

HOW LOCAL PURCHASES IMPACT ON ECONOMIC DEVELOPMENT:

THE CASE OF THE WORLD FOOD PROGRAM IN TÜRKIYE

March 2025

Within the framework of an agreement between ECLAC and the WFP, a method was designed to estimate the economic impact of local institutional purchases of food and cash transfers. This method has been used in different countries and procurement programs. This note presents the results obtained in the case of purchases and monetary transfers made by the World Food Program in Türkiye.

APPLIED METHODOLOGY

2 DEFINITIONS:

Local purchase: products purchased by the WFP in the same beneficiary country. It is composed of locally produced food and food previously imported by other actors, either as processed products or as raw material that is processed in the same country.

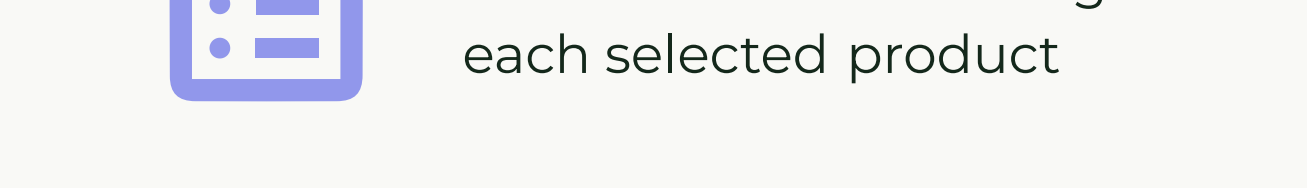
Local product: product purchased locally by the WFP and which is also produced locally, i.e. in the same beneficiary country. It can be produced by small, medium or large national producers.

1 TOOL:

Dynamic Excel spreadsheet with its manual of use

3 SOURCES OF INFORMATION:

- WFP database
- National statistics and studies
- On-line surveys to vendors, differentiated according to each selected product



4 DIMENSIONS OF IMPACT:

THE GAP
In value and volume - between local purchase and local products

EMPLOYMENT
generated by the production and processing of purchases

THE INCOME AND GROSS MARGIN
generated for farmers by the sale of local products

COVERAGE
in terms of surface area and number of farmers involved in the processing of local products

TÜRKIYE AT GLANCE

PERIODS OF ANALYSIS

2014 - 2023 Food purchases

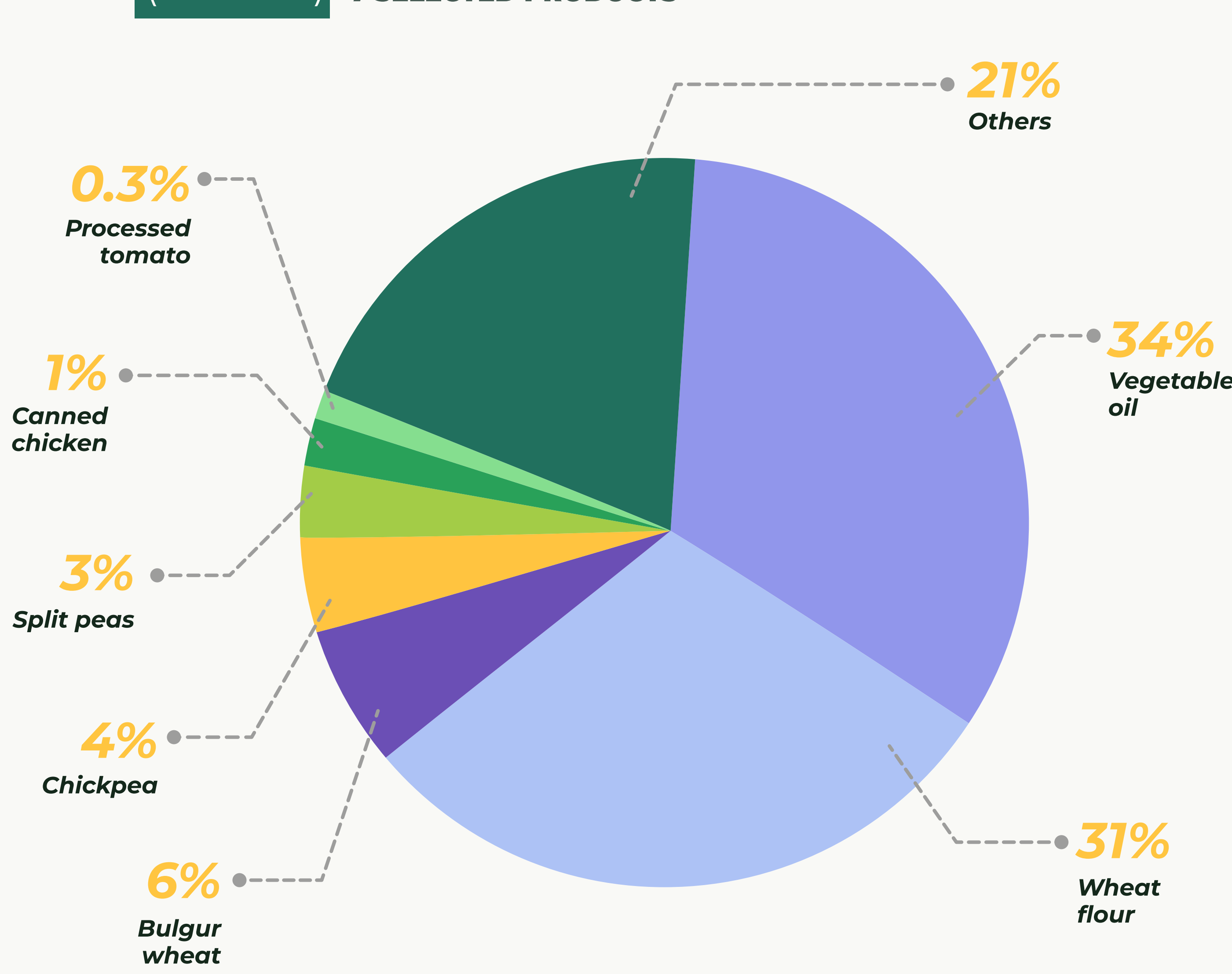
2020 - 2024 Monetary transfers

ANNUAL AVERAGE OF LOCAL PURCHASES

197 Million USD

337 Thousand tons

COMPOSITION OF LOCAL PURCHASES (IN VALUE) 7 SELECTED PRODUCTS



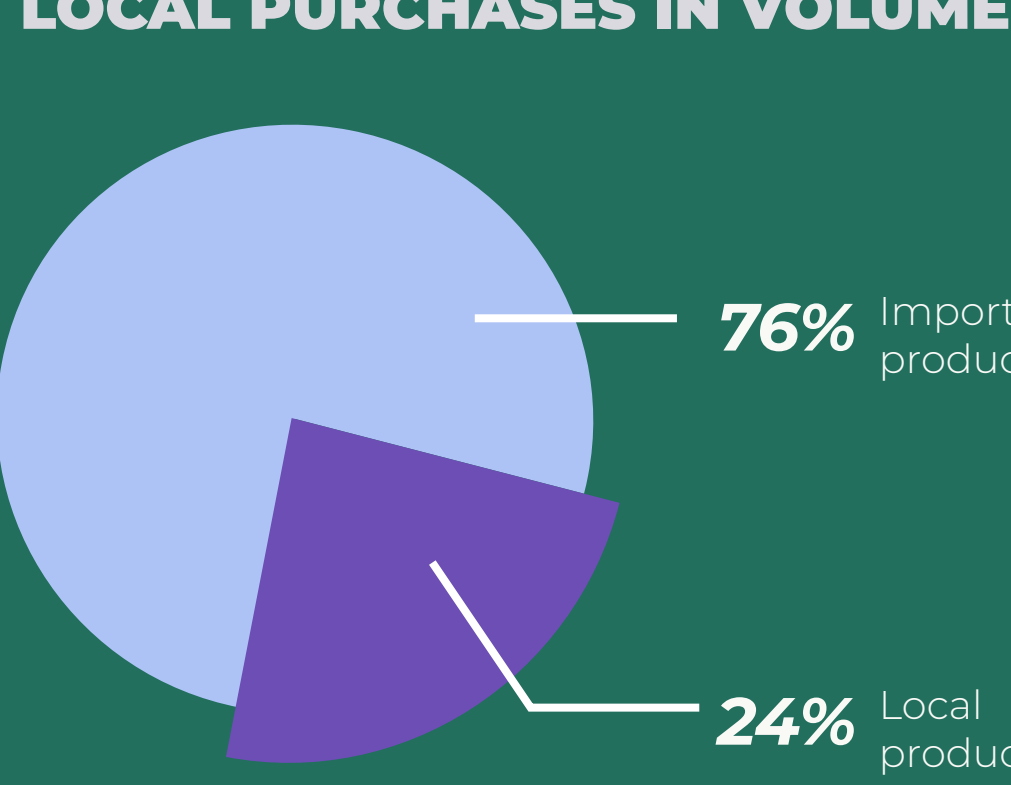
QUESTION

What is the economic impact generated by WFP's local food purchases and cash transfers in Türkiye over the past 10 years?

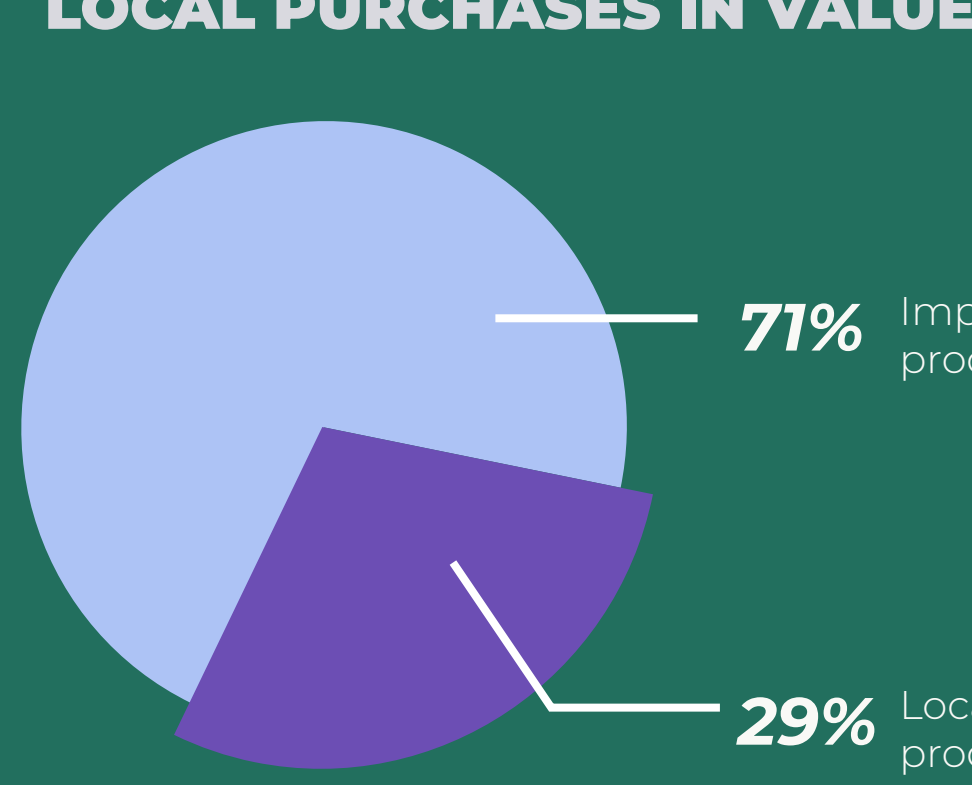
KEY RESULTS

There is a significant gap between local purchase and local products, which constitutes an opportunity that can be captured: the low percentage of local product means that a significant proportion of the products purchased by the WFP in Türkiye correspond to products imported by other agents, mainly as raw material and, to a lesser extent, as processed products. Within the WFP vendors, the wheat flour and split peas industries are almost entirely sourced from imported raw material; the vegetable oil industry is 66% sourced from imported sunflower seed; while bulgur, tomatoes and chickens are mainly sourced from local production.

LOCAL PURCHASES IN VOLUME



LOCAL PURCHASES IN VALUE



MAINLY SOURCED FROM IMPORTED RAW MATERIAL:



MAINLY SOURCED FROM LOCAL PRODUCTION:



There is interesting coverage in terms of surface area and producers involved, thanks to the purchase of local products.



5,900 Producers
The universe of suppliers of local products purchased by the WFP would amount to an annual average of about 5,900 producers.

More than **45,000 hectares**

would have been cultivated annually to supply the seven selected products, which corresponds to 0.25% of the cultivated area in the country



Sunflower seed 18,400 ha
2% of national planting

Chickpeas 5,600 ha
1.5% of national planting

Bulgur 14,000 ha

FARMERS EARN SIGNIFICANT INCOME FROM THEIR SALES TO THE WFP:

Each producer would receive an average annual gross income and gross margin of **USD 7,280** and **USD 2,647** for their sales to the WFP, respectively.

The food that would be **most widely distributed**, in terms of employment and income for farmers, would be **vegetable oil**, which, although only 34% is sourced from local sunflower seed, generates good income for farmers, and work mainly in the industrial link.

Processed **tomato and canned chicken** are products that distribute income to farmers and employment at the local level in important proportions, however, the **purchase** of these products **by the WFP is currently very low** compared to wheat flour and vegetable oil, which is why their impacts are discrete.

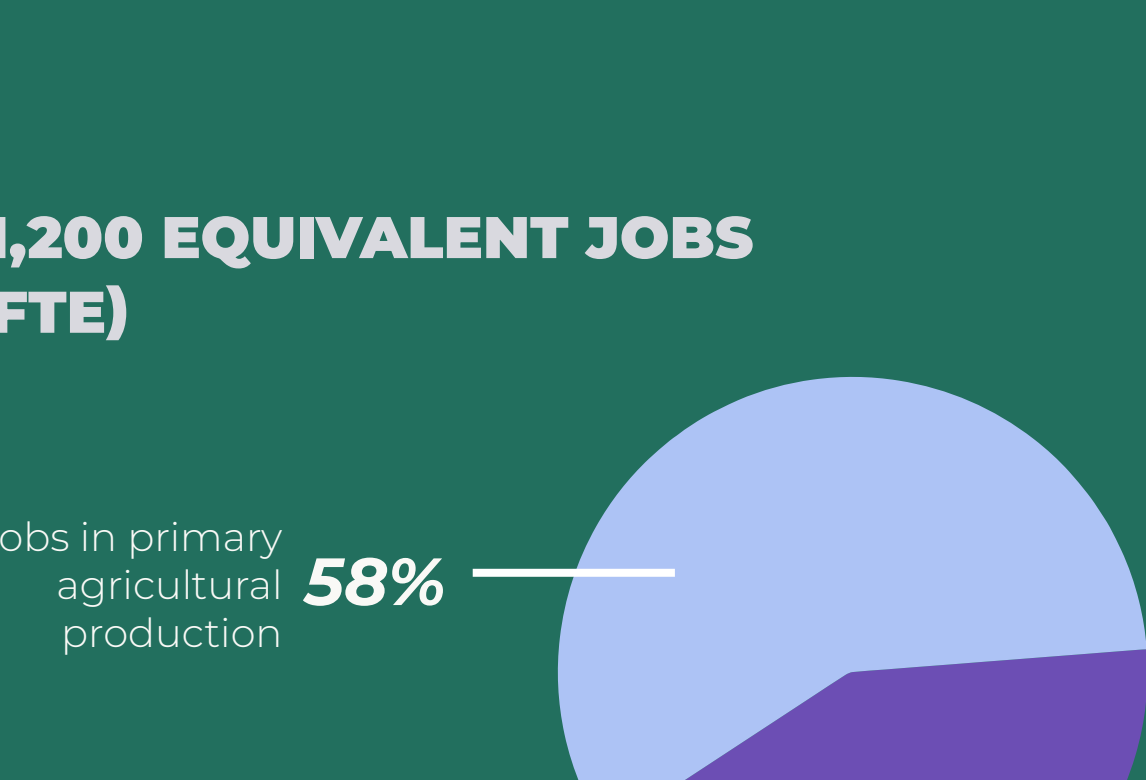
The total economic income of farmers from the sale of local products amounts to an **annual average of USD 41 million**.

12,000 JOBS CREATED IN 10 YEARS

Local purchases generated an annual average of approximately **1,200 equivalent jobs (FTE)**, of which 58% corresponded to jobs in primary agricultural production and the remaining 42% to jobs in the food processing industry.

Monetary transfers for the purchase of food generated an **annual average of 37 equivalent jobs**

1,200 EQUIVALENT JOBS (FTE)



The term "Full-Time Equivalent Worker" (FTE) is used to compare and standardize the working hours of employees who work part-time in relation to those who work full-time. The specific definition of a "full-time equivalent worker" may vary depending on the labor laws and practices of each country or company but is generally calculated using a formula that takes into account the number of hours worked part-time compared to the standard working hours of a full-time employee in the same position or category.

IN SUMMARY

CONSOLIDATED IMPACT INDICATORS OF LOCAL PURCHASES AND CASH TRANSFERS | ANNUAL AVERAGE

71,373 Tons	Indicator 1. Volume of Local Products purchased by WFP
24%	Indicator 2. Percentage of Local Product Purchasing Volume over Total Local Purchasing
47,048,704 USD	Indicator 3. Value of Local Products purchased by WFP
29%	Indicator 4. Percentage of the Value of Local Product Purchases over the Total Value of Local Purchases
45,079 Hectares	Indicator 5. Area of Local Products purchased by WFP
630 Hectares	Indicator 6. Area of Local Products Purchased by WFP per 1,000 tons of Local Products Purchased
979 Hectares	Indicator 7. Area of Local Products purchased by WFP per 1 million USD of Local Product Purchases
5,879 Farmers	Indicator 8. Number of local farmers supplying the WFP
78 Farmers	Indicator 9. Number of Local Farmers supplying the WFP per 1,000 tons of Local Product Purchased.
127 Farmers	Indicator 10. Number of Local Farmer suppliers to the WFP per 1 million USD of Local Product Purchases.

41,409,890 USD

636,599 USD

918,955 USD

7,280 USD

2,647 USD

1,198 FTE

17 FTE

26 FTE

37 FTE

4.4 FTE

Indicator 11. Total Gross Revenue from Sales to the WFP	41,409,890 USD
Indicator 12. Total Gross Revenue from Sales to the WFP per 1,000 tons of Local Product Purchase	636,599 USD
Indicator 13. Total Gross Revenue from Sales to the WFP for every 1 million USD of Local Product Purchases	918,955 USD
Indicator 14. Average Income per Producer per Sale to the WFP	7,280 USD
Indicator 15. Average Gross Margin per Producer per WFP Sale	2,647 USD
Indicator 16. Number of Jobs Generated by the Agricultural and Agro-industrial Sector	1,198 FTE
Indicator 17. Unit Employment per Volume of Local Product. Jobs generated for every 1,000 tons of local product purchases	17 FTE
Indicator 18. Unit Employment per Local Product Value. Jobs generated for every 1 million USD of local product purchases	26 FTE
Indicator 19. Total Number of Jobs Generated by purchase of Local Product with resources from Monetary Transfers	37 FTE
Indicator 20. Unit Employment Generated by Cash Transfers. Jobs generated for every 1 million USD of cash transfer	4.4 FTE