

# Agriculture and Livestock Grants in Konya

## The Supports of the Ministry of Food, Agriculture and Livestock

### Supporting Agriculture Based Economic Investments

Within the scope of this support, it is planned to support the investments of real and corporate entities for economic activities in order to ensure economical and social development in urban areas.

#### *Purpose of the Support*

The purpose of this support is to improve income level at rural areas by considering natural resources and protection of environment, support small and medium scale enterprises in order to ensure agricultural production and agriculture based industrial integration, develop agricultural marketing infrastructure, strengthen food safety, create alternative income sources for rural areas, strengthen urban economic infrastructure, expand implementation of new technologies developed for agricultural activities by farmers/producers, improve efficiency of urban development activities executed currently and support investments including new technologies in order to provide contribution for urban community to establish local development capacity.

#### *Who can Benefit from this Support?*

The real and corporate entities (companies, firms, agricultural cooperatives, unions, associations and their executive boards) who are registered in the farmer registration system or other registration systems established by the Ministry can apply for this support.

#### *Subjects and Rates of Investment*

The items shown in the following table are supported 50% up to the indicated limit:

Subject of Investment	Grant Based Project Top Limit (TRY)
Processing, packaging and storing vegetal products except the investments for grading, packaging and storing fresh fruits and vegetables,	2.000.000 TRY top limit is determined for the applications of new facility investments; while, 1.500.000 TRY top limit is determined for the applications of capacity increase and/or technology refurbishment investments and 1.750.000 TRY for the applications of supplementary investments.
Only processing of raw hide and an a slaughterhouse with maximum 20 bovines/day slaughtering capacity related with processing, packaging and storing animal products,	
Cold storage depot investments	
Steel silo investments	
Investments for processing, packaging and storing animal and vegetal origin fertilizers	
Investments for constructing new greenhouses using renewable resources	
Investments for renewable energy resources (for the facilities performing agricultural production)	
Among urban economic infrastructure subjects; investments for infrastructure systems, information systems and education and training investments for improving farming activities,	500.000 TRY top limit is determined.

#### *Supported Costs*

- Purchasing expenses for construction works (covers the inevitable expenses for implementing a project)
- Purchasing expenses for machines, equipments and materials (provided that they are integral parts of a project)

#### *Unsupported Costs*

- Livestock purchases
- Transformer purchases
- Generator purchases other than the ones for new and/or supplementary facilities
- Borrowing expenses and interests
- Rent expenses
- Purchasing prices for lands, plots, buildings and etc.
- Fuel, water, electricity and subscription expenses
- Returning taxes including VAT
- Purchasing expenses for second hand goods
- Purchasing expenses for repairs and replacement parts of machinery

#### *Place and Date of Application*

Supported investment types vary from term to term and city to city. The real and corporate entities interested in the program can make their applications from [www.tarim.gov.tr](http://www.tarim.gov.tr) internet website between the dates announced by the Ministry. Actual registration and notification is done by the Provincial Directorates of Food, Agriculture and Livestock.

#### *Other Descriptions about the Support*

- 50% of the grant based project amount is supported through the grant. The applicants are liable to provide the remaining 50% on their own. Payments are made after making related purchases.
- The project budget is prepared excluding VAT (the Value Added Tax).
- The grant based project amount should be minimum 30.000 TRY.
- Minimum 7 years of rent term is necessary for land rentals.
- Within the scope of processing agricultural products, the investment proposals for secondary processing and packaging of the goods subjected to first processing at another investment facility are not considered within the scope of the grant support.
- The new investment facility applications for flour and mixed bait facilities are not accepted.
- The investment can occupy more than one adjacent parcels provided that the ownership or tenure right belongs to the applicant.
- Excluding steel silo, greenhouse and cold storage depot investments, construction expenses for new facility investments and supplementary investments cannot be more than 80% of grant based project value.

- The construction expenses of the investments for capacity increase and/or technological refurbishment cannot be more than 20% of grant based project value.
- For the investments where geothermal, biogas, solar and wind energy will be used as the renewable energy source; the grant support is provided if the available renewable energy production or the facility to be established within the scope of this support will supply minimum 51% and maximum 110% of the calculated energy requirement calculated through the installed capacity of the facility.
- The grant based project expenses of new investment applications cannot only consist of expenses for purchasing machines and equipments. However, for the project proposals related with capacity increase and/or technological refurbishment, the grant based project value can completely consist of expenses for purchasing machines and equipments.

## LOAN SUPPORTS

### Low Interest Investment and Operation Loans for Agricultural Production

Discounts can be made in the rates shown in the related tables and provided that the upper loan limits are not exceeded, agricultural loans can be provided by means of the Republic of Turkey, Ziraat Bankası A.Ş. and the Agricultural Credit Cooperatives in order to provide financial requirements of producers for agricultural production under suitable conditions. Agricultural producers and agricultural cooperatives can benefit from this support. The applications are made to the bank and the Agricultural Credit Cooperative from 1 January 2018 to 31 December 2020.

#### Animal Production Subjects

Agricultural Credit Subject	Loan Limit (TRY)	Interest Discount Rate (%)	
		For the Investment Period	For the Operating Period
Dairy, beef and combined kettle husbandry	0-100.000	100	100
	100.101-750.000	100	50
	750.001-5.000.000	75	50
	5.000.001-12.500.000	50	25
Extensive animal production	0-100.000	100	100
	100.001-250.000	75	50
Breeding heifer husbandry	0-7.500.000	100	75
Stock Farming	0-5.000.000	50	50
Ovine farming	0-5.000.000	100	75
Apiculture	0-1.500.000	50	50
Poultry sector	0-3.000.000	50	25
Poultry sector breeder husbandry	0-7.500.000	100	100
Aquaculture sector	0-100.000	100	100
	100.001-5.000.000	100	50

### Vegetal Production Subjects

Agricultural Production Subject	Loan Limit (TRY)	Interest Discount Rate (%)	
		For the Investment Period	For the Operating Period
Controlled undercover farming	0-750.000	75	50
	750.001-5.000.000	50	25
	5.000.001-10.000.000	25	25
Extensive vegetal production	0-250.000	50	50
	250.001-750.000	25	25
Forage plant breeding	0-2.500.000	100	100
Domestic certified seed, seedling, sapling breeding	0-10.000.000	100	100
Using domestically certified seed, seedling, sapling	0-100.000	100	100
	100.001-5.000.000	50	50
Ornamental plant growing	0-5.000.000	50	50
Strategic vegetal production	0-2.000.000	-	50
	2.000.001-3.000.000	-	25
Greenhouse modernization	0-300.000	100	50

### Miscellaneous Subjects

Agricultural Credit Subject	Loan Limit (TRY)	Interest Discount Rate (%)	
		For the Investment Period	For the Operating Period
Good agricultural/Organic agricultural practices	0-5.000.000	50	50
Agricultural mechanization (excluding tractors)	0-1.500.000	75	-
Tractor	0-75.000	50	-
	75.001-250.000	25	-
Modern pressurized irrigation	0-1.500.000	100	-
Land purchase	0-500.000	25	25
Licensed warehousing investments (the investments with the capacity up to 10 tons)	0-10.000.000	75	50
Licensed warehousing investments (the investments with the capacity more than 10 tons)	0-20.000.000	75	50
Cold storage depot investments	0-5.000.000	50	25
Processing of agricultural products	0-5.000.000	50	50

## Production Subjects of Agricultural Cooperatives

Loan Subjects of Agricultural Cooperatives*	Loan Limit (TRY)	Interest Discount Rate (%)	
		For the Investment Period	For the Operating Period
Dairy breeding kettle husbandry	0-7.500.000	100	50
Stock Farming	0-5.000.000	75	50
Ovine farming	0-5.000.000	100	75
Controlled undercover farming	0-7.500.000	75	50
Fishing	0-3.000.000	100	50
Processing, packaging, storage facility for agricultural products**	0-5.000.000	75	50
Fresh tea leave production	0-5.000.000	-	50

\* The interest discounts and limits of other tables are applied for the loan requests of agricultural cooperatives for the production fields not included in this table.

\*\*The loans with amounts in accordance with the production capacity of cooperative partners can be provided.

### Other Instructions

- The total upper loan limit which can be provided to the farmers requesting loan for more than one production field is determined in accordance with the field related product with the highest loan limit.
- Within the scope of Contracted Production Model, the real and corporate entities who have other parties carry out agricultural production by guaranteeing to purchase the growth products in accordance with the contracts signed with them, can get contracted production loans for financing such activities up to 10.000.000 TRY. If, the real and corporate entities are provided the loans with the same production field with their contracted producers, the amounts of these loans are deducted from the contracted production credit limit to be allocated for real and corporate entities. The discount rates indicated in the first three tables are applied for these loans based on the production fields in the contracts signed within the scope of contracted production model.
- The insurance related assets in the investments made through using loan within the scope of this practice (barns, coops, animals and such) and agricultural products must be insured through the loan amount.
- The licensed warehousing enterprises carrying out their activities within the scope of the Law on Licensed Warehousing of Agricultural Products, the producers who deliver their products to licensed warehouses for the electronic product bonds (ELUS) issued in accordance with the Regulations of Electronic Product Bonds and the agricultural production cooperatives in accordance with their production capacities which will comply with the production capacities of their cooperative members can use loans up to 9 months of installments up to 75% of the bond value. The credits provided within this scope are applied 100% discount rate based on production fields within the upper limits given in the first three tables.

# AGRICULTURAL INCENTIVES

## Incentives of the Ministry of Economy

### Export Restitution for Agricultural Products

#### *Purpose of the Support*

The purpose of this support is to set off the amounts calculated by quantities and values of exported goods from the taxes, social security premiums, communication and energy expenses of exporters pay to public institutions.

#### *Who can Benefit from this Support?*

The exporters of agricultural products can benefit from these supports.

#### *Supported Issues and Rates*

Name	Export Restitution Amount	Amount Limit	Maximum Rate of Payment
Fowl meat (except offal)	380 TRY/Ton	%41	%14
Egg	35 TRY/1000 Eggs	%65	%10
Honey	130 TRY/Ton	%32	%2
Flowers and buds suitable for ornamental/decorative purposes	400 TRY/Ton	%45	%9
Vegetables (uncooked, steamed or boiled)(frozen)	160 TRY/Ton	%45	%10
Dried vegetables (full, cut, sliced, crushed or dust form)	720 TRY/Ton	%40	%10
Fruits and stone fruits (uncooked, steamed or boiled, frozen)	155 TRY/Ton	%45	%6
Olive oil	30 TRY/Ton	%100	%2
Sausages and similar products produced from fowl meat and offal and products prepared with fowl meat or canned products	485 TRY/Ton	%50	%10
Prepared or canned fish	485 TRY/Ton	%100	%5
Chocolate and cocoa containing food preparations	235 TRY/Ton	%48	%5
Pastas	130 TRY/Ton	%32	%9
Biscuits, wafers, cakes	235 TRY/Ton	%18	%7
Frozen fruits and vegetables and food materials based on fruit and vegetable processing industry	165 TRY/Ton	%100	%8
Jam, jelly, marmalade, fruit or stone fruit purees and cakes	125 TRY/Ton	%35	%5
Fruit juices and vegetable juices, fruit nectars	320 TRY/Ton	%15	%12

**Export Restitution Amount:** Amount of payment to be made for physical quantity.

**Amount Limit:** The rate indicating the actual product based amount which the export restitution supports will be taken as basis.

**Maximum Rate of Payment:** The rate determining the maximum payment to be made by considering the export value of products.

#### *Place and Date of Application*

Applications are made to the general secretariat of the Exporters' Association and applications are always active.

## Government Supports within the Scope of Investment Incentive Certificate

#### *Purpose of the Support*

It is aimed to ensure higher and faster development of specific economical and social activities compared to others.

#### *Supported Investments and Rates*

The incentives are grouped in the following table in accordance with the investment type and minimum investment amount. Most of the investors working in the agriculture sector have been provided general incentives if minimum investment amount is 1 millions of TRY or higher.

Incentive Classification	GENERAL INCENTIVE	REGIONAL INCENTIVE
<b>Incentive Scope</b>	Covers all investments other than the investment fields which will not be supported.	Aims to reduce the development difference between cities and increase production and export potential of them.
<b>Minimum Investment Amount for Taking Advantage from an Incentive</b>	1 millions of TRY	1 millions of TRY

INCENTIVE ISSUES		INCENTIVE SYSTEM		
		GENERAL	REGIONAL	
			Out of an OIZ	Inside an OIZ
<b>VAT Exemption</b>		Yes	Yes	Yes
<b>Exemption from the customs duty</b>		Yes	Yes	Yes
<b>Tax Discount</b>	Investment Contribution Rate (%)*	None	20	25
	Discount Rate (%)**		55	60
<b>Social Security Premium Employer's Share Support</b>	Support Term	None	3 years	5 years
	Investment Contribution Rate (%)		15	20
<b>Allotment of the Investment Field</b>		None	Yes	None
<b>Interest support</b>		None	None	None
<b>VAT Refund</b>		None	None	None

\*Note: There is a 15 points of discount in addition to investment contribution rates for the investment incentive certificates issued for the manufacturing industry investment from 1/1/2017 to 31/12/2018 (US-97 Code: 15-37).

\*\*Note: There is a 15 points of discount in addition to investment contribution rates for the investment incentive certificates issued for the manufacturing industry investment from 1/1/2017 to 31/12/2018 (US-97 Code: 15-37).

#### Other Descriptions about the Support

A general investment incentive certificate can be issued for the investments providing the following minimum conditions:

- Integrated investments for meat-oriented, dairy-oriented and breeding stock, minimum 150 bovines
- 100.000 fowls/period for integrated poultry investments,
- Integrated dairy and meat-oriented ovine investments (including breeding stock), 1.000 ovine/period,
- Dairy processing investments with 5 tons/day production capacity,
- Greenhousing investment larger than 5 decares.

The agricultural investments which can take advantage from the regional supports and incentives provided for the second region including Konya are grouped by considering minimum investment amounts or capacities in the following table.

Sector	Minimum Investment Amount or Capacity
Integrated livestock investments including integrated breeding stock investments*	1 Millions of TRY
Greenhousing	40 Decares

\* Minimum capacity of 500 bovines is necessary for the dairy-oriented integrated bovine investments in the first and second regions, while, 700 bovines/period for meat-oriented integrated bovine investments, 500 bovines for the bovine breeding stock integrated investments, 2.000 ovine for ovine breeding stock integrated investments, 2.000 ovine/period for dairy and meat-oriented ovine integrated investments and 200.000 fowls/period for integrated poultry investments (no capacity condition is necessary for integrated investments of breeding fowl stock).

The expense items supported based on the investments are presented in the following table:

Expense Item	Is it an Appropriate Expense Item within the scope of an Incentive Certificate?	Can This Investment Benefit from VAT Exemption?	Can This Investment Benefit from Customs Duty Exemption?
Livestock Purchases for Dairy-Oriented Integrated Husbandry Investments	YES (Up to the Maximum Capacity on the Incentive Certificate)	NO	YES



Livestock Purchases for Meat-Oriented Integrated Husbandry Investments	NO	NO	NO
Livestock Purchases for Breeding Stock Integrated Husbandry Investments	YES (Up to the Maximum Capacity on the Incentive Certificate)	NO	YES
Aquaculture Product Purchases for Fish Egg Production-oriented Aquaculture investments	NO	NO	NO
Aquaculture Product Purchases for Meat Production-oriented Aquaculture investments	NO	NO	NO
Fowl Purchases for Egg production-oriented Integrated Poultry Investments	NO	NO	NO
Fowl Purchases for Meat production-oriented Integrated Poultry Investments	NO	NO	NO
Fowl Purchases for Breeding Poultry Integrated Investments	NO	NO	NO

#### Place and Date of Application

As, applications are always active, applications are made to the General Directorate of Incentive Practices and Foreign Capital of the Ministry of Economy.