

THE NEOLIBERAL TRANSFORMATION OF AGRICULTURAL POLICIES IN  
TURKEY AND THEIR MANIFESTATION IN THE HAZELNUT  
PRODUCTION

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## **ABSTRACT**

### **THE NEOLIBERAL TRANSFORMATION OF AGRICULTURAL POLICIES IN TURKEY AND THEIR MANIFESTATION IN THE HAZELNUT PRODUCTION**

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The fact that many hazelnut producers have been moving away from hazelnut to the production of alternative crops is highly ironic as Turkey is one of the top producers of hazelnut in the world. The intriguing migration of producers from hazelnut to crops like kiwi needs to be explained for a variety of reasons. First of all, this has serious implications for the livelihoods of producers, and secondly it has implications for the regional and national economy. This thesis aims to analyze national and international determinants of such a serious transformation. My hypothesis is that unless the impositions of international agencies such as the World Bank, the World Trade Organization, the International Monetary Fund and also the European Union are taken into consideration, it may not be possible to understand the exact nature of such transformations. This dissertation would try to analyze the theoretical underpinnings behind such impositions and implementation of state policies within the context of these impositions. Finally, the thesis will look at the mechanisms of the implementations of these policies (such as pricing) by the state and the reactions of hazelnut producers to such policies. In order to explain this situation, there have been conducted semi-structured in-depth interviews with farmers, traders, MNCs' representatives, and producer unions.

Keywords: Neoliberalism, Agrarian Change, Hazelnut, Turkey, Third Food Regime

## ÖZ

### TÜRKİYEDE TARIM POLİTİKALARININ NEOLİBERAL DÖNÜŞÜMÜ VE BUNUN FINDIK ÜRETİMİNDEKİ TEZAHÜRÜ

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Birçok fındık üreticisinin fındıktan uzaklaşarak alternatif mahsullerin üretimine yönelmesi, Türkiye'nin dünyadaki en iyi fındık üreticilerinden biri olması nedeniyle oldukça ironiktir. Üreticilerin fındıktan kivi gibi ekinlere olan şaşkıncu göçü çeşitli nedenlerle açıklanmalıdır. Her şeyden önce, bunun üreticilerin geçim kaynakları üzerinde ciddi etkileri var ve ikincisi bölgesel ve ulusal ekonomi için de etkileri var. Bu tez, böylesine ciddi bir dönüşümün ulusal ve uluslararası belirleyicilerini analiz etmeyi amaçlamaktadır. Hipotezim, Dünya Bankası, Dünya Ticaret Örgütü ve ayrıca Avrupa Birliği gibi uluslararası kuruluşların emirleri hesaba katılmadığı sürece, bu tür dönüşümlerin doğasını anlamamanın tam olarak mümkün olamayacağı yönündedir. Bu tez, bu dayatmaların arkasındaki teorik dayanakları ve devlet politikalarının bu dayatmalar bağlamında uygulanmasını analiz etmeye çalışacaktır. Son olarak, tez, bu politikaların (fiyatlandırma gibi) devlet tarafından uygulama mekanizmalarına ve fındık üreticilerinin bu politikalara tepkilerine bakacaktır.

Anahtar Kelimeler: Neoliberalizm, Tarımsal Değişiklik, Fındık, Türkiye, Üçüncü Gıda Rejimi

To my dear family, who devotedly support my academic education and always hug  
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## **LIST OF ABBREVIATIONS**

### **ABBREVIATIONS**

AKP: Justice and Development Party

ARIP: Agricultural Reform Implementation Project

EU: European Union

FİSKOBİRLİK: The Union of Hazelnut Sales Cooperatives

IMF: International Monetary Fund

KAGİDER: Women Entrepreneurs Association of Turkey

LVC: La Via Campesina

MHP: Nationalist Movement Party

MNCs: Multi-National Corporations

OECD: Organization for Economic Cooperation and Development

TMO: Turkish Grain Board

TNCs: Trans-National Corporations

TUIK: Turkish Statistical Institute

TZOB: Turkey Union of Chambers of Agriculture

URAA: Uruguay Round Agreement on Agriculture

WB: World Bank

WTO: World Trade Organization

## **CHAPTER 1**

### **INTRODUCTION**

Agriculture is a field that can be examined from a variety of perspectives. Agriculture is in my interest area because of its characteristics, which host complex power relations in a dynamic social transformation. As Edelman and Wolford (2017) argue, "agrarian life and livelihoods shape and are shaped by the politics, economics and social worlds of modernity" (p.2). Agriculture has faced with a transformation, and I believe that this transformation can be most appropriately studied from the international and comparative political economy perspective. In this thesis, my main aim is to understand the global dynamics which lead to social and economic transformations at the individual level, which refers to hazelnut producers; regional level, which refers to the Black Sea region of Turkey; national level, which refers to Turkey; and the international level, which refers to transnational corporations, international institutions such as the IMF, the WB, the WTO, the EU, and the agri-business and agro trade corporations.

I see problems in agricultural policies implemented in hazelnut production and their implications in Turkey. Specifically, I believe that the neoliberal transformation in agriculture harms the Turkish economy and Turkish agrarian producers. On the one hand, hazelnut producers have faced with troubles and forced to leave their traditional crops due to policies that proletarianized them. On the other

hand, the international agri-business sector continues to profit from this transformation. I want to study this area to try to uncover the dynamics behind this unjust situation. Many hazelnut producers have been moving away from hazelnut to the production of alternative crops is highly ironic, considering that Turkey is one of the top producers of hazelnut in the world. The intriguing migration of producers from hazelnut to crops like the kiwi is a puzzle that needs to be understood for various reasons. First of all, this has severe implications for producers' livelihoods, and secondly, it has consequences for the regional and national economy. This thesis aims to analyze the national and international determinants of such a severe transformation.

Hazelnut is genetically originated in Anatolia (Köksal et al., 2006) and one of Turkey's most important crops because two-thirds of the hazelnut production in the world takes place in the Black Sea region of Turkey (Gürel et al., 2019). Turkey is the biggest hazelnut exporter in the world market. Hazelnut corresponds to 20% of Turkey's total agricultural exports, so, for years, hazelnut has continued to be a source of income for most of the people living on the Black Sea coast of Turkey (Yavuz et al., 2005). This situation creates complicated relations in the area because when there is a big market, it is inevitable to have conflicts of interest. Farmers, producer cooperatives, agricultural workers, exporters, local and international agri-business companies, and the state have dynamic and intertwined relationships in the area. Especially after 2000, this conflict between the sides started to intensify. In recent years, it is observed that the farmers in the region began to move away from hazelnut production. There seems a tendency among farmers to alternative crops

such as kiwi. As The Turkish Statistical Institute declared, while there has been a 22,7% decrease in hazelnut production, kiwi production has increased by 15,3% in the last year (OrduOlay, May 2020). Moreover, the following table illustrates the total amount of cultivated area in Giresun, Ordu, and Trabzon. This table is created on TUIK in July 2021. It is apparent that the cultivated area in 2020 is less than half of the cultivated area in 2004.

Table 1.1. Total Cultivated Area in 2004 and 2020

Years	Giresun	Ordu	Trabzon
2004	60.597	62.960	35.535
2020	34.339	24.877	14.022

Source: TUIK (2021) <https://biruni.tuik.gov.tr/ilgosterge/?locale=tr>

While these changes are realized in the region, it should be pointed out that the Black Sea region and the hazelnut production cannot be thought independent from the agricultural reform programs which take place in Turkey since the 1980s. Indeed, hazelnut is one of the most influenced crops as a result of those reforms. Thanks to the post 2000 reforms, Turkey was not only aiming to adapt to the European Union (EU) but also trying to pursue stability programs that were drawn by International Monetary Fund (IMF) and World Bank (WB). World Trade Organization (WTO) and the EU Customs Union Agreement were the main determinants of Turkey's agriculture policies' external framework.

Although the re-construction of Turkish agriculture had already been shaped by international agreements in the 1990s, with the globalization policies' effect on agriculture such as privatization and liquidation of some state institutions, it is

suggested that the international organizations have become the main determinants of agriculture in Turkey (Ateş et al.). Öztürk, Jongerden, and Hilton (2018) also point out the impact of the Washington Consensus on Turkey and most of the developing countries. The process started with the 1980 Structural Adjustment Programs (SAPs). From the 1980s onwards, the states in the developing countries, including Turkey, began to withdraw from the market consciously. When it comes to the early 2000s, Turkey started to cut support programs to its agricultural sector and decreased or ended state intervention in production and distribution facilities and market protection mechanisms, such as price determination. The fact that Turkey started to implement the neoliberal policies enforced by the WB, the IMF, and the EU in agriculture in the 2000s literally crushed the farming sector. The 1999 financial crisis and the 2001 crisis made Turkey borrow money from the IMF. This brought implementations of several neoliberal policies in the agricultural sector (Gürel et al., 2018). The Agricultural Reform Implementation Project (ARIP) in 2001 led to liberalization, privatization, and liquidation of state institutions in the agriculture (Şenses, 2012). Rather than the previous forms of support, direct income support started to be given in cash to the farmers. The fact that they did not pay attention whether the landowners cultivate their lands or not harmed the agricultural production and peasants' trust in the state's economic policies regarding agriculture (Gürel et al., 2018). Support of agriculture via supplying subsidized inputs and protecting them by price guarantees were also mostly abandoned. After these developments, farmers have been left alone in their struggle with the big agri-industry, the agri-business corporations, and the retail chains (Öztürk et al., 2018).



This process has been lived through very harshly in the hazelnut sector. The small-scale hazelnut producers have been the most vulnerable ones because their competition with the large transnational corporations (TNCs) led to too many losses.

On the one hand, the state started not to support them through financial programs; on the other hand, the state opened the front for the exploitation of small farmers by the ones who own large scale lands to produce hazelnut and by the ones who try to purchase hazelnut no more than its production cost. The state does this by continuing to give financial support to large scale farming and not controlling the unit's minimum price. With the information that hazelnut production is realized by mostly small and medium-sized farms (Gürel et al., 2019), it is fair to claim that a large percentage of hazelnut producers have been affected badly by these neoliberal agricultural economies policies enforced by the international institutions.

Agricultural economy decisions taken in 2001 paved the way for the Justice and Development Party (AKP) to gain sympathy in the cities located in the Black Sea region of Turkey. However, only a few months after the AKP's victory in the area, farmers realized that the AKP government's economic policies on hazelnut favored hazelnut exporters rather than the farmers. The Union of Hazelnut Sales Cooperatives (Fındık Tarım Satış Kooperatifler Birliği), in other words, Fiskobirlik, and the farmers themselves started to criticize the AKP and hazelnut exporters (Cumhuriyet, June 2003). After these developments, Fiskobirlik was weakened by financial difficulties (Birgün, 2 June 2006). In 2006, for the first time, determining the hazelnut price was left totally to hazelnut exporters. Although the farmers vehemently opposed this new decision, they could not prevent hazelnut's cost to drop

by half. In 2007, when the state decided to implement hazelnut producer friendly policies such as paying the state's debt to farmers and again starting to determine the minimum price for the hazelnut, both farmers and Fiskobirlik left their criticisms behind. All the duties that Fiskobirlik was responsible for were given to the Turkish Grain Board (TMO-Toprak Mahsülleri Ofisi). Now, an Italian agri-business corporation Ferrero is the most prominent player in the hazelnut market in the Black Sea region (Yıldırım, 2017).

After analyzing the importance of hazelnut for Turkey, individually witnessing the transformation in agricultural production and the growing shares of the multinational corporations in the sector, research questions come into existence. "Why do the agricultural food producers in the Black Sea region move away from their traditional crops such as hazelnut?" This primary research question is well answered, especially in the fifth chapter of the thesis. This question is directly asked to the farmers. Farmers confirmed that to understand this transformation, the answer is needed to be searched in the neoliberal economic policies. Another research question of the thesis is, "What 's the role of the local people, national government, and international institutions in the agricultural transformation of Turkey?" To answer this question, the analysis was done at four levels: local, regional, national, and global. Interviews with the local people constitute the local level. Investigating projects and purchases of the giant multinational corporation in the hazelnut sector and the international agreements assigned with the WB, the WTO, the IMF, and the EU is the global layer. The fact that the implementation of the state institutions' policies such as the TMO, provincial directorates of agriculture, chambers of

agriculture, Eastern Black Sea Development Project are examined is the national level. The other research question of the thesis is "How does this transformation affect the power relations in the hazelnut sector in the Black Sea region, especially in Trabzon, Ordu and Giresun?". This question is answered in the third and the fifth chapters. Interviewees' statements on changes in their purchasing power and representation power during the neo-liberalization period and the changes in ownership and hegemonic control of the multinational corporations and local companies became the main points in answering this question.

To understand the transformation in the Black Sea region's agricultural production, the most appropriate way is conducting a fieldwork and communicating with people who constitute a branch of the power relations in the hazelnut sector. The fieldwork was handled as semi-structured in-depth interviews. The relationship of the participants with hazelnut varies. There have been interviews with only hazelnut producers, alternative crops producers who are also still or ex-hazelnut producers, owners of processing firms, local traders, a certificate company representative, and the chair of a cooperative.

I argue that the Third Food Regime Theory can explain the agricultural transformation in Turkey's Black Sea region. With the increasing importance of agribusiness firms such as Ferrero in the neoliberal era, the decisions in the hazelnut sector started to be made for the interests of the multinational corporations by the international institutions such as the World Bank, World Trade Organization, International Monetary Fund, and European Union. Like other developing countries' governments, which cannot be autonomous from those international institutions in

the neoliberal era, Turkish governments have contributed to the implementation of pro-agri-business policies within the country. I hypothesize that the most vulnerable group is the local small hazelnut producers, while the most benefiting group is the international agri-business sector.

For my thesis, I did both secondary and primary data analysis and used both qualitative and quantitative data because I combined fieldwork, archival research, and review of secondary resources. As a secondary analysis, I collected both quantitative and qualitative data. I gathered data from the Turkish Statistical Institute (TUIK). I used statistical data supplied by this state institutions about the hazelnut production rates, the agricultural support rates, the exported hazelnut rates, the production of alternative crops, changes in the small scale and large-scale farming areas used in the production of hazelnut, etc. Quantitative data are revealing that while hazelnut production is decreasing, kiwi production is increasing at the same time, in the same region. I also used qualitative data through my desktop research. I researched on literature regarding agriculture in Turkey. I looked at local newspapers.

As a primary analysis, I did semi-structured in-depth interviews with hazelnut producers who start moving away from the hazelnut to alternative crops and producers who still stay in hazelnut production despite the same conditions they face with other producers.

In the next part of the thesis, there will be a classified literature review chapter divided into sub-sections. In the third chapter, there will be historical background

information about Turkey's neoliberal transformation and its manifestation in agricultural policies. In this chapter, the IMF, the WB, the WTO, and the EU lead neoliberal agrarian policies that favor multinational corporations in Turkey. The fourth chapter constitutes the methodological framework. The fifth chapter is the case study chapter, so that the fieldwork results will be examined in this chapter. Lastly, chapter six will summarize the research and conclude.



## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Literature on Agrarian Change

"Agrarian political economy investigates the social relations and dynamics of production and reproduction, property and power in agrarian formations and their processes of change, both historical and contemporary" (Journal of Agrarian Change in Bernstein, 2012, p.1). Specifically, agricultural political economists study the Agrarian Change theme. On the other hand, it refers to the change that has a role in interpreting and changing the agricultural world, which is linked with other sectors and geographies in rural areas and even urban and industrial. Today's agrarian political economists who study Agrarian Change analyze capitalism and its development (Bernstein, 2012). It is crucial to understand different perspectives on the agrarian change to be able to comprehend current transformations in agriculture and rural development. Three main theories try to explain this development process. These are cultivated by modernization theory, Chayanovian theory, and Marxist theory.

Rostow (1960), Lewis (1954), Hagen (1962), Lerner (1958), Hoselitz (1960), Smelser (1963), Parsons (1960) are the prominent modernization theorists. Modernization theorists are inspired by evolution theory. They suggest that societies pass through the same evolution processes. Basically, societies start with primitive

stage, and evolve to modern societies. In other words, they claim that every society was primitive and traditional once upon a time. Today's less developed countries need to follow today's Western countries' development path, because it is the way arriving to the modernity (Aydın, 2018).

One of the most influential modernization theorists is Rostow. Basically, Rostow's version of modernization theory indicates that less developed countries need to follow most-developed countries' development path. He mentions five stages of economic growth. The traditional society, the preconditions for take-off, the take-off, the drive to maturity, and the age of high mass-consumption constitute those five stages. The most developed countries share their experience, technology, value system, ruling system with less-developed countries to help them in this path (Rostow, 1960).

While Wolf (1966) contributes to the modernization theory with his economic analysis, Redfield (1947) makes a cultural description of rural societies in his well-known article 'the folk society'. He uses 'primitive' and 'folk' words interchangeably. According to him, folk societies are homogeneous, nonliterate, isolated, and small. Their sense of solidarity is very strong. They are uncritical and traditional. Intellectual ends and legislation do not exist in folk societies.

Modernization theory sees development as growth in the economy. This growth requires division of labor, accumulation of capital, and technical improvements. These parameters increase the efficiency, and the national income at the same time. Mechanization, productivity, and the technical improvements are the



cores of development according to modernization theory. The process starts with agriculture which is least developed stage and continues with industrialization and foreign trade (Karaca & Sahin, 2010). Martin (1991) also highlights the debates on agriculture and industrialization. While agriculture seen as a sign of backwardness, industrialization represents the development. In fact nature of industrialization and the modernity itself are examined together as the same process especially by Martin and Mandelbaum.

According to modernization theorists, agrarian change is based on the ability to adopt market and technological improvements. This ability differentiates traditional societies and modern, sophisticated societies from each other. Therefore, there is a dualism in this theory, as Bernstein (1971) names it "dichotomization of tradition and modernity". Traditional by definition, rural societies are backward, and by following historical development, they end up being urban and modern societies (Araghi, 1995). This modernization path brings about the penetration of social relations in the countryside by market relations. To survive in the agricultural sector, it is crucial to adopt market principles; otherwise, peasants end up being industry workers in urban areas. This theory is highly Eurocentric. Nevertheless, it is seen that peasants who (have to) adopt market principles end up being industrial workers too because they cannot afford their according to these principles. Moreover, As Bernstein (1990) summarizes, modernizing agriculture shows its implications as such:

The first is familiar from 'classic' cases of 'primitive accumulation': the peasantry's smashing through direct dispossession typically

achieved by violence. Another path is to go for technologies and forms of the organization requiring a substantial scale of operation, 'by-passing' peasant farming in the first place but tending to marginalize subsequently, and perhaps ultimately dispossess, peasant producers. The other principal option is to 'lock-in' peasants (or at least those commanding adequate resources) through agribusiness style integration, 'modernizing' their farming through higher - and controlled - levels of input and credit use and controlling (increased) output through the organization of marketing and processing, thus achieving greater commoditization, specialization, and standardization (p.8-9).

Therefore, I believe that the modernization theory is a kind of a whitewashing project of peasants' dispossessions rather than an explanatory approach regarding the agrarian question.

The other account trying to explain agrarian change takes its name from an agricultural economist Chayanov. According to him, his theory belongs to the Marxist tradition; however it is not seen so by other scholars (Ploeg & Douwe, 2017). Chayanov (1966) and Chayanovians point out the importance of the existence of peasantry in the capitalist system. According to them, the peasantry is a different mode of production, and its very existence is the resistance against the capitalist system. Chayanovians desire to establish independent peasant communities within the state. These communities, which they call it 'obshchina' will own a common land. They will have a strong cooperation, so that they can exclude capitalists out of their system (Mitranyi 1951) (Aydın, 20181).

Economic life is pretty much based on a non-wage family economic unit. It is necessary to highlight the difference between capitalist system and the peasantry. While capitalists employ workers to get profit, in peasantry, families work together

and do not employ anyone else. Peasants do not seek for surplus value. Rather, their aim is to afford their lives only (Chayanov, 1966). Here, we cannot mention a separation between labor, land, and capital. Even production and consumption cannot be divided in peasantry (Amin, 1997). Samir Amin and Kartos Vergopoulos (1977) are the well-known scholars who were influenced by Chayanov's peasantry approach. Chayanovians, or so-called the populist account, make a strict distinction between small- and large-scale farming and praise small scale farming in terms of its productivity, morality, social relations, and technique. This is the reason why they are also called as populist. This Chayanovian approach is mainly acknowledged by the states, agribusinesses, and international financial institutions because it positively fits to the liberal thinking (Aydın, 2018). The main problem in this theory is the fact that they determine the peasants as a unit of analysis. It is not possible to make a proper analysis of peasantry with the presupposition that peasants are free from the global capitalist system. Shanin (1982) also claim that nature, market, or state do not intervene the agrarian change. In fact, peasant communities are not constantly changing. Moreover, Chayanov's theory is essentialist in the sense of its understanding of peasantry. Furthermore, it is merely originated according to the Russian example. Therefore, it is far from being applicable to other states, including Turkey. Furthermore, Chayanov's family firm description does not fit to the Turkish case especially in hazelnut sector, because most of the hazelnut producers must employ seasonal workers from especially East Anatolia region of Turkey. Family labor is not enough to cultivate hazelnut even if they are engaged with small-scale

farming. Unfavorable terrain conditions is one of the reason for this. Therefore, worker wages constitute a serious amount of expense for hazelnut producers.

On the other hand, the Marxist account looks from a historical materialist perspective and highlights the class, power, inequality, and social differentiation in the countryside and criticizes the populist account for ignoring such elements while analyzing the agrarian change. Marxian tradition points out the importance of the value created by agricultural labor and the accumulation process. Marxist tradition criticizes the essentialist approach to the peasantry and highlights the inequalities among peasants. Like Lenin (1960) said (cited in White, 2018),

Numerically, the peasant bourgeoisie constitutes a small minority of the peasantry, probably not more than one-fifth of the total number of households. Nevertheless, as to their weight in the sum-total of peasant farming, in the total quantity of means of production belonging to the peasantry, in the total amount of produce raised by the peasantry, the peasant bourgeoisie are undoubtedly predominant. They are the masters of the contemporary countryside (pp.177)

Lenin (1996) also claims that the capitalist system aims to abolish small scale production both in industry and in the agriculture. This process takes time and includes a change for the worse for livelihoods of small scale farmers via worsening working conditions on lands, extending working hours, increasing borrowing, fertilization, worsening conditions in processing and cultivating methods, and stagnation of technical progress.

Marx sorts the problems in agrarian change as usury, large scale industry, deprivation of lands, increase in input prices, expenses for land, unfavorable land conditions, taxes, and also the land grabbing (Marx, 2006). Similarly, Engels (1840)

also mentions the role of taxes, borrowings, usury, and harvest on proletarianization of peasants.

As Harvey (2003) states, accumulation and class struggle cannot be differentiated from each other. To be able to explain the agrarian question, it is crucial to look at the accumulation process. Today, it is seen that peasants work on lands, but the most significant profit goes to the transnational corporations. When the third world countries suffer from hunger, multinational corporations make their historic profit simultaneously (Aydın, 2018). As Onal (2017) summarizes, Marxist, historical materialist account examine the agrarian change and peasantry with a concentration on class and class struggle. Marxists believe that small scale farmers differentiate according to capitalist conditions, because as opposed to what Chayanovians claim, Marxist account attaches importance to the motion between social classes in the society (Tasdoğan & Agdemir, 2019).

This theory takes the nation-states as the unit of analysis in the agrarian change and pays attention to the relationship between agriculture and the industry within the state. However, without consideration of the global actors, neither agriculture nor industry nor the agrarian change can be understood. In today's world, nation-states or the peasants cannot be the units of analysis for agrarian change. In the neoliberal era, the industry, which aims to produce to export, does not depend on domestic agricultural production anymore. In developing countries like Turkey, the industrial bourgeoisie has been internationalized by interacting with other countries' bourgeoisie in the global market. Agricultural products can easily be imported from

other states, even more cheaply. Therefore, while the states were encouraging their agriculture sector to sustain their industry before, they do not see it necessary in this neoliberal period. For these reasons, the agrarian question has to be analyzed at the global level because it is a worldwide issue.

## **2.2 Literature on Food Regime Theory**

McMichael, Friedmann, and Bonanno (1994) argue that the discussion between Marxists and Chayanovians is inappropriate because, although they look at production relations, they do not analyze the global system. This thesis will be based on the Food Regime theory originated by Philip McMichael and Harriet Friedmann. It is fair to claim that despite their criticism towards Marxist account, the Food Regime Theory and its theorists are not independent from the Marxist account. McMichael and Friedmann also can be classified as ones of the historical materialist theorists. Their biggest difference from the classical Marxists is that they examine the agrarian question globally rather than a state-centric approach. The Food regime theory explains changes in the food system by global political-economic history. Agricultural transformations have been based on changing dynamics in the political economy in the world. There are institutional structures, norms, and unwritten rules that complete each other when it comes to agriculture (Aydın, 2018). McMichael and Friedmann classify three different food regimes throughout the limited history that they focus on in this theory. The first food regime corresponds to the years between the 1870s and 1930s in which Britain was the hegemony in agriculture. They also call this first food regime the “settler colonialist food regime”, because the

political-economic structure was colonialist in those years. This regime can be defined as exploitative because colonialist countries captured indigenous people's land and used them to produce what their origin countries needed. Because there was massive urbanization in especially Britain, there emerged a need to feed people who migrated to the cities from the towns. While exporting what they produced in those lands to their own countries, colonialist countries accumulated more and more capital. This regime lost its effect when Britain started to lose its domination towards the end of the First World War. Free trade ended for a while, and food security got into danger (Friedmann, McMichael, 1989).

The second food regime corresponds to the post-war years, especially between 1947 and 1970s. In this regime, the United States of America was the hegemon. Especially Franklin Roosevelt individually had importance in this regime because he used farmer-friendly export-oriented policies in the USA while spreading liberalism outside. High technology was combined with agriculture, and industry-based agriculture was created in this regime. Highly valuable export subsidies were given to farmers in the USA so that the remaining extra food was used for the USA's political and economic goals. Such that, the USA came to the position that it determined prices of food in the markets. The USA used a dumping strategy to sell its extra products to other countries. Also, those additional foods were given to poor countries under the name of food assistance; the way the USA chose the recipient countries was highly political. Less developed countries became more and more food dependent on the USA, while they were self-sufficient countries before this period.

Governments all around the world implemented USA's agro-trade policies which were suitable to their countries. Development agencies encouraged governments to implement those policies during 1950s and 1960s. During the Green Revolution, peasants from the third world countries had to move from rural, because thanks to sharp increase in production in cereals in the USA, imported cereals was much cheaper than they produce on their own lands (Friedmann, 2005).

As a result of this, their traditional agricultural products were replaced with industrial products from the USA. While poor countries ended this regime as more dependent, the USA continued accumulation of capital and strengthened its hegemony in the world (Arrighi, 1982: Bernstein, 2016). On the other hand, European countries could manage to pull themselves together thanks to their determined stance against dumping. Less developed countries neglected the importance of agriculture. This resulted in a blocage for agricultural development in periphery countries. Green Revolution led farmers use chemical fertilizers, hybrid seeds, and mechanization together with an increasing dependence on import of chemical fertilizers, hybrid seeds, and technology (Yenal and Yenal, 1993).

Friedmann (2005) mentions four emerging changes that led second food regime to end. The first change is that cold war ended, so Third World countries' crisis between increasing import prices and decreasing export prices made them cannot continue with these conditions. Second change is that farm lobbies started to strengthen thanks to restructuring in commodity chains. Third change is that transnational corporations encouraged more trade liberalization, because local



subsidies and also the trade restrictions were suppressing these corporations. Fourth one is about 1973 food crisis. The IMF and the WB offered structural adjustment programs to the Third World countries to deal with this crisis. According to these programs, they were forced to implement export oriented agricultural policies (McMichael and Myhre 1991; In Yenel and Yenel 1993).

Friedman (1993) states that the consumers were divided into two as privileged and unprivileged as products were divided into two as chemicals used and chemical-free. He claims that TNCs concentrated on agri-business and service rather than agriculture. Re-structuring in labor and product standardization accompanied TNCs' this aim. The more farmers leave their lands, the stronger TNCs get against workers (Celik, 2019).

The third food regime is the still prevailing regime, and it constitutes the theoretical framework of this thesis. In this period, which corresponds to the post-1980s, agricultural food started to be produced according to supermarket chains' needs. Rather than the products that can be directly consumed, packaged or industrial value-added products started to be produced. Food started to be thought of as a product that needs to be processed in the industry rather than an end product itself. As a result transnational agribusiness companies accumulated capital in this period. One of the most prominent features of this period is that transnational corporations are so influential that they give directions to national states' agriculture. They do this by introducing genetically modified crops and various chemical means, processing foods, and trading them. In short, transnational companies exist in every stage of

agricultural production without exception. As a result of this, it is right to say that those corporations determine a new international division of labor in which products are produced. International organizations such as the IMF, World Bank, European Union, and the World Trade Organization promote this division of labor by enforcing the implementation of neoliberal free-trade economy policies over the nation-states in which multinational corporations have an influential role. One of the most determinant features of this regime is that agricultural producers have to get away from their traditional seeds, crops, ways to produce because they are forced to produce products to be sold in supermarket chains via the ways that make transnational corporations get more affluent.

Although McMichael and Friedmann theorized the food regime analysis together in 1989, their very last articles reveal that their ideas differ from each other in a few points. McMichael (2016) defines the third food regime as a 'corporate' food regime. He points out the privileged corporate interests in the time of re-organization of food systems. This means that as there were tensions between national vs. imperial powers in the first food regime, national vs. transnational in the second food regime, in the third food regime, these tensions have been realized between abstract globalism and concrete localism. This tension is institutional in its architecture. McMichael displays the difference between himself and Friedmann's thought by saying that he has believed in the corporate food regime's existence since the 1980s even though, according to Friedmann, 'corporate-environmental food regime' has still only a possibility to emerge.

Although most of the scholars agree with McMichael and Friedmann in the definitions of the first two food regimes, there are different arguments about the third food regime. It is true to say that even McMichael and Friedmann differ from each other in some nuances. First of all, some scholars prefer looking at the green aspect of the third food regime and claiming that the third food regime brings out freshness and naturalness. Le Heron and Roche are the first and most cited scholars claiming this. They argue that the increased use of chemicals on agricultural products leads to both quantitative and qualitative extension. This regime paves the way for sustainable agriculture, according to them. Le Heron and Roche accept that agribusinesses and transnational corporations are the most effective actors in this regime. However, according to them, this is good for the agriculture sector, because any ecology threat would damage mostly those corporations. This is why they believe that TNCs would not let this kind of environmental destruction (Le Heron & Roche, 1995; Le Heron et al., 1995).

On the other hand, some scholars strongly agree with McMichael and Friedmann's third food regime definition but focus on the flow of finance capital as a guiding force to this regime. Pritchard (2008) is one of the first scholars who highlight the importance of globalization in developing a third food regime. He says that globalization may bring new roles to farmer-owned cooperatives. He points out the importance of agricultural producers in production and distribution, so the articulation between local and global is determinative in the material distribution of surplus. David Burch and Geoffrey Lawrance (2009) agree with Pritchard on the importance of globalization's effect on reshaping food regimes and criticize food

regime theorists for not including the reasons for such a transformation in the food regime. They agree on the importance of finance capital in reshaping relations in the agriculture sector, and most importantly, they add that agri-food capitalists also seek benefits from the financial transaction. Financialization makes the third food regime beneficial not only for private equity consortia but also for agri-food companies, traders, and supermarket chains. In short, not only financial groups invest in agriculture to profit, but also agri-food companies seek to profit from the financial transactions, because getting involved in each other's sector is reciprocal.

Food and Agriculture Organization (FAO) (2005) points out that developing countries' agricultural product export rate is in decrease since 1980s. On the other hand, their rate of import of agricultural products in the world market has increased in the same period. While advanced countries keep their agricultural subsidies, the IMF, the WB, and the WTO have prevented developing countries to continue their traditional production and self-sufficiency policies. Developing countries have moved away from their traditional seeds and have migrated to alternative products. Their capacity to produce basic foods have gotten worse day by day (South Center, 2008).

Developing countries have been badly impacted from the liberalization of international trade of agricultural products. According to South Centre, as of 2008, TNCs dominate 60% percent of global trade of agricultural products.(2008). As Caskurlu (2012) also states, a few corporations dominate value-chains so that they are the decision makers in every stages of production to consumption. Even though

the agricultural products' prices have a tendency to increase, developing countries cannot make a profit out of it, because the increase in input prices have exceeded the increase in the price of the outputs (FAO, 2009). When there is an increase in the price of petroleum and fertilizers, farmers have immediately been impacted by this increase. However, when if there is an increase in food prices, it takes much more time to reflect on farmers' revenue. For example, despite the fact that tortilla's price increased 100% percent from 2004 to 2008 in Mexico, corn producers's gain share decreased from 0,29% to 0,24% (Oxfam, 2008; in Caskurlu, 2012). While farmers of developing countries faced with decrease in their revenues in 2008, TNCs were the ones which got a serious profit out of agri-trade. For example, Syngenta which is one of the biggest pesticide and seed companies in the world increased its profit 25% in the same year. Cargill which is the biggest seed trader increased its profit 86%. In fact, Mosaic Fertilizer which is the Cargill's branch for fertilizer production increased its revenue 1200% (Gimenez, 2009;in Caskurlu, 2012).

### **2.3 Literature From Turkey**

It is hard to claim that there is literature specific to the Third Food Regime and its manifestation in hazelnut in Turkey. It is also not accurate to state that there is literature specific to hazelnut and agrarian change. However, scholars are writing on agrarian change in Turkey, although some scholars do not refer to the agrarian change concept. It is hard to classify those scholars as studying agrarian change, because they barely have common points in their analysis, methodology, and perspectives. A few scholars are pointing out food regime theories in their works.

Mübeccel Kıray, Bahattin Akşit, Çağlar Keyder, Metin Özüğurlu, Zülküf Aydın, Mehmet Ecevit are the prominent scholars who examine agrarian change sociologically and contribute to the literature with both their theoretical discussions and empirical works. While some of them claim that Turkey is a typical example of a country where food regimes have been lived as theorized, some (Yenal and Yenal,1993) believe that Turkey cannot be explained via food regime analysis even though it is valid for the third world countries. However, Aydın and Aydın (2018) examine Turkish agricultural foreign trade within the framework of food regime. They emphasize that there has been a trade deficit in agricultural raw materials since 1980s. In fact, this deficit has been increasing since then. They are also pointing out the fact that Turkey was seen as one of the biggest exporters before 2000s. However, its current status can be best entitled as importer.

Some scholars, mostly working in the Sociology field, look at how the farmers' lives are affected by agrarian change in Turkey. Çağlar Keyder, Zafer Yenal (2011), Hacer Çelik Ateş, et al. (2017), Murat Öztürk, et al (2018) are some of the scholars looking at a reproduction of the peasantry, changing meaning of peasantry, de-ruralization, re- ruralisation, migration, urbanization, and population issues. Murat Öztürk (2012) also emphasizes on the historical transformation that Turkish agriculture is facing with since the establishment of the Republic, but his main focus is the transformation holding place in the neoliberal era. He also benefits from McMichael's works on food regime theory while focusing on the third food regime period that I also concentrate on. On the other hand, some scholars like Burak Gürel and his colleagues (2019) examine changing voting patterns of the peasants as part

of the agrarian change in rural areas, especially in Turkey's Black Sea region. While most of the scholars claim that the agrarian change in especially production relations negatively impacts the farmers' livelihoods, some of them state that there are no noteworthy changes. On the other hand, while most of the scholars claim that the farmers' production patterns are influenced by the international actors badly, some of them state that the agriculture sector should be more intertwined with those actors to modernize (Yavuz et al., 2003). Moreover, while scholars who look from the Marxist perspective criticize enforcement applied to farmers about what to produce and how to produce (Aydın, 2018), some authors (Yavuz et al., 2003) claim that hazelnut production should be decreased for the benefit of the market. Aydın (2002, 2010, 2016, 2018), on the other hand, points out the global capitalist system in the transformation that Turkish agriculture has been facing.

In short, in the literature, scholars look at the agrarian change in Turkey from the state perspective, farmer perspective, market perspective, and global perspective. Their unit of analysis differs as their level of analysis. However, none of the scholars have specific and detailed research on how the agrarian change has been realized in the hazelnut production. There is some research on hazelnut production changes, and they have nothing to do with the Third Food Regime, as I am planning to use to explain the agrarian change in hazelnut.

## **2.4 Case Study: Australian Dairy and Wheat Sector**

Some scholars have tried to examine the third food regime theory to see whether it is explanatory or not in several countries. For instance, Pritchard (1998) worked on the evidence from the Australian dairy and wheat sectors to be able to have a contribution to the ongoing theoretical discussions on agri-food globalization. In the beginning, he was curious about whether the third food regime, which corresponds internationally coordinated flows of production, money capital, and commodities, can reveal the restructuring of Australian agriculture or not. He looked at the post-1980 period to understand how restructuring and globalization have an impact on agriculture.

Historically, Australia had regulatory policies in agriculture. These regulations were mainly applied as pricing and spatial control. However, regularity policies started to be seen as barriers to the market mechanisms, so their transition to the new profit environment for industry participants held in this consciousness. According to the research, trade on wheat and sheep products substantially decreased in this period, and a severe decrease in the agriculture sector's employment rate. Moreover, a locational shift occurred in the production of wheat and dairy products. This transition paved the way for increased cooperation and competition at the same time in Australia.

On the other hand, Pritchard mentions four emerging interrelated characteristics of the agricultural new industry. First of all, defensive mergers and hostile takeovers are realized. Certain companies attempted to work together and



bought small scale firms influential in the export of these products. Secondly, dairy product producers created alliances to stay active. Contracted production and branding agreements became the essential tools for these alliances. Thirdly, dairy product producers gave their attention to doing business with supermarket chains, so they restructured their transportation and distribution systems. Fourthly, producers changed their capitalization understanding. They started to make an effort to keep up with innovative financing. Overall, Australian agricultural restructuring mainly led to strengthened cooperatives, which preserve their interests by taking steps against the given circumstances and adapting to new changes. Therefore, deregulation did not give rise to globally mobile capital's incursion but transformed the existing cooperatives in a more substantial way (Pritchard, 1998).

Pritchard claims that Australia's agriculture transformation is a meaningful representation of the universal shift in food regimes. However, I am afraid I have to disagree with Pritchard, because Turkish agriculture followed a different path than Australia. The cooperatives and local producers in Turkey, especially in the hazelnut sector, are not as strong as the Australian cooperatives. Therefore, Turkish farmers' reaction to this shift reveals typical third food regime premises. Moreover, Pritchard is wrong to argue that Australia's transformation is a typical expression of the agrarian change globally, because advanced countries and developing countries are not influenced in the same ways by the global economic transformations. While farmers come out as winners of the new system, the latter and less developed countries are the ones who are affected in the worst possible way by the changes.

## **2.5 Case Study: Evidence From Mexico as a Developing Country**

Pechlaner and Otero (2008) examine three different countries from North America, namely the USA, Canada, and Mexico, and come to a conclusion about how countries with different levels of development have impacts on or are impacted by neoliberal globalism in agriculture. Because I have already discussed an advanced country's agricultural transition in one section before, this section will only focus on Mexico as an example of a developing country. The authors argue that as the least developed country among three North American countries, Mexico is the one in which the already existing social problems deteriorated most due to the ongoing agrarian change. Moreover, they also point out that the neoliberal restructuring made the inequalities between developing and developed countries more crystallized.

Before mentioning how the third food regime clearly reveals its main characteristics in Mexico, it is essential to point out, as the authors do, that Mexico, like any other standard developing country, is a tiny player in the global agrarian change. Therefore, it is fair to claim that Mexico is a reactionary state regarding its agricultural policies, similar to Turkey. Mexicans faced their first legislative transformation as New Agrarian Reform Law of 1992 by following their GATT participation in 1986. In 1994, NAFTA started to be implemented despite being seen as a 'death sentence' for the Mexican indigenous people. Genetically modified organisms were approved for human consumption between 1995 and 2005. One of the most ironic and determinant developments that Mexican producers faced within this period is the awards for adopting genetically engineered corn crops, because

corn's origin is historically Mexico itself. Free trade agreements must be implemented for European countries other than Canada and the USA concerning the NAFTA agreement.

The scholars highlight the differences in the levels and ways of resistance against neoliberal restructuring in the USA, Canada, and Mexico. In Mexico, people reacted to this neoliberal transformation with street protests and even armed insurrection, while its neighbors did not face resistance as strong as Mexico did. The main reason for this is that the results of the neoliberal transformation in the agrarian structure in Mexico are much more devastating. People whose livelihoods are based on agriculture are more significant than the other two North American countries. Since the policies implemented after joining the GATT, rural people and the others who gain their life thanks to agriculture have been made redundant as if they do not constitute more than 30 percent of the population. With the start of NAFTA, this percentage decreased to under 20 percent by 2008.

Another important point that needs attention is why people choose to search for their rights in the street protesting rather than in courts. This is because the Mexican legislators have closer ties with the pro-agribusiness interest groups rather than the agri-labor force. Since the 2006 elections, there is a significant mobilization among Mexicans around food sovereignty. They do not want to replace their traditional crops with transgenic crops, so they behave under the slogan of 'Sin maiz no hay pais,' which means 'without corn, there is no country'. Therefore, Mexico's people show their resistance against entirely free trade on agricultural products that

NAFTA brings about and genetically modified crops whose origin is mainly the USA and the other advanced countries.

Overall, Pechlaner and Otero (2008) point out how different the experience of advanced and developing countries are. They claim that the third food regime, which they call a neoliberal food regime, is shaped mainly by economically powerful biotechnology and life science transnational corporations and supported by national governments. While the countries with access to transnational corporations, especially those working on the technology in agriculture, are the winners from this regime, less developed countries like Mexico face negative social and economic impacts of the transition in agriculture.

## **2.6 Conclusion**

In this chapter different perspectives on the agrarian change are examined. How Modernization theory, Chayanovian theory, Marxist theory, and Food Regime theory approach to the agrarian question and how they differentiate from each other has been discussed. Food Regime theory is the most appropriate theory to understand and the explain agricultural transformation in not only Turkey but also the other developing countries. Rather than other theories and especially the classical Marxists, Food Regime Theory suggests that the agrarian change needs to be explained globally because this is a worldwide issue. While taking into consideration the production, trade, and consumption process in addition to the global actors, this perspective proves its legitimacy. International institutions' impacts on developing

countries in the third food regime are not underestimated by Food Regime Theory. Moreover, Food Regime Theorists see the farmers' and peasants' struggle within the capitalist system rather than Chayanovians who define peasantry as a different and independent mode of production from capitalist system. Farmers and peasants cannot be imagined outside of the capitalist system because they may be the ones who are oppressed most by the capitalism. Rather, Food Regime Theory reveals how peasants change their behavior to survive in the brutal market conditions. Therefore, Food Regime Theory contributes to the theoretical framework of this thesis.



## CHAPTER 3

### HISTORICAL BACKGROUND OF THE AGRARIAN QUESTION IN TURKEY

Boratav (2018) sorts the periods of Turkish economy as revolution and war years between 1908-1922, rebuilding in open economy conditions 1923-1929, protectionist, statist industrialization between 1930-1939, second world war period 1940-1945, an attempt at a different articulation with the world economy between 1946-1953, clogging and readjustment between 1954-1961, introvert outbound expansion between 1977-1979, counterattack of capital between 1980-1988, capitulation to finance capital and the lame return to populism between 1989-1997, uninterrupted IMF surveillance and crises between 1998-2002, the AKP's tulip era (2003-2007) and after (2008-2015).

Agricultural policies have been also changed in accordance with general periods of Turkish economy. Multi-party-political regime after the second world war brought about agricultural subsidies and price supports, because agricultural population's votes gained importance. Although there were fluctuations in implementation of those supports, this situation continued for a few decades. The 1980s was a turning point for agricultural policies with the impacts of crisis, foreign pressures, and financial concerns. The Turkish agriculture faced with a slowdown in productivity and structural changes. Amount of agricultural workforce decreased day by day. Therefore, agricultural sector faced with serious problems in neoliberal era (Pamuk, 2009).

In the first food regime period when Britain was dominating the food system between 1870 and 1930, British merchants came to the West Anatolia to produce cotton in this area. American Civil War had badly impacted cotton production, so Britain was in need for cotton. (Çelik 2019). The fact that Mediterranean and West Anatolian lands in Turkey became new production area for Britain is a typical first food regime period's feature.

Agricultural development was one of the most important targets of the newly founded Republic in 1923. Agricultural income constituted a large portion of the total national income in 1920s. There was a need for food, a need for raw materials for industry, and a need for export. Agriculture was seen as a solution for all three main needs of the country. State sugar company encouraged farmers with resistant seeds, equipment, and trainings. Ziraat Bank supported farmers for more export on hazelnut, tobacco, cotton. Local farmers were supported for cultivating tea in Rize. Tythe (*aşar*) tax was lifted in 1925. New institutions and organizations were established in addition to Ottoman agricultural schools. Agricultural Combat Research Institutes were established (Toprak, 1988)

In order to support agricultural production, Agricultural Credit and Sales Cooperatives, Agricultural Combines and State Agricultural Enterprise were established in 1930s. When it became 1930s, there was a slump in agricultural products' prices which has an impact on domestic production as well, so the state took action against it. Wheat farmers were able to sell their products to Ziraat Bank. Soil Products Office (TMO) was established in 1938. Until that time, Ziraat Bank



continued to purchase products from farmers. TMO used to protect farmers by controlling prices and transferring products to consumption areas. Moreover, agricultural credit and marketing cooperatives were so functional that farmers used to have access to market via those cooperatives. Also, TMO was used as a tool for foreign trade as well (Ozturk, 2012).

On the other hand, the most important attempt for the sake of agriculture in 1940s was the Farmer Landing Law (Çiftçiyi Topraklandırma Kanunu). With the influence of the Second World War, prices of the agricultural products in Turkey reached to an inaccessible point so that the government of that era found the solution in distributing land to the farmers to increase production and decrease the prices. However, this attempt could not prevent peasants to migrate to the cities in 1950s. When it came to second food regime period which refers to between post World War II until 1980, it is fair to claim that capitalization show its depth. Köymen (2008) highlights the fact that land usage is expanded both geographically and intensively. Marshall Plan had a role in mechanization of agriculture sector in Turkey. Tractors were imported to the country in 1950s, so that new lands became available for cultivation. However, this mechanization also brought about a gathering power in the hands of a few people in countryside. Agricultural problems tried to be solved with 5 years plan when it came to 1960s. The government took action to support agricultural facilities. In 1960s, land expansion was getting slow, because almost all the cultivatable lands were already under the usage. Therefore, rather than new lands, fertilizers, medications, high yielding seeds were introduced to the agriculture sector in this decade. The state supported agriculture by protecting the sector from foreign

competition and giving subsidies for agricultural inputs. However, as Köymen (2008) points out, state support was much profitable for large companies. When it came to 1970s, support purchases were increased. Trade conditions were favorable. Fuel was subsidized. On the other hand, the green revolution showed itself as an increase in yield in Turkey. Fertilization, tractor usage, and also the irrigated land increased in this decade thanks to those developments (Kazgan, 1988).

Agriculture was seen as the primary source of the Turkish economy until 1980s. Agriculture used to consist of more than 30% of gross national income. This percentage decreased to 25-30% in the 1970s, and to 20-25% in the 1980s. In fact, when it came to the 1990s, agricultural sector's contribution to the gross national income decreased to 15% (Kepenek & Yentürk, 2001). This rate became 8.5% in 2013. Similarly, its export rate declined from 57% in the 1980s to 10% in 2013. With the impact of people who migrated to cities, employment rate decreased to 26% until 2013 from 62.5% in 1980s. (Dogan et al, 2015). Similarly, agricultural workforce gradually decreased between 1960s and 2000s. In the beginning of the planned period of Turkish economy, agricultural workforce constituted to 77%. 10 years later, this rate decreased to 67%. This gradual decrease showed itself at the end of the 1990s as 40% (Kepenek & Yentürk, 2001). On the other hand, rate of increase in agricultural value added was 0,66% in 1980s. This rate only increased to 1.64 after 1990. Kepenek and Yentürk highlight that this rates are too low that they cannot be compared with the rates of planned economy period. Another aspect is that growth rate in agricultural sector was too uneven after the 1980s. While it was 7.8% in 1988, it decreased to minus 7.6% just one year later.

The most characteristic common feature of developing countries' agricultural policies in the neoliberal era is their passivity. The economic conditions in which developing countries are the determinants of those policies rather than agricultural structures, needs, and capabilities. Şahinöz (2000) points out that Algeria, North African, Latin American, and Asian countries have left their food security to the hands of the American and European farmers due to their exclusive agricultural policies. The International Monetary Fund (IMF) is the prominent actor behind passive agricultural policies. Developing countries who apply for the IMF to get rid of their economic crises face structural adjustment policies, which always include agricultural economy policies prepared within the lines of liberal ideology.

The 24 January 1980 decision was Turkey's declaration of the desire to implement neoliberal economic policies. Moreover, Turkey sent a letter of intent to the IMF revealed the Turkish government's determination one more time. The 24 January decision, which are the IMF's structural adjustment policies package for Turkey, came just after the economic crisis showed itself as lack of foreign currency and high inflation at the end of the 1970s. The agricultural subsidies were chosen as one of the scapegoats for high inflation. Therefore, it was dictated that these subsidies would decrease and Turkey accepted a general understanding of less state interference in the economy. These dramatic changes affected Turkish agriculture badly in terms of productivity because Turkey had not solved its technological infrastructure problems despite the modernization process of the 1960s. These policy changes' negative impacts revealed themselves when it was understood that agricultural productivity decreased by more than 50 % compared to the pre-1980s

era. Following table created on TUIK (2021) shows the production of cereals and other plant products (ton) according to years.

Table 3.1. The production of cereals and other plant products (ton) according to years.

Years	Giresun	Ordu	Trabzon
2004	111.335	197.128	232.936
2005	84.388	145.180	232.012
2006	82.544	114.424	237.290
2007	73.296	118.281	194.798
2008	75.297	124.111	202.222
2009	69.805	95.201	192.349
2010	67.480	85.748	175.662
2011	62.876	74.059	151.617
2012	55.729	76.097	152.709
2013	72.064	66.268	87.725
2014	49.913	56.588	76.867
2015	63.411	49.032	60.451
2016	58.893	44.935	71.886
2017	67.381	49.539	66.619
2018	59.691	47.452	70.594
2019	48.669	46.095	66.643
2020	64.104	71.518	68.277

Source: TUIK (2021) <https://biruni.tuik.gov.tr/ilgosterge/?locale=tr>

### 3.1 International Institutions' Impact on Agricultural Policies

One of the most significant impacts of the international institutions on national economies' agricultural sector is the 'developmental' policies that do not develop the countries. Some third-world countries in which unique agricultural

products are produced, such as cacao and coffee, follow the policies to develop these particular crops' production. They spend the surplus-value gained from the trade of them for agricultural infrastructure and invest their profit for their economic infrastructure. Boratav (2004) summarizes this as taxation of agriculture through market mechanism. It is impossible to sustain the same process in places where legal regulations do not exist, because it is unknown whether the national capitalists will use the surplus as accumulation.

Moreover, it is the very likely fact that multinational corporations reign the trade channels do not enforce otherwise. Keeping in mind that each country has its own production and export profiles and is different in terms of their development level, it is possible to make a generalization about the interventionist agricultural policies generalize implemented for the basic goods. Taxation has a crucial role in export-oriented crop-essential ability in farmers' profit is tried to be sustained. When African countries and Turkey are compared, it is seen that African countries are much more protective than Turkey. Less developed countries' central agricultural policies follow an interventionist path to protect the agriculture sector.

However, the IMF, WB, and the WTO have aimed to liquidate such protective policies in less developed countries since the 1980s. While the IMF and the WB pursue their aims via their programs, the WTO does this by coming up with international norms and values that encourage neoliberal economy premises. On the other hand, USA-like support policies are offered as legitimate policies. These policies consist of direct income support to the farmers. Neither production volume

nor the cost of production is vital for this kind of support. Any limitation to the given support does not exist in the USA-like support mechanism, while less developed countries' policies are seen as reflections of trade and aimed to be vanished as soon as possible. These strategies, which are created in the name of development coming from the liberal principles such as comparative advantage, are inevitable to resist. According to values, norms, and the programs of the IMF, the WTO, the WB, and the EU.

### **3.2 The International Monetary Fund (IMF)**

Turkey signed a standby agreement with the International Monetary Fund (IMF) in 1999. Turkey's expectation from this agreement was to find foreign currency to get rid of the economic crisis that the country was dealing with at that time. However, the agreement's articles seem to bring a much bigger and long-term agricultural crisis as an accompaniment to the foreign currency. The main reason for this is that the implemented policy changes that came with this standby agreement were made regardless of Turkey's peculiar agricultural conditions and structural problems. Instead, only financial concerns led the government to implement those policies (Şahinöz, 2000). According to this agreement, farmers would not be supported by product-based support mechanism. Preferably, they would be supported by land-based regardless of whether they produce or not. However, it was and still is suspicious that the direct income support system is suitable for Turkey as such a developing country. This system started to be used in the USA in 1996, even though the USA has been a strong country in the agricultural sector thanks to its

robust agricultural infrastructure. On the other hand, the European Union (EU) area is not different from the USA. Although the EU had started to implement a direct income support system, these countries have continued compensatory measures to support their local farmers at the same time (Uras, 2008). However, Turkey was and still is neither a country that solved agricultural infrastructure problems nor a country that supports its farmers via alternative ways. Moreover, it is a fact that the direct income support system either leads farmers to move away from lands or to start producing crops that bring maximum benefits with minimum purchase. Furthermore, it needs to be seen that the land-based direct income system is mostly beneficial for the landlords, who are chosen to be supported just because they have lands, rather than average local farmers and peasants, who do not have any other option than producing but are not chosen to be supported for the production. Therefore, it is fair to claim that the direct income support policy was not suitable for Turkey, because Turkey is a developing country that has some agricultural problems. Also, farmers would not be provided with cheap credits anymore. Similarly, supports for fertilizers and any inputs would be decreased. The wheat price would not be able to exceed more than 20 percent of the world prices. Moreover, sugar companies and the Tekel would be privatized, and there would be a compulsory decrease in beets, tobacco, and grapes. It is essential to point out that, inevitably, the public economic enterprises to be privatized would lead to a chaos in production, marketing, and consumption. As a result of this chaos, the most affected groups have been the households, producers, and consumers (Göngör, 2008).

Borataş (2004) points out that less developed countries' attempts to be self-sufficient in agricultural products are repressed by the international authorities, which are proponents of neoliberal economic policies. Neoliberal authorities encourage countries to implement free import policies. For instance, when Malawi decided to stock their corn to use later in 2000, the IMF objected to Malawi by recommending selling corn at that time and then buy from the international market if it becomes necessary in the next months. Malawi, which had to implement the IMF's recommendation because of its agreement with the IMF, had to have a war with hunger when it faced a lousy harvest season a year after. While Malawi had sold a corn unit for 45 dollars in 2000, it was forced to import from 225 dollars per unit of corn in 2001.

### **3.3 The World Bank (WB)**

In 2002, Turkey signed an agreement with the World Bank in the Agricultural Reform Implementation Project (ARIP). Turkey is given 600 million dollars' credit in return for some significant policy changes in the agricultural sector. However, it is fair to claim that these policy changes have had severe negative impacts on the sector above the value of 600 million dollars. It is stated that the implementation of the ARIP project aimed to decrease the agricultural support burden on the national budget and accelerate agricultural development in the country. In the frame of the project, alternative crop production has been supported. Indeed, it was forced that the farmers move away from the 'oversupply' crops production to alternative new



crops. However, it is ignored that 'oversupply' products' reason to be oversupply was not the over-production but the imported products (Uras, 2008).

On the one hand, local production of the crops such as sugar beet has decreased; on the other hand, its import has increased at the same time. Agricultural Sales Cooperatives' facilities have been minimized or deactivated. Similar to the IMF's standby agreement, according to this agreement too, support policies in the agriculture sector would disappear. Similarly, the subsidies to input spending and credits would be removed. Once again, regardless of the production facilities, a direct income support policy would be processed.

Moreover, increase in the support purchase prices would be determined as lower than the inflation rate. The number of the products and the amount of the products which have been supported would be decreased (Güngör, 2008). Furthermore, agricultural sales cooperatives would not be supported to survive. More importantly, according to an article from the ARIP, state institutions responsible for the agricultural sector's support would be based and transferred to the private sector. The fact that the expression of autonomization of Agricultural Sales Cooperatives and Agricultural Unions in the agreement is misleading, because this expression hides the fact that it really means the separation of the unions from the processing factories. Although in the beginning the farmers and cooperatives' impression of the autonomization expression was positive in the sense that the government would no longer interfere with the cooperatives and unions, it did not last for them to comprehend that this was actually not the autonomization of the

cooperatives. On the contrary, it meant the politicization of them. Demirkan (2000) mentions the chairperson of Turkey Union of Chambers of Agriculture (Türkiye Ziraat Odaları Birliği, TZOB), Faruk Yücel's ideas about the fact that the Nationalist Movement Party (MHP) has been staffed in the executive union. The fieldwork also clearly shows that the people are aware of this, because almost all the interviewees mention politicization of the state institutions and even cooperatives. Corruption and dysfunction in these institutions are some of the leading factors for leaving the agricultural production in the region.

Moreover, despite the article regarding the autonomy of the Agricultural Sales Cooperatives, it is decided that the general manager of the cooperatives will be assigned by the Minister of Agriculture and Rural Affairs. This assigned general manager would have to be in line with the executive's union. Under these circumstances, it seems that the policy changes desired by the WB in the agricultural sector have been used by such political and economic interest groups irrespective of societal benefits. The fact that the cooperatives and the unions have been pacified and being abdicated from the production, processing and marketing of the agricultural goods left farmers alone and vulnerable against the private sector.

### **3.4 The World Trade Organization (WTO)**

The fact that Turkey's transition to the neoliberal economy starting with the 24 January Decisions has accelerated, the years after the 1980s brought about international institutions' involvement. One of the other prominent international

institutions is the World Trade Organization (WTO). What WTO is well explained on the official webpage of the institution itself. According to the WTO, the WTO is;

an organization for liberalizing trade. It is a forum for governments to negotiate trade agreements. It is a place for them to settle trade disputes. It operates a system of trade rules. (But it is not Superman, just in case anyone thought it could solve — or cause — all the world's problems!) (WTO, 2021)

Specifically, the last part regarding ‘the WTO was not a superman’ was well learned by the Turkish farmers, because the international agreements on especially agriculture which the WTO promoted did not improve Turkey's agriculture sector. Instead, these agreements led Turkey to become an import-dependent country, although it was a self-sufficient country in terms of agriculture. International developments realized under the control of international institutions have had a determinant role in shaping Turkey's agricultural economy policies.

The WTO is constructed surprisingly as a democratic institution in that heedlessness might be the reason behind this (Boratav, 2004). Decisions are taken according to consensus or a majority of more than 146 member countries whose votes are equal. As opposed to the United Nations Security Council, there is no state with veto power. There is no inequality in terms of the weight of the vote as there is in the IMF and the WB's decision-making process. Nonetheless, the EU countries and the USA did not give up making an effort to create barriers to this democratic structure by threatening. Relatively powerful first world countries try to influence third world countries to bring them up to their lines by their lobbying attempts in so-

called 'green room meetings.' By doing this, mainly Western powers achieved to determine the discussion topics and given decisions until the Singapore meeting. However, the 1997-1998 Asian crisis made the third world countries understand that they also can block the meetings held in the WTO. With the power coming from the streets and the beliefs among anti-globalization communities from Mexico, South and North America; representatives from the poorest third world countries from Africa, Latin America, and Asia explicitly protested the EU and the USA's approach to agricultural policies which guard American cotton farmers in spite of the fact that West Africa is determined as having a comparative advantage in terms of cotton production. Even though third world countries recognizing their power to object to policies and discussions that harm them is a valuable step in international relations, their resistance has not changed history yet. Therefore, the WTO has continued to decide and implement agricultural policies that guard first world countries (Boratav, 2004).

The 1994 Uruguay Round Agreement on Agriculture (URAA) signed in the Uruguay Round frame one more time qualify the new agricultural policy agenda of Turkey. The WTO has been responsible for strictly monitoring the implementation of this agreement since 1995. The URAA's aim can be summarized as to leave the agricultural production and trade to the market mechanisms by minimizing the state interference in agriculture. For this aim, it is promoted that any barriers to import would be removed, the multinational corporations' entrance to the Turkish market would be facilitated, export subsidies would be decreased for a 'fair' international

trade, and subsidies given to the agriculture sector would be decreased. Market price support would be eliminated because it harms the market mechanisms.

Moreover, as the other international institutions promote, a direct income support system would be used rather than production-based subsidies. According to the agreement, the Committee would evaluate trade liberalization and help policymakers strengthen the liberalization process to adopt the next stage of multilateral agri-trade negotiations quickly. One of the articles from the agreement needs special attention because it says "policies that contribute to improving environmental performance in ways that are consistent with agricultural trade liberalization" need to be promoted (OECD, 2001). This phrase can be paraphrased as the environment-friendly policies should be promoted only if they are harmonious with trade liberalization. In other words, this phrase reveals that the economic benefit outweighs the environmental benefit. This phrase is important because it uncovers the central perspective of the neoliberal market, which predominates anything, including the environment.

On the other hand, one of the other crucial phrase taken from the Organization for Economic Cooperation and Development (OECD)'s report on the Uruguay Round Agreement on Agriculture mentions main elements of the agricultural trade policy is "the implications of trade liberalizations for food security in OECD and selected non-OECD countries" (OECD, 2001). However, peasants have strongly challenged the idea of food security with the notion of food sovereignty, which was brought forward by the peasants from all over the world organized in the frame of

La Via Campesina (LVC). The food sovereignty concept is much different from food security, because food sovereignty is "the right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems." (La Via Campesina, 2007). La Via Campesina (2018) highlights the importance of a structural change and an agrarian reform. This reform needs to include exclusion of the WTO from agriculture, the turnaround of the free trade policies and agreements, the destruction of supermarkets' and agribusiness' monopoly over local food systems, and agroecology promotion. Moreover, at the beginning of the section, not only Turkish farmers but also peasants from worldwide can see that the WTO is very far from being a superman.

### **3.5 European Union (EU)**

One of the other international institutions that have severe impact on shaping Turkey's agricultural policies, as being a part of a global economy requires the interference of international institutions in the national economies, is European Union (EU). As Aydın (2018) points out, the expectations of the IMF, the WB, the WTO exactly overlap with what the EU demands from Turkey in terms of agricultural policies. The most crucial principle in deciding Turkey's agricultural policies is their conformity with the EU *acquis* and especially with the European Union Common Agriculture and Fisheries Policies. According to this, the central policy is to use support tools that do not harm market mechanisms. In addition to this, to increase participation in agricultural and rural development are determined

as the main principles in line with the EU. However, Yalçinkaya et al. (2006) highlight the importance of differences between the EU countries and Turkey and point out in spite of the fact that aims and planning are the same for the EU and Turkey, it does not mean that results will be the same as well. Here, we need to pay attention to Turkey's structural problems, and the fact that Turkey's implementation of agricultural policies coherent with the EU without solving its structural problems first does not bring about the same results.

The Customs Union agreement signed with the EU in 1996 can be thought of as the primary declaration of the EU's expectations to accelerate structural transformation in Turkish agriculture. In summary, like the other international institutions, the EU's desire is also liberalization in agricultural product trade and removal of state subsidies to prevent harming the market mechanisms.





## CHAPTER 4

### METHODOLOGICAL FRAMEWORK

As a primary analysis, I did semi-structured in-depth interviews with hazelnut producers who started moving away from the hazelnut to alternative crops and producers who still stay in hazelnut production despite the same conditions they face with other producers. It is a fact that some hazelnut producers have already shifted to alternative crops while some others continue with hazelnut production. This fact shows that there is still some resistance among farmers against global forces. Therefore, I am aware that the decisions of framers are shaped by global markets and national, local, and even personal factors. The interviews that I conducted are essential in finding out and understanding those factors that influence hazelnut farmers' decisions. I did my fieldwork in Trabzon, Ordu, and Giresun, because Trabzon, a city whose hazelnut export rate is the highest, shows the dynamics between producers, exporters, agribusiness corporations, producer corporations, and state institutions best. I chose Ordu and Giresun region because of the hazelnut production rate, because the top-level producers from this region could show me why they do not move away from the hazelnut. I can make a comparison between Trabzon and Ordu-Giresun by keeping in mind that the main difference between these two regions is the high impact of agri-business companies in Trabzon. I did these interviews with producers because I believe it is impossible to judge the dynamics behind producers' changing behavior without listening to themselves.

When I planned to do my fieldwork, I aimed to go to the region and conduct face-to-face interviews. However, at that time, the pandemic in which we live in 2020 because of COVID-19 was not as severe as it is in the writing process of this thesis. Therefore, this pandemic makes it impossible for me to do my fieldwork in the region because of quarantine rules and limitations on the social life required to be protected from the virus. This is why I had to decide to pursue my interviews through phone calls. Even though doing fieldwork through phone calls does not harm the quality of my research, it is a fact that finding volunteer people and convincing them to participate in my research makes pursuing the research much harder than the face-to-face option. However, I could manage to talk to a necessary number of participants and do semi-structured in-depth interviews with them.

I used hazelnut producers' social media accounts and announced my research. Thanks to this attempt, I could find nineteen hazelnut producers, and three traders. Among the producers, there are the ones who completely changed their crops from hazelnut to alternative crops and the ones who stayed in the hazelnut production, and the ones who think of changing their crops to other products. I also investigated local newspapers to be able to see the essential names who have ideas and influence on the sector. Thanks to this attempt, I could reach the chair of trade unions and their representatives in the region.

Moreover, I explained my research project to the KAGİDER (Women Entrepreneurs Association of Turkey) in which I did my volunteer internship when I was a bachelor student. Thanks to KAGİDER, I did not only talk to hazelnut

producers but also to a multinational agri-business corporation representative who is responsible from the exact the same region that I am looking at. I also become aware of such local non-governmental organizations having projects on the agriculture and have sufficient experience to inform me regarding changes in the region. Furthermore, I tried to communicate with Fiskobirlik which represented hazelnut producers once upon a time. Here, my attempt could not achieve success because of the bureaucratic structure of Fiskobirlik. Besides my attempts, almost each of my participants wanted to share contact numbers of other producers with me to interview them. I was lucky enough to find a gatekeeper participant in my first interview. Overall, I made more than a hundred individual talks with people to pursue participation apart from my general announcement on the social media groups and e-mail groups, which consist of thousands of people. At the end, I, as planned, could manage to pursue 20 semi-structured in-depth interviews that lasted 30 mins on average. The shorter interview lasted 20 mins while the longest one lasted 1 hour 15 mins. Sixteen of the total participants are males, while there are four female participants. Despite the fact that their age range is between 27 and 80, participants are mostly in their 40s. Without any exception, all participants' land ownership was through heritage. Therefore, either fathers or grandfathers owned the land that they have now. Except for two participants, all interviews are done with small scale landowners whose lands are between 6-75 acres.

I tried to solve selection bias by posting my study on various social media groups where there are different perspectives among group members. Therefore, I aimed to reach as many different participants as possible in terms of their age, sexes,

profession, political view, their land scale, and environment. Despite the efforts, there might be a volunteer bias in this research, because the participants who voluntarily join the interview might be more willing to mention negative sides of the sector rather than the ones who did not respond my calls.

It is found out that the producers who moved away from the hazelnut production generally started to produce kiwi and flower crops instead of hazelnut. It is also revealed that this transition has been realized for almost ten years. Moreover, it is observed that a significant number of participants live in different cities than their towns of origin located in Trabzon, Ordu, and Giresun. Similarly, most interviewees have jobs other than farming, because they could not afford their livelihood by being dependent on agriculture. Interviewees' professions range from business manager, teacher, academic, agricultural engineer, mechanical engineer, lawyer, trader, to public officer. Besides these various professions, their common point is that they are farmers at the same time. One of the interviewees' statement is explanatory for the reasons why my participants' professions vary.

Few people see hazelnuts as their primary source of income because it is difficult to maintain. Fertilizers, disinfection, trimming collection costs are too high, so people turn to entirely different professions and see hazelnuts as a side income. For this reason, unfortunately, there are no organizing, unionizing, or lobbying activities. They are represented by MPs, but they are also interested in hazelnuts not because they think bait it so much, but because they want to look good. There were forested hazelnut gardens. While you can earn 3-4

thousand lira per month regularly, nobody wants to stay in the hazelnut, which brings 10 thousand Turkish liras a year.<sup>1</sup>

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<sup>1</sup> Fındığı ana geçim kaynağı olarak gören çok az insan var çünkü bakımı zor. gübreydi ilaçtı dal kesmeydi derken toplama maliyetleri çok fazla bu yüzden insanlar bambaşka mesleklere yöneliyor ve fındığı yan gelir olarak görüyor. Bu sebeple örgütlenme, sendikalaşma, lobileşme faaliyetleri yok maalesef. Milletvekilleri aracılığıyla temsil ediliyorlar ama onlar da fındığı çok düşündüğünden değil şirin gözükmek açısından ilgileniyorlar. Ormanlaşan fındık bahçeleri oldu. Düzenli olarak 3-4 bin lira para kazanmak varken kimse senede 10 bin lira kazandıran fındıkta kalmak istemiyor.

## CHAPTER 5

### CASE STUDY: HAZELNUT IN ORDU, GİRESUN, TRABZON

#### 5.1 Introduction

It is fair to claim that Turkey is the homeland of the hazelnut, because Black Sea coast of the country hosts hazelnut production for 2300 years. There are hazelnut production in Ordu, Giresun, Rize, Trabzon, and Artvin on the eastern part; Zonguldak, Sakarya, Düzce, Bolu Samsun, Sinop, Kastamonu on the middle and western part of the Black Sea coast. 400 thousand families in 3500 villages in Eastern part of the Black Sea region of Turkey afford their lives thanks to hazelnut (Islam, 2018). In the 2018-2019 period, hazelnut was the top sufficient agricultural product with a rate of 445,5% sufficiency (TUIK, 2020). Islam (2018) points out the importance of hazelnut cultivation in the region' people's cultural, social and economic lives. Turkey owns 75% market share of the hazelnut in the world market. Indeed, Turkey is the biggest exporter of the hazelnut for 6 centuries. (Baskan, 1997). Hazelnut Promotion Group which consists of members from the Black Sea Hazelnut and Products Exporters' Union and Istanbul Hazelnut and Products Exporters' Union (2012) states that Turkey also dominates hazelnut exportation around 70-75% percent. 85% of cultivated hazelnuts is exported. Hazelnut's rate in the total agricultural exportation of Turkey is 20%.

Ferrero is the biggest corporation which buys hazelnut from Turkey. It purchases third of Turkey's annual crop (Ghiglione & Terazon, 2021). Ferrero has 8 processing plants around the world, and five of them locate in Turkey. In these 8 processing plants, it has total 3000 employees. Ferrero is the first "integrated production supply chain company" according to its own statements. This definition means that Ferrero is active in hazelnut processing. It manages all the steps from producers to consumers' table, they say (Ferrero Hazelnut Company, 2018; in Charron, 2019).

This chapter discusses the current situation in hazelnut sector in Ordu, Giresun and Trabzon by giving reference to direct quotation from the interviews. Subjects are classified as instability in pricing, dysfunction of agricultural institutions, problematic trading, MNCs, problematic support mechanism, lack of representation, and moving away from hazelnut production. Participants' professions are also given in order to interference whether there is a link between their professions and comments on the subject. Participants' comments on the given specific phenomenon are shown on the following table. '1' means that the interviewee supports my argument on the related column, while '-' means that s/he opposes my argument. On the other hand '0' means that s/he does not have any statement about the argument. I also put information about how many of interviewees have moved or been planning to move to other crops. Also, reasons of staying in hazelnut production is given on the last column. MNC's representative is not a farmer or a trader. However, because she has a solid experience in the region for years, her observation regarding the perspectives of the farmers is given as well.

On the other hand, some interviewees state that they replace some of their hazelnut trees to alternative crops while keeping some of them at the same time. Therefore, they get '1' for both 'moved/planning to move to other crops' column, and the 'stay in hazelnut' column.

All the items on the following table are explained in separate sections in detail. International institutions' impacts on agricultural policies in Turkey have already been discussed in the third chapter. Therefore, this chapter examines the experiences of the farmers in the real world and shows the reflections of the Third Food Regime to understand the main framework.

## **5.2 Instability in Pricing**

Pricing is one of the most determinant factor in not only Third Food Regime, but also in any commercial relation, because it actually demonstrates who is the decision maker in that context. As it has been discussed in the literature review chapter, TNCs are the main actors in determining prices. Even though there is an increase in the price of a product, TNCs better off rather than the farmers. The fact that states do not determine protective prices for an agricultural product makes TNCs more profitable, because they decide how much money they will pay for their raw material. According to ARIP examined in the third chapter, Turkey requires that support purchase prices to be lower than the inflation rate. Although the reason for this article is to protect market principles, it pulls down the market prices for



hazelnut. Therefore, state interferences to the market but not in favor of domestic producers.

Kepek and Yentürk (2001) point out the meaning of pricing for agricultural products. They emphasize that pricing is a way to transfer capital from agriculture to the other sectors. If the food prices are kept cheap, this will transfer capital to the cities and other sectors, because people living in the cities can purchase agricultural products for cheaper price, so they will save. More importantly, labor costs less to the state and employer. Therefore, the pricing policy applied to the agriculture can represent the economy policy in general. Fieldwork says that hazelnut price is kept relatively cheap, so the Turkey's economy policies reveal a tendency for transferring capital from rural to the urban.

As a result of the fieldwork, it is examined that one of the most fundamental reasons why farmers move away from hazelnut to alternative crops is the instability in pricing. There are several common points that interviewees mention about pricing. These common points are seen as problems discouraging them from production. The first problem regarding the pricing is the institutions or the individuals who announce the hazelnut price and its meaning. The general idea behind the government's pricing policy is that the government sees hazelnut producers as people whose votes need to be won. Therefore, while they try to determine relatively higher prices in the election periods, they do not give the producers any attention when there is no coming election.

Before or during the harvest period of hazelnut each year, the state authorities announce hazelnut's price per kilogram. While FİSKOBİRLİK announced the price

until 2006, this authority has generally become Turkish Grain Board (TMO) since then. However, the Ministry of Agriculture and Forestry or top-level government spokesmen might announce the price from time to time. The most exciting and rare situation is that the president himself makes a statement regarding the issue. This distinction is critical because farmers can make inferences about the course of the season. One of the interviewees reveals the situation by stating that:

We could not hear the word ‘hazelnut’ from the mouth of our president until this time, but of course, when they lost the metropolitan cities from their hands, he said that I should not lose the Black Sea votes and therefore announced the price of hazelnut higher this year than the past years. Absolutely, these prices are 100 percent political.<sup>2</sup>

He is not alone in arguing that the pricing of hazelnut is political. Most interviewees claim that hazelnut is used as a tool to get votes in political election periods. A participant states that:

I don't know if it's politics, but politics is our life. We are politics. Isn't politics the argument that decides our future? We have to do politics. Black Sea votes are significant. AKP has many votes, especially in the hazelnut regions. In other words, he cannot fight with the hazelnut producer. However, it became an advantage for them, too. Hazelnut does not cause a loss due to the low harvest.<sup>3</sup>

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<sup>2</sup> Cumhurbaşkanımızın ağzından da bu zamana kadar fındık lafını duyamamıştık ama tabii büyükşehirler de elinden gidince galiba bari karadenizi kaybetmeyeyim dedi ve o yüzden bu sene fındık fiyatını yüksek açıkladı. Kesinlikle, yüzde 100 politik bu fiyatlar

<sup>3</sup> Siyaset mi oluyor bilmiyorum ama siyaset bizim hayatımız. Siyaset biziz. Siyaset bizim yarınımıza karar veren argüman değil mi? Mecburuz siyaset yapmaya. Karadeniz oyları çok önemli. Özellikle fındık bölgelerinde AKP'nin çok oyu var. Yani fındıkçıyla da kavga edemiyor. Ama onlar için de avantaj oldu. Rekoltenin azlığından dolayı fındık kaybettirmiyor.

Similarly, another one says that:

The state is trying to favor the people because the Black Sea is an excellent source of votes for the current government. Producers' costs gradually increase in Turkey, but productivity does not increase. The price of hazelnuts does not increase either. Only government vote concerns can be beneficial for the producer.<sup>4</sup>

Another interviewee shows the crucial impact of dissident voices on pricing. He refers to the case of expulsion of a deputy who spoke for the interest of the hazelnut:

There is a Nationalist Movement Party (MHP) member named Enginyurt. MHP expelled him from the party. When that was a big agenda, they gave more than they would typically pay for the price of hazelnuts this year. When the political rulers started to lose votes, they took care of hazelnuts. Otherwise, they would not have come out.<sup>5</sup>

Another interviewee reveals the pricing tension among the government officials and gives his idea regarding actually who has the power over the pricing:

A citizen named Mehmet Mehdi Eker became the agriculture minister for two terms after 2000. In his second term, he said, "I will announce the hazelnut price in August." An advisor to the president named Zapsu said, "Who is Mehmet Mehdi Eker, and how can he explain hazelnuts' price? I am marketing this product to Europe. Mr. Eker cannot explain the price of hazelnut before I come to Turkey," he said. Hence, an advisor to the president scored out a minister of the Turkish state. Our current president, the prime minister of the period, said, "I

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<sup>4</sup> Devlet halka yaranmaya çalışıyor çünkü karadeniz şuan ki hükümet için büyük bir oy kaynağı. Türkiyedeki üreticinin maliyetleri giderek artıyor ama verim artışı olmuyor. Fındık fiyatları da artmıyor. Yalnızca hükümetin oy kaygısının üreticiye faydası olabilir.

<sup>5</sup> MHP'li Enginyurt diye biri var. MHP onu partiden ihraç etti. O bayağı bir gündem oluşturunca bu sene fındık fiyatına normalde vereceklerinin fazlasını verdiler. Siyasi iktidar oy kaybetmeye başlayınca sahip çıkıyor fındık fiyatlarına yoksa çıkmazdı.

will not change my advisor to 60 deputies.". The hazelnut barons determine the price of hazelnuts.<sup>6</sup>

One of the producers and also a PhD student claims that the reason behind relatively higher price is the upcoming election.

I am satisfied only with the price announced for this year. Because they gave the value of it, they had not given its value before. The price announced until this time was always below the cost or equivalent to it, but it has changed this year. The reason for this is political, because there is an upcoming election. They see it as an election investment.<sup>7</sup>

One of the interviewees from Trabzon emphasizes the opposition in determining the price of hazelnut.

It does not happen every year as we expected, but this year was just as good. The reason for the high price announcement this year is politics. When the opposition got stronger, I think they raised prices. I do not think they look at costs or anything when determining the prices of hazelnuts.<sup>8</sup>

A mechanical engineer and hazelnut producer interviewee also highlighted the importance of opponents' power on pricing strategy. She states that

Our expenses and the revenues cancelled each other. We were not making a profit. This year's numbers are nice. When you say nice, it

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<sup>6</sup> Mehmet Mehdi Eker adlı vatandaş 2000'den sonra 2 dönem tarım bakanı oldu. İkinci döneminde 'ağustos ayında fındık fiyatını açıklayacağım' dedi. Zapsu adlı cumhurbaşkanı danışmanı da 'Mehmet Mehdi Eker kimdir de fındık fiyatını açıklıyor? Bu ürünü avrupaya pazarlayan benim' dedi. Ben Tr'ye gelip fiyat açıklamadan sayın Eker fındık fiyatı açıklayamaz' dedi. Bir danışman, TC devletinin bir bakanının üstünü çizdi. Dönemin başbakanı şimdiki cumhurbaşkanımız da dediki 'ben danışmanımı 60 tane vekile değiştirmem'. Fındık baronları belirliyor fındık fiyatını.

<sup>7</sup> Sadece bu yıl için açıklanan fiyattan memnunum. Çünkü değerini verdiler. Daha önce değerini vermiyorlardı. Bu zamana kadar açıklanan fiyat hep maliyetin altındaydı ya da ona denkti ama bu sene değişti. Bunun sebebi de politik çünkü yaklaşan bir seçim var. Seçim yatırımı olarak görüyorlar.

<sup>8</sup> her sene beklediğimiz gibi olmuyor bir tek bu sene böyle iyi oldu. bu sene fiyatın yüksek açıklanmasının sebebinde de siyaset var. Muhalifler güçlenince bence ondan fiyatları yükselttiler. fındık fiyatları belirlenirken maliyete falan baktıklarını zannetmiyorum hiç öyle bir düşüncem yok.

means best of the worst. I attribute the oppositional voices to the increase in the price of hazelnuts. If those voices had not been heard, we would have gone to the old system again.<sup>9</sup>

The other crucial factor regarding pricing that leads people to move away from hazelnut production is that the announced price cannot meet the production cost. Even though pricing by the government aims to protect the producers from the brutal market conditions, determining prices per kg is far from being supportive. In addition to the statements mentioned above, the following essential quotations need attention. One of the interviewees who moved away from hazelnut to the foliage plant explains one of the reasons why he moved as follows:

Income and expenditure did not improve at the same rate over time. While hazelnut prices were increased by 20 percent, fertilizer and medicine prices were increased by 40 percent. We do not have the situation of 30 years ago. At that time a farmer with 5-6 decares of hazelnuts could invest that year with that year's harvest. Not possible today. The price did not increase according to the conditions of the day. It could not find the value it deserved. The hazelnut production capacity decreased.<sup>10</sup>

This quotation does not only figure out the current pricing problems in the sector but also shows the difference between today and 30 years ago, which refers to the

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<sup>9</sup> Masraflarımızla fındıktan geldiğimiz kar birbirini tamamlıyordu. Kar etmiyorduk. Bu senenin rakamları güzel. Güzel derken kötünün iyisi. Çatlak seslerin çıkmasına bağlıyorum fındık fiyatındaki artışın. O sesler çıkmasaydı biz yine eski sistem giderdik.

<sup>10</sup> gelir ve gider zaman içinde aynı oranda gelişmedi. Fındık yüzde 20 zamlanırken gübre, ilaç yüzde 40 zlandı. Bir 30 yıl önceki durum yok. 5-6 dönüm fındığı olan bir çiftçi o sene yatırım yapabiliyordu o yılın hasatıyla. Bugün mümkün değil. Günün şartlarına göre fiyat artmadı. Hakettiği değeri bulamadı. Fındık üretim kapasitesi azaldı.

beginning years of neoliberal economic policies in Turkey. Another interviewee who got aggressive when pricing conditions were asked told that

This year there were half as many hazelnuts as last year. The costs have increased much more than the announced inflation. It is not possible; we would not been able to live on if we had not done another job. I am not satisfied with hazelnuts' prices because we cannot sell them to the end buyer. Since there is always someone else in between, we cannot make a profit.<sup>11</sup>

An interviewee makes a comparison between the previous periods and the current political period. He both criticizes the government on unstable pricing policy and the producers who do not make an effort against the government to gain what they deserve

The state has a huge mistake. There has never been this much price instability in the previous periods. The price has never dropped so much, neither in the time of Ecevit nor in the previous governments in Demirel time. We have 75 percent of the world. We cannot determine the price. For example, OPEC countries unite although there are other countries and determine the price, although we are one country, we are weak... People are always thankful, but rights are taken not given. What does it mean to be thankful?<sup>12</sup>

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<sup>11</sup> Geçen senenin yarısı kadar fındık vardı bu sene. Enflasyonun çok daha üstünde artış yaşadı giderler. Başka bir iş yapmasaydık mümkün değil geçinemezdik. Fındık fiyatlarından memnun değilim çünkü biz son alıcıya satamıyoruz. Arada hep başka birileri olduğu için kar edemiyoruz.

<sup>12</sup> Devletin çok büyük hatası var. Önceki dönemlerde hiç bu kadar fiyat istikrarsızlığı olmamış.. Hiç bu kadar fiyat düşmemiş ne Ecevit zamanında ne Demirel zamanında bir önceki hükümetlerde... Ürün olarak bu kadar iyi üretebildiğimiz bir şey yok. dünyanın yüzde 75'i bizde. Fiyat belirleyici olamıyoruz. Mesela OPEC ülkeleri başka ülkeler olmasına rağmen birlik oluyor fiyatı belirliyor, biz tek olmamıza rağmen ülke olarak güçsüzüz... İnsanlarda hep şükür var ama hak verilmez alınır. Şükretmek ne demek

One of the retired hazelnut producers also highlights the change between the previous period and the neoliberal period. He also mentions why he has to work in a different job while his parents did not have to

In my childhood, 10 tons of hazelnuts were a measure of wealth, they could meet all our needs, but now they do not; I have to work in another job. The purchasing power of hazelnuts has decreased. It fell a lot after 2000; it used to be better. In the 1970s, the Ecevit government gave the base price to hazelnuts. Even when the country needed a cent during these periods, the state was purchasing hazelnuts through Fiskobirlik and paying us. At that time, our purchasing power was higher. My peers have retired and started to return to the village, but they have been completely cut off production.<sup>13</sup>

An interviewee from Trabzon reveals the economic situation between today's neoliberal and past's pre-neoliberal economic environment.

Since we never find the prices we expected in hazelnuts, we are seriously depressed and suffering. In the past, something could be done here by relying on the money from hazelnuts. In other words, we had logic like "we have hazelnuts, do not be afraid." Now the point we came from there is this: I wonder if I can pick hazelnuts and not lose money this year? We look at the hazelnut now with hesitation. Hazelnut has now become a hump on our back. Before, people would buy a house and marry children, relying on hazelnuts, weren't afraid to get credit, they had something to trust. Now, let alone rely on

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<sup>13</sup> Benim çocukluğumda 10 ton fındık bir zenginlik ölçüsüydü bütün ihtiyaçlarımızı karşılayabiliyordu ama suanda karşılamıyor ben başka bir işte çalışmak zorundayım. Fındığın alım gücü azaldı. 2000 sonrası çok düştü eskiden daha iyiydi. 1970lerde Ecevit hükümeti fındığa taban fiyat veriyordu. Bu dönemlerde ülkenin yeni bir cente ihtiyacı olduğu dönemlerde bile devlet Fiskobirlik aracılığıyla fındığı satın alıyordu ve ödemesini yapıyordu bize. O zamanlarda alım gücümüz daha yüksekti. Benim emsalim gençler emekli olup köye dönmeye başladılar ama üretimden tamamen kopmuşlar.

hazelnuts and make a breakthrough, we wonder if I can get through this hazelnut season without any loss.<sup>14</sup>

This interviewee is not alone in thinking that the hazelnut producers' purchasing power decreases day by day and that this leads to a decrease in the production of hazelnut. Another interviewee displays a similar story regarding the change in hazelnut's purchasing power by giving an example from his wedding.

Hazelnut income is not something that changes over time, it is even decreasing. I am a person who got married in 2004. That year there was a very severe frost in Trabzon, and therefore, there were very few hazelnuts; it was very unproductive that year. Despite that, I had my wedding with that money and got married without a debt of 1 lira. If I tried to hold a wedding for my child with the gross revenues from the hazelnuts I have collected now, I would not even be able to buy his white goods. The value of hazelnuts does not increase. If a kilo of hazelnut is 25 liras, but a kilo of meat is 65 liras? How do we judge this, and how can I call this a reasonable price? What should a kilo of hazelnuts buy?<sup>15</sup>

During the research, there is only one participant who indicates his satisfaction with the pricing recorded. However, it is essential to point out that the

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<sup>14</sup> Fındıkta hiçbir zaman beklediğimiz fiyatları bulamadığımız için ciddi anlamda moralimiz bozuk, mağduriyet yaşıyoruz. Eskiden fındığın parasına güvenilerek bir şey yapılabilirdi burda. Yani önümüz fındık, hallederiz korkmayın mantığı vardı. Şimdi oralardan geldiğimiz nokta şu. Acaba bu sene fındık toplayıp zarar etmeyebilir miyim? Tereddütle bakıyoruz artık fındığa. Fındık artık bizim sırtımızda bir kambur oldu. Önceden fındığa güvenip insanlar ev alırdı çocuk evlendirirdi, borçlanmaya korkmazdı. Güvendiği bir yer vardı. Şimdi bırakın fındığa güvenip atılım yapmayı, acaba kazasız belasız bu fındık sezonunu atlatabilecek miyiz diye düşünüyoruz.

<sup>15</sup> Fındık geliri zaman içinde değişen bir şey değil hatta azalıyor. 2004 yılında evlenen bir insanım ben. O sene çok aşırı bir don vardı trabzonda ve dolayısıyla fındık çok az olmuştu, o sene çok verimsizdi. Ona rağmen ben o parayla kendi düğünümü yapmıştım ve 1 lira borçsuz evlendim. Ben şimdi topladığım fındıktan aldığım parayla masraflarını bile çıkmadan çocuğuma düğün yapmaya kalksam beyaz eşyasını bile alamam. Fındığın değeri artmıyor. bir kilo fındık 25 liraymış 25 lira olsa ne olur bir kilo et 65 lira o ne olacak? Fındığın fiyatı 25 lira. bunu neye göre yargılıyoruz da ben size bu iyi bir fiyat diyeyim? bir kilo fındık ne almalı?



participant is a public officer, and his general tendency is to avoid any criticism against the current rule. Despite the fact that this situation is interpreted as a representation of how people are afraid of expressing their ideas under Turkey's current rule, it was not examined for this thesis because it is beyond the limits of this research.

Some participants' reactions to the questions measuring their satisfaction with the announced price of per kilo hazelnut are so sharp that they criticize thankful people by claiming that:

People who say they are satisfied are either unfamiliar with the subject or because they think it would be politically wrong to call the hazelnut price terrible due to their connections to the government. I am in the village right now, thinking of the people around me; I tell you, nobody lives on hazelnuts. If you have reason, you should not say that anyone is happy with these prices; you can say so only if you think unreasonably or selfishly...<sup>16</sup>

In summary, the field research's results say that instability in pricing led farmers move away from the hazelnut or leave the land vacant. The pricing is used by the government as an election tool, not as a support mechanism. In fact, the announced price does not have anything to do with supporting farmers because it is too low. It is already discussed how the pricing support is attacked by the

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<sup>16</sup> Memnunum diyen insanlar ya konudan bihaberler ya da fındık fiyatına kötü demenin yönetildiğimiz hükümete yakınlığından dolayı siyasi açıdan yanlış olacağını düşündüklerinden böyle konuşuyorlardır. Ben şu an köydeyim etrafımdaki insanları düşünerek söylüyorum size sadece fındıkla geçinen hiçkimse yok. Mantıklı düşünürseniz kimsenin bu fiyatlardan memnun olduğunu söylememesi lazım, ama mantıksız düşünürseniz veya çıkarıcı düşünürseniz ancak o zaman söyleyebilirsiniz.

international institutions for agricultural products, because they do not favor state intervention to the market mechanism. Although the fact that in Turkey state seems continuing this support mechanism, it actually does not, as interviewees highlight.

### **5.3 Dysfunction of Agricultural Institutions**

According to the Food Regime Theory, local institutions have been intentionally weakened during the third food regime period, which refers to the post-1980 neoliberal era. In this period, market powers are enormously strengthened via the agreements signed between national governments and international institutions such as the IMF, the WB, the WTO, and the EU, as mentioned in the previous chapters. In spite of the fact that institutions are tried to become stronger with policies of the post- Washington Consensus, they did not make any difference in terms of the development of institutions. They become more like tools to sustain the neoliberal agenda in Turkey rather than making positive changes in rural people's lives.

#### **5.3.1 Dysfunction of Fiskobirlik**

The hazelnut sector's leading institution was Fiskobirlik, which the hazelnut producers established and supported by the government until 2006. This institution's structure was open to preserve hazelnut producers from the market conditions like a cooperative. Its primary establishment mission was to increase the production of hazelnut and increase the quality of the products. Besides these, Fiskobirlik's other

aim was to improve the hazelnut producers' livelihoods by developing export rates and producing value-added products whose raw material is hazelnut. This institution used to represent hazelnut producers and used to have close relations with the governments to lead farmer-friendly policies. In fact, the state used to announce the price of hazelnut via Fiskobirlik. They even had power over determining the annual price.

However, Fiskobirlik has come to a position that it neither represents the producers nor has any bargaining power over the government to implement agricultural policies to improve the hazelnut sector. The transformation of Fiskobirlik is crucial to examine because it reveals the transformation of agricultural policies in Turkey. Fiskobirlik officials are tried to be reached for an interview during the field research. It took more than five phone call to reach an authorized employee because of Fiskobirlik's new bureaucratic structure. Unfortunately, the interview demand was rejected by saying that Fiskobirlik is a private establishment, so they cannot answer questions without asking to the superiors. Therefore, although Fiskobirlik keeps the same name as it was established, it does not act as a producer cooperative but an ordinary trade company now.

One of the interviewees summarizes this transformation as follows:

In the past, Fiskobirlik was giving us medicine and fertilizer. It was deducted from the money we would buy when selling it. It even gave loans at low-interest rates. For example, if they bought hazelnuts for 10 liras per kilo from the producer and sold a higher amount in the future, they distributed the profit to the producer. That was the Fiskobirlik's mission, but it began to deviate from its goals. In time those who came as managers tried to sabotage it. They made it that

doesn't make profit, but loss, they stole its resources. 12 September and Özal destroyed all the balance in Turkey. This degeneration started then.<sup>17</sup>

He does not only reveal the current situation and the past time, he also claims that Özal's economy policies are the reasons for this change. As given in the one chapter before, Özal is the responsible person for neoliberal transformation in Turkey, because he started to implement those policies with the 24 January decisions that led Turkey to integrate with the global economy.

Another interviewee also mentions the changes in the structure and function of the Fiskobirlik; although he does not talk about the reasons behind these changes, other interviewees clearly state them. The critical point in this quotation is the period he mentions:

I don't think Fiskobirlik can represent us. Fiskobirlik was doing the TMO is doing now. Fiskobirlik is a formation where producers coming established by together. It was an institution that worked entirely with its internal dynamics. The system was working well. Then, they could not give the producers their money. Then, nobody had any confidence in Fiskobirlik. It has not been able to represent us for 15 years.<sup>18</sup>

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<sup>17</sup> Eskiden fiskobirlik bize ilaç veriyordu gübre veriyordu. Satarken alacağımız paradan düşüyordu. Hatta kredi bile veriyordu çok düşük faizle. Örneğin fındığı kilosu 10 liradan üreticiden aldı. İlerleyen süreçte daha yüksek miktardan sattıysa kar ettiği parayı üreticiye dağıtıyordu. Fiskobirliğin görevi buydu zaten ama amaçlarından şaşmaya başladı. Yönetici olarak gelenler ilerleyen zamanlarda sabote etmeye çalıştı. Kar edemez, zarar eder duruma soktular, çaldılar, çırptılar. 12 eylül ve Özal dönemi Türkiye'nin bütün dengesini bozdu. Bu yozlaşmalar o zaman başladı.

<sup>18</sup> Fiskobirlik'in bizi temsil edemediğini düşünmüyorum. TMO'nun yaptığı işi Fiskobirlik yapıyordu. Fiskobirlik üreticilerin bir araya gelip oluşturduğu bir oluşum. Tamamen iç dinamikleriyle çalışan bir kurumdu. Sistemi bi güzel işliyordu. Üreticilerin paralarını veremediler. Sonra fiskobirliğe kimsenin güveni kalmadı. 15 senedir bizi temsil edemiyor.

Similarly, another interviewee also mentions that the changes started to occur in the last 15 years. Moreover, he states that the reason behind the current dysfunctional situation of Fiskobirlik is the state itself. This is another clue to believe that the state intentionally weakened the strong institutions to implement neoliberal premises.

There was an institution called Fiskobirlik. It has nothing but a name; it does not exist for the last 15 years. As a result, it was rendered dysfunctional by the policies of the state. Recently I said let me go and ask; "I was a member of you, how can I benefit from you?" He said, "You won't take advantage of us". It works as an agricultural market. There is no public benefit.<sup>19</sup>

When it is asked whether Fiskobirlik can represent them or not, an interviewee gets angry and states that rather than representing, Fiskobirlik harms the producers now:

We are not represented. Forget about being well-represented; we are not represented at all. No institution values the efforts of the hazelnut producers. Fiskobirlik does not represent the producer in any way. Fiskobirlik is an association established by the producers to protect the producers. However, it is no use, even harmful. Their concern is to make money from the producer.<sup>20</sup>

A participant gives information about the impacts of the EU on the disabling of Fiskobirlik via the use of the state itself. This statement is crucial because it consists of the thesis's main idea, which states that the state shapes Turkey's

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<sup>19</sup> Fiskobirlik diye bir kurum vardı. Adı var kendi yok son 15 senedir. Neticede devletin politikaları ile işlevsiz hale getirildi. Geçenlerde gidip sorayım dedim ben size üyeydim sizden nasıl istifade edebilirim. İstifade etmeyeceksin dedi. Tarım market gibi çalışıyor. Kamu yararı yok.

<sup>20</sup> Kesinlikle temsil edilmiyoruz. yeterince iyi temsil edilmeyi geçelim hiç temsil edilmiyoruz. fındık üreticisinin emeğine karşılık değer veren hiçbir kurum yok. Fiskobirlik hiçbir şekilde üreticiyi temsil etmiyor. Fiskobirlik üreticinin kurduğu bir birlik. üreticiyi koruması lazım. ama hiçbir faydası yok, hatta zararı var. Onların derdi üretici üzerinden para kazanmak.

agricultural policies according to neoliberal premises imposed by international institutions. He states that:

In the past, Fiskobirlik had markets that processed hazelnuts. However, then, the state used to give a budget to Fiskobirlik. Fiskobirlik went bankrupt. In the years of harmony with Europe in the 2010s, when we were good with Europe, Fiskobirlik was emptied through lobbying activities through the EU.<sup>21</sup>

Similarly, a participant reveals the situation in which Fiskobirlik came into the hands of the state.

6-7 inspectors were sent to Fiskobirlik, accusations such as not looking for a market, etc., were directed, and somehow Fiskobirlik was abolished. Fiskobirlik is a victim institution that cannot even compensate its employees. It was mismanaged, their managers were changed, and we did not benefit from them either.<sup>22</sup>

Here, there is an essential detail about changing managers of the Fiskobirlik. Fiskobirlik was a democratic institution whose managers were elected among the producers. However, when the government started to have a more significant role in the institution's dynamics, the managers started to be assigned by the state. The unsuccessful managers referred are the managers who were assigned by the government. Here, one of the participants also points out the state's role in the liquidation of Fiskobirlik and bringing the Turkish Grain Board (TMO) instead.

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<sup>21</sup> Eskiden fiskobirliğin marketleri vardı işliyordu fındığı. ama o zamanlar fiskobirliğe bütçe veriliyordu devlet tarafından. fiskobirlik batırıldı. 2010lu yıllarda avrupayla aramızın iyi olduğu uyum yıllarında AB aracılığıyla lobicilik faaliyetleriyle fiskobirliğin içinin boşaltıldığını düşünüyorum.

<sup>22</sup> Fiskobirliğe 6-7 tane müfettiş gönderildi bir şekilde pazar aramadığı vs gibi suçlamalar yönlendirildi ve bir şekilde Fiskobirlik lağvedildi. Fiskobirlik suanda çalışanlarına tazminatını bile veremeyen mağdur durumda bir kurum. Yanlış yönetildi, yöneticileri değiştirildi, onların da bir faydasını görmedik.

Fiskobirlik was a very lovely organization established by the manufacturers. Unfortunately, it was liquidated during this political rule. TMO was brought instead to its position. Now they only have a market.<sup>23</sup>

### **5.3.2 Dysfunction of Turkish Grain Board (TMO)**

In the second article of Decree No. 233, IDT; TMO's status is defined as "a state-owned enterprise whose capital belongs entirely to the state, established to operate in the economic field according to commercial principles" (TMO in Kaya, 2018, p.78). TMO belongs to the Ministry of Agriculture and Forestry. In time, its authority was expanded with the decree-laws. Nowadays, TMO officially determines and announces the price of grains, including hazelnut. Its main aim is to protect both producers and consumers at the same. The fact that the TMO buys products from the producers is its most significant protecting activity for the producers against the private sector. However, participants clearly indicate why this is not helping.

Except for the state officer participant, all participants point out how the Turkish Grain Board (TMO) is dysfunctional. It is fair to say that this institution is brought to replace Fiskobirlik. Even though the TMO has been around since 1938, it has not

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<sup>23</sup> Fiskobirlik üreticinin kurmuş olduğu son derece güzel bir kuruluştur. maalesef bu siyasi iktidar döneminde tasfiye oldu. Görev yapamaz duruma getirildi yerine TMO getirildi. Şimdi marketleri var sadece.

had any policy regarding hazelnut. When Fiskobirlik was put out of action, as almost all the participants suggest, TMO became the institution responsible for hazelnut.

Producers' most significant problem with TMO is that although the institution legally seems to protect the producers against the traders by determining the price and purchasing hazelnut from them on paper, its policies are not implemented in reality. One of the reasons why the TMO is dysfunctional is that the bureaucratic structure of it leads late payments or quota problem. A participant states that:

The trader takes 50 kuruş, 75 kuruş, 1 lira less than the price announced by the state. TMO announced this year 22.50 TL. Nevertheless, it gives the money three months later. Fiskobirlik announced \$ 22.50, giving the money five months later. The merchant says, "give the hazelnut, and I will pay it immediately," and I sell it to the merchant.<sup>24</sup>

Another interviewee reveals how the TMO discourages farmers from selling their hazelnuts to the TMO and makes farmers dependent on the traders in spite of the fact that its prominent role is to protect farmers with a guaranteed minimum price.

They finished Fiskobirlik. With no Fiskobirlik anymore, the trader can play the hazelnut price as he wants. We do not sell hazelnuts to TMO, because TMO is trying not to buy hazelnuts. When you go to TMO, they are sensitive to everything from quality to dryness and measurement, and they value it very low so that the producer goes to the trader. When the hazelnut is announced as 22.50, the merchant does not buy it at that price, but at 19 liras. Why? Because he knows that when the producer goes to TMO, he will not be able to sell his hazelnuts at that price. He'll eliminate him there, he'll drop the price,

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<sup>24</sup> Devletin açıkladığı fiyattan 50 kuruş, 75 kuruş, 1 lira eksiğe alıyor tüccar. TMO bu sene 22,50 tl açıkladı. Ama parasını 3 ay sonra veriyor. Fiskobirlik 22,50 tl açıkladı, parasını 5 ay sonra veriyor. Tüccar fındığını ver parasını hemen vereyim diyor ben de tüccara satıyorum.



he'll say I'll send his money 20 days later. Everyone goes to the merchant to avoid struggling with that thing.<sup>25</sup>

Another reason for this is that the TMO either finds excuses not to buy hazelnuts or take bribes to purchase from the farmers.

When we are giving hazelnuts to the TMO, they do their best to avoid buying them. TMO members take generous bribes. You bring the hazelnuts; they do not buy them, they find defects. You pay indirectly to sell your hazelnuts because you feel embarrassed while taking the hazelnuts to the merchants. "TMO did not like it so that you could buy it." Can you imagine?<sup>26</sup>

One of the participants summarizes almost all the problems that they face within the TMO. An interesting statement from this quotation is that those producers can borrow from the merchants to care about their hazelnut gardens. Even though the TMO's conditions are better than the merchants' ones, they have to sell their products to the merchants because merchants give the necessary tools before the harvest season rather than the TMO or any other state institution. Moreover, the fact that the TMO does not buy hazelnut for the price it determined itself is another problem leading producers to sell to the merchants.

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<sup>25</sup> Fiskobirlikin ipini çektiler. Artık fiskobirlik olmayınca tüccar findığın her şeyiyle fiyatıyla istediği gibi oynayabilir. Biz TMO'ya fındık satmıyoruz çünkü TMO fındık almamak için uğraşiyor. TMO'ya gittiğinizde kalitesinden kuruluşundan ölçümünden her şeye çok hassas oluyor çok düşük değer biçiyorlar ki üretici tüccara gitsin. Zaten fındık 22,50 açıklandığında tüccar o fiyattan almıyor 19 liradan alıyor. Niye? Çünkü biliyor ki üretici TMO'ya gittiğinde o fiyattan fındığını satamayacak. Onu orda eleyecek, fiyatını düşürecek, 20 gün sonra parasını gönderirim diyecek. O şeyle uğraşmamak için tüccara gidiyor herkes.

<sup>26</sup> TMO'ya fındık veriyoruz almamak için ellerinden geleni yapıyor. Müthiş rüşvet alıyorlar TMO'cular. Fındığı getiriyorsun, almıyorlar kusur buluyorlar. Dolaylı yollardan para veriyorsun fındığını alın diye. Çünkü TMO'nun almadığı fındığı tüccara götürürken mahcup oluyorsun. TMO beğenmedi siz alın diye. Düşünebiliyor musunuz?

We sell the hazelnuts to the merchants. They buy them from the door and give whatever the money is at the exchange rate of that day. However, there are specific reasons why we give it to the merchant. The farmers also have specific reasons. There is money needed to grow the hazelnuts. They need a certain amount of money to pay their workers to put fertilizer. Unfortunately, we get this money from the merchants. Therefore, we are tied to the merchant's apron strings. There is also the following: when we give the hazelnuts, we get the money immediately. Nevertheless, there is much trouble with the TMO. The TMO has a ridiculous appointment system. For example, I have 10 tons of hazelnuts that I have blended, and they tell me to bring 1 ton and 1 ton. They say they cannot get them all at the same time. Most importantly, TMO does not give the money on time. Also, the TMO office sets a different yield; the trader sets a different yield. According to this yield, their charge per kg varies. In other words, you can never actually give TMO at a price announced by the state. If you ask the farmer here, "why you are not giving hazelnuts to TMO?", he will say, "I cannot deal with them." Because they have already worked so hard and produced their hazelnuts and can't stand more to conform to TMO.<sup>27</sup>

Appointment system of the TMO is criticized by the producers. They think that this system is used to tire the producers for preventing them to attempt selling their hazelnuts to the TMO.

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<sup>27</sup> Fındığı biz tüccara satıyoruz geliyor kapıdan alıyor o günkü kurdan parası neyse veriyor gidiyor. Ama bizim tüccara vermemizin belli başlı sebepleri var. Çiftçinin de belli başlı sebepleri var. Fındığı yetiştirmek için gereken bir para var. İşçisine ödeme yapmak için, gübre dökmek için belli bir para lazım. Biz bu parayı maalesef tüccardan alıyoruz. Tüccardan aldığımız için tüccara gebe kalıyoruz. Aynı zamanda bir de şu var: fındığı verdiğimiz zaman parasını hemen alıyoruz tüccardan. Ama devletin aldığı TMO'da çok sorun oluyor. Toprak Mahsulleri Ofisinin çok saçma bir randevu sistemi var. Atıyorum benim harmanladığım 10 ton fındığım var bana 1 ton 1 ton getireceksin hepsini aynı alamam diyor uğraştırıyorlar. En önemlisi ise parayı zamanında vermiyor TMO. Bir de TMO ofisi farklı bir randıman veriyor, tüccar farklı bir randıman veriyor. Bu randımana göre kg başına verdikleri ücret değişiyor. Yani TMO'ya aslında hiçbir zaman devletin açıkladığı fiyattan veremiyorsunuz. Buradaki çiftçiye neden TMO'ya fındık vermiyorsunuz diye sorsanız 'Ben onlarla uğraşamam.' der. Çünkü zaten o kadar emek verip uğraşıp fındığını üretmiş daha fazlasını TMO'ya uydurmak için kafası kaldırmaz

TMO does not buy hazelnuts. In other words, they actually take it but examine it too much; you make an appointment; they do not like it; it takes much trouble. We give it to the merchants; they come and take it from the blend. So far, I have not seen anyone defending the interests of the hazelnut producer.<sup>28</sup>

Another interviewee says that even merchants pay 5 liras more than the TMO. This is ironic in that TMO's reason to exist is to protect the producers against market forces.

While traders buy for 25 liras, TMO buys for 20 liras now. That's why we sell it to the merchant in advance. Plus, TMO is examining the hazelnuts very, very much. Outside, the trader gets it right away without that much review. People want to get rid of them as soon as possible. I was a child before 2006, but my family says they got good money from Fiskobirlik at that time.<sup>29</sup>

One of the interviewees criticizes the state for liquidation of Fiskobirlik and assignment of the TMO as the responsible institution for the hazelnut.

The state's failure to agree with Fiskobirlik shows the state's ulterior motives. Why do you give hazelnut to TMO when there is Fiskobirlik when there is a particular hazelnuts system?<sup>30</sup>

An interviewee questions why the TMO does not work for the sake of hazelnut despite the fact that ten percent of the population's livelihood depends on it.

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<sup>28</sup> TMO fındık almıyor. Yani aslında alıyor ama çok inceliyor, randevu alıyorsun, beğenmiyor, çok zahmet çektiriyor. Biz de tüccara veriyoruz onlar geliyor harmandan alıp gidiyor. Şuna kadar fındık üreticisinin çıkarını savunan kimseyi görmedim.

<sup>29</sup> tüccarlar 25 liraya alırken TMO alıyor 20 liraya şuan. O yüzden peşinen tüccara satıyoruz. Artı bir de TMO fındığı çok çok çok fazla inceliyor. Dışarda tüccar o kadar fazla incelemeden hemen alıyor. İnsan bir an önce elinden çıkarmak istiyor. ben 2006 öncesinde çocuktum ama o dönemler fiskobirlikten iyi para aldıklarını söylüyor ailem.

<sup>30</sup> Fiskobirlikle devletin anlaşmaması devletin art niyetini gösteriyor. Fındık için özel bir sistem varken fiskobirlik varken neden fındığı TMO'ya veriyorsun?

Eight million of the Turkish Republic eat bread from agricultural products such as hazelnuts. Why don't they take care of them? If a person buys this hazelnut, he or she gets it at the price he wants. TMO cannot buy hazelnuts at the moment, because their price is below the market. Nevertheless, what does this TMO do?<sup>31</sup>

### **5.3.3 Dysfunction of State Institutions such as Chambers of Agriculture, Provincial Directorate of Agriculture and DOKAP**

One of the crucial reasons that the producers are encouraged to move away from hazelnut production is the dysfunction and corruption in the state institutions whose mission is to increase production and quality. One of the corrupted institutions is the chambers of agriculture. Farmers reveal how these institutions are far from helping when they consult them. The biggest problem in these chambers is incompetence. One participant states that:

The law and the chamber of agriculture must protect. All institutions exist by name, but they don't work. Political authority here is doing the structuring in non-governmental organizations according to itself. They are not looking for qualified men. When bringing someone to the head of institutions, they do not seek merit. They're not working to do anything for the farmer's benefit. Turkey needs to come of this. Does production have a religion, or language? Why do your political ideas matter?<sup>32</sup>

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<sup>31</sup> TC devletini 8 milyonu fındık gibi tarım ürününden ekmek yiyor. Neden sahip çıkmıyorlar? Bu fındığı alan bir kişi olursa istediği fiyattan alır. TMO fındık alamıyor şu an çünkü verdikleri fiyat piyasanın altında kaldı. Ama bu TMO ne işe yarıyor?

<sup>32</sup> Kanunun, ziraat odasının, birliklerin koruyup kollaması gerekir. Bütün kurumlar isim olarak var ama bir işe yaramıyor. Burada siyaset erk sivil toplum kuruluşlarındaki yapılanmayı kendine göre yapıyor. Nitelikli adam aramıyorlar. Kurumların başına birilerini getirirken liyakat aramıyorlar. Çiftçinin yararına bir şey yapmak için çalışmıyorlar. Türkiye'de bunun düzelmesi lazım. Üretimin dini dili olur mu? Siyasi düşüncesinin ne önemi var?

An interviewee also says that he did not face any support from the Chamber of Agriculture.

Chambers of Agriculture should take care of hazelnuts, but in our country, the Chambers of Agriculture receive 100 liras per person, even when they give us the state's support. On behalf of hazelnuts, I did not see any support other than the happy holiday messages...<sup>33</sup>

Even though the participants from different cities mention different Chambers of Agriculture, they all have shared ideas on how these institutions are dysfunctional.

For instance, an interviewee from Trabzon claims that:

Now there are chambers of agriculture. It seems that the chambers of agriculture are supposedly representing farmers, but they are not doing their job correctly.<sup>34</sup>

Another interviewee from Giresun answers the question of whether there is an institution to train or help farmers as follows:

No, no, no, no, no. What are the Chambers of Agriculture doing? Are their engineers there to sit at the desk? I should harvest at least 6-7 tons of hazelnuts from 40 decares of land. Nevertheless, we do it unconsciously. They can inform the producer. They may say, "you can get more product if you do this." I have 40 acres of space; nobody came and said, "how do you do this?"<sup>35</sup>

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<sup>33</sup> Ziraat odalarının fındıkla ilgilenmesi gerekir ama bizde ziraat odaları devletin bize verdiği dönüm başı desteği verirken bile adam başı 100 lira para alıyor o işlemi yaparken. fındık adına ben bayramdan bayrama bayramınız kutlu olsun mesajından başka bir destek görmedim.

<sup>34</sup> Şimdi ziraat odaları var. ziraat odaları güya temsil ediyormuş gibi görünüyor ama onlar da görevlerini yapmıyorlar doğru dürüst.

<sup>35</sup> Yok canım yok yok yok. Ziraat odaları ne yapıyor? Ordaki mühendisler masa başında oturmak için mi varlar? Benim 40 dönüm yerden en aşağı 6-7 ton fındık almam lazım. Ama bilinçsiz yapıyoruz biz. Üreticiyi bilgilendirebilirler. Şunu yaparsan daha çok ürün alabilirsin diyebilirler. Benim 40 dönüm yerim var kimse gelip de bunu nasıl yapıyorsun şöyle yap demedi.

One of the other dysfunctional institutions is the DOKAP project which belongs to the governorship. A participant reveals how the development projects are developed in these institutions. Her doubt about DOKAP leads her to think about whose development is aforementioned in these projects. According to her and many others, engineers in these institutions write projects to get promotion rather than improve rural life.

An institution called DOKAP in the governorship of Ordu does not help when you go individually, but when you go as an institution, you get help. There, the system works like this. There are a few engineers who act as if they had discovered electricity, saying, "Dear governor, dear president, let's do that and sign this," but they don't think about the end. They invest in themselves. Applause, bravo, salary raise. However, we take much trouble, cultivate our lands, plant, stand at the beginning, produce and collect products, and cannot sell them.<sup>36</sup>

One of the woman entrepreneur farmers among the participants claims that provincial directorates of agriculture are not helpful even when a farmer consults them about the improvement of her/his garden for hazelnut production. This interviewee is a former Ferrero employee and a current manager of her chocolate company. She explains her aim and the problems with the state institutions as follows:

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<sup>36</sup> Ordu valiliğinde DOKAP adı altında bir kurum var, bireysel gittiğinizde yardım etmiyor ama kurum olarak gittiğinizde yardım alıyorsunuz. Orda da sistem şöyle işliyor. Bir kaç tane mühendis var sanki elektriği bulmuşlar gibi kafalarında şimşekler çakıyor 'sayın valim, sayın başkanım, şunu yapalım şunu imzalayın' diyorlar ama sonunu düşünmüyorlar. Onlar kendilerine yatırım yapıyorlar. Alkış, bravo, maaşına zam. Ama biz zahmet çekiyoruz, arazilerimizi işliyoruz, dikim yapıyoruz başında duruyoruz ürün çıkıyor topluyoruz satamıyoruz elimizde kalıyor.

I wanted Turkey to win while bringing value-added products made of raw materials that we produce. This actually is the goal.<sup>37</sup>

When a producer knocks on the door of the provincial directorates of agriculture and asks him how to take care of his garden, that directorate should clearly explain how to care. If a team is to be sent, they should send it or reach the mukhtars. The villagers need to be informed. The governorship and municipality of that province should go to local manufacturing companies and shop from there. If not, we feel abandoned. I can neither sell to the governor nor to the municipality. This is a shame of state institutions.<sup>38</sup>

#### 5.4 Problematic Trading

The 1994 Uruguay Round Agreement on Agriculture requires to leave trade to market conditions and minimizing the state interference in the agriculture. Therefore, this is helpful for MNCs to enter the market in Turkey by removing trade barriers. In Turkey, this reveals itself as weakening purchasing power of remain institutions and improving potency of MNCs as food regime theory describes.

In addition to the TMO, which is a state institution, as mentioned before, there are small traders in the region. Fiskobirlik has the same role as trading companies because it does not have a state link now. Local traders are the first stage

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<sup>37</sup> Ben kendi ürettiğimiz hammadde ürünü katma değerli hale getirip Türkiye kazansın istedim hedef bu aslında.

<sup>38</sup> Tarım il müdürlüklerinin kapısını bir üretici çalıp da bahçesine nasıl bakması gerektiğini sorduğunda o müdürlük ona net bir şekilde nasıl bakım yapacağını anlatmalı. Ekip gönderecekse göndermeli veya muhtarlıklara ulaşmalı il tarım müdürlükleri. Köylünün bilinçlendirilmesi lazım. Yerel üretim yapan firmalara o ilin valiliğinin, belediyesinin gidip oralardan gidip alışveriş yapması lazım. almıyorsa biz kendimizi terkedilmiş hissederiz. Ben ne valiye satabiliyorum ne belediyeye satabiliyorum. Bu devlet kurumlarının ayıbıdır.

that farmers interact with. These traders sell farmers' hazelnuts to the more prominent trade companies which are active in exporting. A critical rate of the collected hazelnut is purchased by the multi-national cooperation, called Ferrero. Therefore, it is fair to claim that they constitute another step of exploitation of hazelnut farmers.

The state announces the price of 1 kg hazelnut each year via the TMO, if there is no excellent condition such as election, because in the election years president of the country or related ministers may inform the public about the prices. It is assumed that the announced price is the minimum price for hazelnut so that farmers can sell their products to the TMO or any other traders, including Fiskobirlik. It is also assumed that because the farmers can sell their products to the TMO, traders' purchase price cannot fall under the announced numbers. This is the aim of announcing price as a protection policy of the state for the farmers. Whether these determined prices are sufficient or not has already been discussed in the previous sections. However, there are some other difficulties in the implementation of this principle in the real world. First of all, as the farmers state, the TMO is not eager to purchase hazelnut from the producers, so it finds excuses such as quality, bureaucratic procedures, a rigid appointment system, etc. Secondly, even when the TMO buys products from the farmers, it does not buy them from the announced price by picking holes in the hazelnuts. Thirdly, there is a belief among traders that if a farmer prefers to come to the trader instead of going to the TMO, he/she does not trust the quality of his/her hazelnut. Therefore, traders give a price as low as possible to benefit from the labor of the farmers.



During the fieldwork three interviews with traders were done.<sup>39</sup> Each of the three trader participants are also hazelnut producers. Two of these three participants are entrepreneurs, and they established their own companies that produce value-added products such as chocolate, baklava with hazelnuts, hazelnut tea, hazelnut oil, etc. Although that three participants' common point is that they purchase hazelnut from all over the Black Sea region, they differentiate from selling them. While the entrepreneur traders use the purchased hazelnuts as raw materials and sell them as the country's value-added product, the other trader exports the hazelnut as raw material. While the entrepreneur traders are relatively satisfied with their profit, the exporter trader states that he cannot gain money as much as farmers think. However, without any exception, all farmers complain about the exploitative behaviors of merchants. One of the farmers who moved away from hazelnut to rose expresses that "Merchants should stop exploiting us. They should not exploit the people and citizens."<sup>40</sup>

One interviewee actually mentions a crime that merchants commit. The state obliges farmers to go to merchants for borrowing money by not supplying cheap credits or sufficient financial support to them.

Merchants are such vampires. They buy the lowest price and sell the highest. Also, interest is widespread here. It is made as if the state was

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<sup>39</sup> One trader gave up the interview before starting, so he is not included in the results.

<sup>40</sup> Tüccarlar bizi sömürmekten vazgeçsinler. Halkı, vatandaşı sömürmesin.

unaware. Upon the complaint, they let them in for a few days and leave them immediately.<sup>41</sup>

The interviewee farmer who also established her own business tells how her profit drastically changes when she cuts selling hazelnut to the merchants and process them on her own.

When we previously collected hazelnuts and sold them to the merchants, we could not earn any income. Because in the current system, when you care for the hazelnuts and sell them to the trader, the inability to earn income was offending the farmer. However, when we process it by ourselves, we have an income left for us. We will now generate more income. I'm happy with the income I get from hazelnuts this way, but I wouldn't be happy if I sold it to the merchant. I have no income other than agriculture, and I only have a Ph.D. scholarship.<sup>42</sup>

Another interviewee argues that the traders are the determinants of the price. He claims that the merchants come together and discuss how they can pay less. Although this might not be a crime, many other interviewees also recommend me to follow social media account of producers' union to understand how merchants pretend to be farmers and speculate to discourage farmers keeping their products in their stock.

Big bosses who import and export hazelnuts set their prices on their own. Domestic and foreign companies decide together and do

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<sup>41</sup> Tüccarlar tam bir vampir. En düşük fiyata alıp en yükseğe satarlar. Bir de burda faizcilik çok yaygın. Devletin haberi yokmuş gibi yapılıyor. Şikayet üzerine bi kaç gün içeri alıp hemen bırakıyorlar.

<sup>42</sup> Öncesinde fındığı toplayıp tüccara sattığımız zaman hiçbir gelir elde edemiyorduk. Çünkü mevcut sistemde fındığa bakım yapıp tüccara sattığımız zaman gelir elde edememek çiftçiyi küstürüyordu. Ama biz işlediğimiz için bize bir gelir kaldı. Artık daha fazla gelir sağlayacağız. Bu şekilde fındıktan elde ettiğim gelirden memnunum, ama bunu tüccara satsaydım memnun olmazdım. Tarım dışından bi gelirim yok sadece doktora bursum var.

business together. They meet every year and hold meetings to ask how to get more suitable price from the producer.<sup>43</sup>

Like many other interviewees, another participant points out the differences on the money they get and sale prices in the supermarkets abroad. From this perspective, he argues that the exporters are the most gainful party in this relation. However, even when comparing the sale price in domestic supermarkets and the announced price of hazelnut, it is understood that the difference is huge. Therefore, it is fair to claim that the supermarkets are the real profit-makers rather than exporters because supermarkets are strong enough to pay the money they wish to the merchants. As, McMichael and Friedmann argue, in the third food regime, products are expected to be packaged and processed to be easily able to be sold in the supermarkets. As the main hegemonies of the regime, they have ability to determine buying and selling prices.

I think much money is earned in its sales abroad, but the producer is not given his share. When we see hazelnuts' sales price in supermarkets abroad, we see better who earns money from us. We cannot get the reward for our labor<sup>44</sup>

One of the participants who is both a farmer and an exporter approaches the trade issue from two perspectives. He says that the difference between his buying and selling is at most 1 lira per kilogram of hazelnut while exporting. Despite the

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<sup>43</sup> Fındık fiyatlarını ithalat-ihracat yapan büyük patronlar kendi kafasına göre belirliyor. Yerli ve yabancı firmalar beraber karar veriyor beraber iş yapıyorlar. Her sene toplanıp üreticiden daha uyguna nasıl alırsız diye toplantılar yapıyorlar.

<sup>44</sup> yurt dışına satışında çok büyük paralar kazanıldığını düşünüyorum ama üreticiye bundan pay verilmiyor. Yurt dışındaki süpermarketlerde fındıkların satış fiyatını gödüğümüzde bizim üzerimizden kimlerin para kazandığını daha iyi görüyoruz. emeğimizin karşılığını alamıyoruz

fact that one trader participant is not enough to make an inductive reasoning, his interpretation regarding the price is valuable. He says that when the announced price is high, he makes profit as a farmer, but he makes a loss as a trader. This actually is also thought-provoking, because it shows that local merchants do not have power as much as farmers think. The last customer which refers to the trans-national corporations are superior than the merchants in this power relation.

This year I buy from the manufacturer for 26.50 TL and sell it to 27 or 27.50 to factories and abroad. I do not have a huge profit. Last year, 40 percent less than the product at this time was exported. The price is determined by looking at how many export companies can export. As a manufacturer, we are satisfied with the current figures, but we are not satisfied as an industrialist because exports are out of the question when high numbers are given.<sup>45</sup>

## 5.5 Multi-National Corporations

Multi-National Corporations are the most significant role players in the third food regime. As they quickly increase their shares in the market thanks to the neoliberalism wave throughout the world, they have become a pivot in the agricultural sector. In the second chapter of the thesis, it is discussed, thanks to food regime theory's explanation, how multi-national corporations lead production,

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<sup>45</sup> 26,50 tl den üreticiden alıp 27 veya 27,50'ye fabrikalara ve yurt dışına satıyorum bu sene. Çok büyük bir karım söz konusu değil. Geçen yıl bu zamandaki ürünün yüzde 40 daha altında ihracat yapıldı.İhracat yapan firmaların ne kadar ihracat yapabileceğine bakarak fiyat belirleniyor Şuanki rakamlardan üretici olarak memnunuz ama sanayici olarak memnun değiliz çünkü yüksek rakamlar verildiği zaman ihracat yapmak söz konusu değil.

packaging, value-adding, trading, marketing, and consuming. In the third chapter, how the IMF, the WB, the WTO, and the EU imposed agricultural policies in Turkey with the international agreements in favor of these corporations is explained. This section of this chapter will give the fieldwork data regarding the multi-national corporations having the hegemony alone in the hazelnut sector. One of the interviewees supports how the third food regime theory applies to Turkey's hazelnut areas by saying that:

These are rich countries. Political authority is in their hands. There is a company called Ferrero, an Italian firm. Therefore, they broke the power of Fiskobirlik. There was a large local hazelnut company in Trabzon, and they bought it.<sup>46</sup>

This quotation shows how the countries with political authority in their hands re-consolidate their place in the economic area by strengthening their firms and showing how they have power over local non-governmental organizations that can prevent their exploitation over local producers.

Ferrero, a multi-national corporation in the hazelnut sector, is the hegemon, in fact, the monopoly, as interviewees called it. Ferrero continues to expand its power over the Black Sea region. It purchased the four big domestic firms that used to buy hazelnut from the producers and process them. For a few years, Ferrero does not only try to become a monopoly in the region because it is already the biggest hazelnut

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<sup>46</sup>Zengin ülkeler bunlar. Siyasi otorite de onların elinde. Ferrero diye bir firma var italyan firması. Dolayısıyla fiskobirlikin gücünü de bunlar kırdılar. Trabzonda büyük bir fındık firması vardı onu satın aldılar.

purchaser but also try to buy or rent lands to produce hazelnut. Ferrero teaches farmers how to cultivate hazelnut more efficiently. Therefore, Ferrero is not only an essential multi-national corporation that purchases raw materials from the region, but also it is the most significant power in the hazelnut sector in Turkey as it can control lands, farmers' capabilities, hazelnut's types and quality, inputs that are necessary in farming, prices that it will pay, processing the hazelnuts, and selling it to the world. The following quotation from an interviewee mentions how lobbying activities impact its strengthening and how Ferrero achieves this discretely, as well as how the Turkish state's liberal economic policies gave the way to Ferrero to become a monopoly in the region.

Mostly the Italian firm of Ferrero has to put hazelnuts in Nutella. That's why they are obliged to Turkey. Ferrero bought the most prominent exporters, and they monopolized on the ground. The capital market did not show any reaction to this. Ferrero's lobbying activities are extreme. They send messages to big and small shops that They would buy hazelnuts for 13 liras this year. These are shared in Facebook groups. What Ferrero does is not reflected in the newspapers. Most of all, these happened during the period when the state adopted liberal policies and did not set prices. The cheaper foreign companies buy the hazelnut, the more profit they make.<sup>47</sup>

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<sup>47</sup> Özellikle italyan ferrero firması, nutellanın içine fındık koymak zorunda. O yüzden mecburlar türkiyeye. Ferrero en büyük ihracatçıları satın aldı ve kat üstünde tekelleştiriler aslında. Buna sermaye piyasası da herhangi bir reaksiyon göstermedi. Ferreronun lobicilik faaliyetleri çok güçlü. Sadece büyük değil küçük dükkanlara da mesaj atıyorlar şirketimiz bu sene 13 liradan fındık alacaktır diye. Bunlar facebook gruplarında paylaşıyor gazetelere yansımıyor ferreronun yaptığı. Bunlar devletin liberal politikalar güdüp fiyat belirlemediği dönemlerde oldu en çok. Yabancı firmalar ne kadar ucuza alırlarsa fındığı o kadar kar ediyorlar.

<sup>47</sup>İnsanlar hiç suya sabuna dokunmadan herkesten çok kazanıyor

Even though a great majority of the farmers are uncomfortable with Ferrero's activities in the region, few participants think that they are not in a position to criticize what Ferrero does in the hazelnut sector. According to the fieldwork data, while the ones whose relationship with hazelnut is limited to farming are upset with the firm, the ones who both produce hazelnut and work on the trade side justify Ferrero by saying that the firm only behaves according to the capitalist system rules. This situation can be examined under the concept of class consciousness, but it is beyond the scope of this thesis.

One of the main reasons why farmers are not satisfied with Ferrero is that the firm is so powerful in the region that it can determine the prices. When Ferrero started to incorporate the existent big local companies, relations in the region became tense, because farmers started to be more nervous about their future. Besides their feelings on Ferrero, they think that hazelnut sector is something to be protected. They put states and farmers on one side, and Ferrero to another. Moreover, they are against Ferrero, because they know how this multi-national corporation profits by exploiting the farmers.

People earn more than anyone else without touching water or soap. You know Ferrero is the most tremendous power as strong as the medium sized state. The firm is monopolized. It is possible. It's not about what it does. As a state, as a citizen, your position against this is important. They can be malicious. Well, have you developed your arguments to defend yourself? If the government supports us and

enables us to produce hazelnuts, could they do these? They cannot. Nevertheless, the state does not help.<sup>48</sup>

Farmers are highly aware of the exploitation in the hazelnut sector. Rather than the unsatisfactory hazelnut prices and the little profit that they have, they mostly question the injustice behind why a multi-national corporation and supermarkets gain the money out of their work.

The chocolate industry earns the most significant profit. We cannot even determine the price of our crop. There is a company called Ferrero in Trabzon. This is the biggest buyer. There is abuse.<sup>49</sup>

There is an Italian company, Ferrero or what. According to our sensations, they are trying to form an idea in the Black Sea. They want to collect the hazelnuts and sell the Turkish hazelnuts to Europe and other countries in the world. Anyway, the small traders we sell to also sell to big companies like Ferrero. We give one kilo of hazelnut at 22.50 TL. Nevertheless, if you tried to buy it from the market, its value is 95 liras and 100 liras. The difference is earned by the people who break the hazelnut shell and roast it, and put it on the market. The last producers are winning. The Italian company wants to collect the hazelnuts as a monopoly and set the price itself. Who knows for how much it sells abroad while it buys from us for 2.10 euros. These are the ones who earn money.<sup>50</sup>

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<sup>48</sup> İnsanlar hiç suya sabuna dokunmadan herkesten çok kazanıyor. Biliyorsun en büyük güç de Ferrero. Orta boylu devlet kadar güçlü bir adam. adam tekelleşmiş, tekelleşebilir. Önemli olan onun yaptığı değil. Devlet olarak vatandaş olarak senin buna karşı aldığın pozisyon önemli. Adam kötü niyetli olabilir. Peki sen kendini savunacak argümanlarını geliştirdin mi? Devlet desteklese, fındık üretmemizi sağlasa o adam bunları yapabilir mi? yapamaz. Ama devlet sahip çıkmıyor

<sup>49</sup> En büyük karı çikolata sanayi kazanıyor. Kendi mahsulümüzün fiyatını bile belirleyemiyoruz. Trabzon'da FERRERO diye bir firma var. En büyük alıcı bu. İstismar söz konusu.

<sup>50</sup> İtalyan firması var bir tane Ferrero mu ne. Duyularımıza göre karadenizde bir fikir oluşturmaya çalışıyor. Fındığı kendi toplayıp piyasadan, Avrupa'ya ve diğer dünya ülkelerine Türk fındığını kendi satmak istiyor. Zaten bizim sattığımız küçük tüccarlar da gidip Ferrero gibi büyük firmalara satıyorlar. Kabuklu fındığın kilosunu 22.50 tl den veriyoruz. Ama marketten almaya kalktın mı kilosunu 95 lira 100 lira. Aradaki parayı fındığın kabuğunu kırıp kavurup piyasaya süren kişiler kazanıyor. Son üreticiler kazanıyor. İtalyan şirketi fındığı tekelden toplayıp fiyatını kendisi oluşturmak istiyor. bizden 2.10 euroya alıyor da dışarıya kaçta satıyor kim bilir. Arada parayı kazananlar bunlar.



An interviewee blames the current government for implementing such agricultural policies that enrich multi-national corporations. He states that:

A company from abroad bought a giant hazelnut processing factory from Trabzon. They have chocolate called Nutella, which Ferrero bought. Who do you think is winning now? ...It can be monopolized and turned in all directions. If we look at the current government's agricultural policies, it is evident that someone will get rich from this.<sup>51</sup>

Although the multi-national corporations are the most significant power in the hazelnut sector, as the third food regime theory describes, the local capitalist class's impacts on their strengthening power cannot be underestimated. Even though local companies could have quite well survived under the economic circumstances they belong to, they chose to sell their companies to Ferrero because of the social pressure. Social pressure is significant in determining the balance of power in the Black Sea region, as discussed in later sections. However, it is crucial to point out an interviewee's opinion regarding the local businessmen who sold their firms to Ferrero:

While I cannot make money from the hazelnuts I produce, the exporter who does not know what the hazelnut tree looks like earns ten times more money than me. They make money from the ignorance of the producer, the unconsciousness. Who sold the factories to Ferrero? Who brought company within us so much? Those hazelnut barons exploited us so much that they sold their company and saved themselves. This is a game. Here, they've eliminated a situation that we would go sour on. Now they will say go with the Italian of God,

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<sup>51</sup> Yurt dışı kaynaklı bir firma Trabzon'daki fındık işleme fabrikalarının çoğunu satın aldı. Nutella diye çikolata var ya, ferrero aldı. Sizce kim kazanıyor şimdi?...bu tekelleşebilir de her yöne dönebilir. Mevcut hükümetin uyguladığı tarım politikalarına da bakarsak birilerinin bundan zengin olacağı belli

take care of your affairs. Even if you are a billion dollars businessman, you can't walk around the street after sucking people's blood. The man spits in your face. You will buy hazelnuts from me for 5 liras; then you will go, sell them to Europe for 25 liras, and if they tend travel like a gentleman, people would spit in the face.<sup>52</sup>

One of the other reasons of why farmers are unsatisfied with the existence of Ferrero in the region is that Ferrero makes it clear that it will be permanent in the Black Sea region with its projects. Although some farmers are happy with these projects, because they can reach the training programs thanks to Ferrero rather than any state institution or cooperative, most of the farmers stay skeptical about the firm's long-term aims. A participant states how Ferrero works in the region as follows:

Ferrero has massive projects here. They have their producers, specimen gardens and began to multiply. They negotiate with the producers, tell them how to produce it, and then they go and buy it from them.<sup>53</sup>

Another participant mentions Ferrero's renting project. The firm aims to produce its hazelnut in its own lands, which are located in the Black Sea region.

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<sup>52</sup> Ben ürettiğim fındıktan para kazanamazken fındık ağacının neye benzediğini bilmeyen ihracatçı benden 10 kat daha çok para kazanıyor. Üreticinin cahil olmasından, bilinçsiz olmasından para kazanıyorlar. Ferrero'ya fabrikaları kim sattı? Kim soktu o şirketi bu kadar içimize? O fındık baronları o kadar sömürdü ki bizi, başlarına kalacak diye sattılar şirketlerini ve kendilerini topun ağzından kurtardılar böylelikle. Bu bir ayak oyunu. Burda kafasına ekşiyeyeceğimiz bir durumu ortadan kaldırdılar. Allahın İtalyanıyla gidin işlerinizi halledin diyecekler şimdi. Milyar dolarlık bir iş adamı bile olsanız insanların kanını emdikten sonra sokakta rahat gezemezsiniz. Adam suratınıza tükürür. Alacaksın benden 5 liraya fındık, sonra gideceksin 25 liraya avrupaya satacaksın bir de kalkıp beyfendi gibi gezecekse suratına tükürürler.

<sup>53</sup> Ferrero'nun buralarda çok büyük projeleri var. Kendi üreticileri, örnek bahçeleri var ve çoğalmaya başladılar. Üreticilerle anlaşılıyorlar, nasıl üretmeleri gerektiğini anlatıyorlar sonra da gidip onlardan alıyorlar.

However, the participant adds that the firm needs to pay for the hazelnut's real value rather than renting or buying the lands of farmers.

There is an Italian company called Ferrero; they have a monopoly on hazelnuts. Ferrero wanted to rent a garden from the garden owners and produce it themselves, but I think they gave up. I heard that they went to the garden owner and said, brother, I'll give you that much money, don't ever go into the garden; I should try it myself. In order for Ferrero to contribute to regional development, it should support the producer. Buying hazelnuts from the producer for 5 lira and selling us products for 50 lira would not support them.<sup>54</sup>

Similarly, another interviewee points out that the state needs to do what Ferrero does in the region. The state needs to raise awareness among producers, train them for a healthier production environment. Because the state does not help people in rural areas, farmers are pushed by the state to work with this corporation.

They are mighty, sending engineers here. Engineers get money from Ferrero, but they serve you. Ferrero does not say "I will buy your hazelnuts at a reasonable price", but it gives advice. Even Ferrero is sending a hired engineer to the field. You are the state; you send it, you do it, you inform the farmer!<sup>55</sup>

Although one of the participants cannot understand the interests of the beneficial projects of Ferrero, he is highly skeptical about the future.

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<sup>54</sup> Ferrero diye italyan bir firma var fındığın tekeli onların elinde. Ferrero burda bahçe sahiplerinden bahçe kiralayıp kendileri üretmek istedi ama vazgeçtiler galiba. Bahçe sahibine gidip kardeşim ben sana şu kadar para vereyim sen hiç bahçeye girme ben kendim uğraşayım dediklerini duydum. Ferreronun bölgesel kalkınmaya katkısının olması için üreticiye destek olması gerekir. Üreticiden 5 liraya fındık alıp da bize 50 liraya ürün satması savunmak desteklemek olmaz.

<sup>55</sup> Çok güçlüler buraya mühendisler gönderiyor. Ondan para alıyorlar ama sana bana hizmet veriyorlar mühendisler. Fındığınızı güzel fiyattan alayım demiyor ama akıl veriyor. Ferrero bile adam tutmuş sahaya mühendis gönderiyor. Sen devletsin e sen gönder, sen yap, sen bilgilendir çiftçiyi!

I do not think that international companies will be beneficial for the development of the Black Sea region. Even if they say that I think it might be harmful. After all, this is a capitalist and commercial interest firm, and no matter how much they seem to be doing something for our benefit, they consider their benefits. Therefore, I do not think they will do anything for our benefit, nor do I find the things they do right. There may be damage that we can understand later, which we do not understand now.<sup>56</sup>

The participant, who is both farmer and owner of her own chocolate company in Trabzon, is the only interviewee who justifies the monopolization activities of Ferrero. Because she is the only one who has access to production means other than land, she could look at these activities from a capitalist perspective, just like Ferrero.

Ferrero, the largest manufacturer, was already monopolized by buying the biggest manufacturer, processing plant in Turkey. However, there is no brand; that is, it establishes a factory where the raw material is produced, and it does so by taking advantage of the gap in the market. They did this when we should have. They are now setting up sample gardens and telling us how to produce hazelnuts; however, the state should do this ... Nobody wants to pay too much money for that product just because there is much effort in this product.<sup>57</sup>

This quotation gives a clear idea about the mindset similarities between multi-national corporations and the local ones. When the issue is economic interest,

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<sup>56</sup> Uluslararası firmaların karadeniz bölgesine kalkınmayla ilgili bir faydasının olacağını zannetmiyorum. Böyle deseler bile zararı olabileceğini düşünüyorum. Sonuçta bu kapitalist ve ticari çıkarımı olan bir firma ve ne kadar bizim yararımıza bir şey yapıyor gibi görünseler de kendi faydalarını düşünüyorlar. Dolayısıyla ben onların bizim yararımıza bir şey yapacağını düşünmüyorum, yapacakları şeyleri de doğru bulmuyorum. Bizim daha sonradan anlayabileceğimiz şuanda anlayamadığımız bir zararı çıkabilir.

<sup>57</sup> Ferrero türkiyedeki en büyük üreticiyi, işleme tesisini satın alarak tekelleşti zaten. Ama bir marka da yok ki yani hammadde üretilen yerde fabrika kuruyor bunu da piyasadaki açıklıktan faydalanarak yapıyor. Bunu bizim yapmamız gerekirken onlar yaptı. suanda da örnek bahçeler oluşturup bize fındığı nasıl üretmemiz gerektiğini anlatıyorlar halbuki bunu devletin yapması lazım...Kimse tutup da bu üründe çok emek var diye o ürüne fazla para vermek istemez.

corporations' origins do not matter to rural people's livelihoods. Even though this argument does not change how the third food regime applies to the hazelnut sector in Turkey, it makes it clear that even local firms could have been the hegemonic power over the agriculture, this would not change anything about the exploitation of farmers by corporations with the help of the state.

## **5.6 Problematic Support Mechanism**

Kepenek and Yentürk (2001) mention that agricultural support mechanism expresses the general tendency of the economy policies. It is a way to transfer capital to the rural regions. The more the farmers have access to the agricultural subsidies, the more capital accumulates in rural area rather than the cities. Fieldwork data says that farmers are not satisfied with the implemented support system. As discussed in the previous chapters, international agreements require Turkey to change or abolish its support system and use the land-based direct income support for farmers. This system does not help a capital transfer to rural, so this is circumstantial evidence about Turkish agricultural policies do not seek for capital transition to rural.

Third food regime corresponds to the neoliberal era in the global economy. In this period, state's interference to the economy is the target to eliminate. One of the best way to achieve this in the agricultural economy is to abolish or to convert currently available support mechanisms. Turkey's standby agreement with the IMF in 1999 and the WB's ARIP project is great examples to see how an international institution makes states implement agricultural policies that are against its farmers

as food regime theory conceptualizes. As already discussed in the third chapter, this agreement and the ARIP were encouraging land-based support mechanism rather than product-based support mechanism. ARIP project also required elimination of subsidies for inputs. This has negatively affected the hazelnut production.

Even though the state institutions financially and technologically support the farmers who want to cultivate such crops as ornamental crops, rose, blackberry, and kiwi, there is no unique support mechanism for hazelnut producers. Hazelnut producers can benefit only from the area-based support mechanism, which refers to 170 Turkish liras per acre for the agricultural lands (Ministry of Agriculture and Forestry, 2019). In order to be able to get this financial support, the only condition is to own agricultural land. Without the consideration of production, any farmer can reach this support. This is why, except for one participant, all the interviewees are against this kind of a support mechanism. In an essential part of the interviews, what kind of supports they benefit from, and to what extent these support mechanisms are encouraging are examined. They do not lean towards area-based support mechanism because they think that, first of all, this creates injustice among farmers. After all, it favors the large size landowners against the small-scale farmers. Secondly, this leads to laziness among farmers because they get money even if they do not produce. Thirdly, the amount of the support money is not sufficient, so the state DOES NOT satisfy farmers who make an effort to cultivate qualified products. The only satisfied farmer expresses his satisfaction from the state support mechanism and faults of other parties as follows:

In the past, there was no direct income support. Now the state pays for the fertilizer and diesel oil. Last year I received 1700 TL income support. This has already covered my expenses. The subsidy I receive from hazelnuts encourages me to produce hazelnuts very well. The producer must fully devote himself to agriculture. I shouldn't focus on another job. Instead of hiring workers from outside, they should take the job by their means. Traders can also organize different panels and festivals for promotional purposes. The producers can be given training. I personally do not expect anything from the state because the state does its part. It encourages enough.<sup>58</sup>

Although he is aware that there are deficiencies in producers' training and processing of the hazelnut, he blames the producers and traders for that rather than the state. He claims that direct income support has not been given before, so it is more than enough financial support. There are two points here to point out. First of all, indeed, this direct income support has not been implemented until 2010, when the World Bank 'recommended' Turkey to implement area-based support policies. However, it is crucial to remember that Turkey had another mechanism to support hazelnut producers until that time. For example, before the WB's recommendation was implemented, the state was giving a product-based support system for the farmers. With this system, only the farmers who cultivate their lands were eligible for the support. Therefore, it was a program that encourages farmers to produce

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<sup>58</sup> Eskiden doğrudan gelir desteği yoktu. Şimdi gübrenin, mazotun parasını devlet zaten veriyor. Geçen sene 1700 tl gelir desteği aldım. Bu benim masraflarımı karşıladı zaten. Fındıktan aldığım sübvansiyon beni çok iyi şekilde teşvik ediyor fındık üretmeye. Üreticinin kendini tamamen tarıma vermesi lazım. Başka işe odaklanmaması lazım. Dışardan işçi almak yerine kendi imkanlarıyla işi götürmesi lazım. Tüccarlar da tanıtım amacıyla farklı paneller, festivaller düzenleyebilir. Üreticiye eğitim verebilir. Devlet üstüne düşen görevi yaptığı için şahsen ben bir şey beklemiyorum. Yeterince teşvik ediyor zaten.

more. While changing it with land-based support, it is a fact that farmers are discouraged from production. Moreover, 95 percent of the participants disagree with this interviewee by more or less the same sentences like this: "They provide land-based support, but it is very small, it does not even cover the fertilizer money. Nothing important, not supporting at all."<sup>59</sup>

One of the interviewees explains why the land-based direct income support mechanism is insufficient compared to the production cost.

The state pays 180 TL per acre and gives support money. The state gives this support to everyone who has a hazelnut garden deed. I have 6 acres; the money he gave me is not even 1000 lira. I have to spend 3500 TL in my garden to get to the stage of collecting hazelnuts. Support is useless, just to look like support... The support we receive from the state never encourages us to produce hazelnuts. It leads us to quitting actually. We do this because we want to continue it like tradition rather than to get financial gain. There is no incentive.<sup>60</sup>

A participant claims that the land-based direct income support is a way for the state to look like it supports, but this does not contribute to production.

There is land-based support, but the state pretends to support this. The support is given once a year is not enough to encourage. It does not

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<sup>59</sup> Alan bazlı destek veriyorlar ama çok cüzi, gübre parasını bile karşılamıyor. Önemli bir şey değil hiç teşvik etmiyor.

<sup>60</sup> Devlet dönüm başına 180 tl ödeme yapıyor, destek parası veriyor. Fındık bahçesi tapusu olan herkese devlet bu desteği veriyor. 6 dönümüm var bana verdiği para 1000 lira bile değil. Benim bu sene fındık toplayabilme aşamasına gelmem için bahçeme 3500 tl para harcamam lazım. Destek bir işe yaramıyor yani sadece destek olmuş olmak için...Devletten aldığımız destek bizi asla fındık üretmeye teşvik etmiyor. Tam olarak bırakmaya yönlendiriyor. Biz bunu maddi kazançtan çok gelenek gibi sürdürmek istediğimiz için yapıyoruz. Hiçbir teşvik söz konusu değil.



support the production even a little bit for more hazelnut production but gives support to the land's existence.<sup>61</sup>

The participants recommend that production-based support policies would be constructive for the production of hazelnut. Instead of land-based support policies, the recommended one would encourage people to produce rather than to be lazy.

We get land-based support, but I think that's ridiculous. People get that support without entering the hazelnut garden. Nevertheless, if you give it per production, I think something with much better quality will come out. I do not find land-based support right; it does not encourage production.<sup>62</sup>

Another interviewee mentions the inequality that this support mechanism creates, and he adds that he prefers to sell his hazelnut for a reasonable price than income support.

They give 1000 lira; you cannot even buy four tanks of diesel. Product-based support is needed for hazelnuts. People have 300 acres of land there, they do not plant anything, but they get support. Support should be given to the product. You give without producing, then why would the man produce? When you give support, you encourage the wrong way. This support does not support me in any way at all. Instead of paying me, buy my hazelnuts at a reasonable price. Why would he support it?<sup>63</sup>

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<sup>61</sup> Alan bazlı verilen bir destek var ama Dostlar alışverişte görsün desteği. yılda bir defa verilen bir destek teşvik etmeye yetmiyor. biraz daha fındık üretmeye de destek değil arazinin varlığına veriyor.

<sup>62</sup> Alan bazlı destekleme alıyoruz ama bence o çok saçma. İnsanlar fındık bahçesine girmeden o desteklemeyi alıyor. ama üretim başına verse bence çok daha kaliteli bir şey çıkar. ben alan bazlı desteklemeyi doğru bulmuyorum üretimi teşvik etmiyor.

<sup>63</sup> 1000 lira veriyorlar 4 depo mazot alamıyorsun. Fındığa ürün bazlı destekleme lazım. İnsanların orda 300 dönüm arazisi var hiçbir şey dikmiyor ama desteği alıyor. Ürüne destekleme verilmesi lazım. Üretmeden veriyorsun sonra adam niye üretsün? Destek verince kötü yola itiyorsun. Bu destek bana hiçbir şekilde teşvik olmuyor hem de hiç. Bana para vereceğine fındığımı düzgün bir fiyattan al. Niye desteklesin ki?

Likewise, one of the other interviewees points out the inequality of indirect income support between different regions.

They pay 175 TL per acre. Nevertheless, in the east, people get some support without working, while I work with sweat and do hard work. I am getting 6000-7000 lira support here. In the east, they give 100,000-200,000 liras to more expansive lands. Do those people still engage in production? This support does not encourage me to produce. Fear of starvation encourages people to produce, not money given by the state.<sup>64</sup>

Similarly, another interviewee also states that he prefers not to take the direct income if they can sell their hazelnut with its real value. Moreover, he adds that area-based support leads people to laziness because they can get income without producing. He says:

It gives support for 150-160 lira per acre. The state gives some support money every year, but I think the state can support it by declaring the hazelnut price high and pulling some hazelnuts from the market. These supports do not encourage us to produce hazelnuts; on the contrary, they encourage us to be completely lazy. It would be better if it gives incentives over the product produced, because then it encourages production.<sup>65</sup>

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<sup>64</sup> Dönüm başına 175 TL veriyorlar. Ama benim burda ter dökerek emek vererek uğraştığım ürün için aldığım desteği doğuda insanlar hiç çalışmadan alıyor. Ben burda 6000-7000 lira destekleme alıyorum. Doğuda daha geniş arazilere 100 bin 200 bin veriyorlar o insanlar daha üretim yapmakla uğraşır mı? bu destek beni üretim yapmaya teşvik etmiyor. Aç kalma korkusu insanı üretim yapmaya teşvik ediyor yoksa devletin verdiği para değil.

<sup>65</sup> Dönüm başına 150-160 lira destek oluyor. Devlet her sene bi miktar destek parası veriyor ama bence devlet bunun yerine fındık fiyatını yüksek açıklayarak ve bir miktar fındığı piyasadan çekerek bu yolla destek olabilir. Bu destekler kesinlikle bizi fındık üretmeye teşvik etmiyor aksine tamamen tembelliğe teşvik ediyor. Eğer üretilen ürüne göre teşvik verirse daha iyi olur çünkü o zaman üretimi teşvik etmiş olur.

On the other hand, one of the participants gets angry when the subject the support mechanism opens up. He states that farmers are intentionally suspended from production. He also reveals how the new generation will not produce agricultural products by telling an anecdote from his own life.

The ones who give incentives want people not to produce, but to stay idle. Farmers of the Netherlands, whose size is smaller than Konya, produce meat and dairy products. They want 80 million Turkish citizens to consume them. This is the purpose. For this, they give incentives to the land, not production. If you say that if you increase the amount you produce, I will give you that much incentive, this will be an incentive for production. This is absolutely deliberate. We are deliberately removed from production. I recently showed my daughter that 'look at this potato tree,' she asked 'where?'. So we break away from production. My father said that 'the man who does not know how to grow tomatoes has no right to live.' However, our youth is breaking away from production. It is done purposefully and consciously. Migration from villages to cities has been encouraged, because capitalism wants it. If he will hire 100 workers, he wants to choose from 300 people for cheaper wages. Therefore, rural people were flown into cities, and an army of unemployed people was created.<sup>66</sup>

The previous quotation is also essential because the participant makes a clear capitalism definition and criticizes the system. He believes that the increasing migration to the cities is in the interest of the capitalist groups. This is a valuable

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<sup>66</sup> Teşvik verenler istiyor ki insanlar üretmesin, yatsın. Konya büyüklüğündeki hollandanın çiftçisi, et, süt ürünleri üretsin. 80 milyonluk türkiye bunu tüketsin istiyorlar, amaç bu. Bunun için üretime değil de yere teşvik veriyorlar. Bana ürettiğin miktarı yükseltirsen sana şu kadar teşvik vericem derse bu üretime teşvik olur. Bu kesinlikle bilinçli olarak yapılıyor. Üretimden bilerek uzaklaştırılıyor. Ben kızıma geçenlerde bak şu patates ağacı diye gösterdim aa nerde baba dedi. Yani üretimden kopuyoruz. Benim babam domates yetiştirmeyi bilmeyen adamın yaşamaya hakkı yoktur diyordu. Ama gençliğimiz üretimden kopuyor. Amaçlı ve bilinçli olarak yapılıyor. Köylerden kentlere göçler özendirildi çünkü kapitalizm bunu istiyor. 100 işçi alacaksa 300 kişi arasından seçmek istiyor daha ucuza çalıştırmak için. Bu yüzden kırsal kesim şehirlere dolduruldu işsizler ordusu yaratıldı.

contribution to the research because it shows how the capitalist economic system impacts rural life by leading them to migrate to the cities, taking them out of production, and creating unemployment, which serves to the capital owners. Besides these, the quotation is also summarizing the generational differences in perspective on agriculture. On the one hand, agricultural production is indispensable for lives according to the older generation. On the other hand, a farmer's daughter, who may represent the newest generation, is unaware of agriculture's basics.

One of the other participants mentions a different support mechanism called 'good agriculture practice.' Acceptable agriculture practices consist of harmless agricultural activities for humans, animals, and the environment. Sustainability is also an asset for profitable agriculture. (Ministry of Agriculture and Forestry, 2020). The state financially helps farmers who are practicing good agricultural activities. The state gives 21 Turkish Liras per acre per year for encouraging acceptable agricultural practices. She claims that the state suspended this income in 2020.

The state was supporting good agricultural practice, and we are doing profitable agriculture. Nevertheless, unfortunately, this year, the state has abolished the support system for profitable agriculture. The state used to support the farmer in this regard. If you are a good farmer, your soil analysis was done. It also paid some money per acre because we did profitable agriculture. That support was removed this year, and we could not get any support from there. The support we receive is not enough to encourage us. Many people do not get that support and spend it in their garden, but they spend it to meet their daily needs.<sup>67</sup>

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<sup>67</sup> Devlet iyi tarım uygulamasına destek oluyordu, biz de iyi tarım yapıyoruz. Ama maalesef devlet bu sene iyi tarıma destek sistemini kaldırdı. Çiftçiyi eskiden destekliyordu bu konuda. İyi tarım çiftçisiyseniz toprak analizleriniz yapılıyordu. Dönüm başına da biraz para veriyordu iyi tarım

However, in the related ministry's webpage, it is seen that there is not such a suspension of the support program for good agriculture practices.

As different from the majority of the interviewees whose relationship with hazelnut is just about farming, an interviewee who is a chocolate manufacturer in addition to her farming activities also states that she does not get any support from the state other than land-based direct income support neither for production nor for her entrepreneurship story. Each of the participants points out the importance of local processing firms in improving the hazelnut sector in Turkey. They believe that if hazelnut is processed within the country rather than being sold to the multi-national corporations for nominal prices, this will have tremendous positive consequences both in the livelihoods of the regions' people and the country's economic development. However, similar to hazelnut producers' support mechanism, the support mechanism for entrepreneurs whose raw material is hazelnut also does not exist. She produces chocolate from the hazelnuts that she buys from all provinces on the Black Sea coast in Turkey and informs people about the advantages of processing hazelnut and encourages them by training programs. However, she is not supported for her volunteer training activities either.

Unfortunately, neither in this initiative nor in the workshops, we received support from the government. We wanted to spend our energy in this direction, and we gave our energy to production.

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yaptığımız için. Bu yıl o destek kaldırıldı ve biz oradan hiç destek alamadık. Aldığımız destek de bizi teşvik edecek seviyede değil. Bir çok kişi de zaten o desteği alıp bahçesine harcamıyor günlük ihtiyaçlarını karşılamak için harcıyor.

Because this process is exhausting, we did not receive any support, and if we applied, we would not have received it anyway.<sup>68</sup>

## **5.7 Moving Away to Certain Alternative Crops**

In this chapter, the reasons for why hazelnut producers move away from hazelnut until now were given. Under the instability in pricing title, unjust pricing, and the fact that the hazelnut is used as a political tool have been discussed. Fiskobirlik, TMO, chambers of agriculture, Provincial Directorates of Agriculture, and DOKAP have been discussed under the title of 'dysfunctions of state institutions and cooperatives.' Multi-National Corporation's pressure on the production has been discussed in the previous sub-title. Each of these is a reason why people leave hazelnut. In this section, reasons why farmers move away to certain alternative crops such as kiwi and flowers, will be examined.

It is essential to point out that most producers of the alternative crops embark on alternative farming by cutting their hazelnut trees rather than recycling their wastelands or expanding their lands. In addition to their central and the biggest reason to move away from hazelnut production, which is they cannot earn money as much as they spend on the production process, state support mechanism which encourages them to produce different plants and a high-profit rate that they can get

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<sup>68</sup> Maalesef ne bu girişimimde ne de workshoplar verirken devlette destek aldık. Enerjimizi bu yöne de harcamak istedik biz enerjimizi üretmeye verdik. Çünkü bu süreç insanı yıpratın yoran bir süreç. Hiçbir destek almadık, başvursaydık da alamazdık zaten.

in other crops are the other common reasons in moving away from hazelnut to the alternative crops. Another common feature of these 'reformist' farmers is that they try to spread this migration among the other hazelnut producers because they believe that everyone can be better off in that way.

One of the participants in Ordu is the founder of a cooperative, which is newly established and aims to bring ornamental plant growers together. As a person coming from a hazelnut farmer family, he says that they cannot afford their lives on hazelnut as before. He thinks that the region can economically be developed thanks to ornamental plant cultivation. He states that people are unhappy under these circumstances. He thinks that people need to move away from hazelnut to improve their livelihoods. He shows why he started planting as follows:

Five years ago, I decided to grow ornamental plants by cutting down a ten decares of hazelnut garden. Because for 60-70 years, until ten years ago, people earned their living from hazelnuts. They had no other source of income. But not now, I found ten people in the area. I explained how profitable it is, because it cannot be compared to hazelnuts. I encouraged them to produce ornamental plants as well. I established a producers' association. Considering that hazelnuts are worthless and do not contribute economically, I wanted to develop this place a little bit. Because everyone is unhappy. There are a large number of unhappy people. I thought it would be a livelihood for people. If the authorities saw our effort, it could have grown even more.<sup>69</sup>

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<sup>69</sup> 5 yıl önce 10 dönüm fındık bahçesini kesmek marifetiyle süs bitkisi yetiştirmeye karar verdim. Çünkü 60-70 senedir, 10 yıl evveline kadar insanlar geçimini fındıktan sağlardı. Başka bir geçim kaynağı yoktu. Ama şimdilerde değil. Ben bölgede 10 kişi buldum. Ne kadar karlı olduğunu anlattım çünkü fındıkla mukayese edilecek bir şey değil. Onları da süs bitkisi üretmeye teşvik ettim. Üreticiler birliği kurdum. Fındığın para etmediğini, ekonomik olarak bize bir katkısı olmadığını düşünerek hiç

One of the other participants claims that people will cut kiwi trees as well in the future.

Everyone produces kiwi now. However, this time, it is not consumed because everyone produces it. It remains in your hands. If they came from Istanbul or other cities, this time, it is costly. They don't want that either. Kiwi has 5-6 years of history; it came out recently. Some cut down the hazelnut trees and planted kiwi instead. Some of them filled the gaps between hazelnut trees with kiwi trees.<sup>70</sup>

Another participant who is an ex-hazelnut producer and mechanical engineering indicates that she moved to produce roses instead of hazelnut and is planning to expand the area that she sorts for the rose production. In this quotation, too, the impacts of social pressure on production are revealed themselves again. As argued earlier, social pressure in the rural regions has a significant impact on farmers to continue production.

I grow roses in a 1-acre greenhouse. It has been five years. I want to improve my roses, and I want to quadruple them. The profit is much higher than hazelnut. This year my saplings have dried up. My half-acre greenhouse remained empty. I was afraid of God; I was ashamed of the people. I can leave my greenhouse vacant. The greenhouse is empty this year...As I said, God tells me, "My daughter, you had such a land; you did not cultivate it." The people say, "You said the greenhouse, greenhouse but the greenhouse is empty." Instead of my dried saplings, I produced and sold other products.<sup>71</sup>

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değilse burayı biraz geliştirelim istedim. Herkes mutsuz çünkü. Mutsuz olan büyük bir kesim var. İnsanlara geçim kaynağı olur diye düşündüm. Gayretimizi yetkililer görseydi daha da büyüyebilirdi.

<sup>70</sup> Kivi üretiyor herkes artık. Ama bu sefer de yine herkes ürettiği için tüketilmiyor. Ellerinde kalıyor. İstanbul'dan veya başka şehirlerden gelmiş olsalar, bu sefer de üstüne maliyet biniyor. Onu da onlar istemiyor. Kivinin 5-6 yıllık bir geçmişi var, son zamanlarda çıktı. Bir kısmı fındık ağaçlarını kesip onların yerine kivi diktiler. Bir kısmı fındık ağaçlarının arasını kivi ağaçlarıyla doldurdular.

<sup>71</sup> 1 dönümlük serada gül üretiyorum. 5 yıl oldu. Güllerimi geliştirmek istiyorum 4 katına çıkarmak istiyorum. Karı fındıktan çok daha yüksek. Bu sene benim fidanlarımda kuruma oldu. yarım dönüm



As mentioned in the literature review chapter, Third Food Regime constitutes the agricultural policies that encourage farmers to alternative crops to rather than their traditional seeds. In this regime, support mechanism is used accordingly. While the agricultural subsidies for traditional products are changed in method or abolished completely, it is possible to see encouragement for alternative crops. This situation that the Food Regime Theory describes is happening in Black Sea region in Turkey as well. One of the most important reasons behind the crop transformation is the state support mechanisms. Even though hazelnut producers cannot find a place to get help or consult for improving their production activities, as mentioned earlier, the interviews make it clear that the state institutions encourage farmers to move away from hazelnut to alternative crops. An interviewee expresses how municipalities and the governorship lead farmers:

Now, DOKAP and the municipalities are helping ... Now they are telling us to produce blackberries ... Prepare your land, I will come. The sapling is on me, and the setup is on me. Poles, wires, everything is from me. He says you will just take care of plants ... They cut the hazelnut orchards in Ordu and made kiwi gardens. Nevertheless, kiwi also consumes underground spring water. We are continuously doing drilling. They encouraged people for kiwi 20 years ago just like they do now for blackberry. These are things that occur always with the pressure of external forces.<sup>72</sup>

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seram boş kaldı. Allahtan korktum kuldun utandım. Seramı boş bırakabilirim. Bu sene sera boş. Dediğim gibi Allah bana der ki 'kızım senin böyle bir arazin vardı işlemedin.' Kul da der ki 'hülya sera sera dedin al sana sera boş'. Kuruyan fidanlarımın yerine başka ürünler ürettim, sattım.

<sup>72</sup> Şuan DOKAP ve belediyeler yardımda bulunuyor... Şimdi de bize böğürtlen üretin diyorlar... Arazini hazırla ben geleceğim diyor. Fidan da benden, kurulum da benden. Direkler, teller her şey benden. Sen sadece bakacaksın diyor...Ordudaki fındık bahçelerini kestirip kiwi yaptırıldılar. Ama kiwi

She highlights the state support for the alternative crops and clarifies how this attempt became unsuccessful in the kiwi example. While hazelnut is entirely in harmony with the Black Sea region's climate and terrain conditions, other crops are encouraged despite their harms to nature.

I have worked on kiwi. Alternatively, I want to grow 10 acres of kiwi. I went to the provincial directorate of agriculture. They said if you think about how many acres of land, we will donate some of them, and you will take care of the rest. I went to Ziraat Bank, and they gave credit in installments with a grace period of 2-3 years for the transition to kiwi project. I want to remove part of the hazelnut garden and make it kiwi. You get 1 ton of hazelnuts from 10 decares of land. The value of 1 ton of hazelnuts is up to 20 thousand liras. When you make kiwi from the same land, you get around 100-120 thousand. Kiwi per unit income is ten times more than hazelnuts. Kiwi has absolutely no marketing problems. Companies come and go immediately.<sup>73</sup>

The following example of a quotation from one of the interviews reveals once again how international institutions may have impact on the agricultural production in another country as Food Regime Theory describes for Third Food Regime. In addition to the inter-states agreements and agreements with international institutions, alternative crop production can be supported by EU projects as well. One of the other participants who transitioned to alternative crops states that he moved to kiwi from

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de yeraltı kaynak sularını tüketiyor. sürekli sondaj vuruyoruz. Teşvik oldu böğürtlen gibi insanları 20 yıl öncesinden teşvike başladılar. Bunlar işte hep dış güçlerin baskısıyla meydana gelen işler.

<sup>73</sup> Kivi ile ilgili çalışmalarım var. Alternatif olarak 10 dönüm kivi üretmek istiyorum. İl tarım müdürlüğüne gittim. Kaç dönüm yer düşünüyorsanız bir kısmını biz hibe ederiz gerisini siz halledersiniz dediler. Ziraat bankasına gittim onlar da 2-3 yıl ödemesiz ondan sonra ödemeli taksitli kredi veriyor kiviye geçiş projesi için. Fındık bahçesinin bir bölümünü söküüp kivi yapmak istiyorum. 10 dönüm yerden 1 ton fındık alıyorsun. 1 ton fındığın ederi 20 bin lira kadar. Aynı araziden kivi yaptığında 100-120 bin civarı gelir elde ediyorsun. Kivinin birim başına geliri fındıktan 10 kat daha ilerde. Kivinin kesinlikle pazarlamayla ilgili bir problemi yok. Firmalar hemen gelip alıp gidiyor.

hazelnut production with the EU Project's encouragement, which supplies financial help to the farmers who raise different crops than a hazelnut. As discussed earlier, the EU's development projects are far from developing the region in the long term. Even though they have good impacts in the short term, they are not and environmentally friendly. He states that:

Now, we want to join the EU. Here is a project called “rural development” established by the EU. I received grants up to 450 thousand liras for agricultural things from there.<sup>74</sup>

Similarly, an interviewee says that the state establishes the greenhouse's significant parts for the farmers if they want to make farming in greenhouses. When it is asked whether someone can get the same support mechanism for hazelnut gardens, he tells an anecdote and expresses that it is impossible.

In greenhouse cultivation, you multiply the income you get from hazelnuts. While establishing the greenhouse, 70 percent of it was built by the state, and we gave the 30 percent. My uncle recently bought land and said that I would plant nuts, he went to the state to see if they would support it, but they did not, so he planted it with his means.<sup>75</sup>

One of the participants states that he will move to kiwi production in the future instead of hazelnut.

I want to produce different products in the future, and the state should also support it. There is kiwi production in Ordu, and they even set up

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<sup>74</sup> Şimdi biz AB'ye girmek istiyoruz ya işte burda AB 'nin kurmuş olduğu kırsal kalkınma diye bir proje var. Tarımsal şeylere 450 bin lira kadar hibe aldım ben oradan.

<sup>75</sup> seracılıkta fındıktan aldığımız geliri katlırsınız. Sera kurarken yüzde 70'ini devlet kurdu yüzde 30'unu biz verdik. Ama geçenlerde amcam arazi aldı fındık dikicem dedi devlete de gitti destek olurlar mı diye ama olmadı kendi imkanlarıyla dikti.

their cooperatives. I can allocate my unproductive hazelnut garden for kiwi production.<sup>76</sup>

## 5.8 Staying in Hazelnut

Except for one participant, all the interviewees agree that hazelnut is not seen as valuable as it deserves neither economically nor politically. Therefore, hazelnut production gives loss rather than profit to the farmers. Even though the farmers agree on this, some of them express that they will continue hazelnut production in the future as well. Thanks to the fieldwork, the reasons behind this behavior can be classified as social pressure on farmers, cultural heritage impact, unawareness, and the geographic conditions unique to the Black Sea region. First of all, it is understood that farmers collect their hazelnuts to avoid social labeling. The majority of the farmers claim that their neighbors will blame them for leaving nuts on the branch, if they do not care about the hazelnut. They will talk about them among each other and advise about not to do it again. One of the interviewees reveals the situation he lives in some seasons as follows:

...You may question that if it is such a problem, don't collect it, brother. You can say, are you crazy? Why are you collecting them? Here, too, the social-psychological factor comes into play. They say, "Ahmet's hazelnuts have not been collected in the garden." In other words, social pressure. I know how many times I have collected hazelnuts for a loss. Even knowing how much the hazelnuts collected from the garden will be sold, I know that I gave the worker twice as

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<sup>76</sup> Gelecekte farklı ürünler üretmek istiyorum bu konuda devletin de desteklemesi lazım. Orduda kiwi üretimi var ve kooperatiflerini bile kurdular. Verim olmayan fındık bahçemi tahsis edebilirim kiwi üretimi için.

much of that money but collected the hazelnuts. I'm collecting in order to prevent people from gossiping.<sup>77</sup>

On the other hand, during the interviews, it is understood that there are scolder farmers among the participants in addition to the condemned farmers. Another participant tags farmers who moved away from hazelnut to the alternative crops as disappointing and claimed that:

Everybody dismantled the hazelnut orchards and planted kiwi, because hazelnuts do not bring money here. However, we, as people who grew up in this culture, cannot take care of kiwi. After two years, we see that it is not worth it and we leave it. Because we are such a nation if someone has no garden and is just starting, he can of course grow kiwi, but if he has a hazelnut garden, dismantles the hazelnuts and plants kiwi, it is over. This is my humble opinion.<sup>78</sup>

Similarly, another interviewee suggests that hazelnut garden owners who live in different cities need to come to collect their hazelnut, even if they know that they will not get profit out of it. She compares the vacancy spending and production spending of people and concludes that it is better to spend money in rural towns than holiday town.

People say that they come from Istanbul, it does not even cover my trip cost. So what? Do you cover your spending when you go on

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<sup>77</sup> Haçan bu kadar sıkıntı, toplamayın kardeşim diye soruyorsunuzdur. Zararına toplatıyorsunuz deli misiniz niye toplatıyorsunuz diyebilirsiniz. Burda da sosyal psikolojik faktör devreye giriy. Diyorlar ki 'Ahmet'in fındığı toplanmadı kaldı bahçede.' Yani toplum baskısı. Ben zararına kaç kez fındık toplattığımı bilirim Ayça Hanım. Bahçeden toplanan fındığın kaçta satılacağını bile bile o gelecek paranın iki katını işçiye verip fındık toplattığımı bilirim. Milletın ağızına laf vermemek için topluyorum.

<sup>78</sup> Burda fındık para getirmiyor diye herkes fındık bahçelerini söküp kivi ekti. Ama biz bu kültürde yetişmiş insanlar olarak biz kiviye bakamayız. İki sene sonra para etmediğini görürüz bırakırız o işi. Çünkü biz böyle bir milletiz. Bir insanın hiç bahçesi yoksa yeni başlıyorsa takibi kivi yetiştirebilir ama fındık bahçesi olan insan fındıkları söküp de kivi ekiyorsa o iş bitmiştir. Benim naçizane görüşüm bu.

vacation? When you go on vacation, you put 10 thousand lira in your pocket and go. You go to spend there. Come here, spend here, and develop here.<sup>79</sup>

The second reason people continue producing hazelnut is that it has a moral value for people of the Black Sea region, because the lands and hazelnut are the most important cultural heritage. Most of the participants would agree with the interviewee, who says, "Our priority is to protect our culture and place, not money." Therefore, without considering the economic benefit, they want to save their cultural value. One of the farmers and his daughter explain this by saying that:

The number of people producing has decreased. It does not cover the cost because it has little return and its price is meager. It is a very laborious, demanding job. My father takes care of hazelnuts because it is inherited from his father. Otherwise, it is not a product worth making a economic gain. It is not a job for money.<sup>80</sup>

Similarly, another participant says that people will continue with the production of hazelnut regardless of its economic benefit or loss:

When we compare with the foreign market, our hazelnut prices are meager. So there were even times when we didn't cover the expenses. Even if we know that we will lose money, if we collect hazelnuts, we have to collect the hazelnuts; because those who have a garden must

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<sup>79</sup>insanlar ben istanbuldan geliyorum yol paramı bile karşılamıyor diyor. Karşılamaşın efendim. Tatile gittiğinde masrafını mı karşılıyorsun? Tatile giderken 10 bin lira paranı cebine koyup gidiyorsun ya. Orada harcamaya gidiyorsun ya. Gel buraya, burayı kalkındır.

<sup>80</sup> Üretim yapan kişi sayısı azaldı. Getirisi az olduğu için, fiyatı çok düşük olduğu için maliyeti karşılamıyor. Çok zahmetli, çok meşakkatli, emek isteyen bir iş. babam fıncığa babasından miras kaldığı için bakıyor yoksa maddi kazanç elde etmeye değer bir ürün değil. Para için yapılacak bir iş değil. Ellerinde yapacak başka iş olmadığı için yapıyorlar.

collect them. People continue to produce hazelnuts even if they make a profit or loss.<sup>81</sup>

Another participant also claims that people would not leave their ancestral lands:

The hazelnut producer collects the hazelnuts without looking at the profit or loss, because it is their ancestor land. When I had the hazelnuts collected and sold from time to time, money got out of my pocket without any profit.<sup>82</sup>

The third reason behind why the farmers continue hazelnut production is unawareness. They do not know how to produce other crops because, for years, they make their lives only from the hazelnut. Especially older farmers cannot dare to change their crops, because they cannot be sure about whether they can manage it or not; while some farmers believe that they cannot sell alternative products, especially in the geography that they cannot sell their most important crop. One of the participants reveals the mentioned reasons as follows:

My family will have to stay in this sector. If you have a garden, you have to produce. I'm single now, I care about the garden, but when I have a kid in the future, I do not want him to deal with hazelnuts. Alternative products are being tried gradually. It is usually kiwi. Nevertheless, how are we going to sell the alternative products in a geography where we cannot sell hazelnuts? The older generation thinks they have been dealing with hazelnuts until now, and how we will deal with something else now?<sup>83</sup>

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<sup>81</sup> Dış piyasaya baktığımızda bizim fındık fiyatlarımız çok düşük. Bu yüzden masrafları karşılamadığımız zamanlar bile oldu. Zarar edeceğimizi bilsek bile fındıkları mecburen topluyoruz çünkü bahçesi olanın toplaması lazım. insanlar zarar etse de kar etse de fındık üretmeye devam ediyor.

<sup>82</sup> Fındık üreticisi ata toprağı der karına zararına bakmadan toplar fındığını. Benim de zaman zaman fındığı toplattırıp sattığım zaman karı bırak cebimden para çıktığı oldu.

<sup>83</sup> Ailem bu sektörde mecbur kalacak, bahçen varsa mecbur kalmak zorundasın. Ben şimdi bekarım, ilgileniyorum ama ilerde çocuğum olunca kesinlikle fındıkla uğraşmasını istemem. alternatif ürünler yavaş yavaş denenmeye başlandı. Kivi oluyor genelde. ama, söz sahibi olduğumuz ürünü fındığı

The oldest participant, whose age is over 75, refuses to leave his hazelnut garden even though he observes the inefficiency and low prices.

Hazelnut yield started to decrease. Hazelnut gives minimal yield. While it used to give 3 tons of hazelnuts, gradually decreased to 1400 tons thanks to hazelnut worm. We are not satisfied with the money we earn, but we will have to make the yield. We cannot live in this garden. We do not have any garden income, but we continue in this way.<sup>84</sup>

The last reason farmers do not move away from hazelnut to the alternative crops is that the geographic conditions do not let them move even if they want to. Especially in Ordu, hazelnut gardens are highly steep so, it may be impossible to carry out any mechanical activities in these lands. This situation leads farmers to stay in hazelnut production. An interviewee explains this by saying that:

Since my land is very steep, no agricultural vehicles enter, so it is complicated to remove the hazelnuts and plant something new, so I do not plan to plant anything new.<sup>85</sup>

## 5.9 Discussion

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satamadığımız bir coğrafyada alternatif ürünü nasıl satacağız? Eski nesil bu zamana kadar fındıkla uğraştım bundan sonra nasıl başka şeyle uğraşayım diye düşünür.

<sup>84</sup> Fındık verimi düşmeye başladı. Fındık çok az verim veriyor eskiden 3 ton fındık yaparken peyderpey fındık kurdu sayesinde 1400 tona düştü. Memnun değiliz kazandığımız paradan ama mecbur yapcaz mahsül bu bahçede bırakamayız. Bahçe herhangi bir gelirimiz de yok bu şekilde devam ediyoruz.

<sup>85</sup> Benim arazim çok dik olduğu için hiçbir tarım aracı girmiyor o yüzden fındıkları sökmek yeni bir şey ekmek çok zor hatta imkansız o yüzden yeni bir şey ekmeyi düşünmüyorum.



Table 5.1. Summary of the Fieldwork

	professions	Instability in Pricing	Dysfunction of Agricultural Institutions	Problematic Trading	MN Cas the biggest power	Problematic Support mechanism	Lack of Representation	Moved/Planning to move to other crops	Stay in Hazel nut	Reason for staying in hazelnut
# 1	Farmer	1	1	1	1	1	1	1	-	
# 2	Farmer/ state officer	-	1	0	0	-	1	0	1	cultural heritage/ profit
# 3	Farmer	1	1	1	1	1	1	1	-	
# 4	Farmer	1	1	1	1	1	1	1	-	
# 5	Farmer /engineer	1	1	1	1	1	1	1	1	social pressure
# 6	Engineer	1	1	1	1	1	1	1	1	
# 7	Farmer/ Lawyer	1	1	1	1	0	1	1	-	
# 8	Farmer/ retired	1	1	1	1	1	1	1	0	
# 9	Farmer/ Worker	1	1	1	1	1	1	1	1	social pressure
# 10	Farmer/ tradesman	1	1	1	1	1	1	1	-	
# 11	Farmer/ manufacturer	1	1	1	1	1	1	-	1	manufacturer
# 12	Farmer	1	1	1	1	1	1	-	1	social pressure
# 13	Farmer/ engineer	1	1	1	1	1	1	-	1	cultural heritage
# 14	Farmer/	1	1	0	1	1	1	1	-	
# 15	Farmer/ Retired	1	1	1	1	1	1	-	1	age
# 16	Farmer/manu facturer	1	1	-	1	1	0	-	1	cultural heritage
# 17	Farmer/ tradesman	1	1	0	0	1	0	0	1	cultural heritage
# 18	Farmer/ Trader	1	0	0	1	1	1	1	-	
# 19	Farmer	1	1	1	1	1	1	1	0	social pressure
# 20	Farmer	1	1	0	1	1	1	-	1	cultural heritage
<b>Total</b>		19	19	14	18	18	18	12	11	

Field research data overlap with the food regime theory, so it is fair to claim that it is possible to see third food regime premises in Turkey, especially in the hazelnut sector. One thing that both the Third Food Regime Theorists and

interviewees say is that transnational agribusiness companies accumulate at most in hazelnut sector. 18 out of 20 interviewees mention the same company as the biggest profit-maker. Secondly, as the theory suggests, transnational companies give directions to the national states' agricultural policies. As the fact that 19 of 20 interviewees agree on dissolution and dysfunctionalities of agriculture-related state institutions is a strong supporting fact for this. The more the state retreats itself from the sector, the stronger TNCs are getting in decision-making. The fact that 19 of 20 interviewees state that pricing is unstable is also examined as TNCs' impact on the sector. 14 out of 20 participants mention problematic trade mechanism. This is because trading is in the hands of TNCs in the region. Even though the farmers give their hazelnuts to the local traders, those traders sell their products to the TNCs at the end, so TNCs give directions to the trade as well. Moreover, the fact that the TNCs send engineers to the farmers, give advice to them, make agreements about the season's crops are other supporting facts that the TNCs are now active in each and every stage of agricultural production as the theory suggests.

On the other hand, lack of representation of farmers leads farmers to be left alone against those TNCs. Because they do not have a strong union as their Australian counterparts mentioned in the second chapter, they become more vulnerable in the decision-making processes. The reason of why they are not unionized is beyond the scope of this research, but it is a fact that their strong union *Fiskobirlik* is dissolved by the state according to the farmers. The fact that 18 of 20 interviewees argue that state's support mechanism is problematic shows us again how neoliberal transformation in agriculture rewards the large-scale landowners

rather than the producers. As a result of these developments, farmers leave their traditional crops one by one, and start planting alternative crops which are more suitable to be packaged and sold in supermarkets, as the theory suggests. The fact that 12 out of 20 interviewees replaced or are planning to replace their hazelnut crops with alternative crops such as kiwi and flower clearly shows that the Third Food Regime is explanatory for this case, because the theory's most important suggestion is about farmers who left their traditional seeds. Out of

On the other hand, it is seen that a serious number of the participants (8 out of 20) still do not tend to move to the alternative crops although they share approximately similar ideas regarding the development in hazelnut sector with the ones who migrate to the alternative crop production. However, it is necessary to point out that economic profit is the reason for only one participant among these 8 participants. While 4 of 8 participants highlight the importance of cultural heritage in their decision to stay in hazelnut, other 4 of them point out the social pressure on cultivation of hazelnut. One participant states that his age does not allow him to make an effort for producing new seeds. In short, financial benefit does not have a notable role for farmers to stay in hazelnut. Hazelnut production is not profitable according to farmers, but they continue it because of cultural and social reasons.

## **CHAPTER 6**

### **CONCLUSION**

The thesis tried to analyze how the neoliberal transformation of Turkey has been manifested in agrarian relations. The hazelnut sector is chosen to examine this transformation. Many hazelnut producers have been moving away from hazelnut to the production of alternative crops is highly ironic, as Turkey is one of the top producers of hazelnut in the world. The intriguing transition of producers from hazelnut to crops like kiwi needs to be explained for various reasons. First of all, this has severe implications for producers' livelihoods; and secondly, it has implications for the regional and national economy. This thesis aims to analyze the national and international determinants of such a severe transformation. I hypothesize that unless the impositions of international agencies such as the World Bank, the World Trade Organization, the International Monetary Fund, and also the European Union are taken into consideration, it may not be possible to understand the exact nature of such transformations. This dissertation analyzes the theoretical underpinnings behind such impositions and the implementation of state policies within the context of these impositions. The thesis also looks at the mechanisms of implementing these policies (such as pricing and incentives) by the state. Finally, semi-structured in-depth interviews are conducted with hazelnut producers from Trabzon, Ordu, and

Giresun with hazelnut producers, ex-hazelnut producers who moved to alternative crops, traders, and entrepreneurs of processing firms.

There has been an ongoing severe transformation of the power relations on the branches of hazelnut production in the Black Sea Region, especially the cities in which the fieldwork is held. We can mention four different levels of interest groups in this relation. Hence, the thesis analyses this relation on the individual level, the local level, the national level, and the international level. Individual-level refers to people who live in the region. The local level is the Black Sea region. The national level refers to Turkey as a state. At the international level, MNCs in the region and the international institutions such as the WB, the WTO, the IMF, and the EU are analyzed.

I hypothesized that Food Regime Theory is explanatory for the agrarian change in Turkey. Agricultural transformation in the neoliberal era in Turkey is coherent with the Third food regime framework of the Food Regime Theory. First and foremost, agricultural transformation in Turkey can only be understood from the global perspective. Rather than Modernists, Chayanovians, and classical Marxists, Food Regime theorists make it clear that agrarian change is a worldwide issue that multilevel actors are engaged in. In the thesis, this relation is tried to be shown with explanatory policy analysis of the international institutions and Turkey, as well as the semi-structured in-depth interviews with mainly farmers, traders, manufacturers. At this point, it is crucial to highlight the consistency between the desktop research and the interviews. The fact that the interviewees mainly mention the state as a

decision maker about the agricultural policies is certainly not inconsistent with my hypothesis. It does not mean that the state is the main actor rather than TNCs and the international institutions. This can be interpreted as, although the participants are aware of the state policies that worsen their conditions, some may not see and refer to the international agreements that lead the state to take these decisions. In fact, the number of participants who refer to these agreements cannot be underestimated.

Secondly, as the Food Regime Theory suggests, TNCs are the dominant actors in this global process. They control whole the process from production to consumption. They control the inputs, seeds, production methods, quality of the crop, price of the product, training of farmers, trading, processing the raw material, and consumption. This premise is highly illustrative for the hazelnut production in Turkey. According to the fieldwork results, Ferrero, which purchases third of the total hazelnut production of Turkey, controls the hazelnut sector by renting and cultivating lands, training farmers with agriculture engineers, determining the unit price thanks to its monopoly, by its standardization of quality and type of the product. Therefore, it is the prominent actor in this food regime in Turkey.

The most important reflection of this on the livelihoods of the farmers reveals itself as worsening economic conditions, because a monopoly is the strongest determinant of prices. Whomever the farmers sell their hazelnut at the end of the season, third of the total amount is purchased by the Ferrero at the end of the day. When hazelnut price is low, farmers cannot afford their lives out of hazelnut as they could. While the revenue out of the hazelnut used to be enough for marriage,

constructing a home, paying debt and school expenses of the children and so on before neoliberalism was felt this harsh in the third food regime, farmers say that they cannot afford any of them now. The other related reflection of the TNCs being dominant in the third food regime on farmers is that farmers' bargaining power over traders about their harvest is weak. Because the small merchants also sell the hazelnut to the same company in the end, in order to increase their profit out of hazelnut trade, they try to suppress farmers as much as they can, because they are not strong enough to negotiate with Ferrero. This is why farmers call traders such words as 'vampires', or 'bloodsuckers'.

Thirdly, Food Regime Theory suggests that in the third food regime, international institutions have a vital role in implementation neoliberal policies and increasing power over TNCs. Like the theory marks, this research has shown that international institutions such as the WB, the IMF, the WTO, and also the EU have crucial role in neoliberal transformation of agricultural policies in Turkey.

Turkey has started to adopt neoliberal economic policies since the 1980s has an inevitable impact on the agrarian change. The thesis argues that hazelnut producers' main reasons to move away from hazelnut to alternative crops are based on the neoliberal economic policies applied in Turkey, enforced by international institutions. While these policies favor multinational corporations as market forces, they weaken producer unions, cooperatives, the effectiveness of the support mechanism, and the farmers' representation as well. This transformation shows the

fact that day by day farmers are rendered vulnerable against the multinational corporations by the state's imported neoliberal policies.

The IMF, the WB and the WTO encouraged liquidation of protective policies since 1980s. The WTO uses international norms and values for this aim. On the other hand, the WB and the IMF use their programs to spread neoliberal economy premises. Similarly, the EU has supported liberalization in agriculture product trade and liquidation of agricultural subsidies for the sake of market mechanism. 1994 Uruguay Round Agreement on Agriculture required Turkey to decrease agricultural subsidies because they were burden on the national economy according to the WTO. Turkey's signature to standby agreement with the IMF in 1999 brought about direct income support system which most of the farmers criticize. Turkey's signature to agreement with the WB in the ARIP project in 2002 affected the state's minimum price determination mechanism for selected agricultural products. More importantly, this project takes the mission of the state institutions for agricultural sector's support and gives it to the private sector.

One of the other crucial premises in the third food regime according to the Food Regime Theorists is that it leads a serious change in the cultivated crops. Traditional crops are left behind. Rather, alternative crops that can easily be sold in supermarket chains are encouraged. This encouragement takes place in international agreements signed by Turkey and the international institutions. In the ARIP project, for example, alternative crop production was encouraged rather than the current seeds. As a result of the implemented neoliberal economy policies encouraged by



the international institutions, hazelnut production is currently replaced with alternative crops such as kiwi.

With this research we tried to understand why farmers in the Ordu, Giresun, and Trabzon move away from the hazelnut to alternative crops. The data says that there are many reasons behind this fact, but their common point is that they are all based on Turkish agriculture's neoliberal transformation. The reasons for this behavior are classified as instability in pricing, dysfunction of the related state institutions, abolishment of the producer cooperative, exploitation of farmers by the merchants, adopting land-based support mechanism rather than product-based support mechanism for hazelnut, the fact that the state institutions have particular support policies for alternative crops, and abandonment of the hazelnut farmers to MNCs. Moreover, there are still a significant number of farmers who continue producing hazelnut in the region. The research results say that the main reasons behind staying still in hazelnut rather than moving to the other crops are social pressure on farmers, cultural heritage impact, unawareness, and geographic conditions. Therefore, it cannot be interpreted as that this is an economic decision of the farmers.

Lastly, it is understood that the farmers are very well aware of the current agriculture course, and some of them started to take action against it. Almost all are aware that the problems in their production lives are based on the wrong state policies. However, it is a fact that the region is seen as a vote store for the current government. It is ironic that while they have a class consciousness about how they

are exploited, why they are exploited, and by whom they are exploited, they continue to vote for the party in power for years. In this sense, in future research, neoliberal transformation and intimidation of people through populism can be examined. Consent and contestation in the region can be an interesting topic for the subsequent studies.

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**TEZ İZİN FORMU / THESIS PERMISSION FORM**

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