Sollmer's plant, local firms Has Gida that produces Panda brand, Dinamik Gida that produces Alaska brand, Izmir Sutlu Mamulleri that produces Memo brand and Nisfud Gida-Kerevitas that imports Haagen Dazs products.

According to the industry contacts, total wholesale market value is estimated to have reached US\$ 400 million in 2005 and the retail market US\$ 500 million that same year, up twenty percent compared to the previous year. Domestic market value for wholesale and retail markets were US \$200 million and US\$ 300 million, respectively in 2000. Both wholesale and retail ice cream markets are projected to grow about twelve percent in value during 2006.

## Consumption

Local per capita ice cream consumption doubled during the last six years and reached approximately 1.8 liters in 2005 despite the down turn in 2001 due to the economic crisis that year. Consumption is expected to grow an additional twelve percent in 2006. An increase in urbanization and middle class incomes coupled with changes in lifestyle were the main reasons for the growth. An increase in the tourism sector also played an important role in the rise in consumption. In recent years, Turkey became one of the leading tourist destinations of the world. The number of tourists visiting Turkey went up to 21 million in 2005 and is expected to increase to 30 million by the year 2010.

The great majority of the tourism activity takes place in the summer months and that contributes to expansion in ice cream consumption. But despite the significant increases in recent years, domestic per capita ice cream consumption in Turkey (1.8 liters) is still low compared to the western world such as, US 25 liters, Australia 17 liters, Italy 9 liters, Germany 8 liters, and Greece 4 liters. Market studies on the Turkish ice cream market show that about 80 percent of the industrial ice cream consumption is done by the 6 to 25 age group and considering fifty percent of the 72 million Turkish population is under the age of 25, this shows the great potential for consumption increase in the Turkish ice cream market.

According to the same study, about 40 percent of the total domestic consumption takes place in the Marmara region (Istanbul, Bursa and Izmit), where large population with higher purchasing power live, about 20 percent of consumption takes place in the Aegean region (Izmir and Mugla) and 20 percent in the Southern Anatolia (Antalya and Mersin) region where the weather is warmer and popular tourist centers are located.

Studies on consumption habits also show that, while Turkish women prefer ice cream varieties with fruit, Turkish men prefer chocolate varieties.

It is estimated that about eighty percent of the ice cream is consumed during the summer months. Ice cream producers are undertaking marketing and promotion activities to extend consumption to the winter months as well.

### **Marketing**

The domestic industrial ice cream market has three segments: impulse, take home and catering.

The impulse segment is the largest in the industrial ice cream market and according to industry sources it constitutes about a seventy percent share (about 75 million ltr). The take home segment constitutes twenty percent while catering accounts for ten percent. The three segments are growing at different rates. The impulse market is estimated to be expanding at about ten percent a year, the take home market at twenty percent and catering twelve percent.

There are also three main marketing channels for ice cream: independent food stores (grocery stores, gas stations, convenience stores), super and hypermarkets, and specialty shops (ice cream corners and patisseries). While individual stick ice cream products are predominantly sold in the independent stores, take home sizes are more popular in the super and hypermarkets. In the ice cream shops, however, artisan type ice cream is sold per scoop, according to the individual's request. According to Euromonitor, the largest marketing channel is the independent stores group that constitutes about 48 percent of total sales, followed by supermarkets with 27 percent and ice cream shops with 25 percent.

In the impulse market, ice cream is sold in industrial freezers that are supplied by manufacturers to the retailers (small groceries, gas stations, etc.). The total number of these freezers is estimated about 200,000 units of which 115,000 units belong to Algida, 45,000 units to Has Gida and 40,000 units to Ulker-Natura Gida. Companies are continuing to invest heavily in freezers to increase their market shares each year. According to the industry sources Algida is estimated to have fifty-five percent of the industrial ice cream market and Has Gida about twenty percent and Ulker-Natura about eight-teen percent.

In late 90's, one of the leading Turkish frozen food producers, Kerevitas, formed a partnership with Scholler of Germany to produce Scholler ice cream varieties in Turkey. However, three years ago the venture was sold to Ulker, the local confectionary and food processing company. Ulker's acquisition of local the Scholler operation reportedly contributed to the 25 percent growth in the domestic market, as a result of the advertising campaign that Ulker undertook to introduce its brands to the market. Kerevitas, to remain in this lucrative market, started to import and distribute Haagen Dazs premium ice cream products.

Domestic companies Dinamik Gida (Alaska) in Istanbul and Izmir Sutlu Mamulleri (Memo) in Izmir have only a small share of the industrial ice cream market. Dinamik Gida is the fourth largest industrial producer in Turkey and competes with the three other leading producers in impulse market. Izmir Sutlu Mamulleri, on the other hand, sells to the catering market mostly to tourist resorts in the southern part of the country. This company also imports Mars brand ice cream from its factory in France. The product is relatively expensive and their market is said to be limited to some big hotels. Distribution is estimated at a few hundred tons a year.

Leading ice cream producers are spending significant amounts of money to develop new varieties, increase the number of sales points and to enlarge production capacities to increase the total size of the market and also their market shares within. Recently, in the tough competitive environment, producers are introducing products that have more milk,

fruits and natural ingredients. They are also lowering the sugar and fat contents of their products and are producing "light" varieties to capture niche markets and increase their total sales.

Along with the impulse market, the take home market has also grown in recent years as the number of sophisticated groceries, super and hypermarkets in Turkey expands (please refer to Turkey retail market report TU4005). The significant increase in the number of household refrigerators with two-doors and deep freezers in recent years also facilitated an expansion in this segment. While the number of modern supermarkets continues to increase, markets devote larger amount of space to ice cream every year and carry wider selections. Also, some local supermarket chains started to have their private label ice cream take a share of the growing market.

In the artisan ice cream market some producers have reached fairly large size operations via franchising. The largest in this group is a company named "Mado", which has about 170 shops of various sizes around Turkey and ten abroad. Mado produces local ice cream that used to be mostly sold in cups but now they have take-home packing as well.

Turkish ice cream producers are also exporting ice cream, although in limited quantities, to neighboring Black Sea, Balkan, the Middle Eastern and Central Asian countries. Total ice cream exports were about 4 million liters in 2005. Turkish ice cream imports were about 785,000 liters during the same year and France was the leading supplier.

### Retail Prices by brand

**Algida:** Magnum YTL 2 per stick (PS), Cornetto YTL 1.50 (PS)

**Gulf:** Bravo YTL 2 (PS) Coco Star YTL 1.5 (PS), Rako YTL 1 (PS)

**Panda:** Magic YTL 2 (PS), Kornet YTL 1 (PS), Stix (for children) YTL 0.60 (PS)

**Mado:** YTL 0.15 per scoop.

In general, liter containers cost between YTL 3 and YTL 5 at supermarkets.  
(US\$1=YTL 1.450 as of November 2006)

### Import Regulations

The following office is currently responsible for the issuance of import permits, which are required for all food imports:

Dr. Nihat Pakdil, Acting Director General  
Protection and Food Control Services  
Ministry of Agriculture and Rural Affairs  
Akay Cad. 3, Ankara, Turkey  
Phone: (90-312) 425-7789/ 417 9623 Fax: 418-6318

The following table includes Turkey's 2006 duties for ice cream imports.

	Customs taxes		Agricultural fund (Euro / 100 kg)	
	E.U.	Other	E.U.	Other
3% butter fat	0	8.6	23,26	64,30
3-7% butter fat	0	8	40,06	90,46
7%+ butter fat	0	7.9	57,13	57,13

## Sanitary and Packaging Regulations

According to current requirements, imported ice cream must have a permanent label attached to each package which includes the following information: Name of product; name and address of producer; production date and last consumption (expiration) date; net weight (gr) and volume (ltr); Ministry of Agriculture production or import permit number; ingredients; nutritional facts; storage requirements; and, name/type of packing materials.

## Market opportunities

Turkey represents a good opportunity for ice cream manufacturers and exporters, with its large potential for increases in the overall size of the market, an increasingly young urban population with changing life styles, and a continuing strong growth in tourism. The domestic market is now known to respond well to industrial ice cream marketing and a niche market exists for high quality imported ice cream. A number of local firms have shown an interest in forming joint ventures and otherwise cooperate with foreign companies to improve their technical expertise, competitiveness and to expand product lines. Companies with large product lines can consider forming partnerships with existing ice cream manufacturers or other local firms. While the Turkish agriculture/processing sectors are somewhat protected through regulations and import procedures which can make it difficult for foreign firms to enter the market without local partners, ice cream producers may also want to look at direct investments and establishment of ice cream shops in large cities like Istanbul or Izmir or other tourist areas. Turkey has a number of food shows that feature high value products. The most prominent is currently GIDA 2006- (Food 2006), which will be held November 22-25, 2006 in Istanbul at CNR Exhibition Center (Phone 90-212-465 7474 Fax: 465 7477 web: [www.cnr.net](http://www.cnr.net)). Another leading food show is Yiyecek Icecek Fuari-2007 (Food Products 2007) organized by ANFAS at the Expo Center in Antalya on 14-17 February 2007 (Phone: 90-242-462 2000 Fax: 90-242-462 1990 web: [www.antalyaexpocenter.com](http://www.antalyaexpocenter.com)).

For further information on doing business in Turkey, we recommend that potential exporters and investors refer to copies of reports done by our office, Foreign Agricultural Service Turkey, such as Exporters Guide report (TU6043), Turkish Retail Food market report (TU4005), and FAIRS Export Documents reports (TU6048). These are available through the FAS web site at [www.fas.usda.gov](http://www.fas.usda.gov). Additional information is available through the FAS offices in Turkey:

FAS Ankara: American Embassy, Kavaklıdere, Ankara.  
Phone: 90-312- 468 6129 Fax: 90-312-467 0056 e-mail: [AgAnkara@fas.usda.gov](mailto:AgAnkara@fas.usda.gov)

FAS Istanbul: US Consulate, Istinye, Istanbul  
Phone 90-212-335 9140 Fax: 90-212-335 9077 e-mail: [AgIstanbul@fas.usda.gov](mailto:AgIstanbul@fas.usda.gov)

**List of Turkish Ice Cream Producers and Importers:**

**Algida:** Mr. Ahmet Cosar  
Huzurhoca Sok.,  
Icerenkoy 81120, Istanbul  
Phone: (90-216) 463-9331, Fax 463-9129

**Has Gida (Panda):** Mr. Vedat Bahar  
Has Gida Sanayi  
Petro Ofisi Cad., Avcilar, Istanbul  
Phone: (90-212) 422-1200, Fax 422-1201

**Izmir Sutlu Mamulleri (Memo):** Mr. Onder Hizver  
Ankara Cad., 285, Bornova, Izmir  
Phone: (90-323) 343-3335, Fax: 343-4418

**Natura Gida (Ulker) :** Mr. Nusret seyhan Apaydin  
Ahmet Bayman Sok 2  
Seyrantepe, Istanbul  
Phone: (90-212) 284 6000, Fax: 324 4719

**Nisfud gida-Kerevitas:** Mr. Ergun Akaya  
Universite Mahallesi, Baglarici Cad. 29  
Avcilar, Istanbul  
Phone: 90-212-676 0110 Fax: 676 0123

**Dinamik Gida (Alaska):** Mr. Ender Yigitturk  
Akasya Sok 7, Besyol, Sefakoy, Istanbul  
Phone: (90-212) 425-1835, Fax: 541 6420

**Yasar Dondurma ve Gida Mamulleri**

**Mado:** Mr. Mehmet Kambur  
Gaziantep yolu 5. kilometre, Kahramanmaras  
Phone: (90-344) 236-5901, Fax: 236-0613

**Ferah Dondurma:** Mr. Siddik Inalbars,  
Ferah Dondurma ve Gida,  
Trabzon Cad, 24, Kahramanmaras  
Phone: (90-344)-225 0303 Fax: 225 5833

**Pado:** Mr. Murat Kilic  
Cumhuriyet Cad. 40, Erzurum  
Phone: (90-442)-234 0734. Fax: 234-0742  
Web: [www.pado.com.tr](http://www.pado.com.tr)