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## **The Effects of the Recent Legal Arrangements Concerning the Wholesale Markets on Actors within the Fruit-Vegetable Marketing Chain: The Case of Izmir, Turkey**

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**Abstract:** In this study, the effects of the recent legal arrangements concerning the fruit-vegetable wholesale markets in Turkey have been analysed through surveys, especially on various sectors in fruit-vegetable production and marketing in İzmir province. In the study, first of all, the place and importance of wholesale markets within the fresh fruit-vegetable marketing system and then the changes caused by the legal arrangements were discussed. In İzmir province, as a result of the surveys carried out with fruit-vegetable producers, managers and mediators at the wholesale markets and chambers and associations of retailers, problems in the application of recent legal arrangements were determined. Furthermore, precautions that need to be taken to solve the problems were also discussed.

**Key words:** Wholesale markets, fruit-vegetable marketing, marketing chain, Turkey, İzmir

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### **INTRODUCTION**

In Turkey, due to the ecological qualities, in greenhouse vegetable production is becoming widespread together with field production. For this reason, fruit-vegetable production has been the main activity and means of income for a larger group of producers mainly in the Ege, Akdeniz and Marmara regions. The specific production and marketing problems of fresh fruit-vegetable production resulting from the quick-spoiling quality of the products, require production and marketing policies to be improved. However, there is not a special support for the farmer concerning fresh fruit-vegetables although some interventions are observed for certain agricultural products. As in other vegetal products, the only supporting mechanism is, as a general approach, the support on fertiliser and insecticides<sup>[1]</sup>.

Lack of a supporting mechanism on fruit-vegetable production and marketing results in a variety of marketing channels and sale types changing from one region to another, even from one product to another within the same region. Generally, in fruit-vegetable marketing, apart from the direct sales from producer to consumer, different marketing channels which include too many mediators may occur. Nevertheless, the main actors in domestic fresh fruit-vegetable marketing are wholesale markets, commission agents that work at these markets and merchants who provide products to the commission agents at consumer centres, local bazaar and exporters<sup>[2,3]</sup>. As a matter of fact, it has been mentioned that 13 to 42% of total fruit-vegetables are being marketed through the commission agents at Wholesale Markets

or through co-operatives<sup>[4]</sup>, which are very few in number and according to a survey that covers both field and greenhouse production enterprises, the figure reached 75.7%<sup>[5]</sup>. According to another survey which covers only field vegetable production farms, 66.4% of the vegetables are marketed within the Wholesale Market organisation<sup>[6]</sup>. It is mentioned that, although it varies from one product to another, 34 to 60% of greenhouse vegetable production are being marketed in Wholesale Markets<sup>[7]</sup>. It was also stated in various local surveys that especially a large amount of vegetables are marketed through fresh fruit-vegetable Wholesale Market<sup>[8]</sup>.

In Turkey, Wholesale Markets were established according to the 15th article of the Law on Municipalities NR 1580, which came into force in 1960 year and they were managed under the responsibility of municipalities according to the decrees of the Law NR.80 concerning the management of Wholesale Markets, which came into force in May 16, 1960. The law contained the general principles in the distribution of sales units in fresh fruit-vegetable Wholesale Markets and the penalties to be applied for those who do not obey these principles. However, the law did not contain essential matters regarding the product such as quality, standardisation, storage and protection measures and price determination and there were legal emptiness on many other points. Therefore, in order to fill these legal emptiness in the law, fruit-vegetable Wholesale Market Regulations, which were prepared by the municipalities, were implemented depending on the provisional article NR 2 of the law. However, after the implementation of the decree law NR 552, concerning the Regulation of Fresh Fruit and

Vegetable Trade and Wholesale Markets on 27 June, 1995, the applications were started to be made according to this decree law. Then the law concerning the modification of certain articles of the decree law on the regulation of Fresh Fruit and Vegetable Trade and Wholesale Markets was accepted on June 11, 1998 and it was implemented on June 14, 1998. Thus the decree law which was issued in 1995, became a law three years later with some modifications<sup>[9]</sup>.

The new law contains some necessary factors, for the efficiency of fruit-vegetable production and marketing, such as providing fresh fruit-vegetable trade to be made in a free rivalry system appropriate to the quality, standard and health rules, equally protecting the interests of producers, consumers and the ones who deal with fresh fruit and vegetable trade and supplying a modern substructure for the Wholesale Markets<sup>[10]</sup>.

## MATERIALS AND METHODS

The material of the study was composed of unique data gathered from the surveys carried out with Wholesale Market executives from six districts of İzmir and Metropolitan Municipality (Central), with fruit-vegetable producers (70) in 24 villages and with mediators (62) from the Wholesale Markets in three districts and Metropolitan Municipality. Furthermore, along with the various public institutions which are directly related to the survey and are functioning in İzmir province, oral and written information and data from related associations and chambers were also welcomed. All surveys of the research were completed in 2000 year.

**Method followed in data collection:** Surveys in İzmir were carried out with selected fruit-vegetable producers, executives of all the Wholesale Markets and mediators at the selected Wholesale Markets. At the beginning of the study, district Wholesale Markets were determined to carry out the mediator surveys according to the results of executives survey. The number of Wholesale Markets (where mediator surveys were carried out) was four. Three of these are district Wholesale Markets. During the next step of the study, according to the results of the mediator surveys carried out in four Wholesale Markets, the production centres for the marketed fruit-vegetables at wholesale market, that is districts and villages, were determined for producer surveys.

According to this, 70 producer interviews were carried out. In determining the sample size, together with the share of fruit-vegetable production value within the agricultural production value in İzmir (in terms of the average of the last three years), especially the total value

of fruit-vegetables marketed in Wholesale Markets and the rates of certain products within this value were all taken into consideration. The number of researchers and financial opportunities were also influential in sample size determination. Since the objective of the study was to determine the problems and the effective factors behind the fact that producers who sell or do not sell their products through Wholesale Markets prefer different marketing channels, Purposed Sampling Method was used to determine the producers to be questioned on the survey. In villages, to choose the producers, information gathered from Village Group Technicians, Village Headmen and authorities from Agriculture Credit Co-operatives were used. Four surveys were carried out in each village and two of these were carried out with producers who market their products through Wholesale Markets, while the other two were performed with producers who prefer other marketing ways.

The method used in determining the mediators for the surveys at the chosen Wholesale Markets was different for district and central Wholesale Markets. Full counting method was applied in district Wholesale Markets, which have a relatively low number of mediators. In the Central Wholesale Market, however, the number of mediators are more than 100. At the beginning of the study, in the light of information from Wholesale Market Directory, it was aimed to perform the survey with mediators to be determined by a sampling method to represent the population in the best way. However, the pre-meetings done in the Central Wholesale Market proved that it would be difficult to persuade the mediators especially for the interview due to reasons such as being too busy. Since the data to be gathered under these circumstances might negatively influence the results of the study and would take it away from being objective, a certain percentage (25%) of mediators who had accepted to join the survey were interviewed. The total number of mediator surveys, including the ones performed in district Wholesale Markets were 62.

In order to reflect the views of the majority of the sectors related to the study, interviews were performed with institutions such as Industry and Commerce Province Directorate Wholesale Market Branch, İzmir Metropolitan Municipality Wholesale Market Commissioners Association, Chamber of Local Market Guilds, Chamber of Mobile and Fixed Greengrocers, İzmir Chamber of Commerce and İzmir Metropolitan Municipality.

**Method followed in data analysis:** In the comparison and evaluation of the data gathered from the surveys in terms various factors, basic statistical techniques such as simple arithmetic average and percentage calculations have been used.

In the study, cluster analysis was planned to be used in analysing the cluster situation of producers' ideas concerning the modifications after the new law, however, during the trial surveys it was observed that the producers did not have sufficient information about the law; therefore, they had a difficulty in forming an opinion and that a great number of them did not even hear about these changes, so cluster analysis could not be used. In the study, although it was planned to compare the prices of the chosen products at various levels and to calculate both absolute and relative marketing margins, it was not possible to obtain the necessary price information for post-law and pre-law periods to calculate the margins through the surveys. In a certain season, since fruit and vegetables were sold in very small amounts to different customers, at different prices and due to the fact that the product records were not kept by the producers and that the records used in daily basis due to the large size of trade of mediator created great difficulties in preparing the records for the research period and presenting it to the researcher.

**Fresh fruit and vegetable marketing system in Turkey and wholesale markets:** Marketing systems may change from country to country, sometimes even from one product to another and from one producer to another. The most important step of understanding the marketing system fully is to understand production (producer) and the first step in marketing chain (the first buyer of the product). In order to grasp the system, it is necessary to determine and analyse the different levels in distribution chain<sup>[11]</sup>. In the flow of products from producer to consumer, some changes occur depending on the factors such as supply, demand, price and expenses. The aim of agricultural marketing was to analyse these changes and to form a regular marketing system<sup>[12]</sup>. The systematic approach which integrates other approaches in investigating marketing problems comprehends the whole marketing system due to the close relations between the participants and variables. In this approach, products, services and institutions are handled and analysed as a group<sup>[3]</sup>. Here fresh fruit and vegetable marketing system in Turkey has been handled in the same way and the units that form a part of the system and take part in marketing channels, marketing expenses and marketing organisation were emphasised together with the Wholesale Markets.

In Turkey, fresh fruit-vegetable market, in its general lines, functions with free market system. In fruit-vegetable marketing system, marketing functions were assumed by the private sector, marketing through co-operatives was quite rare<sup>[13]</sup>. It was observed that public institutions only take part in legal arrangements and in the formation of

infrastructure and they perform the functions of assuring order in the market according to the regulations and functioning of the mechanism.

The ways that products follow starting from production until they reach the final consumer by passing through various mediators are called the marketing channels, as a whole. The length of the marketing channel followed in the transportation of the products to the final consumer depends on the make of the product, distance between the producer and consumer regions, the level of the processing technique and the development of marketing organisations<sup>[14]</sup>. Fruit and vegetable marketing channels may show changes from region to region and from product to product demanding on these factors. However, in fresh fruit-vegetable marketing in its general lines, except the direct sales from producer to consumer, products change at least two channels and the number of distribution channels may reach three, which was the average figure and even five. After the direct sales from producer to consumer, the least number of changing hands are seen in co-operative, industry and export purchases. Except these channels, traditional fresh fruit-vegetable marketing channels function as Producer-Wholesaler-Retailer-Consumer. Exporters, on the other hand, mostly prefer garden purchases and for this purpose, they make use of either their staff or local buyers or collectors. In industrial products like tomatoes, cucumbers and sourcherries, contractual production system is dominant. Fruit processing industry may prefer garden purchases or purchases through merchants for some fruit types.

Marketing expenses within fresh fruit-vegetable marketing system contain the total expenses starting from the collection of the product, its transfer to the market until it reaches the consumer. These expense factors can be listed according to their functions as, collecting expenses, eliminating the rotten ones at the establishment, sizing and workmanship expenses, packaging material expenses, storing and transportation fees and selling expenses. Selling expenses show a variety depending on the distribution channels. For instance, selling expenses at the Wholesale Market are different from the selling expenses of a product that was exported<sup>[2]</sup>. As a result of this, marketing margins that express the sum of mediator profits with the expenses made by the mediators for marketing service and functions may show differences from one product to another, even for the same product, depending on the length of channel on which the product flows. It was expressed that, in Turkey, marketing margins, which were accepted as the indicator of an efficient function of the marketing system, were too high and that

very small amount of the price paid by the consumer for fruit and vegetables, along with other agricultural products, reaches the producer. It was also emphasised that in some periods, products were left on the field or garden since product prices do not cover harvesting and selling expenses<sup>[3]</sup>.

One of the major roles in fruit and especially vegetable marketing organisation in Turkey is performed by Wholesale Markets and commissioners working at these markets<sup>[2]</sup>. In several regions, although it is possible to meet different rates for different types in different periods, it was emphasised that in vegetable production enterprises, generally about 76% of the vegetables are marketed within the Wholesale Market organisation<sup>[15]</sup>. Indeed, Wholesale Markets within the production and consumption regions, have a very important place in domestic fruit-vegetable marketing in Turkey.

**The recent legal arrangements concerning the wholesale markets in Turkey:** It was previously mentioned that the first legal arrangement was the Law NR 80 Concerning the Management of Wholesale Markets and that it covers 10 fundamental, 2 provisional articles and it contains the general principles related to the distribution of the sales units in fresh fruit-vegetable markets established by the municipalities and the penalties to be applied for those who disobey these principles.

In the decree law NR.552, which was put into action on 27 June, 1995, the following are provided: purchasing, selling and handing over of fresh fruit and vegetables and the main principles concerning the foundation, functioning, management and control of the street markets, the changes and arrangements to be made in the authorisation and responsibility of Ministries and Municipalities related to this subject as well as making fresh fruit-vegetable trade suitable for the rules of quality, standard and health, providing the producers, consumers and the ones who professionally deal with fresh fruit-vegetable trade with stable interests in free competition conditions and providing the Wholesale Markets with modern and updated infrastructure<sup>[16]</sup>.

The main points occurred with the recent legal arrangements concerning the order of importance in the law are as follows<sup>[17]</sup>.

The ones who sell products at retail basis within the borderlines of Municipality or within township areas have to prove that these were bought from the Wholesale Market. In cases when it is proved that the products were put on sale without being bought from the Wholesale Market, the products are brought back to the Wholesale Market by the Management that sells or has them sold by auction. In such cases, 25% is charged as the share of

Municipality or the enterprise. Half of the revenue that would be gained from the sales of the products is of distributed among the workers who had caught the products.

The people who buy directly from the producers with a producer receipt or a solely invoice in order to make wholesale or retail sale within the borderlines of Municipality or township areas, have to inform the Wholesale Market Directorates by giving the copies of the receipts. In this case, products are not recorded at the Wholesale Market and a 15% municipality share is charged out of the amount in producer receipt or invoice. When declaration liability is not realised by the interested persons or when there is a misdeclaration in terms amount and price, then 30% municipality share is charged after being discussed by arbitration committees.

Sales in Wholesale Markets are made by producers, producer unions, commissioners and natural and legal persons who deal with the wholesale trade of fresh fruit-vegetables for themselves. When these people do not prepare invoices for their sales or do not show real figures, 25% municipality share is charged. When the act is repeated, the workplace assignment is canceled by the Municipality Council.

The commission proportion that commissioners at Wholesale Markets will take out of the sales price is determined by purchaser freely. When required, the upper limit of the commission is determined by the Ministry(referring to the Ministry of Industry and Commerce).

According to the tariff that will be arranged by the Municipality Assembly, municipality share is charged from the products sold in Wholesale Markets, being not more than 2% of the sales value. Out of these shares, at least 10% is transferred to the municipality budget as an allowance to be spent on Wholesale Market needs in the following year and it is spent only for this purpose.

Wholesale Markets are managed by a director and a directorate formed of enough number of staff. The director is to have graduated from one of the faculties on agriculture, economy, agricultural economics, food engineering, management and marketing and is to have a five-year experience in his field.

An arbitration committee is formed in Wholesale Markets to perform the duties assigned by the law, to solve the disagreements and to give opinions on required matters. The committee's duties, authorisation, election, working method and principles are arranged by a Ministry regulation.

According to the law, the right to make every kind of control, give punishments and charge penalties outside the Wholesale Markets belongs to the Metropolitan municipalities and district municipalities, limited with their authorisation fields.

**The structure of fruit-vegetable farms in İzmir:** There was only vegetal production in 57% of the farms analysed in the study. In the rest of the farms, there was animal husbandry together with vegetal production. 17.1% of the farms which deal with both animal husbandry and vegetal production do cattle breeding for their own needs; 15.7% does cattle breeding in a commercial way. Other production facilities (10.1%) are sheep and goat breeding, poultry and beekeeping both for family needs and for commercial.

All of the analysed farms are commercial farms. When the shares of production branches of these farms are analysed out of their total sales, it is observed that in 20% of the farms, vegetables supply 100% of the total sales and in 15.7%, fruit production supplies 75 to 100% of the total sales. According to this, 35.7% of the analysed farms are full-specialised vegetable farms and full-specialised fruit farms. Farms which market more than 50% of their gross product. Of these, the farms where only one production branch supplies 75% or more of the total sales are called full-specialised; the ones where two production branches supply 75% or more of the total sales are called semi-specialised (the share of one production branch should not be less than 10%) and farms where the total sales are supplied from two or more production branches are grouped as mixed farms (18). 39.8% of the farms are semi-specialised farms where 75 to 100% of the total sales are made of fruit and vegetable product groups. In short, 75.5% of the farms are full-specialised and semi-specialised fruit-vegetable farms.

Only 20% of the producers have other sources of income out of farming such as salary, rent (of house, tractor or greenhouse) and agricultural workmanship.

65.7% of the farmers are co-operative members. In addition to the information from the surveys, according to the personal interviews made with the producers and observations in villages, there were drawbacks in producers concerning co-operative establishment and membership. The problems experienced in previously established co-operatives created a negative idea about cooperativization. Due to the importance of organisation of producers in fruit and vegetable marketing, a Chi-square Independence Test was used to analyse the variables that could be effective on producers' co-operative membership and to check if there were any differences between the groups of these variables. As a result of the analyses, it was found that producer's age, education level and the relation between the width groups of the farm area are not important concerning the membership.

Most of the farmers (65.2%) are members of Agriculture Credit Co-operative. There hasn't been a

co-operative that deals directly with fruit-vegetable production and marketing in the study field. However, it was considered as pleasing development that an Agricultural Development Co-operative has been established for this purpose.

**The structure and qualities of the mediators at the chosen wholesale markets:** The age limits of mediators interviewed during the survey were 22 and 74. The average age was 44. Their education levels were 38.7% primary school graduates, 16.1% secondary school graduates and 25.8% high school graduates. When a comparison was made between the Wholesale Markets in terms of education levels of mediators, it was observed that in Central Wholesale Market, high school or university graduates (50%) have a higher proportion. The period of dealing with fruit-vegetable trade varies between a few months and 55 years. Generally, fruit and vegetables come from the districts and their villages in the neighbourhood of Wholesale Markets within the season and during the off-season they come from the production centres of Mediterranean Region such as Alanya, Fethiye and Finike.

## RESULTS

**Problems occurred in fruit-vegetable marketing in İzmir especially after the new law:** The law made for the Wholesale Markets, with its new regulations, was generally regarded as positive in public opinion. However, there are some problems concerning the fresh fruit and vegetable producers, mediators at the Wholesale Markets and retailers in the application of the law.

**Problems from the viewpoint of producers:** According to the results of the research, the most important problem concerning the producers was that most of them do not have sufficient information about the new law and the rights and responsibilities assigned for them by the law. For this reason, they have a general belief that this law is made for the commissioners at the Wholesale Market and that it is against them. Furthermore, they need to be informed about how it will be possible for the producers and producer unions (previously called producer organisations) to make sales at the Wholesale Market, which is brought by the new law. Another problem related to the producers is caused by the definition of producer unions, which was previously called producer organisations in decree law 552. Together with the confusions caused by the definition of Producer Organisation and Producer Union, the co-operative main agreement prepared by Ministry of Industry and

Commerce causes a disagreement about producers' own co-operative (co-operatives found by law NR 1163). Although it was mentioned in the new law, Agriculture Sales Co-operatives can not carry the title of producer union since they were established before the law and these co-operatives do not have the condition of being a member of the Chamber of Agriculture among the membership rules in their main agreements. Yet, Agricultural Development and Agriculture Sales Co-operatives can make fruit-vegetable marketing although they are not very effective<sup>[19]</sup>. It is clear that all these applications cause a confusion. Besides, when producers' drawbacks related to co-operatives and problems in producers' organisation are concerned, it is crucially important to clear out the confusion caused by the new expressions in the new law.

**Problems from the viewpoint of mediators at the wholesale markets:** Mediators at the Wholesale Markets, who were thought to benefit from the changes that will occur after the new law, are faced with some problems as well. According to the research results, the most common problem was that there was no change in product entries to the Wholesale Markets since the controls were inefficient. In fact, it was quite obvious that attracting out-of-market sales into the Wholesale Market and to realising the objectives behind the foundation of Wholesale Markets largely depend on efficient controls. Making efficient controls can be very hard and ineffective since the city centres and districts may have very different entrances and exits. Therefore, mobile controls which were recently started can be more useful. However, when today's technological opportunities are concerned, producers who carry their own products and transporters are easily informed about these controls made at different points. Again although the law authorises the Ministry of Industry and Commerce for taking measures about the application of the law, making controls, publishing Regulations and Notifications, lack of personnel and equipment in İzmir Province Directorate make it difficult for the authorities to continue controls in all districts as well as the city centre. Nevertheless, the studies up to now proved that making controls without the army officers will be more difficult. Furthermore, another important problem was that out-of-wholesale markets sales can not be prevented as the street markets can not be controlled. It was also frequently mentioned that the number of these street markets and number of days on which these markets are opened are quite high in number and as a result of this, the products are carried from one market to another and the amount of products entering the Wholesale Market is getting lower and lower.

Another problem found out during the research about the Wholesale Markets and observed in İzmir Central Wholesale Market and district markets is that, although it is stated in the law that Wholesale Market directors are to be graduated from one of the departments of Agriculture, Economy, Agricultural Economics, Food Engineering, Management and Marketing, this is not the same in practice. In the law, it is required that a computer system is to be established and technical equipment is to be supplied at Wholesale Markets. Despite this, technical opportunities at the Wholesale Markets are quite inefficient. In addition, the distance of the Central Wholesale Market to the production and consumption centres is one of the biggest problems of mediators at the Wholesale Market.

**Problems from the viewpoint of retailers:** In İzmir, the sellers who own a counter at the street markets and fixed and mobile greengrocers have an important place at retailer level. In this section, the problems gathered from the interviews made with the heads and members of both chambers are given.

The number of sellers working at street markets within the metropolitan borders of İzmir province is nearly 10,000. Although it is not possible to give an exact figure, 25 to 30% of these sellers are producers. The most important problem of street market guilds was said to be the distance of the Central Wholesale Market. It was expressed that a seller who wants to sell 10 boxes of tomatoes has to go to the Wholesale Market very early in the morning in a rented vehicle, bring them to the street market and then take the boxes back to the Wholesale Market to get the deposit money back; however, the people who buy tomatoes from the producer and bring them to the street market illegally enable the sellers to buy the products at a much cheaper price and reduce the transportation expenses. It also brings easiness and it is time-saving for the sellers since the service is brought right to their feet.

Although the number of recorded members in the Chamber of Fixed and Mobile Greengrocers is 6125, it is expressed that only 1000 to 1200 of these are active. Most of the members are fixed greengrocers. The biggest problem of this group is the illegal wholesales at the street markets. It was expressed that the street market sellers buy the out-of-record product and do not pay for transportation and Wholesale Market expenses and therefore they make an unfair profit.

As it can be observed, the recent law concerning the Wholesale Markets, which are crucially important in fruit and vegetable marketing, created a number of problems for different sectors. While some of these problems result

from the law itself, a larger part of them occur as the law cannot be applied for various reasons. Yet, the inability to stop out-of-market sales not only causes financial losses for municipalities and government, it also prevents the consumer to a great extent from buying fruit and vegetables at cheaper prices. When the sides related to the subject are considered, the importance of solving the present problems becomes much more clear.

**Suggestions for the problems which occurred especially after the new law in fruit-vegetable marketing in İzmir**

**Suggestions for the problems experienced by the producers:** It can be said that co-operatives have failed in fresh fruit and vegetable marketing in Turkey for several reasons. Yet, co-operatives are quite important in creating the negotiating power of the producer in this branch where mostly small-scaled production was made. So, for this reason, within the principles contained in the law, in order to enable the producers to function at the Wholesale Markets or to make use of the advantages of out-of-market sales it is necessary to include the single-purpose or multi-purpose fruit-vegetable marketing co-operatives already established or to be established in the future within the concept of producer unions.

It is vitally important that producers are to be informed about the changes and the application of the law. It will be also effective in solving some problems such as organisation if the producers are informed about their rights and responsibilities acquired by the law. For this purpose, Industry and Commerce Province Directorate, Chambers of Agriculture, Metropolitan Municipality and District Municipalities should cooperate, organise meetings and producers should be informed. As a matter of fact, in İzmir province, as a result of the self-sacrificing efforts of the Wholesale Markets branch of Industry and Commerce Province Directorate, in both Bergama and Kınık districts, a 50-membered Fresh Fruit-Vegetable Producer Union was formed during the period April-May 2000. The Union in Bergama sells lettuce and artichoke to MİGROS. Again, preparations of a 200-membered co-operative are still going on in Kiraz district. When the number of these unions reaches seven, there is a project of establishing a Superior Union of Producers for İzmir province. In order to continue and accelerate these positive improvements related to organisation in İzmir Province, it is necessary to inform the producers at once.

**Suggestions for the problems experienced by mediators at the wholesale markets:**

From the society's point of view, another purpose of activating fresh fruit and vegetable marketing system and therefore Wholesale

Markets, is to decrease the huge difference between the producer and consumer prices. The inability to control the movement and sales of smuggled products is naturally an important hindrance in front of this purpose. Therefore, instead of the controls made at a fixed point or mobile, a control system with sudden raids the time and place of which are always changed could be more efficient. It is thought that the amount of smuggled products will decrease and therefore the amount of products transacted at Wholesale Markets will increase when there is a widespread expectation of being controlled. Since the controls form the most important factor in functioning the fruit and vegetable marketing system effectively, it is necessary to be sensitive in acquiring the farmer documents and in checking the originality of these documents during controls. Therefore, it is also important that the people authorised to control these documents need to be well-informed. Especially in mobile control system, when the possible confusion, caused by the difference between the duty and authority fields of some institutions, is considered, it is necessary to create co-ordination between the institutions. Again, when it is considered that the period provided by the law for removing the technical deficiencies at the Wholesale Markets is over, serious precautions need to be taken to improve the conditions of Wholesale Markets.

**Suggestions for the problems experienced by retailers:**

According to the law NR.4367, the personnel of Industry and Commerce Province Directorate and Municipal Police are authorised to check whether the products sold at street markets or fresh fruit and vegetable retailers within the borders of Municipality and township areas were bought from the Wholesale Markets or not. However, these controls have not been made very efficiently because the city has several entrances and the products come at very early hours and also the street markets are opened every day at different places. Limiting the number of the days of street markets, which was offered a while ago, is thought to be a possible solution. Out of all these information it is understood that the distance of the Wholesale Market is a shared problem for producers, mediators and retailers. Therefore, instead of one distant Wholesale Market, a number of Wholesale Market branches can be formed in different parts of İzmir.

**CONCLUSIONS**

This study aims to search the impacts of recent amendments for wholesale markets of fresh fruits and vegetables on producer, mediators at the wholesale markets and retailers in Turkey and especially in İzmir.



The survey was conducted with managers of fruit and vegetable wholesale markets, mediators at the wholesale markets, producers and retailers in İzmir. Producer surveys are realised in six districts and 24 villages. The questionnaire forms were filled out with all the managers of fruit and vegetable wholesale markets in the period of survey. Four wholesale markets are participated in the mediator survey and three of them are district. Furthermore, along with the various public institutions which are directly related to the survey and are functioning in İzmir province, oral and written information and data from related associations and chambers were also welcomed.

The result of these studies indicates that it was difficult to find the specific production and marketing policy for fresh fruits and vegetables sector in Turkey. In general the production policies about fruit and vegetable were considered within the whole plant production cautions, as the marketing policies are considered within the agricultural marketing policies. In Turkey, the wholesale markets have great importance in the fruit and vegetable marketing. For this reason, it was obvious that the success of applications of the wholesales market had effects on fruit and vegetable marketing directly and indirectly. But, contents and quality of the amendments related to these organisations besides its' applications will be affected on the success. However, as a result of the research, some problems for every group such as producers and traders in different ranks and points are determined inspite of improvements in recent years. In the point of producers one of the most important problems was that they don't have any enough and reliable information. Another important problem regarding producers is about their co-operation. In fact, Law provides some facilities for producer association in order to encourage producers' co-operation. But, concept conflicts on establishment of producer association was far from facilitating and accelerating process of producer organisation. The most important problem of mediators at the wholesale markets was illegal sales, which was also the main problem of the sector. In fact, application of law was depending on mostly performance of the control mechanism. Whereas, current control problems is prevented application of the law. Especially the control of the bazaar is very important in registering of illegal sales. Also, the green groceries have problems occurred due to fail of the control of the bazaar. The other important group in retail level of fruit and vegetable marketing is dealers in local bazaar. The most significant problem of this group was that central fresh fruit and vegetable wholesale markets in İzmir are so far to local bazaar. It was emphasised that the problems in transporting to fresh fruit

and vegetable wholesale markets stimulate illegal sales in local bazaar. For this reason, it may be more proper having several branches of fresh fruit and vegetable wholesale markets rather than only one big central fresh fruit and vegetable wholesale markets in İzmir. Also, a short time ago, the bazaar days in İzmir metropolitan area had been limited and this decision can be appreciated as fairly judicious. However, the success of new Law and its contributions on improvements of fresh fruit and vegetable production and marketing depends on the effective control mechanism.

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