Hacettepe University Graduate School of Social Sciences

Department of Economics

THE STRUCTURE OF THE FOOD SUPPLY CHAIN IN TURKEY FROM THE PERSPECTIVE OF FOOD REGIME AND EXAMINING THE MARKET ROLES OF MODERN PERIOD FOOD REGIME ACTORS IN THE FRAMEWORK OF COMPETITION LAW

Fatma ABAZ

Master’s Thesis

Ankara, 2022

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ACCEPTANCE AND APPROVAL

The jury finds that Fatma ABAZ has on the date of 23.08.2022 successfully passed the defense examination and approves her Master's Thesis titled "The Structure of the Food Supply Chain in Turkey from the Perspective of Food Regime and Examining the Market Roles of Modern Period Food Regime Actors in the Framework of Competition Law".

Prof. Dr. Mehmet Murat BASKICI (Jury President)

Assoc. Prof. Dr. Özgür TEOMAN (Main Adviser)

Assoc. Prof. Dr. Muammer KAYMAK

I agree that the signatures above belong to the faculty members listed.

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ETİK BEYAN

Bu çalışmadaki bütün bilgi ve belgeleri akademik kurallar çerçevesinde elde ettiğimi, görsel, işitsel ve yazılı tüm bilgi ve sonuçları bilimsel ahlak kurallarına uygun olarak sunduğumu, kullandığım verilerde herhangi bir tahrifat yapmadığımı, yararlandığım kaynaklara bilimsel normlara uygun olarak atıfta bulunduğumu, tezimin kaynak gösterilen durumlar dışında özgün olduğunu, **Doç. Dr. Özgür TEOMAN** danışmanlığında tarafımdan üretildiğini ve Hacettepe Üniversitesi Sosyal Bilimler Enstitüsü Tez Yazım Yönergesine göre yazıldığını beyan ederim.

Fatma ABAZ

PREFACE

I would like to thank my dear supervisor, Assoc. Prof. Dr. Özgür TEOMAN for his endless patience, support and efforts throughout the thesis process with my heart feelings. And I would like to express my sincere thanks to my family, my dear friends, all the kind-hearted people who touched my life, gave their support and understanding, and gave me an extra strength and motivation.

Dedicated to my dear father Mustafa ABAZ

ABSTRACT

ABAZ, Fatma. *The Structure of the Food Supply Chain in Turkey from the Perspective of Food Regime and Examining the Market Roles of Modern Period Food Regime Actors in the Framework of Competition Law*, Ankara, 2022.

The aim of this thesis is to reveal the structure of the food supply chain in Turkey from the perspective of food regime theory and to examine the effects of modern period food regime actors on the chain, food sector and ultimately consumer welfare within the framework of competition law. In this context, the unilateral actions of the undertakings that own the trademark, the actions and practices of the producers in the market within the framework of the agreements between the undertakings, the buyer power and unfair commercial practices and the concentration control were discussed in the context of some decisions of the Turkish Competition Board (TCB). In this framework, the consequences of the modern period food regime and the changes in the roles of the actors in the food supply chain for the food sector were analyzed within the framework of competition law.

As a result, in the light of the findings and evaluations made within the scope of the thesis, it was revealed that the actors added to the supply chain with the modern period food regime or whose current position in this chain has changed can adversely affect the functioning of the food supply chain with anti-competitive actions and practices. Moreover, it was concluded that the price increases observed in the food sector may be due to the deterioration of the functioning of the supply chain, and this may be due to the anti-competitive actions and practices of multinational companies, retailers operating in an organized manner, and other supply chain members increasing in number with the modern period food regime.

Keywords: Food regime, supply chain, competition, consumer welfare

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ABBREVIATIONS

Adese: Adese Alışveriş Merkezleri Ticaret A.Ş.

A 101: Yeni Mağazacılık A.Ş.

Bim: BİM Birleşik Mağazalar A.Ş.

Bizim Toptan: Bizim Toptan Satış Mağazaları A.Ş.

Carrefoursa: CarrefourSA Carrefour Sabancı Ticaret Merkezi Anonim Şti.

CCSD: Coca-Cola Satış ve Dağıtım A.Ş.

CMO: Common Market Organization

DIS: Direct Income Support

Directive: EU Unfair Commercial Practices Directive

FAO: The United Nations Food and Agriculture Organization

FMCG: Fast Moving Consumer Goods

Gima: Gıda İhtiyaç Maddeleri Türk A.Ş.

IMF: The International Money Fund

Metro: Metro Grosmarket Bakırköy Alışveriş Hizmetleri Tic. Ltd. Şti.

Migros: Migros Ticaret A.Ş.

Özdilek: Özdilek Alışveriş Merkezleri Ve Tekstil Sanayi A.Ş.

Para.: Paragraph

P.: Page

SEE: State Economic Enterprises

SCM: Supply Chain Management

SIS: State Institute of Statistics

Şok: Şok Marketler Ticaret A.Ş.

TCA: Turkish Competition Authority

TCB: The Turkish Competition Board

TGB: The Turkish Grain Board

TFEU: The Treaty on the Functioning of the European Union

TURKSTAT: Turkish Statistical Institute

Unilever: Unilever Sanayi ve Ticaret Türk A.Ş.

WHO: World Health Organization

WMRS: Wholesale Market Registry System

WTO: World Trade Organization

Yunus: Yunus Market İşletmeleri Ticaret A.Ş.

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INTRODUCTION

Nutrition, one of the basic needs of human life, has always been critical for all societies. Despite the new technological developments in the industrial sector to meet the nutritional needs, the agricultural sector maintains its importance as the primary sector in order to meet the nutritional demand today. For this reason, it is necessary to develop and implement the right agricultural policies to meet the nutritional needs of all countries, whether developed or developing. Climate change, rapid population growth, disasters and wars, which have become increasingly visible in the recent period and whose effects that we have felt closely, also negatively affect agricultural production/yield on a global scale. The problems encountered in agricultural production poses a threat to food security. The issue of food security continues to be on the agenda as a reflection of the imbalances observed in the point of access to food and the cyclical large-scale problems. The supply of food is indispensable and crucial for human life. In this context, it can be said that although the interest in agricultural policies is dominated by imports for some countries, it maintains its priority for some others. Since the 1990s, it is seen that the agri-food related problems, which spread over a long period and left their mark, have been influential in the increase in the interest for agriculture and food in the academic literature. The dominance of neoliberal economic policies all over the world and the phenomenon of globalization have brought new market dynamics and effects. Along with these effects, despite the increasing relative importance of agricultural imports especially in developed countries, the importance of agricultural policies towards ensuring food security in developing countries has increased. Policies for the agri-food system shaped under the control of multinational companies that started to rise in the food sector after 1980 were effective in this increase (Büke, 2019: 126).

The concept of food regime, which was formulated by Harriet Friedmann for the first time in the academic literature on the global evaluation of food policies, has the feature of being a central concept. It is possible to talk about various definitions of the concept that can be expressed as food regime or food system. The concept, which is considered as the administrative process of food production and consumption by H. Friedmann, emphasizes the strategic role of agriculture and food in the construction process of the capitalist new world order according to McMichael (McMichael, 2009: 139-142).

The concept in question, which has a long and complex historical background, is separated as the first, second and third food regimes by some authors, while it is divided into traditional, transitional and modern food regimes according to others[1.2] Each food system has different features that distinguish it from each other. From the traditional system to the modern system, changes have been observed in the quality of food, the production method, the number of actors involved in the production process, the consumption basket and consumption habits. Another important change has been the changes in the supply chain.

In short, the supply chain, which expresses all the stages in the process from the first stages of production to reaching the final user, is of critical importance for the nutrition of a society. The coronavirus pandemic process, the first examples of which began to be seen in Turkey at the end of 2019, has once again revealed how important the supply chain and, moreover, the activities of the players in this chain are. When all these developments are considered together, it is possible to talk about many factors that affect the operation of the chain, but the activities of the actors playing an active role in the said value chain[3] and their roles in the market have an absolute importance.

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[1] Within the scope of this thesis study, the conceptualization of traditional, transitional and modern periods is taken into account. In addition, the concepts of food regime and food system are used interchangeably with the same meaning.
[2] In the scope of the thesis, it can be seen that the separation, which is expressed as the first, second and third food regimes, is related to the separation of food systems as traditional, transitional and modern period. Each food regime has produced some results that affect the whole of the activities in the process of the production of food and its final consumption in the historical conjuncture. It is possible to say that the food regimes shaped under the policies of the hegemonic powers have created a transformation in many elements from the production/consumption of food to the market structure in the country that they go to. On the other hand, the food regimes called the first, second and third food regimes can appear in the literature as traditional, transitional and modern period food regimes. Although it cannot be said that the first food regime is directly equivalent to the concept of the traditional food regime, it is possible to say that both concepts are essentially interconnected and shaped/transformed each other in the historical process. Therefore, in the scope of the thesis, the first food regime is used for when traditional food regime, the second food regime for transitional period, and finally the third food regime for modern period food regime.
[3] In the scope of the thesis, the concepts of supply chain and value chain are used interchangeably with the same meaning.

The research question of this thesis is to examine the influence of the actors in the supply chain within the scope of their changing roles in the food markets by considering the transformations in the supply chain caused by the changes in food regimes within the framework of competition law. It is seen that the simple and short structured supply chain in the traditional and transitional food regime has become much more multi-actor and complex with the shift to the modern period food regime.

The effects of the retailers, which started to operate in an organized manner in the modern period food regime, leading to concentration in the market, and the competitive pressure they face in the final prices that they offer to the consumer, are other subjects researched within the scope of the thesis. In the thesis, determinations were made about the concentration experiences that emerged as a result of some retail company mergers in the food sector, based on the precedent decisions taken by TCB about some actions and practices that distort competition in the food market.[4] Within the scope of the thesis, another subject focused on is multinational companies, whose role has increased in the modern period food regime. In this context, the market roles of multinational companies that are dominant in various sub-fragments of the Turkish food industry according to the concept expressed as the dominant situation[5] in the terminology of competition law, and the actions and practices of these companies and their possible effects on the supply chain have formed another subject of discuss. In this context, the effects of the decisions taken by TCB for multinational companies operating in Turkey on the functioning of the supply chain and the determinations and evaluations regarding this are included in the thesis.

The determinations and evaluations in the thesis do not include a definite judgment that the modern period food regime and the extended supply chain have an absolute positive or negative effect on the food sector. The main subject discussed and focused on within the scope of the thesis is to examine and discuss the actions and practices of the changing food supply chain and the market actors who are added to the value chain or whose role

[4] The evaluations made in the context of TCB decisions within the scope of the thesis are the opinions of the author. It does not bind Turkish Competition Authority. Moreover, the undertakings in question, whose titles are mentioned within the framework of TCB decisions, are included as examples within the scope of the thesis. The potential effects of the relevant decisions on the food supply chain are discussed in the thesis.
[5] Since the last part of the thesis includes the theoretical and legal framework for the related concept, it was not necessary to include it separately in this part.

and position in the value chain have changed, in the dynamics of competition law. This thesis, which does not include a field study, is limited to the information obtained by scanning many sources in the literature and legal ground within the framework of the research subject, and the determinations and evaluations made in the light of the said information.

The contribution of the thesis to the literature is that the changing supply chain after the transitional to the modern period food regime and the market roles of the actors in the chain have the potential to affect the functioning of the supply chain and ultimately the consumer from the perspective of competition law.

The thesis consists of four parts besides the Introduction part. In the first part of the thesis, the theoretical background of the food regime is presented. In the second part of the thesis, the changing agricultural policies in Turkey are examined within the framework of the food regime. In this direction, how the change in the food regime affects agricultural policies is discussed within the framework of certain periods in Turkey. In the third part of the thesis, a brief conceptual framework for the supply chain and related topics (types of supply chain, structure of the supply chain, etc.) is presented. The last part of the thesis is devoted to the determinations and evaluations made by examining the roles of the actors in the chain in the market from the perspective of competition law.

CHAPTER 1: FOOD SYSTEM APPROACH

1.1. FOOD SYSTEM

The general framework of the food regime was put forward by Harriet Friedmann (Friedmann, 1978) in 1978. By Philip McMichael's study in 2009 (McMichael, 2009), the final theoretical framework for food regime theory was introduced (Çelik, 2019: 131). According to H. Friedmann, food regime means the management of food production and consumption on a global scale within certain rules (McMichael, 2009: 142). The food regime is the hegemony formed within the framework of economic and political power, directing the agricultural production and the subsequent process (Çelik, 2019: 131). According to another definition, food regime is a concept that sheds light on how the division of labor related to agricultural production, which takes place on an international scale, has transformed in the historical process. The food regime, which can be observed in different periods, can also be expressed as a set of implicit rules shaped according to the interests and power relations in food production and consumption (Çaşkurlu, 2012: 62).

The concept of food regime brings a historical content to the international food system, questions the representations of the modernization process in agricultural production and emphasizes the importance of food in terms of the global political economy. Food regime analysis brings a perspective that provides an understanding of the role of agricultural production and food in terms of historical process and spatial dimension and capital accumulation (McMichael, 2009: 140).

On the other hand, the concept of food regime approaches the structure of food production and consumption, which is managed globally within the framework of implicit rules, on the axis of historical processes with temporary and stable relations and crisis periods when the balance of power changes between these processes. Moreover, it can be expressed as a part of stable periods of power and property relations corresponding to British and US hegemony (Friedmann, 2005: 228). According to Taşdoğan (2018), the food regime emerged with the transformation created by capital in agricultural production, food and the structuring of the state. Together with the discussions on the food regime, a new network of relations was created on a global scale between farmers and consumers (Taşdoğan, 2018: 12). Each food regime, shaped by the projection of different hegemonies in the historical process, has brought many global changes from agricultural production to nutrition (Çaşkurlu, 2012: 63). Food regime analysis emerged to explain the strategic role of agriculture and food in the global capitalist economic structure (McMichael, 2009: 139). According to Friedmann, the main factor of the food regime analysis is the tensions and inter-institutional conflicts created by social movements in the post-crisis period, while according to McMichael, it is the accumulation process of capital (Taşdoğan, 2018: 13).

As capital accumulation spread to agriculture and food sectors, it started a transformation in the functioning of the state and brought food regimes to life (Taşdoğan, 2018). Friedmann (2005) considers the social movement and the hegemonic power of the world shaped by these movements while distinguishing food regimes from each other. According to McMichael (2009), the food regimes are based on the understanding of revealing the critical importance of agriculture and food in the establishment of the capitalist world order. Friedmann points to the key role of workers and farmers in shaping the first food regime called "*colonial-diasporic*" and the second regime called "*mercantile-industrial*". With the deconstruction of the first food regime, the second food regime, which is regarded as mercantilist, was shaped by the politics developed over farmers (McMichael, 2009: 146).

Although the discussions on food regimes and periodical distinction continue, it can be said that they are discussed in three main sequences in the literature (Taşdoğan, 2018: 14). Food regimes are divided into three as first, second and third food regimes in the historical process.[6] The first food regime covering the period of 1870-1935 is accepted as

[6] In the study of Ak Kuran (2019), food regimes are considered as "*food system*". In this context, a distinction is made on the basis of traditional, transitional and modern period food system. It would not be correct to say that the concepts of food regime and food system are clearly separated from each other, since their historical history is quite long and complex. The food regime, which can be expressed as the management of agricultural production and the subsequent commercial process of different hegemonies in the historical process, can be said to have shaped the food system, which constitutes the whole of activities from production to consumption. Undoubtedly, the food system that is expressed as traditional does not exactly correspond to the first food regime. In the context of the thesis, the preferred conceptualization after

a reflection of the transformation in the wheat market of the world. In this conjuncture, family farms specializing in wheat production were replaced by both diversified (differentiated) family farms and capitalist producers (Friedmann, 1978: 564). In the second food regime, which is used to define the 1950-1970 period, tradable agricultural raw materials were sent to developing countries within the scope of aid policies. The third food regime covers the period from 1995 onwards. It is claimed that the period in question was shaped by the rise of multinational companies as a result of the free foreign trade discourses and agricultural orientations of institutions such as the IMF and the World Bank (Çelik, 2019: 131).[7]

Although it is possible to talk about many types of food system within the framework of the conceptualization to be considered as the food system, mainly three types of food systems are encountered.[8] It is possible to name these categories as traditional period, transitional period and modern period food regime. The traditional system can be defined by the dominance of an unorganized supply chain and limited market infrastructure. In the transitional food system, the market is regulated by more rules, even though it is characterized by the actors of the traditional regime. In the modern food system, organized retail chains dominate the growing portion of the market. In the third type of food system, a high level of safety perception, consolidated processing sector and organized retailers draw attention (McCullough et al., 2008: 4).

As it can be seen, each food regime differs from each other in terms of various features that they contain but it is not possible to say that food regimes are separated from each other with certain lines. Features of the transitional period or the modern period food

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the information provided about the food regimes/systems is "traditional, transitional and modern period food regime". The place and importance of the food regimes, which are expressed as the first, second and third food regimes, within the framework of the said separation are tried to be conveyed within the scope of cause-effect relationship.

[7] It is seen that the theory in question, which can be expressed as a food regime or food system, has been examined in different ways in the historical process. For example, in the study of Dixon conducted in 2009, transitions between food regimes are used as a tool to interpret nutritional transitions. See. Dixon, 2009.

[8] In the literature, it is possible to mention different descriptions for the food system such as economic, political, ecological, etc. Looking from a single point of view draws some limits on understanding the functioning of the system (Ak Kuran, 2019). Within the scope of this thesis, the activities and transformations in each food system from production to consumption were conveyed by taking into account the historical perspective on food regimes.

regime can also be found in the traditional regime. In each system, there are complex relations between the processes from the production to consumption of food and the producers, farmers, companies, etc., who take part in the process (Ak Kuran, 2019:74-75). Even if the role and position of each actor in the system is transformed with the changing regime, it would be wrong to say that the existence of the actors in the regime in question completely disappears. The main factor used to distinguish food systems from each other is how the activities and actors within the system interact with each other (Westhoek et al., 2016: 43).

1.1.1.Traditional Food System

The segment that produces in the traditional food system consists of farmers, fishermen, shepherds, who live in the production area for a while and have knowledge about nature. These people produce by combining the traditional methods that they learned from their ancestors with their own experiences. In this system, producers do not need credit institutions such as banks and suppliers for the supply of productivity-enhancing inputs such as seeds, fertilizers and pesticides. In the production model under the traditional food regime, the producers can plant the seed as they wish and can reserve any number of seeds for the next period. In the aforementioned system, which is also referred to as the "*low external input food system*", actors such as farmers, fishermen, etc. use the available inputs on the farm. Crop yield and productivity in livestock are low compared to other input systems (Westhoek et al., 2016:44). There is no intervention of another actor during the described process (Ak Kuran, 2019: 78).

In the first food regime covering the period of 1870-1914, Europe imported products such as wheat and meat from other countries, while exporting capital and labor in return (Taşdoğan, 2018: 16). This regime, conceptualized as the "*Colonial-Diasporic food regime*", was shaped on the basis of the world wheat market (Friedmann, 2005: 234). Under the said regime, commercial farmers emerged based on family labor. This class continued its activities depending on export markets. (Friedmann, 2005: 235). The goal of this food regime was manifested in the reduction of food costs for the European urban population (Friedmann, 2005).[9] It collapsed with the World Economic Depression in 1930.[10]

In this system, there is only one actor who is both a producer and a consumer. On the other hand, in the said system, producers produce for their own consumption but sell their products in nearby markets in case of surplus product. Therefore, in the traditional system, it is rare for the farmer to evaluate her product in the market (Ak Kuran, 2019: 79). In the traditional food system, producers are the main actors while also being the consumers of the products. Farmers who produce with traditional agriculture are sensitive about the protection of natural resources. In this context, it can be said that the aforementioned system has a structure with low number of actors and production is based on subsistence (Ak Kuran, 2019:79-80).

Agricultural production and food trade are small-scale and commercial connection outside the local area is extremely low. In this system, it is possible to talk about spot markets where goods are immediately delivered and bought and sold (Westhoek et al., 2016: 44). In this context, the functioning of the producers' relationship with the market becomes prominent. In this respect, another element describing the system is the structure of the supply chain. In the said system, besides the manufacturers, there are quite a few processors and retail actors. This situation paints a picture in which farmers are both producers, processors, traders and consumers (Ak Kuran, 2019: 81). Due to its structure,

[9] In the British-led regime, Europe encouraged immigration to the Americas and Australia in order to suppress the labor movements. The migrated segment specialized in the production of wheat demanded from them with the aim of exporting it to Europe. Thus, prices of agricultural products, especially wheat, decreased. Moreover, the raw material costs that European workers needed for feeding and industrial production were reduced (Taşdoğan, 2018: 17).

[10] Firstly, the poor family farms that emerged in the first food regime had to leave their lands and join the army of job seekers in the face of falling prices. This class has been the innovator of critically important political movements in Europe. Another feature of this food regime is that it creates many export regions. However, the USA remained far from being one of these regions. Secondly, the European colonies, which were later called the "*Third World*" in the historical conjuncture, did not import food, but mostly were able to produce to meet their own needs and rarely exported surplus food. Thirdly, the contribution of the interactions between colonial societies in this food regime was the diversity of agricultural products (Friedmann, 2005: 238).

the system includes a small number of retail actors. It can be said that retailers operate at an individual level.

The supply chain presents a simple structure. Because in the system in question, products must be disposed of in the short term due to the seasonal products, limited storage facilities and limited market knowledge of the producers. Producers deliver the remainder of their consumption to the relatively low urban population. The structure of the market is determined by the demand and behavior of the buyer and seller. From production to sales, the process takes place on a micro scale. In commercial relations, goods are bought and sold in advance. The products to be sent outside the region where the production takes place are obtained from the farmers through the trader and sold to retailers operating individually. Moreover, products that are known to be relatively high priced such as meat and fruit can be sold to consumers at lower prices in the traditional supply chain. For example, in a study examining this period, it was observed that the products sold in the supermarket channel in Thailand were sold at a higher price than the traditional channel and consumers preferred the traditional food retailing channel in this regard (Lippe et al., 2010:10). In another study conducted in Vietnam, traditional and modern channel retailing was compared and it was observed that consumers adopted the traditional retailer system. Moreover, it was concluded that the traditional food supply chain is preferred while the modern supply channel was dominant in the country (Cadilhon et al., 2006). In this context, food prices in the traditional food regime are lower compared to the modern system. In the traditional system, no additional services are required in processing and packaging of products in terms of supply chain. Moreover, producers can decide where to sell their products (Ak Kuran, 2019: 82-83).

Consumption habits in traditional food regime is another important issue that needs to be examined. In the consumption of consumables procured from the market, the factor of trust between the consumer and the producer is essential regarding the content and quality of the products. Since the product is supplied from nearby markets and from the producer operating there, in case of a problem with the product, the problem is tried to be solved by changing the producer. On the other hand, consumption patterns in the traditional food system are seasonal. Because producers are faced with a weak supply chain in terms of delivering various foods that will enrich the consumption of individuals (Ak Kuran, 2019: 84). Therefore, seasonal effects are seen in the consumption pattern, and mostly herbal products are found in the consumer's basket (Westhoek et al., 2016: 44). On the other hand, in the traditional food regime, it is seen that basic food products consist of unbranded and undifferentiated standard products (Taşdoğan, 2018: 15).

In summary, it can be asserted that the traditional food regime mainly relies on self-consumption, and in this regime producers are also consumers, and it essentially consists of a single actor. In the food system in question, where agricultural production is based on traditional methods and the consumption pattern is dependent on natural conditions, it is observed that the supply chain is simple and short, consisting of few actors.

1.1.2 Transitional Period Food System

The second stage of the food regime theory is the transitional period food regime. In the said period, there have been significant changes in the factors such as producer profile, production techniques, functioning of supply chain etc.

First of all, when we look at how the agricultural structure works, it is seen that the main actors are the farmers who produce under small and medium scale production conditions. However, it is observed that the inputs and methods used in agricultural production differ from those in the traditional system. In the aforementioned period, the technology known as the "*Green Revolution*" was adopted in agricultural production.[11] Producers had to start using new seed varieties developed in order to increase yield in agriculture. The use of relatively resistant seeds has brought along the use of chemical fertilizers and agricultural pesticides as complementary products. Because producers had to benefit from other inputs as well as improved seeds in order to obtain more yield from the same field. Finally, with the combined use of the aforementioned inputs, a significant increase in productivity has been experienced in agricultural production. In the 1960-2000 period,

[11] The Green Revolution refers to a series of research, development and technology transfer initiatives of the 1943 and 1970s that increased industrialized agricultural production in many developing countries. These initiatives are related to the development of high-yielding cereal grains, expansion of irrigation infrastructure, and synthetic fertilizers (Ameen & Raza, 2017: 129).

agricultural production increased by 208% in wheat, 109% in rice, and 157% in corn in developing countries (Ak Kuran, 2019: 86-87). On the other hand, small and medium-sized farms continued to dominate agricultural production in the aforementioned system (Westhoek et al., 2016: 45). Self-consumption based production in the traditional food system has left its place to the understanding of "*production for the market"* with the increase in agricultural output brought about by the transitional period (Ak Kuran, 2019: 87).

Another feature describing the transitional period food regime is the producer's relationship with the market and the changing market conditions. In the traditional system, the market relations between the producer and the consumer are small-scale and geographically limited to areas such as villages and towns. Moreover, there are short distances to cover in transporting products from one place to another. The main actors appear as producers and consumers. In the transitional period food system, new markets have emerged for the inputs required in agriculture with the "*green revolution*". The said food regime brought along the “*green revolution*” and industrialization in agriculture, which emerged as a reaction to the difficulties caused by social movements (Friedmann, 2005: 250).

The second food regime seen under the hegemony of USA, on the one hand, expanded industrialization in agriculture with the green revolution, on the other hand, the surpluses of the USA were sent to the Southern Hemisphere within the scope of aids. In this period, state supports for agricultural production and trade intensified. As farmers tended to produce more, supply surpluses started to emerge. Agri-food companies that emerged under the aforementioned conditions established farms on plant production and animal breeding and concentrated on the production of materials such as feed, medicine and fertilizer used in agricultural production (Taşdoğan, 2018: 20).[12] In this context, companies in the position of supplying agricultural inputs have started to play a role in the food supply chain (Ameen & Raza, 2017: 133). With the inclusion of food supplier international companies in the system as an actor, producers have become subject to the

[12] For example, in the USA, the company titled Standard Oil of New Jersey established a distributorship to sell fertilizers and pesticides (Ameen & Raza, 2017: 133).

aforementioned companies in order to provide inputs such as machinery, chemicals and seeds and to sell raw materials to the food industry, which is under the domination of these companies. Therefore, the fact that companies take a role in the supply chain and in the sector as a consumer in the transitional period food regime has enabled them to be decisive on the sector (Ak Kuran, 2019: 88-89). In this context, the historical process for the second food regime, conceptualized as "*Mercantile-Industrial*" by Friedmann, influenced the food system in the final instance by directing the agricultural production of the countries and the subsequent commercial process.[13]

In this respect, it is thought that it will be illuminating to present the conditions that led to the emergence of the second food regime. The second food regime was shaped around the situation that brought together the hungry and poor masses in the face of unsold wheat stocks as a result of the great world economic crisis that broke out in 1929, leading to unstable prices for farmers and consumers. One of the solutions found for this problem has been the evaluation of the amount agreed upon within the framework of international commodity agreements for foreign trade between countries (Friedmann, 2005). Different agricultural support programs, which were preferred during the economic crisis, were built on the USA agricultural policy, which was created to remove a certain amount of goods from the domestic market in order to increase the prices of agricultural products. This situation led to surpluses accumulating in the hands of the government and subsequently to downward pressure on agricultural product prices. On the other hand, import controls were needed to prevent farmers operating in different parts of the world from sending their goods to the USA, where prices are kept above the global price. Aforementioned agricultural policies brought a number of practices that formed the basis of the second international food regime. Maintaining the stocks owned by USA, which held the important economic power of the period, was the main motivation that gave shape to the second food regime (Friedmann, 2005: 239). While the USA became an important exporter country in the second food regime, the self-sufficient countries of the

[13] In the second food regime under the hegemony of the USA, the supports provided to developing countries within the framework of Marshall Aid and the Truman Doctrine had an impact on the agricultural production process of these countries. One of these reflections is also seen in the example of Turkey. The said impact has made the effects of the transitional period food system more visible in Turkey through the green revolution technology. Since each food system and the food regime extensions in relation will be discussed specific to Turkey in the second part of the thesis, it is not mentioned further here.

first food regime became dominant import regions. In the second food regime, industrialization in agriculture was encouraged with the processing of edible manufactured commodities by large retail capitalists. In this context, the food regime in question is expressed as "*Mercantile-Industrial*" (Friedmann, 2005: 240).[14]

In the food system, which tends towards industrialization in agricultural production, different actors entered the supply chain between buyers and sellers. Unlike the traditional food system, the number of actors operating in the market increased during the transitional period. Although the supply chain continued to carry the elements of the traditional food regime in many aspects, it expanded relatively with new actors added to the chain. In agricultural production brought by the green revolution technology, the connections of the producers with the market also changed in favor of the input supplier companies (Ak Kuran, 2019: 89). In the second food regime, land reform practices were initiated in order to internalize national agricultural industrialization models, to reduce the unrest of agricultural producers and to spread market relations to rural areas. Agribusiness developed transnational links between a number of national agricultural sectors linked to global supply chains (McMichael, 2009: 141). Another innovation was foreign aid based on the Bretton Woods system. The nationally designed agricultural sector of the countries was integrated into imports in terms of some inputs. In this context, the livestock sector of the Netherlands, which imported feed products, for example, gained a transnational framework. During the second food regime period, the state-supported agricultural sector produced more, and the supply surplus increased further with the promotion of industrialization in agriculture. Moreover, agri-food companies that emerged as of the period started to produce feed, medicine and fertilizer inputs. Farmers,

[14] With the encouragement of industrialization in agriculture with the second food regime, the way to agricultural production was opened with the "*green revolution*" technology. In this context, it would not be an erroneous inference to say that the use of green revolution technology and production techniques, which is a feature of the transitional period food system, is manifested as a reflection of the developing phenomenon in the context of the second food regime. Within the scope of this thesis, it is thought that many elements that have been transformed in the historical process, including the structure of the supply chain, which is focused in the context of food systems, are not completely free from the international effects of food regimes. Therefore, information about the historical context of food regimes is given in the first part of the thesis.

on the other hand, were added to the supply chain as both the buyer of the inputs and the food producer (Taşdoğan, 2018: 20).[15]

In the transitional period food system, the spread of market relations to the countryside did not only introduced innovations for producers but also affected consumers. A consumption basket that included animal products were chosen over a grain-based diet. Moreover, the places where food was prepared and consumed changed as well. In this context, the trend towards processed foods increased and consumption moved out of the household. Therefore, it can be said that the reasons for the change in the diet in the aforementioned period are the calories taken through non-grain products, the transformation of consumption materials into prepared foods and the differentiation in the places where the food is consumed (Ak Kuran, 2019: 89-90).

In summary, the transitional period food regime and production techniques have changed with the green revolution technology, and the producers have turned to the understanding of production for the market other than self-consumption. Moreover, the market has become more standardized surrounded by certain rules compared to the traditional system. With the inclusion of new actors to the supply chain, the position of organized chains in the market has started to increase, and ultimately, changes have been observed in the diet and food consumption patterns of consumers (Ak Kuran, 2019: 90).

1.1.3 The Modern Food System

The modern food system differs from the traditional and transitional food regime, depending on some features. In the third food regime, defined by Friedmann as the "*Corporate-Environmental Food Regime*", environmental policies have risen and the food supply chain has been revised under the leadership of the retail sector (Friedmann, 2005:251). The third food regime that emerged at the end of the 1980s integrated new

[15] In the second food regime seen under the hegemony of USA, industrialization took precedence over agriculture, as countries associated their development efforts with industrialization in national agricultural production. This situation prepared the environment for the support sent by the USA to countries as aid to be accepted. As a matter of fact, wheat sent by the USA replaced domestic production in these countries, while it led to a change in traditional nutritional patterns (Taşdoğan, 2018: 20).

regions such as China and Brazil into the animal protein-based food chain (McMichael, 2009: 142). According to Friedmann (2005), it is not yet possible to talk about the emergence of a new food regime created by the rules shaped by hegemonic powers in the production of traded foods. According to McMichael, the neoliberal world order depicting the post-1980s and the "*Corporate*" food regime based on the politically constructed division of labor regarding the agricultural sector between the high-value products of the South and the staple grains of the North, constitutes the mainstay of the third food regime (McMichael, 2009: 148). The concept of the corporate food regime points to two dimensions. One of them is that it provides the politicization of the global, political, economic and historical context. Another is that it started pointing out at issues such as the rise of commodity chains and the retail sector, which are the internal features of the food regime, the regulation of consumption policies and quality and standards (McMichael, 2009: 151).

The aforementioned division of agricultural labor and the third food regime can be described within the framework of the balance created by the excessive consumption of the North and the underconsumption of the South. In this context, products such as fruits, vegetables and flowers were produced and exported by the South for the North, while dependency on foods such as grain and meat to be consumed by the South was created primarily through cheap imports. Afterwards, the South was condemned to under-consumption in the face of increasing prices (Çaşkurlu, 2012: 66).

In the modern system, the necessity of producing a single type of product in large areas arose due to the production of food for larger masses. Contrary to the perception that there are more varieties in the grocery stores, which are the main actors of the traditional system, it can be said that the products in the supermarkets in the modern food system are limited to the presentation of some basic food products in different ways (Ak Kuran, 2019). In the modern food system, new crop production became dependent on many inputs such as fertilizers, pesticides, veterinary services, machinery and other high-tech equipment. From the storage of products to retail sales activities, high-tech systems started to appear in the intermediate stages (Westhoek et al., 2016: 44). Thus, It is observed that farmers, who are producers and consumers in the traditional food system, have become consumers as users of not only the product that they produce, but also many inputs needed in production such as feed, fertilizer, pesticides, buildings and machinery.

On the other hand, producers had to detach from the traditional system based on sharing and helping their neighbors with their seeds and switched to contract-based production.[16] Companies played a role in this transformation. Farmers switched from a system where they can replant the stored seed the next year to a system where they use certain registered seed varieties with the regulations issued. This situation led to a change in the structure of the production process and thus, the contracted production system emerged. Many standards from the shape to the weight of the product were determined through contracts, and at the same time, certain standards were introduced for the amount and type of inputs to be used (Ak Kuran, 2019: 91-93). Standardization in production, increase in dependency on inputs, and farmers becoming consumers can be listed as indicators of the change in the production process.

Another feature that characterizes modern food systems is the observed change in the function of food. While the function of food in the traditional and transitional period food regime is to meet basic needs, in the modern system, food became a means of making money. Considering food as a product highlighted its exchange value rather than its use value.

Another feature observed in the modern food system is the change in consumption habits and preferences of consumers. The consumer is now able to obtain the desired product from greenhouses, regardless of seasonal conditions and location, and from global markets that are easier to access with fast transportation (Ak Kuran, 2019: 94). In the aforementioned system, consumers buy processed and packaged ready-to-eat food products. These products mostly come from different parts of the world and meet the consumers. In addition, product processing, transportation and retailing activities, which have been on the rise with the modern period food system, have started to appear as

[16] This means that in the model expressed as the contract-based production model the farmers produce for the companies with which they have a vertical relationship. Moreover, it can be said that it is expressed as a contract between the producer and the buyer about the quantity and quality of the products to be produced, as well as a commitment to time, place and price (Aydın, 2007: 93-94).

crucial areas with their employment creation and added value factor (Westhoek et al., 2016: 44).

On the other hand, a market structure based on profitability draws attention in the modern period food system. A chain of capital accumulation can be mentioned in the form of production, marketing of new products by adding value to raw materials, turning sales into profit by increasing consumption, investing some of the profits into production again (Ak Kuran, 2019: 95).

The observed change in market structure and supply chain is another distinguishing feature of the modern period food system. In this system, which is based on profitability, the supply chain, which replaces the short supply chain between the consumer and the producer, draws attention with the increasing distance between the producer and the consumer. With the transition to the third period food regime, an economic and social transformation was realized on the basis of mass consumption and better-quality products. There were also changes in terms of the supply chain. Supermarkets in the supply chain started to have their own branded products produced by food processing companies, and these companies, on the other hand, assumed a role in transforming the agri-food production process. In this context, it can be said that the effects of the increasing number of supermarkets in the supply chain in the third food regime began to be felt in the food sector (Taşdoğan, 2018: 22). As a result, in this regime that emerged after the 1980s, the supply chain was differentiated, a privileged new consumer group demanding fresh fruit and vegetables emerged, and a supermarket revolution involving this new consumer mass was experienced (McMichael, 2009: 142).

Producers who did not have sufficient capital to adapt to market conditions needed intermediaries to market their products. Thus, new actors were added to the supply chain in the modern period food system. The process was shaped by the actions taken by the actors. In the modern system, global retail chains such as Walmart, Tesco and Carrefoursa began to replace the local markets and small-scale retailers existed in the traditional system. Moreover, the market started to take shape in line with the demands of global retail chain owners. In the third food regime, the exports of the South in products such as fruits and vegetables mainly aimed at meeting the demands of supermarket chains (Çaşkurlu, 2012: 67).[17]

Global retail chains lead to transformation in many stages of agricultural activities, from production to distribution. With the emerging food regime, food supply chains were organized in two different ways. This distinction corresponds to the rich and poor consumer classes. Special standards started to replace public standards in agricultural food products, and this led to a class segregation in diet in terms of those who consume cheap but standard products and those who consume expensive and quality controlled foods (Friedmann, 2005: 252). The determination of special standards also had consequences for producers. In the production phase, setting standards at every stage from technology, irrigation, greenhouse effect to transportation and leaving the related inspection and certificate obligations to the producer created entry barriers for small producers in food production (Ak Kuran, 2019: 97).

Another actor involved in the changing market and supply structure in the modern food system is multinational companies. In the system in question, the division of activities in the production phase, the use of more intensive inputs due to the increase in the need for specialization and the increase in costs that come with it require more capital. Those with the said capital appear as multinational companies that operate on the basis of profitability, have easier access to investment channels, and therefore have an advantageous position in competition with other actors (Ak Kuran, 2019: 98). It can be said that with the modern period food system, multinational companies have become stronger by concentrating on every stage of production, from seed to soil, production and distribution (Çaşkurlu, 2012: 66). As stated before, while multinational companies offered cheap, low quality and genetically modified foods to the poor consumer group,

[17] With the modern period food system, increasing organized retailing and concentration started to cause differences between the retail price and the price received by the producer (Çaşkurlu, 2012: 67). For example, the competitive pressure faced by retailers, which increased with the modern period, is important in the formation of the retail price offered to the consumer. On the other hand, with the increasing number of intermediaries in the food supply chain, which has become longer and more complex with the modern period, the gap between the price of the retailer and producer can get bigger in some cases. Since the market roles of the actors of the modern period food system are discussed in the context of competition law in the last part of the thesis, there is no need to include further information here.

they created market discrimination by offering natural and certified products containing fewer chemical inputs to the rich (Çaşkurlu, 2012: 68).

Agricultural production, which was realized with the green revolution technology appearing for the first time in the transitional period food system, took its place as the second generation in the modern period food system. In this context, production with the principle of green revolution starts from bio-engineered seeds and interferes with the natural process and removes various elements of agricultural production from the control of the farmer. Moreover, the property specializing with chemical and mechanical agricultural inputs, patented seeds etc. is based on the principle of green revolution (McMichael, 2005: 285). Consequently, multinational companies gained significant importance in the field of certified seeds. The aforementioned process, which was conceptualized as the second green revolution emerging with the modern period, was carried out under the control of companies, not by the state, unlike the first process (Çaşkurlu, 2012: 69).

The three types of food systems can be summarized in the table below by briefly comparing them under certain headings.

Tablo 1. Food Systems Comparison

	Traditional Food System	**Transitional Period Food System**	**The Modern Food System**
Main Actors	Farmer and consumer	Manufacturing companies	Multinational companies, retailer
Base Trend	Colonization, the rise of the nation-state	Restructuring of the agricultural sector by agri-food companies, productive agriculture	Disintegration of national agri-food capital, companies in the food system and the growing power of financialization

Food Products	Staple food products	Basic and processed foodstuffs	Processed food products that can be consumed quickly, subject to flexible production, easily perishable, market branded products
State and Regulations	Incentive of family farming, protectionism	Food production, food aid and cheap food policy	Incentive of global trade organized by firms; anti-protectionist tendencies, rise of private regulation
Production	Primitive agricultural methods	Green revolution technology (improved seed, chemical fertilizer, pesticide)	Increase in dependency on inputs, multinational companies gaining strength by intensifying from seed to distribution
Consumption	Consumption mainly of herbal products	Herbal and animal products	Tending hedonic consumption
Supply Chain	Short, simple and few actors (farmer & consumer)	Supply chain to which new actors are added (input supplier companies, organized retailers	Rising commodity chain and retail: the long and complex supply chain
Global Trend	Production for export to the colonies; import of tropical products	Organization of the world food economy under us hegemony	Multipolar power relationship, shift from government to governance

Source: It has been compiled from the information given in the first part of the thesis and the study of Taşdoğan (2018: 15).

In summary, in the third food regime, the retailer and consumer are the decision makers in the food supply chain, unlike other food regimes. Incorporation is increasing in the agricultural sector, and the production of easily and quickly consumable products and products subject to Fordist manufacturing comes to the fore. Moreover, it is seen that private label products started to be produced by supermarkets in this period. On the other hand, with the trends towards reducing the role of the state in the market, mutual communication between the state and the private sector has increased. In terms of environmental policies, issues such as "*sustainable agriculture*", "*organic production*", "*climate crisis*" have started to come into prominence (Taşdoğan, 2018: 15).

CHAPTER 2: FOOD SYSTEMS IN TURKEY BY PERIODS

2.1. FOOD SYSTEMS AND AGRICULTURAL POLICIES IN TURKEY FROM PAST TO PRESENT FROM THE PERSPECTIVE OF FOOD SYSTEMS

In the previous part, the theoretical framework for food systems was presented. The distinctive features of each type of food system, the actors involved in the food regime, the food regime put forward by Friedmann and shaped by different perspectives have influenced and shaped other related issues in their historical context. Agricultural policies appear as one of the issues shaped in this regard.

In the second part of the thesis, how the food regime has been shaped in Turkey in the historical process is explained. In this context, while some features of the traditional food regime were observed in the period between 1923 and 1950, it is seen that the characteristics of the transitional period food regime were predominant in the historical process between 1950 and 1980. In the post-1980 period, the characteristics of the modern food regime, in which the socioeconomic conjuncture shaped by neoliberal policies, became prominent. Since the focus of the thesis is the food supply chain, the effects of each food system on the supply chain in Turkey have been evaluated.

2.1.1. Traditional Food System in Turkey (1923-1950)

The most essential point that distinguishes the traditional food regime, also called "*Colonial-Diasporic Food Regime*", the theoretical framework of which was put forward by Friedmann (2005), is that the system is relatively simple in structure. As stated in the first part of the thesis, in the traditional system, the producer segment consists of small producers, and the production is carried out using simple tools and equipment. Production is mainly for self-consumption. The products that are consumed are not of a complex nature, and it is seen that the supply chain has a short and simple structure consisting of producer, consumer and producer. In this respect, the characteristics of the traditional food regime have been at the forefront in the period from the establishment of the Republic in Turkey until the 1950s.

Ak Kuran (2019) took certain paradigms into account while revealing the characteristics that reflect the traditional food regime of the relevant period. These are as follows: agriculture is organized on the basis of subsistence production and under the dominance of small producers, state-supported agriculture is valid, and depending on these characteristics, the supply chain is in a tripartite structure consisting of "*state, farmer and consumer*" (Ak Kuran, 2019: 3).

First of all, based on these determinations, it is necessary to reveal the role of the state in the economy as one of the factors shaping the food regime in the 1923-1950 period. For a country that just emerged from the Independence War, the primary objectives were to try to strengthen the country both politically and economically. The agriculture sector was chosen as the main sector among the economic sectors and increasing agricultural production was the main target (Günaydın, 2006: 156). When we look at the policies of the state to increase agricultural production, one of the most important steps was the abolition of tithe[18] in 1925. With the abolition of the tithe, which is a tax that prevents peasants from producing and hinders capital accumulation in rural areas, a ground that encourages agricultural production were established (Topuz, 2007: 380). On the other hand, the studies on the land reform undertaken for providing lands for the landless peasants can be evaluated within the scope of increasing production.[19] Another policy aimed at increasing agricultural production was to try to ensure that some inputs used in production are provided by the state (Ak Kuran, 2019: 102). An example is the Agricultural Equipment Institution, which was established in 1944 (Günaydın, 2006: 157). In the traditional period, the state started to purchase many agricultural products at the price determined by the state and through institutions determined by the state in line

[18] It is also known as tithe tax. It is the tax collected from the producers at the rate of 10% of the product that they produce (Palamut, 1987: 70)

[19] The abolition of the tithe in 1925 led to some increase in agricultural consumption among the middle and poor peasants. However, the decrease in the amount of the product, which is necessarily caused by decay-deterioration, met the increase in consumption in the agricultural product collected through tax farming. Therefore, it is possible to say that the ratio of agricultural products marketed outside of agriculture did not change before and after 1925 (Boratav, 2003: 53).

with the goal of increasing production. For example, wheat was purchased from the producer through Ziraat Bank and a credit of 6 million lira was issued to the aforementioned bank. It can also be mentioned that the agricultural machinery was imported by the aforementioned bank in 1923 and presented to the producer by removing the customs barriers, which made the Ziraat Bank stand out as the driving force for the sector. The pricing policy determined for wheat was implemented in other grains over time, and the purchasing policy, which increased in volume in this context, was carried beyond Ziraat Bank and continued within the body of the Turkish Grain Board (TGB), which was established with a law enacted in 1938. Within the framework of the aforementioned law, the task of regulating grain prices was given to TGB (Toprak, 1988: 16). On the other hand, the product and grain exchanges, which eliminated the price differences in the places where they operate, ensured the quality of the products and were effective in determining their values (Günaydın, 2006: 381). The state continued its active role in the agricultural sector by providing the basic needs in the production process such as tools, fertilizers, pesticides etc. (Ak Kuran, 2019: 105). When the 1928-1929 period and the 1938-1939 period are compared in terms of agricultural production average, wheat production is 94%; it can be said that tobacco increased 56%, sugar beet increased 754% (Boratav, 2003: 71-72).

In the traditional period, another institution that we encountered in the state policy for the protection and support of the producer was the cooperatives. By enacting the Agricultural Credit Cooperatives Law in 1926, and the Agricultural Sales Cooperatives and Unions and Agricultural Credit Cooperatives Law in 1935, the credit support needed by the producers in the agricultural sector was provided (Toprak, 1988: 17). On the other hand, the state also tended to take some technological steps in supporting and improving the agricultural sector. In a census made for the agricultural sector in 1927, it was concluded that primitive agricultural tools such as plows were predominant and there were only 15,711 agricultural machinery (Ak Kuran, 2019: 103). Based on this data, it can be said that there was a shortage of technologically advanced agricultural vehicles in Turkey in the aforementioned year. In the face of this situation, the state implemented various incentive policies to increase mechanization in agriculture, for example, farmers using machinery were exempted from military service and tractors were distributed to farmers

(Ak Kuran, 2019: 103). The measures taken and the incentives introduced showed their effect quantitatively and the number of tractors, which was around 500 in 1924, increased 3.5 times and reached 1750 in 1948 (Toprak, 1988: 20).

In summary, the efforts to improve the agricultural sector in the traditional period food regime, the promotion of mechanization in agriculture, the establishment of agricultural purchasing and sales cooperatives, the laws enacted to support the agricultural sector and the institutions established in this regard were indicators of the active role of the state in agriculture. Moreover, in the 1930s, the state intervened and controlled the domestic trade and the markets. Public institutions were able to enter the market directly. As the industry using agricultural raw materials, as in sugar beet, cotton and tobacco products, largely belonged to the state, state enterprises could actually dominate the market. These enterprises were able to be effective on the margin between the export price of agricultural sales cooperatives under the control of the government and the price of the farmer (Boratav, 2003: 69).[20]

Another feature of the traditional food regime, which is included in the first part of the thesis, is that the production is based on self-consumption. When we look at the period of 1923-1950, it is seen that the producer sector mainly consists of small family enterprises, and these enterprises primarily produce to meet their own needs and utilize the remaining part in the market (Ak Kuran, 2019: 107).

Another distinguishing feature of the ongoing food regime in Turkey during this period is the characteristics exhibited by the farmers who took an active role in the production channel. As mentioned in the first part of the thesis, the production technique in the traditional food regime is quite simple and the production is based on the use of primitive agricultural tools and animal manures. For this reason, the soil was cultivated under its capacity in the examined period (Kaya et al., 2015: 71). While there was a potentially

[20] In the distribution relations of the 1930s, within the framework of the understanding of rapid growth towards industrialization, the burden of industrialization was shared between peasants and workers, especially wheat producers. In addition to the state, which is the main actor in the capital accumulation process, there were also intermediary layers of the bourgeoisie doing business with the state (Boratav, 2003: 79).

high level of arable land in Turkey during the 1923-1950 period, agricultural production was carried out in a limited area. This situation led to the self-consumption based production of the traditional regime, so the farmers could only produce enough for their own consumption (Ak Kuran, 2019: 114). Moreover, when the products of the relevant period are examined, it is seen that the production is mostly grain rather than industrial products (Kaya et al., 2015: 84).

The inputs needed for production in this period such as seeds and fertilizers were provided through institutions such as Agricultural Credit Cooperatives, Turkish Agricultural Equipment Institution and Ziraat Bank, which operated in a way that supported the active role of the state in the agricultural sector.[21] However, the condition of purchasing from the said institutions was not obligated in the supply of the necessary inputs for production. Therefore, the farmers could only obtain the inputs within the framework of their own means, except for the state procurement, and they could use the seeds and fertilizers that they obtained. These conditions created a "*product-seed-product*" chain in the country's agriculture (Ak Kuran, 2019: 112). As stated earlier in the traditional food regime, producers are not bound to banks and suppliers for the inputs that they need in the production process. However, it does not seem possible to argue that all producers are fully independent in their decisions in the production process in the relevant period. Because in this period, there are regions under the dominance of feudal production and distribution relations, and a significant part of the producers in these regions do not have the independency to make and implement individual decisions, since they are dependent on the feudal power owner-landlord (Ak Kuran, 2019: 116).

Another basic feature of the traditional food regime in Turkey in the 1923-1950 period is observed in the structure of the supply chain. Since the research subject of this section is to reveal the development of agricultural policies in Turkey over the periods from the perspective of the food regime in Turkey, it is thought that in this context, the

[21] In the 1923-1950 period, the private sector was insufficient to make long-term industrial investments. As of the period, it is seen that the private sector does not have sufficient organization for large-scale industrial projects in terms of economic, financial and technical aspects (Tokgöz, 2007: 146). In this context, considering that the private sector does not have sufficient capital and knowledge, it should be natural that the factories that can provide input to the agricultural sector in Turkey are state undertakings.

characteristics describing the period related to the supply chain should be given in more detail.

In order to determine the reflections of the food supply chain in Turkey in the 1923-1950 period, first of all, the position of the producers in this period should be revealed. In the traditional food system, producers mainly produce for their own consumption, but it would not be wrong to say that they have relations with the nearby markets, even if they remain at a marginal level. When the reports presented within the scope of the 1st Agricultural Congress in 1931 are examined, it is concluded that the relationship of the peasants with the market remained at a very limited level in the relevant period and that the market relationship was specific to products such as sugar and coffee (Topuz, 2007: 383). The publications of Kadro Journal published in the relevant period shed light on the relationship of the peasants with the market. In an article published in 1932, it was stated that the production carried out on a family scale in the village had shifted towards the understanding of production for the market, and that there was an interchangeable relation between the villages and the cities in terms of market (Tökin, 1932: 15). According to primary sources, it is stated that the peasants were not in the production stage for economic activities far from trade routes or cities in the mentioned period. For example, in Bitlis, an estimated 80% of the grain was consumed in Bitlis, and the rest was sent to neighboring provinces such as Siirt and Diyarbakır. 75% of the grain produced in Gerede, Bolu such as wheat and barley were consumed within the district, while 25% was shipped to the surrounding districts. This indicates that a major portion of the crop was produced for self-consumption. In other words, it is possible to say that the producer's relationship with the market is limited. At that time, according to the statements of a teacher in a village of Bilecik; "*The villagers do not pay for anything other than a pair of shoes to go to the town, or a cup of coffee to host the people who come from town to village, they consume the oil obtained from the poppy.*" (Tökin, 1932: 25-26) [22] . There are other

[22] In the relevant period, the farmer's relationship with the market is relatively high with commercial products such as grapes, figs and tobacco. However, on the basis of the products in question, it can be said that the interaction of the villagers with the market is quite limited and negligible. Because, as of the period, the understanding of obtaining products for commercial purposes, that is, for the market, is mostly limited to towns and neighboring villages. These areas appear as key points of exchange. As you move away from the aforementioned places, commercial relations - exchange relations - weaken and production takes place in order to serve local needs (Tökin, 1932: 26).

articles that reveal the limited relationship of the peasant with the market in the 1923-1950 period. For example, in an article published in Kadro Journal in 1933, it is stated that a large part of the products, whether food or clothing, was reserved for self-consumption. The part supplied to the market is either surplus production or the equivalent of government debts. The main purpose of the villagers' production is not to earn income by selling the crop, but to meet the needs of the family. The only concern of the producing segment is to meet the nutrition and dressing needs of themselves and their family. Even if the peasants produce for the market, they first meet the needs of themselves and their family, and then contact the market (Tökin, 1933: 17-18).

In the light of the information conveyed, it can be seen that although the positions of the producers in their relations with the market differed, access to the market was achieved, albeit at a minimum level. While the products were delivered to the towns and villages, some needed products were obtained from the markets. Some producers, on the other hand, needed the help of some actors in their relations with the market and were able to deliver their products to other towns and villages through these people. As the intermediary persons in question, we come across those who run a grocery store and deal with trade and commissions (Ak Kuran, 2019: 117). All this information conveyed points to the existence of simple and low-actor supply chain conditions specific to the traditional food system in Turkey in the 1923-1950 period.

Another feature of the traditional food system can be found in the consumption habits of consumers. As stated before, the main purpose of consumption in the traditional food system is to meet the nutritional needs. It can be said that it is not possible to talk about consumption in order to meet luxury[23] or hedonic needs. In this respect, the main motive of the consumer in Turkey in the period of 1923-1950 was to meet their nutritional needs. In the reflection of the traditional food regime in Turkey, production was carried out to serve self-consumption for a living. The main places of consumption are naturally households. On the other hand, grain-based agricultural production can be determined as

[23] The concept of luxury is differentiated according to income groups. In the scope of the thesis, the concept of luxury is used in the sense of "relative luxury" or "luxury according to income groups".

an indicator in terms of understanding which product group the consumption profile is dominated by.

2.1.2. Transitional Period Food System in Turkey (1950-1980)

The transitional period food system in Turkey contains many features of the traditional period. However, the production technique used in agriculture changed with the developing technological conditions, the producer's relationship with the market increased, and the production for self-consumption was increasingly directed to the market. On the other hand, new actors providing agricultural inputs were included in the short supply chain consisting of producers and consumers in the traditional period. In the transitional period food regime, a change was observed in the nutritional habits of the consumer. In addition to the households, which were the main consumption places, outdoor spaces started to be used, and new products were added to the consumption basket, which mainly consisted of cereal products. In this context, it is necessary to reveal and evaluate the agricultural policies of the period in order to understand the characteristics of the transitional period food regime observed in Turkey in the period between 1950-1980.

Considering the structure of agricultural production, the most striking feature of the period is the increase in the level of technological products. In the first part of the thesis, the green revolution technology in agriculture in the transitional period food system conceptualized by Friedmann as the "*Mercantile-Industrial*" food regime was mentioned. In the said transitional period food regime, mechanization in agriculture started to increase with Marshall aids directed to Turkey in the world under the hegemony of the USA.[24] For the 1950-1960 period, one of the two steps that enabled the increase in agricultural production was mechanization in agriculture, while the other was the opening of new lands to agriculture within the scope of the extensive farming method (Teoman,

[24] It can be said that Turkey's second food regime was channeled with Marshall Plan provided by the USA. Within the framework of these aids, it was requested that Turkey's agricultural production process be changed and integrated into the IMF and World Bank programs (Çelik, 2019: 130). Within the framework of the Marshall Plan of the USA, 60% of the aid provided to Turkey between 1948-1952 was used in the field of agriculture, with the guidance of American experts. Moreover, it was requested that the aid in question be used for the development of highways (Ertem, 2009: 394-395).

2013: 287). It was aimed to increase the level of agricultural production by opening pastures and meadows and previously unused agricultural lands to production. The important result[25] of the increase in mechanization in agriculture was the decrease in the need for manpower. The increasing number of tractors increased unemployment, and the unemployed producers had to migrate from the village to the city. As a matter of fact, the trend started towards non-agricultural areas in employment (Ak Kuran, 2019: 276).

The main policy instrument of the Democrat Party, which came to power in Turkey in 1950, in opening the agriculture to the market was the highways move. With the effect of the increasing highway[26] network, the access of producers to the market became easier (Teoman, 2017). As stated by Teoman (2017), the basic condition for the evaluation of the agricultural surplus above the subsistence level in the market is to reach the market safely with minimum cost. Moreover, with the increase in access to the market, changes occurred in the product basket and commercial products such as cotton and tobacco began to be produced to the extent that natural conditions allowed. In this context, the product category that was produced and therefore consumed began to be grain-based. This change in the agricultural structure shaped the food regime. In this regard, it is possible to say that the characteristics of the transitional period food regime were encountered in the relevant period.

In the 1960s, agricultural policies underwent a structural change with the planned development model reintroduced (Teoman, 2013: 289). In order to increase the welfare of the producer within the scope of the planned development model, the state supported the producer in terms of the inputs used in production and product prices. As of the period, it can be said that state support is important and even mandatory in order for the basic opinion/recommendation to be used effectively in production, distribution and sharing of limited resources (Kaya et al., 2015: 92). As cited by Teoman (2013) with reference to the data of the State Institute of Statistics, productivity in production increased with input support and the productivity in grain production increased approximately 1.8 times in the

[25] At the beginning of the 1950s, the number of tractors, which was 16 thousand in 1950, increased in five years and exceeded 40 thousand with the increase of mechanization with foreign aids (Tokgöz, 2007: 142).
[26] The length of the highways, which was 18,335 km in 1923, reached 60,785 km in the 1980s (Ak Kuran, 2019: 150)

1960-1980 period and reached 1900 kg. Moreover, 12% and 61% productivity increases were observed in industrial products such as sugar beet and tobacco compared to the beginning of the period. On the other hand, the state was also effective in agricultural policies through State Economic Enterprises. The state supported the producers by purchasing at the base price that it determined (Teoman, 2013: 289-290). The role of the state in the agricultural sector was shaped as agricultural input supplier, financing agriculture with cheap loans and purchasing agricultural products at high prices (Kanbir, 2017: 149).

In the 1950s and 1970s, the technological development in Turkish agriculture took place in two ways, biological and mechanical. As mentioned above in the mechanics part, the main indicator is the increase in mechanization in agriculture. Biological development is the use of increased chemical fertilizers and improved seeds (Makal, 2001: 110). As quoted by Makal (2001: 111), with reference to the data of TURKSTAT (formerly SIS), chemical fertilizers used in agriculture increased approximately 59 times from 1948 to 1965. In the traditional period, the farmer had difficulties in accessing even animal manure within the scope of primitive agricultural production, while in this period, it can be said that the increase in the use of chemical fertilizers reflects a transitional period towards modernization in agriculture (Ak Kuran, 2019).

Another indicator showing the transition to intensive agriculture in the 1960s is the increasing use of pesticides. The use of pesticides also increased to eliminate the damage caused by the increased use of chemical fertilizers to the soil and to combat agricultural pests. Since there was no intensive agricultural production in the traditional period, the land was left fallow, thus the soil was less damaged and there was less need for agricultural pesticides. However, when it comes to the transitional period, the use of pesticides increased 7 times from 1963 to 1980 and reached 29,582 tons (Ak Kuran, 2019: 141-142).

Another dimension of the state's support to the agricultural sector as of the period is related to agricultural irrigation. In general, in the planned development period between 1960 and 1980, the state took an active role with low-interest loans, infrastructure investments such as irrigation and energy, and support provided in product purchase prices.

Another factor observed regarding the transitional period food regime in Turkey is the increase in the producer's relationship with the market. In the traditional period, the producers mainly produced for subsistence purposes, and the remaining part from self-consumption could reach the markets within the boundaries of facilities. As stated before, the increasing highway network facilitated the access of the farmer and therefore the products to the market. It is not possible to say that all of the products produced in the traditional period are for self-consumption. However, the relationship established by the producers with foreign markets was limited to village/town grocery stores and local markets operating at the micro level. In this context, another noteworthy factor is put forward by Ak Kuran (2019) as follows: “*In the traditional period, farmers had very limited interaction with the market both to shop on credit and to pay their debts by selling their products there.*” Therefore, they could not have information about the exchange value of the product. It does not present a competitive outlook in terms of its market structure. With the transitional period, the actors providing input to the short supply chain started to be included, and as the manufacturer's relationship with the market began to develop, it became easier to learn some conditions in the market such as product exchange value (Ak Kuran, 2019: 147).

Another reflection of the transitional period food regime between 1950-1980 in Turkey is the changing structure of the supply chain. Since the main focus of this thesis is to reveal the food supply chain from the perspective of the food regime, it is thought that how the change in question reflects on the relevant period and its examples should be presented in more detail.

As stated at the beginning of this part, the supply chain observed in Turkey in the period of 1923-1950 is short and simple, consisting of "*State, Farmer and Consumer*". In the context of the transformation in agricultural production technique in the transitional period, the increase in the use of artificial fertilizers and pesticides as a result of the state's investments to increase agricultural production caused the actors providing the said inputs to be included in the supply chain. As stated in the first part of the thesis, in the second food regime built on mercantilist understanding, companies producing inputs that were added to the supply chain and gained importance with each day such as seeds and fertilizers acquired a transnational form over time (Çaşkurlu, 2012: 64).

Migros-Türk, which was founded in 1954, was one of the actors that was added to the supply chain in the transitional period and went out of the local grocery format, while the other was Gıda İhtiyaç Maddeleri Türk A.Ş., which was established in 1956 as a state economic enterprise (Kurt, 1994: 23). In the first years of its establishment, Migros-Türk did not operate in a store system. The company delivered its products to the consumers by trucks. In 1973, the Municipal Regulated Store, Tansa, which was later named as Tansaş, was established, which provided meat and coal products at affordable prices. Another institution added to the food supply chain is the Meat and Fish Authority, which was established by the state in 1952. (Ak Kuran, 2019: 148-149). On the other hand, as mentioned in the first part of the thesis, the supply chain expanded with the introduction of companies providing inputs in agriculture. Moreover, the producers became the buyers of the said companies to obtain inputs and the actors selling raw materials to the food industry, which was under the control of these companies. As Taşdoğan (2018) stated, companies integrated into the supply chain took an active role in producing inputs such as feed and fertilizer while also taking a role establishing agriculture and animal breeding farms (Taşdoğan, 2018: 20). This development supports the argument that farmers are included in the system as both producers and buyers.

In the traditional food regime, both the type of food consumed was small, and the packaging and storage of the products remained at the primitive level. The products were transported through knitted containers and baskets. In the transitional period food regime, new actors such as Migros-Turk, which were added to the supply chain, expanded the product range in food supply and delivered their products to the consumers by packaging them in different varieties (Ak Kuran, 2019: 148).

In the second food regime, in which food surpluses of the USA were sent to third world countries as food aid, the agricultural sector of the countries was tried to be revised to have a cross-border structure. It was aimed to move the agri-food chain across borders, and processed, durable consumer goods began to replace the perishable unprocessed foods seen in the traditional food regime as products included in the food chain. In this regard, food production complexes were built. Non-agricultural components replaced the agricultural products used as inputs with the introduction durable food complexes (McMichael, 1991: 74-75).

Another factor that distinguishes the transitional period food regime from the traditional period is the consumption profile. Animal foods also began to be added to the consumption basket, which was mainly grain-based and created for need. In the study conducted by the United Nations Food and Agriculture Organization (FAO) in 2001, the change in the amount of carbohydrate, fat and protein in daily nutrition in Turkey from 1965 to 1997 was examined. In this context, a decrease was observed in protein and carbohydrate with a rate of 0.9% and 2.2%, respectively, and an increase in fat with 3.2% (FAO, 2001: 8). Therefore, it can be mentioned that there is a difference in the dietary habits of consumers compared to the traditional period. On the other hand, in the 1950-1980 period, unlike the traditional period, consumption began to move to the outside of the households. According to the results of a study cited by Ak Kuran (2019): In the study conducted for the Ereğli district the rate of families who made many foods such as bread, dried vegetables and noodles at home was 3.5%. On the other hand, the rate of families who bought all of their food from outside was 6.8% (Ak Kuran 2019: 154). Therefore, some examples observed in the consumption habits of consumers and the way they procured food can be observed in this period with the characteristics of the transitional period food regime.

To summarize, in the transitional period food regime, the consumption habits of the consumers, which only focused on their needs, have begun to change. While the places where food is produced and consumed are the same in the traditional period, food can be bought ready-made from outside in the transitional period and consumption places have started to be no longer just households. As a result of the changes observed in the production technique, the use of chemical fertilizers, pesticides and machinery has increased in agricultural production. Moreover, the producers started to integrate more with the market and the purpose of production began to cease to be only self-consumption. On the other hand, new actors have been added to the food supply chain consisting of the state, farmers and consumers in the traditional period.

2.1.3. Modern Period Food System in Turkey (1980 and Later)

Until this part of the thesis, the theoretical and conceptual framework of food regimes has been conveyed. In this context, first of all, the traditional food regime has been examined, and the reflections of this regime in Turkey in the 1923-1950 period have been discussed within the framework of agricultural policies. Subsequently, the observed characteristics of the transitional period food regime in the 1950-1980 period have been underlined. In this subpart, the dynamics behind the transition to the modern food system in Turkey in the 1980s and later and their reflections on the food regime will be discussed.

The role of the state in the food regimes observed in Turkey in the pre-1980 period, from agricultural policies to the functioning of the supply chain, is undeniable. By the 1980s, the active role of the state in agriculture began to decline. In order to understand the subject, it is necessary to talk about certain dynamics in the background of this situation. The decisions of January 24, 1980, which were put into practice to restore the deteriorated economic stability in Turkey, are one of these dynamics. The main purpose of the January 24 stability decisions is to ensure the transition to a market economy in the Turkish economy (Tokgöz, 2007: 209). Within the scope of the January 24 decisions, the main reflection of the transition to a market economy on the agricultural sector was the reduction of state support and subjecting the small commodity producers to market conditions. The public budget deficits, which emerged as a result of the government's policies supporting agriculture in the pre-1980 period, were seen as the source of inflationary pressure and reducing the active role of the state was aimed (Teoman, 2017). With this restoration in policy preference, the role of the state, which was in a supportive position in the agricultural sector, decreased and the instruments and mechanisms of the market economy came into prominence. In this context, the input support offered to the products and agricultural producers within the scope of the support was reduced (Ak Kuran, 2019: 156). Moreover, cheap loans for the agricultural sector were replaced by high-interest loans, and the prices of supported product purchases were reduced (Teoman, 2017).

Within the framework of traditional and transitional period food regimes, the role of the institutions such as the Turkish Grain Board, the Agricultural Equipment Institution of Turkey, the Meat and Fish Institution which were the indicators of the active role of the state in Turkey before 1980, weakened in the period after 1980, in which the modern period food regime is encountered, and their privatization started to be discussed (Ak Kuran, 2019: 158-159).

The effect of external dynamics is also important in agricultural policies shaped in the axis of neoliberal policies in Turkey after 1980. Stand-by agreements signed with the IMF are one of these dynamics. In this context, with the stand-by agreement signed for the period of 1980-1983, a package of measures was presented to reduce public expenditures, subsidies and price controls carried out by the state (Tokgöz, 2007: 209). With the stand-by agreement signed with the IMF in 1999, a market-centered structuring in agriculture was requested. In this context, the privatization of State Economic Enterprises (SEE) came to the fore, the price-based supports offered by the state to the agricultural sector were revised as Direct Income Support (DIS)[27], and the production number of products such as tobacco and hazelnuts was limited (Teoman, 2013). On the other hand, the World Trade Organization (WTO) agriculture agreement (1995) contains regulations that affected the agricultural structure in Turkey. Within the framework of the aforementioned regulations, the protection rates for agricultural product imports in Turkey were lowered. The budget allocated to subsidized exports and the support provided to the agricultural sector were reduced (Ak Kuran, 2019: 161).

Another external dynamic shaping the agricultural sector in Turkey after 1980 is the 1964 Ankara Agreement signed within the scope of harmonization with the European Union and the Accession Partnership Document dated 2001, which is a continuation of the

[27] DIS refers to transfers made from public resources in order to affect the income of agricultural producers. DISs are applied as transfers to producers, compensatory payments related to a certain level of production, and difference payment or premium system without being associated with the production amount (Yılmaz et al., 2008: 249).

Additional Protocol signed in 1973.[28] Accordingly, it was expected that the privatization of SEEs, which activated the role of the state in the economy with the Accession Partnership Document, would continue (Bayraç & Yenilmez, 2005: 31).

In the light of the information conveyed, it is possible to understand that the role of the state in the economy weakened in 1980 and later, different from the traditional and transitional period. In order to understand the modern period food regime, it is important to reveal the changes in the production and distribution relations of agricultural producers depending on the observed change in the role of the state in the agricultural sector.

As stated above, the stand-by agreement signed with the IMF for integrating producers into the market economy manifested itself through practices such as privatizations, reductions in public support, and restrictions on the supply of some products. Along with these applications, the producer profile also changed. The population that produces on small lands with family labor, which is called small commodity producer, has started to decrease. There was an increase in the number of medium and large enterprises and the proportion of lands cultivated by them (Teoman, 2013: 293). With the increase in large-scale enterprises, the structure of the producer changed (Teoman & Tartıcı, 2012: 165). Many products in the product range of the producers, who are also described as small peasants were no longer bought by the state. Moreover, the state reduced its traditional protectionist policies in the form of input subsidies. Thus, producers came face to face with the merchant in the local market. In the said period, local merchants took their place in the food chain as the closest supplier to the producer, thus the supplier at the bottom. It can be said that the topics of seeds, fertilizers, pesticides and diesel used in production stand out as the topics that challenged small producers. Growing seedlings from seeds ceased to be the occupation of the small producer[29] and became the subject of the capitalist entrepreneur. As of the period, with the increasing diversity of agricultural production tools, the types of tools needed by the peasants also increased (Özuğurlu,

[28] Accession Partnership Documents are documents that regulate the roadmap of Turkey's EU membership and the minimum conditions required for the realization of it (Bayraç & Yenilmez, 2005: 31).
[29] It can be expressed as the producer group that organizes production in rural areas with their unpaid household labor (Yıldırım, 2014: 23).

2012: 109-113).[30] On the other hand, multinational companies aiming to enter into direct contractual relations with the small producers by eliminating the merchants are another striking feature of the period. As stated in the first part of the thesis, multinational companies that have risen as a reflection of the modern period food regime have started to establish a relationship pattern called "*contractual farming*" in the food supply chain. In this context, it has been observed that there is a tendency to subject the production of small producers directly to the aforementioned companies by eliminating the merchant in the food supply chain (Özuğurlu, 2012: 110). In this respect, it can be said that as of the relevant period, the production conditions started to transform with the increase in the producer profile and the use of technological products.

Regarding the changes in agricultural production conditions, the tools used in agricultural production increased in quantity in the post-1980 period. For example, while the number of tractors used in agriculture was 20,500 in 1980, this number reached 1,306,736 in 2017. Moreover, different kinds of machines such as machines with harvesting, spraying, product processing features have been involved in the production process. There has been a transition from mixed product to single type product in production, that is, a trend towards monoculture-based production, where a single product variety has been produced over the years, has occurred in large lands. On the other hand, the seed has now become a commodity input that can be bought and sold. By using the seed obtained from the product, the chain in which the product can be obtained again has begun to be broken. The seed seen in the traditional food regime, which can be used for years, is now specific for single use. The use of chemical fertilizers mentioned in the transitional period food regime has increased even more with the modern period. In this context, the use of chemical fertilizers increased 30 times in the 1963-2017 period, reaching a remarkable level of 26,442,000 tons. (Ak Kuran, 2019: 162-165).

As a result of all these developments listed, differences have emerged in the producer profile compared to the traditional and transitional periods. Producers faced different players integrated into the market economy and broke away from the understanding of

[30] It is possible to talk about a local market based on the marketing of new agricultural tools whose common feature is labor-saving (Özuğurlu, 2012: 112).

production based on family labor for subsistence. In this context, as the activity of the state, which plays a role in protecting the producer segment, decreased, the producers were confronted with market actors who are fully focused on individual gain, especially merchants and brokers with private capital, during the production and marketing of their products. On the other hand, with the modern food regime, large companies began to take the place of small commodity producers, whose positions were gradually weakening. It would not be wrong to say that these companies are operating in an increasing importance and role in terms of the functioning of the supply chain.

In terms of the reflections of the modern period food regime in Turkey in 1980 and later, another interesting point is the structure of the supply chain. As it is known, the active role of the state was visible in the traditional food regime in the 1923-1950 period in Turkey, especially in the post-1930 period. In this context, a short and simple supply chain consisting of the state, farmers and consumers can be mentioned. In the transitional period, companies providing inputs that responded to the innovations brought by the green revolution in the agricultural sector and some enterprises that started to take part in food supply and were the first cores of supermarket formation in Turkey were included in the supply chain.

New actors were added to the chain in the period between 1950 and 1980, but what is noteworthy at this point is that the state continues to be one of the actors taking an active role. In the post-1980 period, the structure of the supply chain was shaped by the increasing role of the decreasing market power of the state. The state was replaced by companies whose role increased with neoliberal policies. According to McMichael (2009), the third food regime marks the period in which the market and multinational companies dominate (McMichael, 2009: 281). As quoted by Çaşkurlu (2012) with reference to Gimenez and Shattuck (2011), the restrictions in the modern food regime, have disappeared on a global scale and international food companies and retail chains have dominated the agricultural and food markets. (Çaşkurlu, 2012: 65). In the 1950s, when companies were added to the food supply chain, the first actors, as mentioned before, were enterprises named Migros-Türk, Gima and Tansaş. In the post-1980 period, multinational companies started to show themselves in many stages, from the supply of inputs to the food retail sector, and from the final delivery of the products to the consumer.

The third food regime was built on the farmers, who had no lands, the reconstruction of the supply chain, and the centralization of agri-food relations (McMichael, 2005: 295). Moreover, according to McMichael, the increasing influence of agricultural enterprises from the soil to the market in the south of the world has paved the way for the food supply chain under the control of companies (McMichael, 2005: 274). In the modern period food regime, grocers and small markets started to be replaced by organized retail channel actors operating on a larger scale. These actors are categorized under different names like supermarket, hypermarket, etc. Today, food production has been organized to respond to the demands of retail chains operating on a global scale such as Walmart, Tesco, Carrefour (Çaşkurlu, 2012: 67). In the post-1980 period in Turkey, the supply chain moved parallel to the factors of the modern period food regime observed in the world conjuncture. In the 1990s, the share of foreign actors entering the Turkish market gradually increased. These are foreign actors such as Carrefoursa and Metro. Moreover, in the 1990s, the European discount merchandising format prevailed. In the new market format, the retail sector has a wider range of action compared to other actors, they can be positioned even at the neighborhood scale because they have a small sales area, and they also sell private label products (Kazak et al., 2021: 9-10).

Although organized retail has increased in Turkey in the post-1980 period, there has not been a significant decrease in the weight of supply points such as grocery stores and buffets operating on a small scale (Kazak et al., 2021: 9). As of 2016, the sales of modern retailers in Turkey were 43,385 million dollars, while the sales of traditional retailers were 47,159 million dollars (Ak Kuran, 2019: 169). These rates show that traditional retail and organized retail converge in Turkey and one is not less important than the other. As of 2019, when we look at the players in the retail sector in Turkey in general, the main players in the organized retail sector are Bim, A101, Migros, Bizim Toptan, Şok, Carrefoursa, Metro, Adese, Çetinkaya, Özdilek and Yunus market chains (Kazak et al., 2021: 15).

Aside from these national capital players, which form one of the rings of the supply chain in the Turkish food industry, it is possible to talk about the players added to the supply chain with foreign direct investments. In the long time period of 1954-2010 in Turkey, the number of companies with foreign partners in agriculture, hunting, forestry, fisheries and similar fields reached only 409. The sectors in which foreign direct investments are concentrated are the food and retail sectors (Teoman & Tartıcı, 2012: 168). Therefore, it has become possible to talk about the increasing role of foreign capital owners, especially in the food sector, among the new players added to the supply chain in Turkey in the post-1980 period. The main reason for the concentrations seen in the food sector is acquisitions and mergers (Ak Kuran, 2019: 170). In this context, foreign partners are encountered in undertakings formed through mergers and acquisitions. Examples can be given to some decisions taken by TCB in terms of seeing domestic and foreign capital partnerships in the sector. With the decision made in 2003, all of the shares belonging to Doğuş Holding A.Ş. in Filiz, a pasta brand, were transferred to Barilla Alimentare SpA. Within the scope of another decision, Yudum, an oil brand, was transferred to the Savola Group, established in Saudi Arabia.[31] As can be seen through the examples of a few decisions, there are companies made up of domestic-foreign partnerships as well as domestic companies in the food supply chain.

On the other hand, the decreasing role of the state in the context of the supply chain in the modern food regime has also manifested itself in food products, which are almost entirely of agricultural raw material origin. Public standards have been reduced for the products in question, and special standards have been introduced for the products to be adopted by merchants and retailers. This situation has created a certificate system for the certification of high special standards and a new sector consisting of companies to issue the said certificates (Çaşkurlu, 2012: 67).

Another point that distinguishes the 1980 and later period from the traditional and transitional food regime is about consumption habits. In the post-1980 period, consumers were faced with a consumption basket that would go beyond meeting their nutritional

[31] Decisions of TCB dated 20.02.2003 and numbered 03-11/123-57; dated 27.12.2007 and numbered 07-92/1169-455. (https://www.rekabet.gov.tr/tr/Kararlar Accessed on July, 19, 2022)

needs and could contain quite a number of different varieties. Considering the places where a consumer shops today, it would not be wrong to say that the product range on the shelves is quite wide. The increase in the number of markets and supermarkets such as Bim, A101 and Şok, which are categorized as discount markets, and the products that consumers encounter during shopping support this argument. This situation affects the decisions of the consumers and can increase the feeling of turning to products other than needed.

On the other hand, increasing product diversity has brought caused some problems. One of these is that the consumer, who is faced with the label on the package during shopping, makes a purchase by looking at the expiration date rather than the information about the content of the product. Therefore, consumption often takes place unconsciously. On the other hand, unlike the traditional food regime, it has become difficult to establish a relationship based on trust between the producer and the consumer. With the modern period, the distance between the producer and the consumer has increased, and consumers have started to buy products without having much information (Ak Kuran, 2019: 174-175). Another factor that shows the change in the consumption profile as of the relevant period is the places where consumption takes place. In Turkey, especially today, consumption has moved to areas outside the household. At this point, it is necessary to mention electronic commerce (e-commerce), whose importance is increasing day by day.[32] With the widespread use of the internet recently, consumers have started to acquire the habit of shopping online. This has triggered the expansion in the e-commerce channel. Factors such as the more intense interaction of the young population with the internet, the easy access to the devices necessary for accessing the internet, the intensity observed in the use of internet sites, social networks and e-marketplaces, and the convenience provided to consumers by shopping over the internet have played an important role in the increase in e-commerce (Sarıçiçek et al., 2022). The change in consumer habits, which is also a reflection of the modern period food regime, has brought along the transformation

[32] E-commerce refers to the buying and selling of products and services via electronic media. The concept in question is based on receiving and placing orders through methods designed by the Organization for Economic Cooperation and Development for the purpose of purchasing products and services via computer. E-commerce between businesses and consumers and trade between consumers are considered as retail e-commerce (Sarıçiçek et al., 2022: 12-13).

towards the supply side.[33] Moreover, vendors have had the opportunity to sell through their own websites and e-marketplaces that bring many companies together. Thus, the tendency of sellers to sell over the internet has increased (Sarıçiçek et al., 2022: 6). In this context, the share of e-commerce in total trade was 8.1% in January 2019, while this figure reached 11.7% as of January 2020 and 17.4% in June 2020 (Sarıçiçek et al., 2022: 37). The aforementioned data shows that e-commerce is becoming an increasingly important sales channel. In this context, it is possible to accept that the changing consumption places and consumption habits with the modern period food regime introduce the e-commerce channel as a new platform.

In summary, in the second part of the thesis, agriculture and food policies in Turkey from 1923 to the present have been discussed. It has been evaluated that agriculture in the 1923-1950 period was carried out with simpler tools and equipment that can be considered primitive, was based on a need-oriented consumption approach, and the simple and short supply chain consisting of public producers and consumers reflects the characteristics of the traditional food regime. With the Democratic Party government that came to power in 1950, steps were taken towards liberalization in Turkey's agriculture. In the period between 1960 and 1980, the restoration of state support in agriculture draws attention. On the other hand, in the context of green revolution technology, which is a reflection of the transitional food regime, the use of modern inputs such as chemical fertilizers, pesticides and machinery increased. Considering the structure of the supply chain as of the relevant period, the existence of new market actors was observed. In the food sector, retail sector players such as Migros-Türk, Gima and Tansaş were included in the supply chain. Thus, the number of players started to increase in the simple and low-player supply chain of the

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[33] An example of supply-side conversion is the supply of more than one type of the same product to the market at different prices. In this context, for example, a biscuit producing enterprise can deepen its product group with different biscuit varieties. See. https://www.dunya.com/kose-yazisi/urun-farklilastirma-ve-cesitlendirme/330136. Accessed on July, 28, 2022.
On the other hand, in the context of supply-side transformation, the retail sector's movement towards digitalization has accelerated during the COVID-19 pandemic. The border between the physical market and digital channels has begun to disappear. China's transformation in online and offline retail has had a global impact. China's e-commerce trends such as live broadcasting, social commerce and super application have begun to spread on a global scale. (https://www.marketingturkiye.com.tr/haberler/e-ticaret-devi-cin/. Accessed on July, 28, 2022) As can be seen, a transformation has occurred on the supply side in order to respond to the changing consumer demand with the modern period food regime. It is possible to say that a remarkable extension of this transformation is digitalization. Businesses need to show a tendency to adapt to the said transformation in their production and marketing strategies.

traditional period. Thus, the impact of the transitional food regime on the supply chain became observable in Turkey as well. Finally, in this section, the reflections of macroeconomic policies shaped around neoliberal policies in the post-1980 period in Turkey on the agricultural sector are presented. Accordingly, while the role of the state in the economy has decreased, it has been observed that market instruments, especially price, have become more prioritized in production and distribution relations. The transformation experienced with the modern period food regime has also manifested itself in the supply chain. In this context, multinational companies have been involved in the supply chain. These companies have entered a process where their market shares are increasing at different stages, especially in the input supply, such as the production stage, and the marketing and distribution of the product. In this period, another reflection of the modern food regime showed itself in the changing consumer habits. In this regard, consumption has ceased to be need-oriented and consumer demand has diversified. The e-commerce channel has become an increasingly important platform in consumption with the comfort provided to the consumer by shopping over the internet.

As stated earlier, the thesis focuses on the food supply chain from the perspective of food regimes and the market roles of the actors involved in this chain. In this context, the conceptual framework regarding the supply chain and its extensions will be briefly presented in the following section.

CHAPTER 3: FOOD SECTOR WITHIN THE FRAMEWORK OF SUPPLY CHAIN CONCEPT

3.1. SUPPLY CHAIN

In the previous parts of the thesis, the theory of food regime has been presented. The structure of the supply chain has been mentioned in the traditional, transitional and modern period food regime theories. In this context, it has been revealed that there is an increase in the number of actors in the supply chain from the traditional food regime to the modern period food regime. Today, it is important to understand the structure of the supply chain. In the globalizing world, the supply chain has started to gain strategic importance. The supply chain has spread beyond the borders of the country and companies in different countries have become competitors (Torğul et al., 2021:52). In this thesis, the management of the food supply chain is also important since the structure of the food supply chain in Turkey and its reflections on the food sector will be examined. The increase in the world population raises concerns about the availability of food. Reflections of a disruption in food supply to the said sector have an important place in the agenda of the public and enterprises (Soysal et al., 2012: 137). Therefore, it is necessary to understand the functioning of the food supply chain and its reflections on the sector. For this reason, in this part of the thesis, the conceptual framework of the supply chain and its management will be discussed.

3.1.1. The Concept of Supply Chain

The supply chain can be defined in different ways in the literature. A supply chain is a system consisting of those who provide, produce, distribute and purchase the product. All the steps from the production stage of the product until it reaches the buyer are the elements of the supply chain. The supply chain is the structure that progresses from the intermediate product providers to the buyers and includes producers and distributors at the intermediate level (Güleş & Çağlıyan, 2001:54). The supply chain is the sum of the members, which includes many players from suppliers to retailers, from logistics to producers and distributors, providing product and information flow among them

(Kopczak, 1997: 227). The supply chain starts with the supply of the main inputs required for the final product, the production process continues with the storage and delivery of the product to the customer.

The supply chain is a set of efforts consisting of planning, sourcing, production and distribution processes for the realization of the final product. Moreover, it is the network that consists of production center, distributors, suppliers and retailers, where information flow takes place between these players (Karasu, 2006: 4). The supply chain is the entire process that enables a product to reach the consumer from the producer. Many players, including wholesalers, distributors, and retailers, are involved in this process. The supply chain is all the links of the product or service from the supplier to the customer in the process. In this process, the supplier, manufacturer, distributor, retailer and customer constitute the different points of the mentioned connection (Yıldızbaşı et al., 2019: 459). According to another definition, a supply chain is a network of organizations that procure the raw material, product or service from the supplier and then produce and deliver value-added products or services to customers. (Li & Lai, 2009: 381)

In short, it would not be wrong to say that the supply chain refers to all the stages that the product goes through until it reaches the customer. It consists of many stages from the supply of the inputs required for the production of the products to their preservation. In the last link of the chain, the products are delivered to the end user through different distribution channels. In this context, at the first stage of the supply chain, the necessary inputs are provided for the product to be sold. Then, the raw materials go through intermediate stages to be converted into semi-finished product. When the product reaches the finished product stage, it is delivered to distribution centers and vendors to be delivered to customers.

Within the scope of this thesis, the structure of the supply chain is discussed with the food dimension. For this reason, the food supply chain needs to be conceptually included. The food supply chain is different from other types of supply chains. This difference stems from the changes observed in the quality of the product until the product reaches the final consumer. The food supply chain consists of organizations that produce and distribute plant and animal products. These are fresh products such as vegetables and fruits or processed products such as snacks, sweets and canned goods. These chains generally include producers, importers, exporters, and suppliers of inputs and services. In the supply chains where fresh products are produced, the packaging, storage, transportation and trade phases of the products are encountered. In the other supply chain, value-added products are produced and agricultural products are used as inputs (Bloemhof & Soysal, 2017:396-397). The food supply chain is the process that starts with agricultural producers and ends with consumers. Moreover, it includes food service or retail activities. Food producers supply agricultural raw materials and carry out the packaging, cooking or preservation of the product before the distribution phase (Akkerman et al., 2010: 3).

In summary, it is possible to express the food supply chain as a process consisting of different steps from the production of food to its delivery to the final consumer. On the other hand, the process in question may differ in terms of supply chain types. In this context, in the next part of the thesis, framework information about types of supply chains will be given.

3.1.2. Types of Supply Chains

Supply chains can have a different structure for each sector. While the supply chain has a simple structure in the traditional period food regime, as mentioned before, the multi-player structure in the modern period food regime draws attention. Therefore, it would not be wrong to say that the structure of the supply chain has become more complex from the traditional period to the modern period.

The supply chain is divided into single and multi-stage.[34] In a single-stage supply chain, the acquisition of raw materials combines the flow of materials into production and distribution. Moreover, information processing and decision-making functions and management of funds are also included in the single-stage supply chain. In the multi-stage

[34] The information presented on the types of supply chains is limited to a dual distinction as “single-stage and multi-stage”, by taking into account the supply chain structure of the traditional and modern period food regimes and thinking that it will correspond to the supply chain structures seen in the mentioned food regimes.

supply chain, more than one enterprise is added to the chain. In this respect, a multi-stage supply chain can be encountered, especially in enterprises that benefit from external resources (Karasu, 2006: 6).

On the other hand, although it is not completely independent of the supply chain types, it would be appropriate to mention the structure of the supply chain in order to understand the stages in the delivery of the product to the final consumer and the interactions between the actors at these stages. In the following title of the thesis, information about this subject will be given.

3.1.3. Structure of the Supply Chain

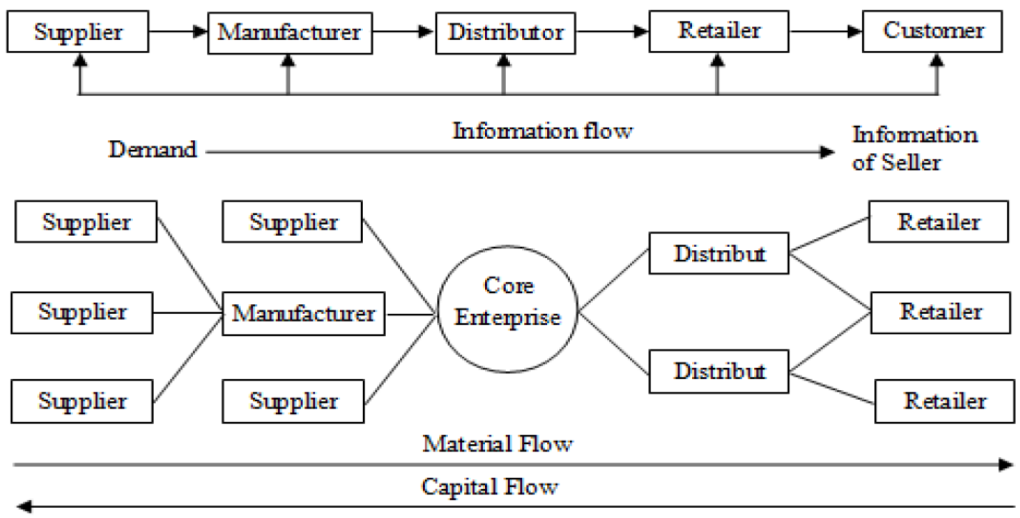
The supply chain may present a different structure depending on the sector and the number of players. Various definitions of this concept have been given before. It would not be wrong to say that the whole of the relations between the actors in the supply chain constitutes its structure. The structure of the supply chain, which can be expressed as the whole of the relations and connections between the actors in the chain, consists of the movements between the suppliers, manufacturers, wholesalers, distributors, retailers and final consumers of the products (Hacalaki, 2020). Within the scope of this thesis, the information about the structure of the supply chain is related to the players in the chain and the interaction between the players. As expressed by Li & Lai (2009), a general model of the supply chain structure was first proposed by Fu-Renlin and Michael J. Shaw in 1998 (Li & Lai, 2009: 381).

In the structure of the supply chain, there are suppliers, manufacturers, distributors, retailers, customers, etc. This structure emerges with the division of the functions of the supply chain and labor such as production, distribution and retail. As stated by Li & Lai (2009), there are four different stages in the supply chain: procurement, production, distribution and retail. How many players are involved in each stage is an aspect that reveals the structure of the supply chain.

Added value, capital, information flow and logistics are provided at every stage of the supply chain. Moreover, according to Li & Lai (2009), a stable supply chain structure can increase productivity, customer satisfaction and loyalty, and reduce inventory and shipping/transportation costs. In this context, companies need to pay special attention to the structure of the supply chain in order to gain a competitive advantage over other companies. A disruption in the structure of the supply chain may adversely affect the functioning of its entirety. With globalization, the division of labor in the international arena complicates the structure of the supply chain while it increases the dependence between the actors in the chain (Li & Lai, 2009: 381).

The general model for the supply chain structure is illustrated in Figure 1:

Figure 1. Supply Chain Structure



Source: Li & Lai, 2009: 382.

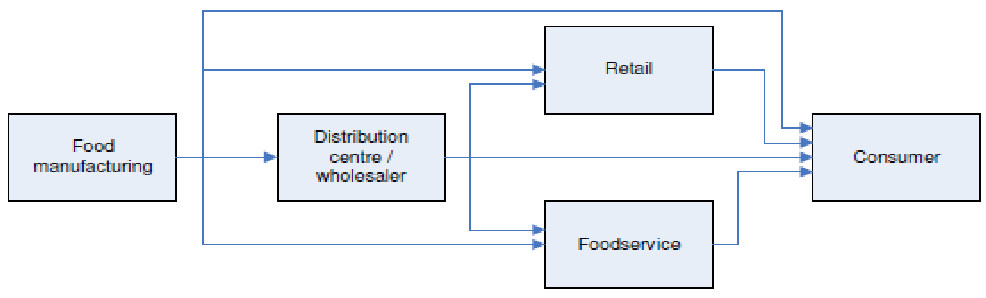
Within the scope of Figure 1 above, the process starts with production, distribution, retail and raw material procurement in a supply chain structure and the process is completed with the end user. Added value is achieved by using capital, information flow and logistics throughout the supply chain. In the structure of the supply chain, there are interconnected companies. On the other hand, it is seen that there is a core company that has a strong position in the chain and has the capacity to attract. The relevant company can control costs and prices and manage the process (Li & Lai, 2009: 382).

In the structure of the food supply chain, after the production phase, wholesalers, food service businesses and retailers are encountered (Akkerman et al., 2010: 4). The retail industry includes large supermarkets, smaller retailers and specialized stores. This sector has intensified in recent years. This situation causes large retailers to become dominant in the sector (Dobson et al., 2001: 247). Specialized stores have a wide variety of products and high quality products are sold in these stores, which gives them a competitive advantage. On the other hand, the product range of local retailers has also increased recently. The number of retailers operating on online platforms is also increasing day by day (Akkerman et al., 2010: 4).

In terms of catering enterprises, the main actors are restaurants, cafes, takeaways, hospitals, schools, residences. The mentioned places tend towards industrial food consumption (Akkerman et al., 2010: 5). In this regard, convenience foods are on the rise. This situation is triggered by demographic factors such as the increase in food consumption in single-person households and outside the household, and the increase in the elderly population(Buckley et al., 2007).

The structure of the supply chain, which can be considered as the whole of the relations between the actors, can be conveyed within the framework of the following figure regarding the general structure of the distribution in particular:

Figure 2. Distribution Network of Food Supply Chain



Source: Akkerman et al., 2010: 4.

As seen from the Figure 2, after food is produced in the supply chain, it is delivered to the distribution center/wholesalers. In the next stage, the product is delivered to retail or food service places. As a result, consumers can reach the products through these points. It is easy to talk about the possibility of deterioration in nature of the products transmitted along the chain in question. In this context, the important factor in the distribution of food is the maintenance of food temperature. When the temperature level is not properly controlled, potentially harmful bacteria may occur, the appearance and texture of the product may change, and the product quality may be affected. Unexpected changes in the structure of the product determine the shelf life of it.

On the other hand, three types of supply chains can be mentioned in terms of temperature control. As stated by Akkerman et al. (2010), these types are divided into: frozen, chilled and room temperature. Different temperature types can be mentioned for frozen and chilled products in the supply chain (Akkerman et al., 2010: 5-6). Although the thesis focuses on the supply chain, it is not necessary to provide detailed information on this subject, since the part that is mainly intended to be examined is not to reveal the necessary conditions for the food to arrive intact throughout the supply chain.

To summarize briefly what has been conveyed under this heading, the structure of the supply chain consists of different actors such as suppliers, manufacturers and distributors. When we examine the food supply chain specifically, there are wholesalers, catering companies and retailers in this process. Without making a sector-based separation, it can be said that the structure of the supply chain consists of the interdependence between the actors in question and the elements that complement each other. In this context, the question of how this process in the supply chain can be carried out in a healthy way comes to mind. It is possible to answer this question within the framework of the concept of supply chain management. For this reason, information on the subject will be given in the next title of the thesis.

3.1.4. Supply Chain Management

In the light of the information conveyed up to this part of the thesis, it is crucial for the supply chain to function properly. The links of the supply chain are in mutual interaction and dependence. Therefore, a problem that occurs in one of the rings will affect the operation of the other rings. Ultimately, the products and services to reach the consumer will be disrupted and consumer welfare will be adversely affected. In this context, the concept of supply chain management ("*SCM*") gains importance.

SCM is one of the popular strategies that enterprises focus on to gain competitive advantage in the 21st century. Because in modern economies it is seen that competition takes place between supply chains rather than companies (Radosavljević, 2015: 399). Within the scope of this thesis, the functioning of the supply chain will be examined in the food sector. The effects of the food supply chain on the food sector will be discussed on the basis of competition law.

SCM consists of the correct coordination of products and services from supplier to manufacturer, from manufacturer to distributor, and information sharing between the actors in the chain. According to another definition, SCM is the coordination and aggregation of material, information and financial flows among actors such as suppliers, distributors, and producers that form the rings of the chain (Karasu, 2006: 7). According to Andjelkovic, SCM is a management strategy that aims to optimize the flow of information, finance and material. The aim is to minimize costs and increase the value offered to the consumer (Andjelkovic, 2017: 122).

In the light of the different definitions given above, SCM is a set of strategies consisting of all elements such as communication, coordination, and information sharing between the actors in the chain during the process of the product or service until it reaches the final consumer.

As stated by Soysal et al., (2012), the interest in SCM in the agri-food industry in developed and developing countries is increasing day by day. Moreover, it is thought that with the right coordination and integration of business processes in the supply chain, the competitive success will be achieved. In traditional supply chain management, it is aimed to reduce costs and respond quickly to developments, to increase the quality of food and to reduce food waste as well as achieving sustainability and traceability. In food supply chain management, in addition to these objectives, there is a different management approach that takes into account the unique characteristics of the food production process (Soysal et al., 2012:137-138). One of the goals of SCM is to reduce costs. Here, the cost refers to the global network costs in the process that the product passes from the first point of procurement until it reaches the final consumer. Minimization of costs is crucial in food supply chains and other supply chains. The need for advanced models and tools is increasing day by day in order to minimize costs. On the other hand, the precision of the supply chain is important. How quickly it can respond to the demands and changing needs of consumers and to the dynamics of the international market on the basis of new products is important from the context of SCM (Soysal et al., 2012: 138). The increasing demands of today's customer profile, which Mc Kenna (1997) defines as "*the never satisfied customer*", and the desire to reach them immediately attract attention. Supply chains can also respond to the requests of the customer profile in the fastest and most effective way. Therefore, it is important to find suppliers that can meet the needs and to establish partnerships. SCM also appears in this context (Ecevit, 2002: 29).

As stated by Soysal et al (2012)., another target of food SCM is to improve food quality and reduce food waste. With the increasing population in the globalizing world, concerns about the availability of food are increasing. In this context, it is important to control and manage the food throughout the supply chain until it reaches the consumer and to use the resources correctly within this framework. In today's world, consumers prefer affordable, reliable and high-quality products at competitive prices (Apaiah & Hendrix, 2005: 383). As stated before, the quality of the product in the food supply chain is constantly changing until it reaches the final consumer. Quality change needs to be tracked throughout the supply chain and product quality needs to be maintained and improved. Therefore, different approaches and methods may be needed in SCM for products not to deteriorate, for temperature controls and quality monitoring. The issue of reducing food waste is also related to preventing the deterioration of products or reducing food spoilage (Soysal et al., 2012:139). Another goal related to food supply chain management is sustainability and traceability.[35]

[35] For detailed information on the subject in question, see Soysal et. al., 2012.

On the other hand, efficient management of the supply chain is critical for supply chain managers as it minimizes potential security vulnerabilities in the supply chain. Therefore, risk management strategy is an important factor to consider in the context of managing possible risks in SCM (Andjelkovic, 2017: 124). Although there are many studies in the literature that examine the risk factor of SCM, the main focus of this thesis is the functioning of the food supply chain; thus, risk management in the supply chain will not be covered in detail.

In summary, it is important to ensure coordination among all the links of the chain and manage interdependence in SCM. SCM can be expressed as the whole of the aforementioned network of relations between the actors in the chain. The food supply chain, on the other hand, differs from other supply chains in terms of the nature of the products. Changes are observed in the quality of the products from the first procurement point to the final consumer. Therefore, it is important to monitor and control the supply chain so that the quality of food is not deteriorated and moreover increased. In this context, different methods may be needed in the management of the supply chain.

On the other hand, as stated before, SCM can create competitive advantages for companies. In today's world, being able to gain an advantageous position against rival undertakings in the increasing competitive conditions can go through the correct and effective management of the supply chain. In this context, in the next title of the thesis, the framework information on the effects of SCM on the competitive capacity of enterprises will be briefly presented.

3.1.5. The Impact of Supply Chain Management on the Competitive Capacity of Enterprises

Today, the importance attributed to SCM is increasing day by day. The objectives of SCM have been briefly mentioned above. Apart from these purposes, it is possible to talk about other goals. Some of these goals can be listed as materials that will ensure the regular supply of products, continuity of information flow, keeping inventory costs at a minimum level, reducing the cost of raw materials and other inputs and increasing the competitive capacity of enterprises (Karasu, 2006: 11).

As stated earlier, the supply chain has become more complex as it moves from the traditional to the modern period food regime. With the increasing number of actors in the modern period food regime, competition among companies has increased. It has become even more important to gain competitive advantages in the relevant markets. In this context, the interaction between the actors of the supply chain, which plays a role in the production and presentation of a product or service to the final consumer, has begun to come to the fore. The fact that the flow in the supply chain is not disrupted provides an advantage to the companies that are the customers of the supplier. Therefore, the correct and effective management of the relationship between the supplier and the customer is quite important in terms of both eliminating the negative effects that may arise in the future and the competitive advantages that it will provide to the business in the current period.

The importance of SCM and the power that it provides to enterprises are important in the conditions of increasing competition at the national and international level. The importance of SCM in the context of the competitive capacity of enterprises is a highly comprehensive issue in itself. However, since this thesis focuses on the structure of the food supply chain from the perspective of the food regime, this part of the thesis will only cover the issue in general terms.

For an enterprise, there are benefits to procuring products through suppliers. These benefits can be listed as low cost, more flexibility against customer demands, high quality, easy follow-up of technological developments, better knowledge of the market, and simplification of business management (Ecevit, 2002: 33). [36]

[36] In this context, first of all, the enterprises can reduce their costs by purchasing the needed goods and services from a supplier that directs its tools and experts for this cause, rather than using its own production capacity. Second, a company may need to make voluminous investments in additional resources to respond to changing customer demands. Issues such as new equipment, employment of expert personnel in the field of information systems that establish communication between different structures will increase the costs of

On the other hand, it includes all enterprises that contribute to the supply chain to meet the demands of customers. Therefore, every enterprise is involved in the process, inside or outside the supply chain, in meeting customer demand. The activities of the member enterprises of the supply chain are part of the larger process within the chain. Today, global supply chains constitute the source of competitive advantage for the enterprises within it (Radosavljevic et al., 2016: 850-851).

In order for companies to continue their activities, it is important to interact with suppliers, retailers, distributors and other actors in the supply chain and to act together with these actors. SCM, which can also be expressed as the whole of the relations between the said actors, and the correct management of the said process also provide competitive advantages to the companies. Providing the highest level of value to the customers, minimizing costs and gaining an advantage over other companies in a competitive market environment are among the important strategic goals of the companies. SCM contributes to the companies in planning strategies through different applications (Karlı & Tanyaş, 2020: 175).

To summarize the information given in this part of the thesis, the whole of the activity that takes place from the production of the product to the delivery to the final consumer can be expressed as the supply chain. Along this chain, we may encounter one or more stages. In contrast to a single-stage supply chain, multiple enterprises are added to the supply chain. These inter-actor relations ultimately reveal the structure of the supply

the enterprises, but as a result of the cooperation with the suppliers, it will be possible to respond to customer requests in a timely manner. Thirdly, since a supplier will specialize in certain product/products, developments related to the product in question can be followed closely. Thus, procuring the parts that make up the final product or from the company that supplies the product may affect the quality of the final product. Fourthly, the supplier, which specializes in a certain subject, focuses its investments on this effort by closely following the latest technologies and processes. Thus, suppliers' customers will also benefit from this development. Fifthly, suppliers that provide products or services to many customers may have a lot of information from customer behavior to the activities of competitors, and in this context, they may present the information to the customer company. Finally, a company will be able to increase its management efficiency if it works with specialist suppliers for certain parts, rather than being responsible for all features in the production of the product in working life (Ecevit, 2002: 31-33). It would not be wrong to say that among the benefits that can be provided to the enterprises by the suppliers, the cost reduction element is more remarkable than the others. From a micro perspective, one of the main motivations of an enterprise is cost minimization. By reducing the cost, the profitability of the company will increase. Therefore, it is possible to argue that an important and critical factor for a company to attach importance to supply chain management will be cost advantage.

chain. On the other hand, it becomes possible for companies that act with profit maximization to minimize their costs with the correct management of the chain in question. This brings us to the concept of supply chain management. The concept in question can be expressed as the sum of the strategies regarding the interaction between the actors at all stages of the product/service until it is delivered to the end user. As a result of SCM, enterprises can gain competitive advantages. In this regard, it is possible to mention different strategies or actions and practices developed by companies in the competitive market structure. Within the scope of the thesis, the practices of the said actors focusing on their positions in the supply chain and their market roles together with the modern period food regime, their effects on the supply chain and ultimately on the food sector will be examined from the perspective of competition law, and information and evaluations regarding this will be included in the following part of the thesis.

CHAPTER 4: EVALUATION OF THE MODERN ERA FOOD REGIME IN TURKEY

4.1. EXAMINATION OF THE FUNCTIONAL CONDITIONS OF THE FOOD SUPPLY CHAIN IN TURKEY IN TERMS OF COMPETITION LAW

4.1.1. General Framework

Until this part of the thesis, the theoretical framework regarding the food regime has been conveyed. Food regime theory is discussed under three main titles. These consist of traditional, transitional and modern period food regimes. The purpose of production, consumer profile, consumer habits and many similar factors have changed from the traditional food regime to the modern period food regime. Another changing factor is the food supply chain. In general, the supply chain, which was short and simple in the traditional period, has become relatively more complex and multi-actor in the modern period.

There are two actors in the traditional food regime; the producer and the consumer. This system is subsistence oriented and the number of actors involved in the regime is low. This naturally reveals that the relations between the links of the supply chain are at a simple level. Traditional food regime production is mainly aimed at meeting the self-consumption of the rural population, and the remaining part of the self-consumption is supplied to meet the nutritional needs of the urban population. The number of actors acting as an intermediary in delivering the surplus from self-consumption to the urban population is also relatively low. As stated in the first part of the thesis, excess self-consumption products are procured from farmers through merchants and sold to retailers operating at the individual level (Ak Kuran, 2019: 82). Moreover, in the traditional food regime, the buyer and seller come together physically in the market, and the market is not yet standardized. Farmers ship their crops outside the local area through merchants. In other words, the farmers' relationship with the market is indirect. On the other hand, farmers can act flexibly in determining the product standard. Unlike the modern system, there are no intermediate stages such as processing, sorting, packaging of the products in the traditional system, since the supply chain is not long and complex. This situation is reflected in the market in the form of lower food prices compared to other food regimes (Ak Kuran, 2019: 82-83).[37]

As it is mentioned in the second part of the thesis, the supply chain in Turkey during the period of 1923-1950 consisted of the state, farmers and consumers in accordance with the characteristics of the traditional food regime. The most striking feature of this period was that the state played an important role especially in the agricultural sector in Turkey. In the relevant period, the producer segment mainly consisted of small family farms. For this reason, production was carried out primarily for self-consumption. The relation of the villagers with the market remained at a very limited level, in particular for products such as sugar and coffee.

When we examine the functioning of the supply chain in the transitional period food regime, it is seen that there are important differences compared to the traditional food regime. Accordingly, with the introduction of the "*Green Revolution*" technology in agriculture, new seed varieties were used, the lands opened for irrigation expanded, and there was an increase in the use of chemical fertilizers and pesticides. Therefore, with the introduction of the intensive agricultural method in the agricultural sector in this period, the dependence of the producers on modern agricultural inputs that enhance productivity increased. The actors who were the providers of the mentioned agricultural inputs were included in the supply chain. Large-capital companies, which were sellers of modern agricultural inputs, started to take an active role in the food supply chain markets. Thus, companies were added as a new actor to the traditional food regime's supply chain consisting of state, farmer and consumer. Retailers operating in the sector are one of the prominent actors of the transitional period food regime. Among these actors, Migros Türk, Tansaş and Gima were prominent. On the other hand, in this period, some

[37] In the traditional food regime, the costs decreased with the less intermediate stages such as processing, sorting and packaging in the transportation of the product from the field to the table. In this period, it is desirable that the product offered to the market with a lower cost and therefore a lower price is preferred by the consumer, rather than a product whose final price increases with the added costs at each stage of the chain.

institutions established by the state in Turkey and aiming to provide the consumer with products at more affordable prices were added to the supply chain. Meat and Fish Institution established in 1952, State Supply Office established in 1954, Yem Sanayii Türk A.Ş. established in 1956, Turkish Coal Enterprises Institution established in 1957 can be counted among these institutions. Therefore, there was a significant increase in the number of actors involved in the transportation of products from farm to table in the transitional period food regime.

The structure of the supply chain has become relatively more complex and long when the modern period food regime, which historically covers the 1980s and later, has become dominant. In this period, traditional and small-scale retailers started to be replaced by undertakings operating on an international scale. On the other hand, new undertakings established in the format of supermarkets and hypermarkets operating in the organized retail[38] channel draw attention in this period.[39] In this period, retailers establish a direct relationship with the consumer in the supply chain. Since retailers are the representatives of the producers in the sale of products and services, they have the quality of guarantor that provides easy access to the desired product for consumers (Kazak et al., 2021: 9). In Turkey, retail companies with foreign capital such as Carrefoursa and Metro, which entered the market in the 1990s, were added to the retail companies with domestic capital, which started with undertakings such as Migros and Gima in the 1950s.[40]

As mentioned in the first part of the thesis, another general feature of the modern period food regime is the change observed in the consumption habits of consumers. It is

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[38] Organized retail channel refers to the channel consisting of multi-branch and complex stores such as supermarkets and hypermarkets.

[39] The retail sector provides the sale of products and services to the end user. In the retail sector, products are offered for sale in bulk, individually or in certain and smaller pieces.

[40] As mentioned in the third part of the thesis, there are many undertakings such as manufacturers, distributors, wholesalers, dealers and so on in the supply chain. The network of relations between the players in the chain ultimately determines the course of the relevant sectors. On the other hand, in the context of the food supply chain, retailers are one of the important players that currently affect the functioning of the food sector in Turkey. It can be said that another important actor is suppliers. In addition to the mutual interaction of the said players, their actions among themselves create a vertical and horizontal relationship, respectively, in terms of competition law. In the context of these relations, it is possible to talk about the acts and practices of undertakings against competition law. There may be relations between undertakings that disrupt horizontal and/or vertical competition. Detailed explanations regarding this and the decisions taken by TCB are given in the following parts of the thesis.

important to focus on this change as it affects the role of the actors in the supply chain and ultimately the quality of the activity. With the change in consumer habits, consumption has moved out of the household in the modern period food regime. Consumers have started to consume not only for nutritional purposes but also for personal benefit and satisfaction. Moreover, nowadays, the population of women, who stay in the house during the day and deal with the housework, has started to decrease in number. This situation has increased the demand for out-of-home consumption and products and services that can be prepared more quickly and easily. Due to the transformation towards functional foods that can be consumed quickly and differentiated by flexible mass production, the balance of supply and demand has become easily established (Taşdoğan, 2018: 15). This transformation mentioned in the modern food regime has become tangible in Fast Moving Consumer Goods (FMCG) retailing in the Turkish economy.

FMCG retailing is the sum of the activities that ensure that the fast supplied goods are delivered to the consumers by the suppliers (Kazak et al., 2021:9). According to another definition, FMCG retailing is expressed as the sale to the final consumer of products such as food, beverages and cleaning, which have a high shelf turnover, a short time to keep in stock, and a continuous consumption (Kazak et al., 2021: 44). As stated in the industry report published by Turkish Competition Authority (TCA) in 2012, FMCG retailing has a key role in the formation of product prices throughout the supply chain and in delivering the products to the final user. The sector in question delivers a large number of products to the consumers, so it is in intense and constant interaction with other sectors in the economy (Erdoğan et al., 2012:1). FMCG retailing creates added value at every stage of the supply chain. For this reason, FMCG retailing communicates with many sectors such as logistics, finance, energy, e-commerce (Kazak et al., 2021: 9). In this context, it is possible to say that the sector is an integral part of the food supply chain and is of critical importance.

The FMCG retailing sector, which increases its weight through the organized channel with the modern period food regime, is divided into two as traditional and organized retail channels. Of these, the traditional channel consists of small-scale undertakings operating with traditional methods such as grocery stores, buffets, and nut shops (Bilir et al., 2021:

42). Organized retail channel, on the other hand, consists of three sub-channels: supermarket, hypermarket and discount markets.[41] As previously mentioned in the modern period food regime, private label/supermarket labeled products have started to be produced. Therefore, it can be accepted that private label products found in discount markets such as Bim and Şok reflect the characteristics of the third period food regime for Turkey.[42]

In summary, the transformation in the modern food regime has caused a change in many factors, from the number of actors operating in the supply chain to the relationship between actors. With the modern period food regime changing consumption habits, the quality of the products demanded has also changed. The production of easy-to-prepare and frequently consumed products has become prominent. In this context, the importance of the fast food retailing sector in the food supply chain has gradually increased. Small enterprises such as grocery stores and buffets, which are seen in the traditional and predominantly transitional period food regime in the food supply chain in Turkey, continue to exist in the FMCG retailing sector today. As stated in the report published by TCA, unorganized traditional channels operating on a small scale such as grocery stores, kiosks, and dried nuts and fruit shops are predominantly involved in FMCG retailing in terms of turnover and number of stores (Kazak et al., 2021: 12). The main FMCG retailers in today's Turkey are shown in the table below.

[41] Discount market emerged in Germany in 1962, based on the concept that few products were offered for sale directly in product boxes, they had a lower sales area compared to supermarkets, and the product prices were relatively low. The first discount market opened in Turkey was BİM Birleşik Mağazalar A.Ş. in 1995. Currently, Şok Marketler Ticaret A.Ş. and Yeni Mağazacılık A.Ş. (A101) can be counted among other examples of undertakings operating in the discount market format in Turkey. In discount markets, the size of the store, the stock keeping unit and the number of personnel are less compared to supermarkets. In this market type, there are less product types, private label products (the product produced by the discount market under its own brand name) are more numerous. Moreover, in these markets where sales area is small, shelf layout is simple and service delivery is micro-scale. The main mission of discount markets is to offer lower priced products to the consumer. Discount markets are divided into two as "*soft discounter*" and "*hard discounter*". The first is between the level of the supermarket and the level considered as a hard discounter in terms of product prices, variety, service level, and market area. In discount markets, which are conceptualized as hard discounters, product prices are lower. Market area is small and services are provided at a low level (Kazak et al., 2021: 27-28).

[42] Bim's "*Dost*", Şok's "*Mis*", "*Piyale*" and "*Amigo*" brands can be given as examples of private label products sold in discount markets in Turkey.

Tablo 2. Profile of Major FMCG Retailers in Turkey as of 2019

Group	Brand	Store format	Information
Bim	**Bim**	**Discount**	Established in 1995. It is in the hard discounter market category.
	File	**Discount**	
A101	**A101**	**Discount**	Established in 2008, the enterprise operates in the hard discounter marketing segment.
Anadolu Group	**Migros**	**Hypermarket**	Established in 1954. The undertaking passed under the control of Koç Holding in 1975. Migros, which came under the control of BC Funds in 2008, is currently under the control of Anadolu Group. In 2011, it transferred Şok, which is a discount store format, to Ülker Group.
	Migros	**Supermarket**	
	Migros	**Wholesale**	
Ülker	**Bizim Toptan**	**Wholesale**	It started its operations in 2002 with the organized wholesale retailer Bizim Toptan. It took over Şok from Migros in 2011. The undertaking that took over DiaSA in 2013 is the main supplier of sales points in the traditional channel with the SEÇ market model that it has put into practice.
	Şok	**Discount**	
Carrefoursa	**Carrefoursa**	**Hypermarket**	It started its operations in 1993 in Turkey. The company, which was in partnership with Sabancı Holding in 1996, was completely transferred to Sabancı Holding in 2013.
	Carrefoursa	**Supermarket**	
	Carrefoursa	**Mini**	
	Carrefoursa	**Gurme**	
Metro	**Metro**	**Wholesale**	The company, which is an international

			retailer, started its operations in Turkey in 1990. It operates as an organized wholesale retailer in FMCG retailing.
Adese	**Adese**	**Hypermarket**	The undertaking, which started its operations in 1991, operates in FMCG retailing in 4 different formats.
	Adese	**Supermarket**	
	Adese	**Midi**	
	Adese	**Mini**	
Özdilek	**Özdilek**	**Supermarket**	It entered the retail industry in 1983. It continues its activities as a shopping center, hypermarket and department store.
Yunus	**Yunus**	**Supermarket**	It started to operate as a local chain market in Ankara in 1995 and still continues its activities with a high number of stores in many cities.

Source: Kazak et al., 2021: 14-15

It is possible to say that FMCG retailers, which have the characteristics of the modern period food regime in Turkey and whose number is increasing day by day, are in strong interaction with consumers. Consequently, it can be accepted that FMCG retailers in Turkey have become one of the important actors of the Turkish food industry.

The impact of the modern channel of the retail sector in Turkey has gradually increased in the last 20 years due to the changing supply and demand structure in the 1990s. Thus, the balance of power between retailers and manufacturers, the two main actors of the supply chain, has changed. There has been a transformation from producers that are in a strong position against retailers to large and organized retailers in the face of many producers. As a matter of fact, this situation has also led to a change in the supply chain. The increasing economic power of the actors in the retail sector has brought along some competition problems (Erdoğan et al., 2012: 1).

Information and explanations about the roles of the actors in the supply chain of the Turkish food industry, which have been added to the value chain or whose role and impact have changed with the modern period food regime, will be given in the next part of the thesis. It would be appropriate to give information about the structure of the supply chain of the Turkish food industry beforehand.

4.1.2. The Turkish Food Sector and the Structure of the Food Supply Chain

The cornerstone of protecting public health and acquiring qualified human capital in a country is the phenomenon of nutrition. Substances that provide nutritional function are defined as “foodstuffs”. The sector in which the raw material obtained through agricultural production is transformed into products with a long shelf life and ready for consumption after some processes is expressed as the food industry (Bulu et al., 2007: 312).

In Turkey, as in many developing countries, the food industry has a strategic importance in socio-economic terms as it feeds the people, is a source of raw materials for the industry, and creates an important resource in terms of employment (Şimşek et al., 2021: 4). All stages from the production of food to the consumption stage constitute the subject of food. In the food value chain, agricultural and animal raw materials obtained as a result of plant and animal production are processed in industry. In accordance with the concept expressed by "*Food Quality, Assurance and Safety From Field to Table*", quality is important in terms of protecting the health of individuals and therefore the society and increasing the competitiveness of the food sector in the stages of the journey of delivering food to the consumer. Subjects of food production and consumption chain can be listed as; "*agriculture & livestock and fisheries and other primary production*", processing, packaging, labeling of food obtained from primary production, processing with the use of advanced technology in the food industry, "*transport and storage*", activities and ultimately the consumption of food (TÜBİTAK, 2010: 5).[43]

[43] In the "*transport and storage*" phase of the chain for food production and consumption, wholesale and retail sectors appear.

Within the scope of this thesis, the focus is on the actors in the Turkish food supply chain and the relations between the actors and the position of the actors in the sector in the context of competition law. In this context, it is important to understand the structure of the food supply chain in Turkey. Presenting general information about the situation of the food industry is also important in terms of understanding the actors in the supply chain. For this reason, it is useful to reveal the general structure of the Turkish food industry.

The breakdowns that make up the Turkish food sector consist of different categories such as "*meat, fruit, vegetables, milk and dairy products, ready-to-eat foods, and other edible products*". The main products in the sector are basic crops such as wheat, corn, barley, soybeans and oilseeds. In another category, there are relatively high-value products such as fruit, vegetables, meat, milk, and fisheries. While the first category consists of capital-intensive products, the products in the second category are generally produced using labor-intensive techniques (Aday & Aday, 2020: 169).

In food production, which starts with the journey in the field in the food supply chain, the products purchased in the form of raw materials are delivered to distribution and sales points after processing. The food supply chain ends with the delivery of processed products to the final consumer. The food supply chain can be presented with the help of different figures. As given below, first of all, the food supply chain can be expressed simply.

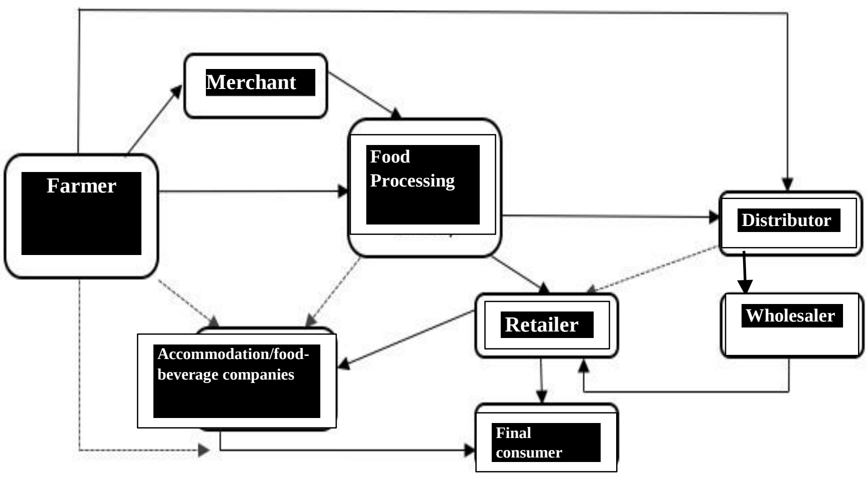
Figure 3. Food Supply Chain

Source: It was created by the author based on the studies of Güleş & Çağlıyan (2001), Kopczak (1997), Karasu (2006).

As of Figure 3, the actors in the food supply chain in Turkey are farmers, growers, producers and actors responsible for the processing of products, as well as transporters, distributors, product storages and those who carry out retailing activities.

The actors of the food supply chain can be shown in a more complicated way with the help of an alternative figure. The illustration showing the alternative operation of the food supply chain is shown below:

Figure 4. Food Supply Chain



Source: Soğancılar et al., 2022: 2337

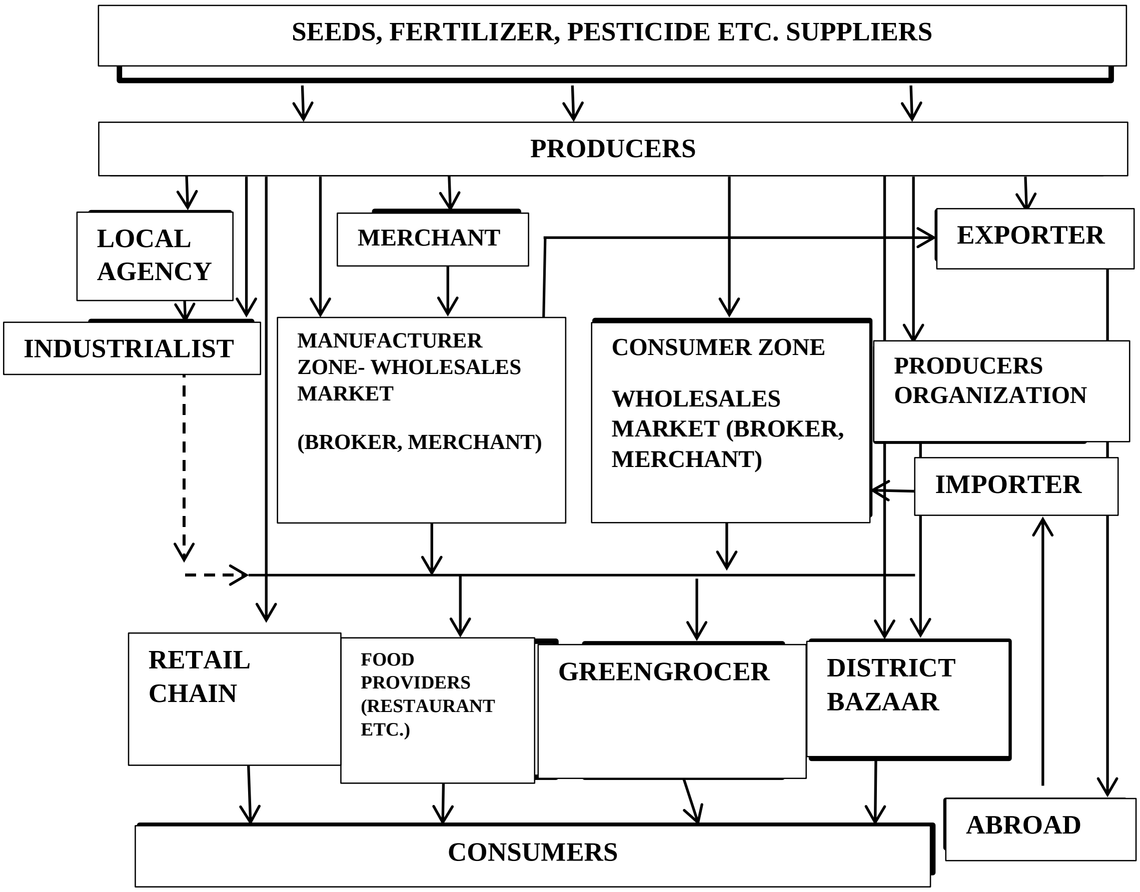
As shown in Figure 4, the product from the field in the food supply chain can be transmitted directly to the distributor actor, or it is possible to deliver it to the distributor after the product processing stage. Actors who are in close contact with the final consumer, on the other hand, appear as retailers and companies that provide food and beverage services in parallel with the information given above.

The food supply chain starts with agricultural production, due to the manufacturing of food products, which are almost entirely of agricultural raw material origin. Agricultural production basically consists of two activities as plant and animal. Since the agricultural sector creates demand for both itself and the industrial sector, it contributes to both sectors. Because the production of tools, machinery, chemical fertilizers and pesticides used in agricultural production is carried out by the industrial sector. The importance of the agricultural sector is also increasing in terms of feeding the population, which is still on the rise in Turkey, and this situation requires the issue to be handled in the context of supply chain management (Tümenbatur, 2019: 2-3).[44] Because any disruption in agricultural production will adversely affect other stages of the food supply chain and ultimately lead to the consumers not being able to reach the product that they demand. Moreover, since the increase in agricultural product prices has the potential to directly affect the prices of food products, consumers may face the situation of consuming food at high prices (Tümenbatur, 2019: 3). The factors that make up the structure of the supply chain, which is conceptualized[45] as the "*Agri-Food Value Chain*" by Tümenbatur (2019), are shown in Figure 5 in detail:

[44] SCM is defined as the planning and control of the product as a whole from the first stage to the last stage until it reaches the final consumer (Tümenbatur, 2019: 3).

[45] It is thought that this conceptualization was put forward because agricultural production is almost indispensable in the manufacturing of food products. However, from the information included in the study in question, it is understood that the actors in the food supply chain cover all the actors from the field to the consumer. Therefore, it is seen that the concept expressed as agri-food value chain meets the concept of food supply chain. In this context, within the scope of the thesis, the information and evaluations presented within the framework of the concept of "*agri-food value chain*" have also been used in the information about the food supply chain.

Figure 5. Structure of Agri-Food/Food Supply Chain



Source: Tümenbatur, 2019: 5

When the value chain in Figure 5 is examined, it is seen that a food product goes through many stages from the producer to the consumer. Producers procure inputs such as seeds, fertilizers, pesticides from relevant suppliers. As stated earlier in the thesis, the new actors whose first examples are seen with the transitional period food regime and whose weight has increased with the modern period food regime are the companies that supply pesticides, seeds and chemical fertilizers. In this context, it is seen that the suppliers mentioned in the agri-food/food supply chain are of remarkable importance today. Because the lack of inputs used in agricultural production or high input costs may adversely affect the next link of the chain and ultimately the market price faced by the consumer.[46] When the other actors in the chain are examined, after the activities of

[46] For example, in a news article titled "*Fertilizer prices are rising: 'If the farmers cannot use fertilizer, food inflation will increase"*, it is stated that the farmers cannot fertilize sufficiently due to the increase in

producers, the product is sold to local agencies, merchants, brokers operating as wholesalers, producer organizations or the product is exported abroad. After the products reach the wholesale markets in the region, we come across brokers and merchants. In the next stage, the brokers and merchants deliver the products that they buy to enterprises in the retail chain that offer food service such as stores, restaurants, and sales points such as greengrocers and district markets. As previously discussed, in the traditional food regime, products shipped outside the local area by merchants were sold to individual retailers. Looking at Figure 5, it is seen that retailers operating as restaurants, greengrocers and district markets are also included in the food supply chain in the modern period. Therefore, today's food regime follows a course in harmony with the modern period food regime.

On the other hand, the products are not always consumed domestically. In this case, we come across actors that are described as exporters. Another situation is the fact that not all products are always produced domestically. In this case, importers take their place in the supply chain. The product supplied from abroad by the importers reaches the actors in the form of wholesale, which is defined as the "*consumer zone*" by Tümenbatur (2019). In the next stage, the product is conveyed to other actors such as retail chains, restaurants, greengrocers, butchers and district markets.

Another way of functioning of the agri-food/food supply chain is as follows: The product, which reaches from the suppliers to the producers, is sent from the producers to the local agencies and from there to the industrialists, and then delivered to the retailers, restaurants and neighborhood markets.

The product, which is transferred along the supply chain through different processes and actors, is finally presented to the consumer. In the light of this information, it can be stated that the closest actors in the supply chain to the consumer are retailers, food service

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fertilizer prices. Moreover, it is predicted in the news that insufficient fertilization will lead to price increases in basic food products https://www.bbc.com/turkce/haberler-turkiye-60766670. Accessed on July, 10, 2022. The news in question supports the argument that the disruption in the food value chain will spread to other links of the chain and affect the food sector.

providers such as restaurants and cafes and actors such as greengrocers, butchers, grocers, and district markets.

As can be seen in Figures 3, 4 and 5, the supply chain in the modern food regime has become multi-actor and more complex compared to the traditional food regime. If we consider the supply chain as a system, the interaction between the units in the system is important for the product to move steadily along the chain. Actors in the supply chain operate as links of a chain. Failure to occur in the functioning of one of the links may also have negative consequences for the other links of the chain.

In this direction, the main subject covered in the thesis is the relationship between the modern period food regime and the actors added to the value chain, and moreover, the current positions of the actors in the sector in terms of competition law. From the perspective of Competition Law, it is predicted that the roles of the actors and the decisions made by TCB in this direction have effects on the supply chain and thus on the food sector in which the chain is located. Considering the relations of the food supply chain actors with the market from a competitive point of view, the main point that can be mentioned first is that each link is in competition with other actors in its own category. As stated before, with the management of the supply chain, an advantage can be gained over other undertakings by reducing the costs for an undertaking. When the issue is viewed from the consumer's side, the competition between the manufacturers will ultimately lead to lower priced and higher quality products. In this context, in the following part of the thesis, it will be useful to examine how competition between undertakings works and how the said operation is regulated on an institutional and legal level.

For this, first of all, information will be given about what kind of regulations exist for food legislation in order to understand the duties and responsibilities of the actors in the Turkish food industry and the functioning of the food industry in general.

4.1.3. Examining the Current Legislation in the Food Sector in Turkey

As stated above, the food sector is important in many ways, from feeding the society to being an important source of employment. Today, the variety of food products are increasing with the changes observed in the expectations of the society and the developments and transformations in the food industry (Halaç, 2002: 107). With the change observed in consumption habits as a reflection of the modern period food regime, the consumer profile demanding fresh fruits and vegetables has started to emerge. Global retail chains, which strongly involved in the international agriculture and food market in the said food regime, have led to changes in agricultural activities. Special standards have been set for agricultural food products and these have been tied to certain certificates (Ak Kuran, 2019: 97). Therefore, with the modern period food regime, a process has started in which the standards sought for food production in terms of producers and consumers have increased. With the transformation in the production and consumption form of food, production techniques and production controls that are safe and consider consumer health are becoming increasingly important. Parallel to this, the importance of legal regulations regarding the sector has increased (Halaç, 2002: 107).

On the other hand, it is considered insufficient to mention only the production standard of the product and the legal regulations regarding quality assurance in the regulation of the sector. The relations between the actors operating in the food sector and therefore in the value chain, and the position of these actors in the market can affect the quality, price and variety of the product. Moreover, in the context of a free market economy, the practices that distort competition among undertakings adversely affect the product variety, quality and price offered to the consumer. In this context, TCA, which was established as the guarantor of the healthy conduct of competition in the goods and service markets without being specific to a sectoral distinction, and the competition law legislation created within this framework are important.[47] Moreover, the decisions taken in the context of competition law legislation in the framework to be presented regarding the roles of the actors of the modern period food regime in the market constitute a

[47] The Turkish Competition Authority was founded in 1997 with the adoption of the Law numbered 4054 on the Protection of Competition in 1994, and the Authority was tasked with the implementation of the said Law. (https://www.rekabet.gov.tr/tr/Sayfa/Kurumsal/hakkimizda. Accessed on July, 24, 2022)

significant part of the thesis. Therefore, in this part of the thesis, while conveying the legislation regarding the food industry in Turkey, the legal regulations regarding competition law will also be mentioned.

First of all, if we look at the historical development of the legal legislation related to food in Turkey, the first legal regulation is the "*Public Health Law*" numbered 1593, which entered into force in 1930. This law was prepared to regulate the control of foodstuffs in terms of health. However, the law was insufficient in terms of scientific and technological aspects. Over time, it was aimed to make the food industry in Turkey more efficient with legal regulations. For targeting efficiency, global organizations such as "*Codex Alimentarius Commission*", "*European Union*", "*American Food and Drug Administration*", "*Food and Agriculture Organization (FAO)*" have been taken as a guide. In this framework, the "*Decree Law on Production, Consumption and Inspection of Foods*" dated 1995 and numbered 560 entered into force. "*Turkish Food Codex Legislation*"[48], which covers different situations from food additives to the transportation and analysis of food, was also another important regulation for foods (Halaç, 2002:54).

The legal regulations that set out some procedures and principles for the food sub-sectors over the years are given under the following headings.

4.1.3.1. Law on Regulation of Retail Trade

Retailers, whose visibility has increased with the modern period food regime, come into contact with consumers more frequently. Retailers are the most important actors in the sector, as they contact with public more than other actors in the supply chain. The retail sector accounts for approximately one-fifth of the gross national product created in Turkey (KPMG, 2020: 12). This ratio, which is not to be underestimated, reveals how important the sector is in terms of economy. FMCG, which consists of "*food, beverage, cleaning and personal care products*", constitutes a branch of retailing activities. FMCG retailing interacts with many sectors with the added value that it offers at every stage of

[48] The current regulation in force was adopted on 19.02.2020.

the value chain. These sectors are energy, finance, e-commerce, and such. (Kazak et al., 2021: 9).

In this context, one of the regulations imposed on the retail sector is the "*Law on the Regulation of Retail Trade*" dated 14.01.2015 and numbered 6585. The Law in question introduces regulations regarding the operational procedures of enterprises in the retail sector. In the first paragraph of Article 1, titled purpose, of the aforementioned Law, the following provision of: "*The purpose of this Law is to facilitate the opening and operation of retail businesses, to carry out retail trade in a free market environment in accordance with the conditions of effective and sustainable competition, to protect the consumer, to ensure the balanced growth and development of retail businesses, and to ensure the activities of retail businesses and their relations with each other, manufacturers and suppliers*." is stipulated.

It is understood from this provision that it is aimed to make retailers[49] subject to legal regulations on many issues from the operational conditions of the retailers to the relations between the other actors in the value chain.

4.1.3.2. Law on Organic Agriculture

The changing consumer expectations for food, the increase in diversity in food products, the expectation of quality products necessitated certain legal regulations in the production of food. In Article 1 of the Law on Organic Agriculture dated 01.12.2004 and numbered 5262, the provision of "*The purpose of this Law is to determine the procedures and principles regarding taking the necessary measures to ensure the development of the production of organic products and inputs in order to provide reliable and quality products to the consumer.*" is included. As can be understood from this provision, the importance of using organic inputs in the quality and reliable production of food products

[49]The concept in question is defined as "*the whole of activities related to the sale and marketing of goods and services by retail businesses*" within the framework of the aforementioned Law (Law on the Regulation of Retail Trade, 2015, art. 3/1/ (i)).

has been emphasized. In this regard, legal regulation was needed and procedures and principles were included within the scope of the relevant Law.[50]

4.1.3.3. Turkish Food Codex Legislation

A regulation for the foods in accordance with hygiene and health conditions in the current food system in Turkey is the Turkish Food Codex Legislation. The said legislation, which entered into force on 19.02.2020, covers factors such as food additives, pesticide residue, food hygiene, packaging, labeling, marking and transportation of food. With the said legal regulation, it is aimed to set the minimum level of technical and hygiene criteria for food and materials in contact with food.[51]

4.1.3.4. Law on Veterinary Services, Plant Health, Food and Feed

With the legal regulation that entered into force in 2010, it is aimed to "*protect and ensure food and feed safety, public health, plant and animal health, animal breeding and welfare, consumer interests and environmental protection*". As stated in Article 2, titled Scope, it covers the following: "*This Law shall apply to all stages of production, processing and distribution of food, materials and articles intended to come into contact with foodstuffs and feed, controls of residues of plant protection products and veterinary medicinal products and other residues and contaminants...*".

Consequently, with the said regulation for the food industry, a rule was introduced for the duties and positions of the actors in the industry.

[50] Control and certification services for organic agricultural production are within the scope of this Law. As it is mentioned in the first part of the thesis, in the modern period food regime, producers are faced with inspection and certificate obligations at almost every stage of production. In this context, it is necessary to accept that the regulation in question is one of the results of the modern period food regime. In a way, the change observed in the food regime showed itself through some legal and institutional arrangements.
[51] https://www.mevzuat.gov.tr/mevzuat?MevzuatNo=34289&MevzuatTur=7&MevzuatTertip=5. Accessed on July, 14, 2022.

4.1.3.5. Regulation on Fruits and Vegetable Trade and Wholesale Food Markets

Intermediaries are important actors in the fresh fruit and vegetable trade in the food supply chain in Turkey. Today, the role of intermediaries in the value chain and the influence of intermediaries on the final price of the product is an issue that is increasingly important and on which discussions continue.

One of the regulations regarding the activities of intermediaries is the regulation on wholesale food markets, which was published and entered into force in 2012.[52] With the said regulation, a way was opened for the other actors of the supply chain such as markets, market sellers, and greengrocers to make direct purchases from the farmer (Bilir et al., 2021:38).

4.1.3.6. Law on the Regulation of Trade of Vegetables, Fruits, and Other Goods Having Enough Volume of Supply and Demand (Law numbered 5957)[53]

The Law numbered 5957 entered into force in 2010. From the Article 1, titled Purpose & Scope, of the relevant Law, it is understood that it is aimed to produce vegetables and fruits and other goods to be determined according to supply and demand, in accordance with food safety and within the framework of free competition conditions. Moreover, it is desired to distribute, supply and sell products effectively. Procedures and principles regarding the establishment and operation of wholesale food markets are introduced for the purchase and sale of the said products.

As stated before, new actors have been added to the supply chain in the modern food regime and the role and weight of existing actors in the chain has changed. This Law is important in terms of understanding the current position of the merchant in the value chain as both a producer and a trader in the traditional food regime. In Article 2 of the Law

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[52]Wholesale food markets are important in the trade of fresh vegetables and fruits. Brokers, merchants, producer associations and cooperatives operate in these places. The buyer segment consists of retailers and organizations serving mass consumption (Bilir et al., 2021: 38).

[53] https://www.mevzuat.gov.tr/mevzuat?MevzuatNo=5957&MevzuatTur=1&MevzuatTertip=5. Accessed on July, 14, 2022.

numbered 5957, merchants are defined as "*professionals working on their own behalf and account for the purpose of wholesale of goods*". According to TCA's report, merchants pay the price of the product that they sell and take over the ownership of the product. In this way, they are separated from brokers. Moreover, merchants have expenses such as maintenance, collection and transportation of the products during the field journey, as well as cash and personnel (Bilir et al., 2021: 38).

Another actor in the supply chain in the category of fresh vegetables and fruits is brokers. In Article 2 of Law numbered 5957, brokers are defined as "*professionals working on a commission basis for the purpose of wholesale of goods on their own behalf and on behalf of someone else*". The positions of the brokers in the value chain are determined by Article 5 of the Law numbered 5957. Accordingly, the mission of the brokers is expressed as "*to mediate between the buyer and the seller, to protect their rights, to convey the most accurate information about the state of the market based on their professional knowledge and experience, and to contribute to the formation of the market*".[54]

Another regulation brought under the Law numbered 5957 is about how the market price will be formed. According to Article 6 of the said Law, the price of goods will be determined by supply and demand within the framework of free competition conditions. In the Article 6/2 of the Law, the provision of "*Members of the profession cannot make commercial agreements among themselves or with producers, engage in concerted practices and abuse their dominant position in order to prevent free competition.*" is included.[55] Moreover, in the framework of Article 6/4, an additional regulation was introduced with the following provision: "*In order to protect the rights and interests of producers and consumers and to ensure clarity in the market, the type, quantity and prices of the goods subject to purchase and sale in wholesale markets and other matters deemed*

[54] In the Law numbered 5957, the commission rate that the brokers will receive over the sales price is determined as 8% at the most. As it is mentioned in the first part of the thesis, product prices in the traditional food regime are lower than in the modern period. It can be said that the long and complex supply chain is effective in this context. However, within the scope of this thesis, since the actions and practices of food supply chain actors in the market are examined in terms of competition law, the discussions in question are also limited to this framework.

[55] In the context of the said provision, the acts and practices of the undertakings that constitute a violation of the provision are examined within the framework of the Law numbered 4054 on the Protection of Competition.

appropriate by the Ministry are announced to the public through electronical records kept by wholesale markets through systems and tools deemed appropriate."[56] With the Wholesale Market Registry System (WMRS) created in this way, an up-to-date database in the vegetable and fruit sector can be created, the trade for the products in question can be tracked electronically, the members of the profession are registered, and communication and information sharing in wholesale markets are collected in a common pool. Moreover, with the product tags created, the consumer can have information about where and by whom the goods they consume are produced (Bilir et al., 2021: 40).

According to the industry report published by TCA: Among the prices in the notification made over the WMRS, the highest price purchased from the manufacturer represents the maximum, the lowest price represents the minimum, and the weighted average of all notifications represents the average price. In addition, to prevent false notifications, it is not allowed to make notifications at prices below 40% and above 10 times of the seven-day weighted average of the prices in all notifications. However, since it is essential to determine the prices of goods according to free competition conditions pursuant to Article 6 of the Law numbered 5957, the prices in the aforementioned bulletins are not binding (Bilir et al., 2021:40). In this context, the Law numbered 4054 on the Protection of Competition, which will be mentioned in the following title, is important.

4.1.3.7. Law on the Protection of Competition

In Turkey, an increase in social welfare will ultimately be achieved as a result of the protection of competition within the framework of the free market economy, efficiency in resource allocation and increasing economic efficiency. The optimal functioning of the free market economy in Turkey is directly related to the protection of competition. A properly designed competition policy will increase economic productivity by providing

[56] With this regulation, a system called "*Wholesale Market Registration System (WMRS)*" was created. Entry and exit transactions of goods sold in wholesale markets are made through WMRS. Subsequently, a bulletin called "*Wholesale Market Bulletin*" is created and the kind, type and maximum, minimum and average prices of the goods subject to transaction are included in the said bulletin. In WMRS, the producer or broker notifies the place where the goods are produced or the customs gate where they enter the country, or in case of shipment, before the shipment process. As a result of the notification, a tag containing information such as "the place of production, production/import date, quantity, purchase price, producer and the name of the business where it is offered for sale" is formed (Bilir et al., 2021: 39-40).

efficiency in resource allocation and ultimately increase social welfare. In this context, efficient production will be possible with the existence of competition among market actors. With the more efficient use of resources, it will be possible to produce at a lower cost for undertakings. Moreover, undertakings will be able to follow technological innovations more closely to appeal to more customers. These issues will ultimately have consequences that can increase consumer welfare.[57] In this context, it is possible to say that it is important for the country's economy to have a perfect competition. The legal and institutional regulations regarding this are the guarantor of the said operation. Competition between undertakings in Turkey is regulated within the framework of the Law numbered 4054 on the Protection of Competition.

In Article 2, titled Scope, of the Law numbered 4054*, the provision of "Agreements, practices and decisions that prevent, distort and restrict competition by all undertakings in dominant position operating in or affecting the goods and services markets within the borders of the Republic of Turkey and the abuse of this dominance by the undertakings and all kinds of legal actions and behaviors in the nature of merger or acquisition that will significantly reduce competition and processes for the protection of competition such as measures, determination, regulation and supervision are within the scope of this Law"*. It is understood from the said provision that it is aimed to prevent agreements that prevent, distort or restrict competition in the goods and service markets by the undertakings in a dominant position in the market and to prevent the abuse of such dominance.

On the other hand, Law numbered 4054 is essentially built on three main articles. These are; Article 4, 6 and 7. The Article 4 of the aforementioned Law prohibits *"Agreements between undertakings with the aim of directly or indirectly preventing, distorting or restricting competition in a certain good or service market, or which have or may cause such an effect"* and in the second paragraph of the same article, there are examples

[57] https://www.rekabet.gov.tr/tr/Sayfa/Mevzuat/4054-sayili-kanun/kanunun-genel-gerekcesi. Accessed on July, 4, 2022.

including but not limited to the prohibited situations. This provision is applied if the actors in the food supply chain take actions that distort competition horizontally or vertically.[58]

On the other hand, pursuant to Article 6 of the Law numbered 4054, the following is prohibited: "*One or more undertakings abusing their dominant position in a good or service market in the whole or in a part of the country, either alone or through agreements or joint actions with others*". In the second paragraph of the relevant article, examples of acts against the laws are provided. Moreover, in order for the unilateral actions of undertakings to be examined within the scope of Article 6 of the Law numbered 4054, that is, for the said action to be considered as a violation within the scope of this Law, an undertaking must be in a dominant position and abuse its dominant position.[59] The aforementioned provision is important in terms of the dominance of an undertaking against other undertakings in the supply chain, for example among suppliers, and thus its power to influence the operation in other links of the chain.

Another of the main articles of the aforementioned Law is Article 7. Within the scope of this article, it is stipulated that "*Mergers of one or more undertakings in such a way as to create a dominant position or to strengthen an existing dominant position, resulting in a significant reduction of effective competition in any market for goods or services in the whole or part of the country, or the acquisition of goods of any undertaking or person by another undertaking to take over the assets or all or part of the partnership shares or the instruments that causes to have a right in the management, except in the case of acquisition by inheritance are illegal and prohibited.*" The provision in question is important in terms of evaluating the concentrations observed in the food sector in Turkey in the post-1980 period, when the characteristics of the modern period food regime were observed. As a result of the growth of an undertaking by merging with another undertaking or by taking over the undertaking in question, concentration may occur in the

[58] Agreements for the purchase, sale or resale of a good or service between undertakings operating at different levels of the supply chain are vertical in nature. Agreements between undertakings operating at the same level of the chain are horizontal agreements https://www.rekabet.gov.tr/tr/Sayfa/Yayinlar/rekabet-terimleri-sozlugu/terimler-listesi?listedeAra=dikey+anla%C5%9Fma. Accessed on July 11, 2022.
[59] Guideline on the Exclusionary Behavior of Dominant Undertakings, para: 2.
Dominant situation in Turkish Competition Law is defined as: "*The power of one or more undertakings in a certain market to determine economic parameters such as price, supply, production and distribution amount by acting independently of their competitors and customers.*" (Law No. 4054, art. 3).

sector in which the operation takes place. For example, it is possible to talk about concentrations between retailers, which are the actors of the supply chain, through acquisitions.

On the other hand, new undertakings consisting of domestic and foreign partnerships can be added to the food supply chain through mergers and acquisitions. The effects caused by undertakings in the FMCG retail sector through mergers and acquisitions provide a framework for the role of modern period food regime actors in the market in terms of competition law. In the next part of the thesis, the roles of the actors in the market will be discussed in detail in terms of the decisions made by TCB and the current practices.

To summarize the aforementioned provisions briefly, in accordance with Articles 4, 6 and 7 of the Law numbered 4054, agreements between undertakings, concerted practices and decisions and actions of associations of undertakings that have the purpose of directly or indirectly preventing, distorting or restricting competition or that have or may cause this effect are prohibited. Moreover, it is observed that mergers and acquisitions that will result in a significant reduction of effective competition in any goods or services market in the whole or part of the country, by one or more undertakings abusing their dominant position, creating a dominant position or strengthening the existing dominant position are prohibited.[60]

4.1.4. Examining the Market Roles of the Actors of the Modern Food Regime from the Perspective of Competition Law

Each actor in the supply chain offers goods and services that add value to the other link of the chain with the activities that they carry out. It is possible to list these activities as raw material procurement, production, processing and conversion of products and presenting them to the end user (Yazıcı et al., 2017: 18). Along with the modern period

[60]Concerted action is defined as "*direct or indirect relations between undertakings that provide a coordination or practical cooperation that replaces their independent behavior, even if the existence of an agreement cannot be determined*" (Rekabet Terimleri Sözlüğü, 2019: 151 https://www.rekabet.gov.tr/tr/Sayfa/Yayinlar/rekabet-terimleri-sozlugu/terimler-listesi?icerik=1ebcb1ef-497d-441b-84dc-5a9e1883e430)

food regime, local district markets and retailers operating at the individual level have started to be replaced by large-capital retail chains such as WalMart and Tesco operating at an international level. Agricultural food production has started to be organized to meet the demands of the big retail chains in question (Çaşkurlu, 2012: 67). The entry of these retailers into the market has also led to an increase in competition based on price and product variety, and the nature of competition in the food sector has changed.[61] The replacement of local and small-scale retailers by large-scale retailers has caused TCA to closely monitor the sector.

As it is known, retailers, which have an important role in the delivery of products to the final consumer in terms of the food supply chain, have vertical relations with the producers or suppliers, and have horizontal relations with other retailers. Undertakings can disrupt competition in the market with horizontal or vertical agreements. This may lead to disruption in the functioning of the supply chain. In this context, first, it is important to address how TCA's approach to market activities that distort competition is handled within the framework of competition law. In this framework, unilateral actions, agreements between undertakings, buyer power and unfair commercial practices and concentration control will be discussed under sub-headings.

4.1.4.1. Unilateral Actions

It is possible to separate the investigations and decisions taken by TCB in terms of how the operation in the structure of the supply chain is handled and to present them through examples. The investigations in which TCA deals with the unilateral behavior of the trademark owner undertakings, which are manufacturers and suppliers in the supply chain, constitute a pillar of the said separation. As mentioned above, unilateral actions of undertakings are reviewed within the framework of Article 6 of the Law numbered 4054. The undertaking, which is in a dominant position within the framework of a certain

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[61] For example, in the case of large-scale retailers, while the horizontal concentration in the supply chain increases in terms of market share, vertical problems may emerge in the supply chain with the presence of these players in the market.

relevant market[62], may engage in activities that distort competition in the market with its actions and practices. Depending on this situation, disruptions can be mentioned in the functioning of the supply chain.

In this regard, the previous decisions taken by TCB should be included. Within the scope of the aforementioned decisions, first of all, a framework will be drawn regarding the unilateral behavior of the undertakings that are trademark owners and the effects of their actions that distort competition in the market on the other links of the supply chain.

When we look at these decision examples, first of all, Coca-Cola Satış ve Dağıtım A.Ş.[63] (CCSD), which operates in the cola/carbonated beverage market with the "*Coca-Cola*" brand was determined to have a dominant position in the cola-carbonated beverage market both in the household and on-site consumption channels, within the framework of the decision of TCB[64] dated 10.09.2007 and numbered 07-70/864-327.[65] The undertaking in question is a supplier in the supply chain. In case of unilateral actions and taking actions that distort competition by abusing the dominant position, it is possible to exclude other actors supplying products in the said segment from the supply chain. For example, *Peps*i, *Cola Turca* and other brands, which are suppliers in the cola beverage segment, may not

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[62] Within the framework of competition law, the "*relevant market*" constitutes the starting point of the investigations. Accordingly, it is important to define the relevant market in terms of competitive constraints faced by undertakings. In the context of the "*Guideline on the Definition of the Relevant Market*" dated 10.01.2008 and numbered 08-04/56-M, the relevant market is divided into two as relevant product and geographic market. Demand and supply conditions are taken into account in defining the market. Demand-oriented evaluation focuses on the substitutability of the product in the eyes of the consumer. In the evaluation of supply, whether the suppliers can direct their production to other products without incurring additional costs and risks in the face of a small but permanent increase in the price of the product is examined. (https://www.rekabet.gov.tr/Dosya/kilavuzlar/ilgili-pazarin-tanimlanmasina-iliskin-kilavuz-(08-04)-56-m-20210203105245341-pdf Accessed on July, 11, 2022)

[63] Founded in 2000, 99.96% of the company is owned by the multinational Coca-Cola İçecek A.Ş. See. https://ccsd.com.tr/cc-hakkinda.html. Accessed on July, 24, 2022.

[64] https://www.rekabet.gov.tr/Karar?kararId=5804ddce-fac9-45ae-bc33-26e07ce4e3c7 Accessed on July, 23, 2022.

[65] As stated earlier in the modern period food regime, there has been a change in consumption habits. Consumption has not only remained inside the household but also moved out of it. It is possible to say that the above-mentioned household and on-site consumption channel separation is a reflection of the modern period food regime. The sales channel, which is expressed as the household channel, can be expressed as household consumption or closed point of sale. On-site consumption channel refers to open sales points such as patisseries, restaurants, cafes and buffets https://www.orionpos.com/edt-ev-disi-tuketim-sektoru/#:~:text=EDT%20%3B%20Evimizin%20d%C4%B1%C5%9F%C4%B1nda%2C%20otel%2C,T%C3%BCketim%20(EDT)%20olarak%20tan%C4%B1mlanmaktad%C4%B1r. (Accessed on July 11, 2022).

be able to supply products to sales points as a result of CCSD's activities. In this case, CCSD can offer its products for sale at higher prices by using its current position and due to having no competitors in the market. The response of the issue from the consumer's perspective is a decrease in product diversity and an increase in prices. Thus, a decrease in consumer welfare may occur. Negative results may arise in the food industry due to the aforementioned actions of the undertaking, which is the supplier of the products in question in the FMCG breakdown of the food industry.

On the other hand, with the TCB decision dated 10.09.2007 and numbered 07-70/864-327, it was determined that the exclusivity conditions in the agreements made with CCSD's sales points and the actions of the undertaking leading to actual exclusivity created a distorting effect on competition. As a result of the said decision, it was decided that the exclusive agreements concluded by CCSD or its dealers with the sales points do not benefit from the block exemption granted by the Block Exemption Communiqué on Vertical Agreements numbered 2002/2 (Communiqué No. 2002/2).[66, 67] The exception to the exclusivity decision in the said decision is the additional regulation for the noncarbonated product category. In this context, it was ruled that CCSD continues to benefit from block exemption in accordance with the Communiqué numbered 2002/2 in the product segment consisting of fruit juice, iced tea, energy drinks, packaged water and similar products. However, this provision was amended in line with the current decision about the aforementioned undertaking.

In this context, another decision containing important rules about CCSD is the TCB decision dated 02.09.2021 and numbered 21-41/610-297. The said decision is important for other actors in the supply chain and therefore the food industry as a whole. Within the framework of the aforementioned decision, the exclusive agreements concluded by CCSD with sales points in the noncarbonated product category were terminated. Moreover, the "c*ooler access rule*" has been increased from 20% to 25% in traditional

[66] See https://www.rekabet.gov.tr/Dosya/tebligler/2002-2-sayili-teblig-(2021-4-degisiklikleri-islenmis)-20211108175938391-pdf. Accessed on July, 11, 2022.

[67] Exclusivity is essentially a "*non-compete clause*". It is the imposition of clauses to the undertaking, which is the supplier in the supply chain, prohibiting the producing, purchasing, selling or reselling the goods or services that are subject of the agreement to the actor in the next link of the chain, which is in the buyer position (Rekabet Terimleri Sözlüğü, 2019: 113).

sales points with a net sales area of less than 100 m^2, which includes the sales points operating in the closest contact with the consumer in the supply chain, and at the points operating in the on-site consumption channel.[68] On the other hand, the agreements to be concluded between CCSD and the sales points are limited to a certain period of time.[69]

It should be said that the aforementioned rules for CCSD, which is dominant in the cola/carbonated beverage market, are crucial in terms of the relevant breakdowns of the food industry. The fact that CCSD, operating as a supplier, can conclude agreements with undertakings operating in the next step of the value chain, that is, in the downstream market, under the aforementioned rules, will enable competing suppliers to find more market share in the value chain. Therefore, it becomes possible to procure products from other suppliers in the chain in terms of sales point. In this way, the product alternative that can be reached by the consumer will be increased. Suppliers will need to take actions and practices that consider consumer welfare to find a place at the sales points and to appeal to more customers. With the modern period food regime, the diversified consumer demand will be able to be met within the framework of product variety, reasonable prices and quality products.

As mentioned above, CCSD, a subsidiary of the multinational company Coca-Cola İçecek A.Ş., which can be described as a modern period food regime actor, is in a significant position in the food supply chain in terms of its actions and practices. In this context, the possibility of excluding other undertakings operating in the food sector in the distribution of non-alcoholic beverages from the market by complicating or preventing their activities was regulated and brought under control by some rules established by TCA.[70]

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[68]The cooler access rule was introduced with the decision of TCB dated 10.09.2007 and numbered 07-70/864-327. According to this rule, if there are no cooler belonging to the competitor other than the cooler belonging to CCSD at the sales points with a sales area of less than 100 m^2 in the household channel, products belonging to the rival enterprises can be placed in the cabinet, corresponding to 20% of the total cabinet volume of the commodatum regulating the use of the cabinets by the sales point. As a result of the commitments made by CCSD in 2021, the said rule was revised to 25%.

[69] For detailed information, see TCB decision dated 02.09.2021 and numbered 21-41/610-297 (https://www.rekabet.gov.tr/Karar?kararId=4b1486b7-4413-4bf1-96de-75896053bfdc. Accessed on July, 23, 2022.

[70] For the investigations and decisions taken by TCB regarding CCSD, see: TCB decisions dated 23.01.2003 and numbered 03-06/59-21; dated 26.05.2005 and numbered 05-36/453-106; dated 28.12.2006 and

Unilever Sanayi ve Ticaret Türk A.Ş. ("*Unilever*") is another undertaking that is in a dominant position in the context of competition law and is likely to take effective actions and practices in the supply chain and ultimately in the food sector with its power.[71] As mentioned before, the product basket demanded by the consumer has diversified in the modern period food regime. Unilever[72] has a dominant position in the "*industrial ice cream market*", which is included in the consumption basket despite not being a staple food item, and therefore the food sector.[73] As a result of the investigation conducted by TCA against Unilever, which operates as a supplier in the food chain, it was decided that:

It was decided that "at sales points with a net sales are of 100 m2 or less, the commodatum of Unilever San. ve Tic. Türk AŞ and/or its distributors shall be arranged in a way to allow their competitors to use the cooler for their products for the visible part of the cooler and 30% of the total cabinet volume at the sales point if there is no other ice cream cooler that the consumer can access directly other than the cooler owned by Unilever San. ve Tic. Türk AŞ". [74]

With the said decision, it was tried to prevent the said undertaking from causing disruption in the supply chain by taking actions and practices against rival undertakings.

numbered 06-95/1192-358; dated 23.1.2004 and numbered 04-07/75-18; dated 25.9.2008 and numbered 08-56/889-350; dated 11.11.2009 and numbered 09-54/1294-327; dated 14.10.2010 and numbered 10-65/1363-505; dated 14.9.2011 and numbered 11-47/1179-420; dated 9.2.2012 and numbered 12-06/186-48; dated 26.2.2014 and numbered 14-08/159-69; dated 5.3.2015 and numbered 15-10/148-65 (https://www.rekabet.gov.tr/tr/Kararlar?page=1&sayfaAdi=%22coca%20cola%22 Accessed on July, 12, 2022).

[71] The company in question was established in 1930 by the partnership of British and Dutch companies. Its activities in Turkey are the production, distribution and marketing of food, personal care and cleaning products in the FMCG market. Since 1990, it has been operating in the "*industrial ice cream market*" with the brand "*Algida*" in Turkey. (TCB decision dated 18.03.2021 and numbered 21-15/190-80, para. 19-21). https://www.rekabet.gov.tr/Karar?kararId=88304185-0aa9-4758-b654-09ebd5fd24a0 Accessed on July, 14, 2022).

[72] Unilever Group operates in different product categories. These product categories are beauty, personal care and home care, ice cream, food and beverage. (https://www.rekabet.gov.tr/Karar?kararId=88304185-0aa9-4758-b654-09ebd5fd24a0. Accessed on July, 23, 2022.)

[73] See. TCA decision dated 18.03.2021 and numbered 21-15/190-80. (https://www.rekabet.gov.tr/Karar?kararId=88304185-0aa9-4758-b654-09ebd5fd24a0. Accessed on July, 12, 2022.)

[74] See. TCB decision dated 18.03.2021 and numbered 21-15/190-80. (https://www.rekabet.gov.tr/Karar?kararId=88304185-0aa9-4758-b654-09ebd5fd24a0 Accessed on July, 12, 2022.

4.1.4.2. Agreements Between Enterprises

In this part of the thesis, the market roles of food supply chain players from the perspective of competition law will be discussed within the framework of TCB decisions on horizontal relations between enterprises. Moreover, evaluations will be made in the light of the decisions and the general information and determinations conveyed within the scope of the thesis.

In addition to the above-mentioned TCA investigations for supplier trademark owner undertakings, it is possible to say that retail sales points have emerged as an important player in the recent period, and that the sector and the players are closely followed by TCA.

As stated in the previous parts of the thesis, the power of actors with private label products, who have appeared in the market through discount markets instead of trademark owner players, has increased over time. In this context, it is necessary to mention the players at the retail level of the supply chain. According to the general classification, retailers are based on the size of the sales area, hypermarket (2500 and above), large supermarket (1000-2499 m^2), supermarket (400-999 m^2), small supermarket (100-399 m^2), market (51-99 m^2), grocery store (10-50 m^2) and chain stores (Gürman, 2006: 23). As stated before, with the opening of Bim in Turkey in 1995, the discount market format began to be seen in the retail sector. Discount markets differ from other retailers with the sale of private label products. The aforementioned markets, whose numbers are increasing, also cause changes in the structure of the market (Kazak et al., 2021: 10). Retailers producing private label products, expressed as "*retailer brand*" or "*market brand*", have become the rivals of the manufacturing undertakings operating in the said categories.

In this context, the positions of the relevant actors and the effect of their relations on the market will be discussed within the framework of TCB decisions. In the decisions about CCSD and Unilever mentioned above, the dominant position of the undertakings is the deciding point in the market position of the undertakings and the effect of their actions and practices on the market. In other words, the aforementioned actors take place in TCB decisions with their actions and practices regarding their dominant position in the relevant markets. Retailers, which have recently emerged as an important player on their own, appear as the party of the cartel action called Hub & Spoke.[75]

During the COVID-19 pandemic period, the pricing policies of the chain markets operating in food and cleaning products at the retail level and the undertakings at the producer and wholesale level as the supplier of these markets were examined in the relevant decision[76] of TCB. Within the scope of the decision, supply chain actors, which include rival retail chains and suppliers, including discount markets, were fined for being a party to the Hub & Spoke Cartel. Within the framework of the aforementioned decision, it was revealed that the rival retail chains are in coordination for the price transition through the joint suppliers, and that the prices of the rival retailers and thus the retail resale price of the food and cleaning products are intervened through the suppliers.

The position taken by the members of the value chain, which forms the basis of the said decision, is very important in terms of revealing its effects on the flow of the chain and ultimately on the sector. The coordination created in the value chain as a result of the anti-competitive actions of the undertakings ultimately affects the market price of the product. In this context, the price of the products subject to the investigation comes to the same level throughout the market and the possibility of the consumer to find products at an alternative price is eliminated.

[75] The Hub & Spoke Cartel is structured on the supply chain. There is a horizontal relationship between undertakings operating at the same level of the chain and a vertical relationship between those operating at different levels. Hub & Spoke requires at least three parties. One of these parties operates at a vertical level and the other two at a horizontal level. The main purpose of the action in question is the relationship between those operating in the horizontal arrangement. The vertical actor fulfills the function of holding the horizontal actors together. On the other hand, the said structuring is oriented towards price competition. When the Hub & Spoke Cartel takes place, the prices of multiple products are affected when the action is taken. For example, if a Hub & Spoke Cartel is created in a cheese product, all cheese prices in the market will be affected by the action. Moreover, there is information sharing regarding the future price strategies of undertakings in the Hub & Spoke Cartel. This information is sensitive to competition, has a strategic nature, and is confidential (Demir, 2019: 10-12).

[76] See. TCB decision dated 28.10.2021 and numbered 21-53/747-360 (https://www.rekabet.gov.tr/Karar?kararId=82884ab7-9d26-405c-9019-e2b9ee10f2c7 Accessed on July, 12, 2022.

As can be seen, the course of product prices in the market and the actions of undertakings interact with each other. Of course, it is not possible to assert that the only reason that comes to mind in the face of price increases is the anti-competitive actions and practices of undertakings. However, the investigations made by TCA and the findings and evaluations within this scope show that the high brand power and awareness of the undertakings, being in the position of a highly preferred sales point or brand in the eyes of the consumers do not absorb the incentive of the undertakings to make more profit. Multinational companies added to the food supply chain, retail chain stores operating in an organized way and such tends to act with more profit motive. In this respect, it is obvious that undertakings have the potential to disrupt the functioning of the free market economy based on competition rules by engaging in anti-competitive actions and practices.

An actor that is not only encountered with the modern period food regime, but whose position in the supply chain differs from other undertakings is the producers that are located the first step of the food supply chain. Each member of the supply chain is undoubtedly important for the actors in the chain and ultimately for the market. However, the activities of the producers in the first step of the value chain are of fundamental importance for the continuation of the value chain.

There are many decisions taken by TCB regarding the actions and practices of producer undertakings in the food sector. Some of these decisions arise from the horizontal relationship between undertakings. One of the decisions that can be considered as an example is the one taken for undertakings operating in the chicken meat sector in 2019. As a result of the investigation conducted against chicken meat producers in 2019, it was found that they determined the product price together and/or shared strategically important competitive information in order to control the supply in the Aegean region. Therefore, it was decided to impose administrative fines on the undertakings in question on the grounds that they violated Article 4 of the Law numbered 4054.[77] The said decision

[77] See. TCB decision dated 13.03.2019 and numbered 19-12/155-70 (https://www.rekabet.gov.tr/Karar?kararId=ecfabeca-53c4-44e3-9d86-648ddaea2d7b Accessed on July, 12, 2022.)

is noteworthy in terms of seeing that the undertakings are able to control product prices in the market as a result of their anti-competitive actions. As a result of the on-site inspections carried out by TCA in the process leading up to the decision, documents indicating that the market was made transparent by sharing the price lists between rival undertakings indirectly or directly through the dealer/customer were obtained. Moreover, it was revealed that the average price charts of the chicken meat producer enterprises in the 2015-2017 period are highly compatible with each other. Although it was claimed by the undertaking parties to the said investigation that the increase in chicken meat prices after October 2016 was due to the increase in export-driven demand; as a result of the examinations, it was determined that the monthly totals of international sales were stable in terms of quantity and amount, therefore, the increase in domestic prices did not occur with the increase in demand originating from exports.

Another decision made by TCB that can be given as an example for the horizontal relationship between enterprises in the food sector is for the wheat flour market in 2021. In the said decision, price increases in the wheat flour market were investigated. As a result, it was determined that undertakings operating in the wheat flour market increased the price together by way of anti-competitive actions and practices. The undertakings in question were fined for violating Article 4 of the Law numbered 4054.[78]

As can be seen, the competitive pressure faced by the enterprises increased as the integration with the market increased in the modern period food regime. Enterprises acting with profitability tended to act with the understanding of dominating the competitive structure for more profit. Eventually, this led to consequences that adversely affected the price course in the market and consumer welfare.

Another breakdown that will be discussed within the framework of the modern period food regime is the supply chain actors related to the fresh fruit and vegetable sector. Supply chain in the category of fresh vegetables and fruits consists of intermediaries

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[78] See. TCB decision dated 07.01.2021 and numbered 21-01/18-8 (https://www.rekabet.gov.tr/Karar?kararId=ade64d67-b691-4947-9444-e350d61fd6cc Accessed on July, 12, 2022.)

including input suppliers, manufacturers, broker and merchants; and retailers including chain markets and greengrocers (Bilir et al., 2021: 16). These are among the modern period food regime actors included in the first part of the thesis. Each actor undertakes different activities in the market. Although the position and activities of each actor will not be included separately within the scope of the thesis, it would be useful to give an overview in this part of the thesis as intermediate information.

In this context, the activities of the suppliers that supply fertilizer, diesel, seeds and pesticides in agricultural production are important in terms of input costs. The increase in input costs in the fresh fruit and vegetable market has the potential to affect the next link of the chain and the sales price of the final product. In the sector said sector, the product changes hands many times from the producer to the retail sales point. Producers, brokers, merchants and retail chains constitute the basic factors of the value chain in the fresh fruit and vegetable market (Bilir et al., 2021: 27).

TCB has many decisions for the actors in the fresh fruit and vegetable market.[79] Some of these decisions are included in the thesis as an example. In the decision taken by TCB in 2001, it was investigated whether the undertakings operating in the apple, cherry, apricot and peach purchasing markets determined the purchase prices of the products together, and as a result, it was decided that the undertakings violated Article 4 of the Law numbered 4054.[80] In another decision of TCB, the allegations that the dried fig buyer enterprises determined the purchase price of the product by mutual agreement were

[79] TCB Decisions for Fresh Vegetables and Fruits Sector See. TCA decisions dated 10.10.2012 and numbered 12-49/1435-486; dated 06.11.2012 and numbered 12-54/1520-538; dated 30.04.2014 and numbered 14-16/291-123; dated 23.03.2016 and numbered 16-11/172-77; dated 26.12.2019 and numbered 19-46/779-337; dated 26.12.2019 and numbered 19-46/779-337; dated 10.11.2015 and numbered 15-40/664-232; dated 20.04.2017 and numbered 17-13/173-75; dated 03.07.2017 and numbered 17-20/318-140; dated 08.08.2018 and numbered 18-27/440-210; 19-45/751-323 dated 19.12.2019; dated 12.12.2019 and numbered 19-44/731-311 (https://www.rekabet.gov.tr/tr/Kararlar)

[80] TCB decision dated 04.12.2001 and numbered 01-58/599-155 (https://www.rekabet.gov.tr/Karar?kararId=6a68e049-ee1e-4d5a-96e3-097edcbe29da. Accessed on July, 14, 2022. The relevant decision was annulled by the 13th Chamber of the Council of State. Similar findings were included in the evaluation of the Board decision, dated 07.06.2006 and numbered 06-41/519-139, which was taken upon cancellation. https://www.rekabet.gov.tr/Karar?kararId=36637445-b821-4135-ad09-28713a28956b. Accessed on July, 14, 2022.

investigated. As a result, it was found that the undertakings in question were in agreement to determine the product purchase price.[81]

In the TCB decisions regarding the actions and practices of the actors in the fresh vegetable and fruit supply chain, it has been revealed that there are too many actors at the wholesale level and the concentration level in the market is low. It has been determined that low concentration level makes anti-competitive actions and practices difficult. Moreover, one of the common points of these decisions is that they are aimed at the "buying" side. What stands out in the investigations carried out for the producer segment of the aforementioned supply chain is that no determination was made regarding the anti-competitive actions and practices of the producers (Bilir et al., 2021:15).

Of course, these decisions need to be evaluated in terms of their possible effects on the supply chain. The situation that forms the basis for the investigations in the aforementioned decisions is the course of product prices. The actions and practices of supply chain actors and their possible effects on product prices in the food industry are discussed within the framework of competition law. In this context, there is a possibility that by forming a purchasing cartel or other anti-competitive actions and practices, negative effects may be made on the flow of the supply chain. With the actions in this direction, the activities of the producers will be difficult and the stable supply of the product throughout the supply chain will be endangered. In the final analysis, the negative effect of this situation will be a decrease in consumer welfare. In terms of Turkey, the actions of the said sector players are examined within the scope of the relevant provisions of the Law numbered 4054 and administrative sanctions can be applied when necessary.

On the other hand, in terms of Turkish Competition Law, it is thought that it will be enlightening within the scope of the thesis to include the legal regulations for the sector in question before the European Union. First of all, it can be said that competition policies play a key role in the functioning of the food-supply chain in the approach of the European

[81] TCB decision dated 16.03.2012 and numbered 12-12/383-112 (https://www.rekabet.gov.tr/Karar?kararId=b07452d3-4024-4a6f-ad2a-89ebf43963aa. Accessed on July, 14, 2022).

Union (EU). The Treaty on the Functioning of the European Union (TFEU), without being specific to a particular sector, appears as competition legislation. Articles 101 and 102 of the TFEU correspond to Articles 4 and 6, respectively, of Law numbered 4054. In this context, in Article 4 of the TFEU, agreements between undertakings, concerted practices and decisions of association of undertakings that have the purpose or effect of distorting competition in the market and may affect trade between member states are prohibited. Within the scope of Article 102 of the TFEU, there is a prohibitive provision for one or more undertakings to abuse their dominant position.[82] One of the other regulations in the EU competition policy is the "*Common Market Organization (CMO) Regulation*" numbered 1308/2013, which includes exceptions[83] to the competition rules, and the other is the "*Unfair Commercial Practices Directive*" aimed at limiting the buyer power of retailers, which is mentioned in the retail sector within the scope of the thesis.

In the context of CMO, it can be said that producer cooperation is given importance in increasing the bargaining power of farmers and establishing a competitive market in terms of agricultural production. In this context, cooperatives and producer associations are seen as important players in terms of creating and obtaining a higher share of the added value of the products sold in the supply chain and providing better access to agricultural inputs. From the perspective of competition law, buying and selling of agricultural products by organized structures rather than individual farmers will create more efficiency through buyer power. It can be mentioned that there is an economically stronger player in the bargaining process carried out by the producer organizations in the commercial relationship. As a result, it can be said that the European Competition Authorities closely follow the price course in the supply chain, in parallel with the sectoral reports prepared by TCA, and that they carry out sector researches on the functioning of

[82] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:12012E/TXT&from=EN. Accessed on July, 21, 2022.

[83] As stated in Article 206 of the "*Common Market Organization Regulation*" numbered 1308/2013, competition rules within the framework of the Articles 101-106 of the TFEU are applied to agricultural products with the some exceptions specified in the aforementioned Regulation. See for more information: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R1308&from=EN. Accessed on July, 29, 2022.

the supply chain, which considers the bargaining power relationship between farmers and other steps in the supply chain. (Bilir et al., 2021: 98-100).

Undoubtedly, as it is often stated in the thesis, the actions of the players in the supply chain with competitive policies are designed in a way that takes into account consumer welfare. In this context, it is expected by undertakings to operate at an individual level and avoid anti-competitive practices such as determining price and supply together. However, it is seen that producer unions and cooperatives take place as an important policy tool in the empowerment of farmers in EU regulations. Therefore, the question arises in which case it is better for consumer welfare for undertakings to come together and operate. In this context, for example, considering the COVID-19 pandemic period, the actors in the supply chain were adversely affected by the pandemic conditions and this situation had negative effects on the value chain. In such a conjuncture, it can be said that undertakings to operate together under certain conditions, namely the shorter supply chain, can create more effective results for consumer welfare and, indeed, the market. Moreover, considering the food sector, which is the focus of the thesis, these policies will be more vital. In the challenging conditions created by the pandemic, it can be said that instead of each producer struggling with many difficulties in order to be able to operate at an individual level, the planning of production and the action of undertakings in certain paradigms should be applicable without violating the spirit of legal and institutional regulations.

4.1.4.3. Buyer Power and Unfair Commercial Practices

An important issue regarding the market roles of undertakings operating in the retail sector is shaped around the concept of "*buyer power*". Within the scope of competition law, buyer power is expressed as the ability of one or more buyers to procure products under more favorable conditions than the supplier, depending on their economic power (Rekabet Terimleri Sözlüğü, 2019: 46). Buyer power can have different effects on suppliers and consumers. Retailers, with their economic power against suppliers, can affect consumers with a decrease in consumer preference and an increase in prices. The main factor for retailers, who have the capacity to supply products at a more affordable price, to offer the product to the consumer at a lower price is the retailer's position and economic power at the retail level. If retailers in the buyer position are faced with intense competition, they will have to reflect the discount to the consumer. Otherwise, the dominant power at the retail level will prevent the product from being offered to the consumer at a low price (Kazak et al., 2021). In this context, it is necessary to control the buyer power[84] of retailers and their potential to reduce consumer welfare. As the market converges to a monopolistic structure with the market price determination power of the retailers, who can buy the product from the supplier at a more affordable price, the negative effects on consumer welfare will begin to be more noticeable.

On the other hand, if an undertaking has buyer power in terms of FMCG retailing, the retailer may gain some advantages such as receiving direct financial support from the supplier, being able to supply products exclusively or the advantage of "*most favored customer*".[85] On the one hand, in terms of competing retailers operating at the same level of the supply chain, some of these retailers and suppliers operating with lower profit margins due to buyer power can compensate for their lost profits through other customers. On the other hand, the retailer with low buyer power may be in a disadvantageous position in the market because they can procure products at higher prices. In this case, the exclusionary practices of retailers with high buyer power may increase. (Kazak et al., 2021: 57-58).

Buyer power may occur in many forms, such as acquisitions or a merger of competitors. In this context, buying cartels are important. Through anti-competitive actions and practices, more than one undertaking creates a concentration of buyers by coming

[84] Buyer power can be mentioned for any undertaking. However, what is meant here is to reach a level of buyer power that can affect the buying conditions as a result of concentrations. The concept of buyer power and market power are interrelated. In the market, the buyer power arises due to the market power of the buyer party. While the seller determines the selling price of the product over the market price with its market power, the buyer power can determine the prices below the competitive level by the undertaking that has the market power (Yılmaz, 2020: 5). Buyer power does not always have a positive or negative meaning. In this context, the concept of balancing buyer power emerges. If the buyer is sufficiently knowledgeable about large and alternative supply sources and is in a position to create its own supply in a short time, the emerging bargaining power can be expressed as "*balancing buyer power*" (Yılmaz, 2020: 1).

[85] The aforementioned concept, which is expressed as the "*most favored customer clause*", refers to the obligation to offer the favored buyer the favorable price and agreement conditions offered by the supplier undertaking to other buyer undertakings (Rekabet Terimleri Sözlüğü, 2019: 73).

together, that is, by forming a cartel. In this context, there are investigations carried out by TCA on buying cartels.[86] In this respect, it would be appropriate to refer to the TCB decision dated 27.10.2010 and numbered 10-67/1428-544. Within the scope of the aforementioned decision, the allegations that the cherry-buying undertakings came together and formed a buying cartel, and that in this way, by using the buyer power, they took actions and practices that put pressure on the producer by delaying and postponing the purchase of the product were investigated. As a result of the decision, it was ruled that the allegations should be rejected as no findings were present regarding the allegations.[87] Regardless of the positive decision taken as a result of the said investigation, the point to be considered here is the fact that pressure can be created on the producers with the buyer power. Producers who want to sell perishable products that require separate costs to store in a short time will face the risk of loss of their product in the face of the actions taken by the undertakings of the buying cartel. This will cause the producer to have to accept the purchase price offered. Undoubtedly, one of the issues discussed today is the increase in the price of the product after it leaves the field until it reaches the table. However, despite the rising prices, the producers complain that the product is being bought at considerably lower prices from them.[88] Of course, it is possible to talk about different dynamics in purchasing the product from the producer at low prices. However, it can be said that the coordination created through buying cartels is one of the important dynamics. In this context, the investigations and determinations carried out by TCA are crucial.

In this regard, retailers that are actors of the supply chain or undertakings in the position of buyers in general have effects on other actors in the supply chain. The said effect may ultimately have impacts on the food sector, and moreover, on the economy in general. It

[86] Within the framework of competition law, “buying cartel” is defined as cartels created by undertakings in the position of buyers to increase buyer concentration and to make purchases under conditions in their favor (Rekabet Terimleri Sözlüğü, 2019: 47).
[87] TCB decision dated 27.10.2010 and numbered 10-67/1428-544. (https://www.rekabet.gov.tr/Karar?kararId=74f95f7d-d0b6-42a6-8c28-74f2a65ff3e9. Accessed on July 12, 2022.
[88] As in a news example, tomato producers expressed their complaints that the product was bought by the factories for 17 kurus, even though the production cost was 20 kurus. (https://www.dunya.com/is-dunyasi/domates-ureticisi-dusuk-fiyattan-sikayetci-haberi-288304.)
For other similar news, see: https://www.birgun.net/haber/findik-ureticisi-dusuk-fiyatlardan-sikayetci-88034; https://www.cumhuriyet.com.tr/haber/kivi-ureticileri-dusuk-fiyattan-sikayetci-303692 Accessed on July, 24, 2022.

can be said that one of these effects is realized through unfair commercial practices. In this context, it would be appropriate to present information on unfair commercial practices first.

Unfair commercial practices occur when the power of the parties is disproportionate in the contractual relationship. That is, one of the parties may have higher bargaining power, while the stronger party may unilaterally offer the weaker party terms in favor of its own commercial interests. In this case, the weak party of the contract may not be able to refuse the conditions offered when the commercial relationship threatens to terminate. The reasons for the disproportion between the powers may be the turnover/size difference between the contracting parties, economic dependence and significant sunk costs[89] incurred by one of the parties (EU Commission, 2013:6).[90] According to the European Union Commission (EU Commission), the main factor in the emergence of such applications is the inability to switch to another commercial partner (Wiewiórowska–Domagalska, 2015: 3). Since the weak party acts with the fear that the commercial relationship may be terminated, this situation also weakens the sanction mechanism for unfair commercial practices (Kazak et al., 2021: 115).[91] Unfair commercial practices emerge at different stages throughout the supply chain. It is possible to talk about the different effects of these practices (Kazak et al., 2021: 115-116).[92]

The possible effects of unfair commercial practices are discussed in the context of the bargaining power obtained by the retailers through the buyer power channel within the scope of the thesis. In a 2011 report of the Spanish Competition Authority, it was stated that the bargaining power of retailers will positively affect consumer welfare in the short

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[89] Sunk costs are the costs that a company has to bear if it exits the market (Rekabet Terimleri Sözlüğü, 2019:54).

[90] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52013DC0037&from=EN. Accessed on July, 21, 2022.

[91] According to the data obtained by the EU Commission, 87% of the suppliers who encounter such practices only discuss this issue with their customers, and 65% do not take any action for fear that they will face retaliation while 50% doubt the effectiveness of public solutions (EU Commission, 2013:7).

[92] Contract-related changes, forced discounts, price-related measures such as price control, delayed payments, special supply conditions, abuse of private label products, termination of commercial relationship, additional payment obligations and such can be given as examples of unfair commercial practices. Moreover, it can be accepted that unfair commercial practices have the potential to negatively affect investments and innovations (Kazak et al., 2021: 115-116).

run in the case that there is sufficient competition among retailers. However, it was determined that it may negatively affect innovation in the food industry by adversely affecting the competition between suppliers and retailers in the medium and long term. Unfair commercial practices have the potential to adversely affect the competitive process in the food supply chain in the long run. Namely, unfair commercial practices will reduce the investment incentive and innovation of the suppliers in the supply chain, this will limit the consumer's alternative consumption basket options and eventually affect the consumer welfare negatively.[93]

As stated above, unfair commercial practices can occur at different stages of the supply chain. Within the scope of the thesis, the focus is on retailers, which can affect the supply chain through buyer power as a result of concentrations. In the context of unfair commercial practices, the relationship between suppliers and retailers is focused on.[94]

It is possible to examine the actions and practices of the actors who have been added to the supply chain or whose current position has changed with the modern period food regime, from different perspectives. Unfair commercial practices are also a part of this. From the perspective of competition law, these practices emerge through the channel of buyer power. An undertaking with increased buyer power may adversely affect effective competition in the supply chain by using its current position. With their superior bargaining power compared to their competitors, retailers may force suppliers to work exclusively with them. Thus, suppliers have no alternative but to sell their products to the undertaking with a high buyer power. This situation manifests itself in the availability of products for the consumer. As a result, consumers will be able to find the products that

[93] European Competition Network (2012), Report on ECN activities in the food sector, p. 117-119 https://ec.europa.eu/competition/ecn/food_report_en.pdf. Accessed on July, 21, 2022.

[94] It is seen that the sector reports published by the competition authorities of different countries include the determinations regarding the relationship between the retailer and the supplier in the food supply chain. In the industry report published by Finland, it was discussed that retailers use market powers to keep food prices high, and it was determined that retailers distorted competition with their position in the market. In a study conducted by the Lithuanian Competition Authority in 2008 and 2009, it was determined that there were unfair commercial practices between retailers and suppliers. In a study conducted by the Slovenian Competition Authority, it was determined that there were unfair commercial practices regarding the trade of daily consumer goods between suppliers and retailers. See quote. European Competition Network (2012), Report on ECN activities in the food sector, https://ec.europa.eu/competition/ecn/food_report_en.pdf, Accessed on July, 21, 2022.

they demand at a limited number of sales points, perhaps at a single one. Thus, the consumer will have to settle for the price offered by the sales point. The retailer with high buyer power will thus have control over the prices and may cause high product prices in the market.

Considering that the concentration in the food retailing sector in Turkey is high[95], the retailers can have control over the market prices with the increasing buyer power as a result of the concentration. Therefore, it would not be an erroneous inference to say that it is necessary to control the buyer power of undertakings that will reduce effective competition.

In this context, although there is no holistic regulation that can be applied directly to unfair commercial practices in Turkey, a control mechanism has been developed for practices related to different legal regulations. The Law numbered 6585 on the Regulation of Retail Trade sheds light on one of the aforementioned legal regulations.[96] As mentioned before, the purpose of this Law is to carry out the retail trade in accordance with the competitive conditions and to ensure the balanced growth of the retailers. The regulations in Article 6 titled "*Premium and Price Request*" and Article 7 titled "*Payment Period*" of the Law can be mentioned within the framework of legal regulations regarding unfair commercial practices.[97]

The reflection of the regulation on buyer power at the European Union level is the "*EU Unfair Commercial Practices Directive (Directive)*" adopted by the European Commission on April 30, 2019.[98] The aforementioned legal regulation sheds light on possible regulations in terms of the determinations made and the rules that it brings about

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[95] As of 2019, the concentration ratios of Bim, A101, Migros and Şok exceeded 50% of the market (Kazak et al., 2021: 19).
[96] The provisions of the Turkish Code of Obligations numbered 6098 on general transaction conditions and the provisions on Payment Terms of the Turkish Commercial Code numbered 6102 can be considered in terms of legal regulations regarding unfair commercial practices in Turkey. (See quote: Kazak et al., 2021) However, detailed information on the relevant regulations is not included since the information on these regulations exceeds the limits of this thesis.
[97] See quote: Kazak et al., 2021: 119-120.
[98] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0633&from=en. Accessed on July, 21, 2022.

the operation in the food supply chain. For this reason, the Directive in question will be briefly discussed below.

Within the scope of the Directive, it is stated that there is a significant disproportion in the bargaining power between suppliers and buyers in the agri-food supply chain, this situation leads to unfair commercial practices, and these practices constitute a violation of goodwill. Moreover, it is stated that a minimum standard should be brought before the EU in order to reduce such practices that may have a negative impact on the living standard of the agricultural community. It is emphasized that executive authorities should be established in order to effectively implement the prohibitions introduced within the scope of the Directive[99] and that the said units will act ex officio or in line with the complaints of the parties affected by unfair commercial practices in the agri-food supply chain (Kazak et al., 2021: 132).

The purpose of the Directive is to provide protection for suppliers throughout the agri-food supply chain. Farmers and farmer organizations are among the leading suppliers that are protected by regulation. Small and medium-sized enterprises and distributors are other players covered by the Directive. On the other hand, unfair commercial practices of buyers who are not located in the same country as the supplier or operating in countries other than EU member states are also restricted within the framework of the Directive.

As can be seen, not only the number of players in the supply chain has increased with the modern food regime. The actions and practices of the players have also diversified. These actions and practices affect the functioning of the supply chain and ultimately affect consumer welfare.

[99] Retailers are prohibited to impose payment terms exceeding 30 days for perishable agricultural food products, payment terms exceeding 60 days for other agricultural food products, unilateral contract changes by the buyer, commercial retaliation by the buyer and other practices included in the Directive on the suppliers. Moreover, a regulation has been introduced that the return of unsold products, the payment of the supplier for promotion, marketing and advertising, and other issues can only be included in bilateral agreements and supply contracts by expressly specifying them. See for more information: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0633&from=EN. Accessed on July, 21, 2022.

In summary, in the context of unfair commercial practices, concentrations to be seen at different stages of the supply chain create a domino effect. Concentrations also increase the buyer power. The undertaking with increasing buyer power puts pressure on the producer/supplier through unfair commercial practices. This situation creates obstacles for the supplier to establish commercial relations with different buyers. Moreover, the undertaking with high buyer power will ensure that the supplier sells the product only to itself, with unfair commercial practices. This cycle reflects on the consumers as being able to find a product only at certain sales points. Undoubtedly, this will also affect prices. Ultimately, consumer welfare will be faced with a decrease as prices may be driven to high levels by the enterprise with high buyer power.

In the framework of microeconomic theory, total/social welfare consists of the sum of consumer and producer welfare. In the above-mentioned possible scenarios, the decreasing consumer welfare will be transferred to the producer with the higher prices applied by the enterprise with high purchasing power. Thus, a change will be seen in the composition of total/social welfare.

As stated in the sector report published by TCA, except for unfair commercial practices, the effects of buyer power on suppliers can be listed as follows (Kazak et al., 2021: 59):

- Items such as shelf price and listing requested by the buyer in the purchase of the product may create additional costs for the supplier.

- Additional costs to the supplier may ultimately be reflected in the price of the product.

- In case the payments are delayed by the undertaking with high buyer power, the internal cash flow operation of the supplier undertaking may be disrupted.

In the referenced report, the effects of the buyer power on the consumer can be expressed as follows:

- The supplier, who is faced with price pressure in the face of an undertaking with a high buyer power, may have difficulties in the continuity of the supply. This may ultimately lead to a reduction in product variety.

- If the supplier, who is faced with additional payments, reflects this on the product prices, consumer welfare may be adversely affected by the increase in the market price of the product.

Buyer power is one of the pillars of retailers, which are important actors of the supply chain, influencing the food industry. In the context of competition law, another important issue in terms of the effect of these actors on the market is concentrations. Concentration and buyer power should not be considered as two independent concepts. Because, as a result of concentrations, buyer power in the supply chain increases. Therefore, it would not be wrong to say that the two concepts interact with each other.

4.1.4.4. Concentration Control

As included in the thesis, it can be said that domestic and foreign partnerships have emerged through mergers/acquisitions in the modern period food regime. These transactions have not reflected in the supply chain as only domestic-foreign partnerships. Concentrations resulting from mergers and acquisitions also point to another effect on the supply chain. In this context, briefly addressing the concentrations created by mergers/acquisitions between the said actors in the retail sector in this part of the thesis will contribute to the creation of the necessary infrastructure for the inferences and evaluations to be made.[100]

As mentioned above, one of the reasons for the emergence of buyer power is mergers and acquisitions. For this reason, it is important to address the problems caused by buyer power in concentration control. In this context, it can be said that a supervisory mechanism has been created within the scope of the provisions regarding mergers and

[100] Controlling the market share in a market by a small number of undertakings is expressed as "*concentration*" (Sarıdoğan, 2021:67).

acquisitions under Law numbered 4054. TCA carries out investigations and evaluations in the light of the relevant Law and various Guidelines regarding mergers and acquisitions.[101]

As stated in the sector report (2021) published by TCA, the concentration levels of Bim A101, Migros and Şok in the FMCG retail market exceeded 50% of the market as of 2019 (Kazak et al., 2021:19). In this respect, it would be appropriate to take a brief look at the concentration process of the market.

Migros Ticaret A.Ş. ("*Migros*") is one of the important actors in the recent concentration observed in the FMCG organized retail sector. This undertaking has made various acquisitions over the years. In order to see the concentration of these processes, it is considered necessary to briefly mention them. Moreover, Migros is considered to be an important player in terms of concentration, buyer power and its effects on the supply chain.

First of all, in 2005, Tansaş Perakende Mağazacılık Tic. A.Ş. was acquired by Migros. In 2008, 50.83% of Migros' shares were acquired by Moonlight Perakendecilik ve Tic. A.Ş., the Turkish subsidiary of Moonlight Capital S.A. Inc.; In 2009, with the acquisition of additional shares by Moonlight Capital S.A., Migros[102] and Migros Türk Tic. A.Ş. merged. As of today, activities are carried out by the undertaking known as Migros Ticaret A.Ş. In a transaction that took place in 2011, Şok Marketler Ticaret A.Ş. within Migros was transferred. In 2015, Anadolu Endüstri Holding A.Ş., with its title at that time, indirectly became the owner of Migros by purchasing MH Perakendecilik ve Tic. A.Ş. Another acquisition by Migros was acquiring 95,495% of the shares of Tesco Kipa Kitle Pazarlama Ticaret Lojistik ve Gıda San. A.Ş. In 2017 and 2018, 11 stores of

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[101] See quote: Guideline on the Assesment of Horizontal Mergers and Acquisitions https://www.rekabet.gov.tr/Dosya/kilavuzlar/yatay-birlesme-ve-devralmalarin-degerlendirilmesi-hakkinda-kilavuz-2022-20220304105516737-pdf.
Guideline on the Assessment of Non-Horizontal Mergers and Acquisitions https://www.rekabet.gov.tr/Dosya/kilavuzlar/yatay-olmayan-birlesme-ve-devralmalarin-degerlendirilmesi-hakkinda-kilavuz-2022-20220307103841350-pdf. (Accessed on July, 21, 2022),
[102] Its title at that time was Moonlight Perakendecilik ve Tic. A.Ş.

CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş. in Kayseri; and 71 stores of Makro Market A.Ş. in the provinces of Istanbul, Antalya and Tekirdağ were acquired by Migros.

Moreover, Migros acquired four stores of Makro Market A.Ş. in Ankara, Amasya and Samsun in 2018. Another acquisition by Migros was made in 2020 by acquiring two stores of Dörtler Tüketim ve Gıda Maddeleri San. ve Tic. Ltd. Şti. in Adana. Migros acquired 34 stores of Carrefoursa in 2021. The last acquisition by Migros in 2021 is related to the two stores of Adese Gayrimenkul Yatırım A.Ş. in Konya. Acquisitions by Migros in 2022 included 25 stores of Ay-mar Ticaret Ltd. Şti. in Trabzon and Giresun, and finally, six stores of Üçler Super Market Gıda San. A.Ş. in Istanbul.[103]

As can be seen, Migros, which operates as an organized retailer in the food sector, is one of the players that stand out with its acquisitions. It would not be wrong to say that the aforementioned undertaking significantly affected the level of concentration in the market with these acquisitions.

There are some issues that need to be addressed in order to understand the possible effects of these acquisitions on the supply chain. The vertical relationship between retailers and the manufacturers to whom they supply products constitutes the "*supply market*". Mergers and acquisitions in FMCG retailing have the potential to affect the market in question. As an example of this situation, the possible effects on the supply chain of the acquisitions made by Migros, which is controlled by Anadolu Group, can be given as an example. Anadolu Group, which controls Migros[104], operates as a supplier of alcoholic beverages (beer), soft drinks, fresh vegetables and fruit products in the upstream market

[103] For TCB Decisions Regarding Migros Acquisitions, See. TCA decisions dated 31.10.2005 and numbered 05-76/1030-287; dated 13.03.2008 and numbered 08-24/240-76; dated 17.08.2011 and numbered 11-45/1044-357; dated 09.07.2015 and numbered 15-29/420-117; dated 09.02.2017 and numbered 17-06/56-22; dated 28.12.2017 and numbered 17-44/689-303; dated 18.04.2018 and numbered 18-11/204-95; dated 13.12.2018 and numbered 18-47/736-356; dated 16.01.2020 and numbered 20-04/38-20; dated 03.05.2021 and numbered 21-25/307-140; dated 01.07.2021 and numbered 21-33/430-215; dated 23.06.2022 and numbered 22-28/449-181 and dated 07.07.2022 and numbered 22-32/507-204 (https://www.rekabet.gov.tr/tr/Kararlar)

[104] For how the concept of "*control*" is used within the framework of Turkish Competition Law, see. https://www.rekabet.gov.tr/Dosya/kilavuzlar/birlesme-ve-devralma-sayilan-haller-ve-kontrol-kavrami-kilavuz1-20180406171222823.pdf. Accessed on July, 28, 2022.

of the FMCG retail market.[105] Therefore, the vertical relationship between Migros and Anadolu Group may lead to vertical effects on other actors of the supply chain in terms of acquisitions to be made by Migros.

In this context, the vertical effects of the merger and acquisition transaction are discussed in the section titled "*Vertical Mergers*" of the Guideline on the Non-Horizontal Mergers and Acquisitions published by TCA. Vertical mergers/acquisitions may make it difficult for current or potential competitors to enter the market, or may prevent rival undertakings from competing. Making it difficult for competitors to enter the market is expressed as "*market foreclosure*" in the context of competition law. The market foreclosure effect is analyzed in two subgroups as "*input and customer foreclosure*".[106,107] In the example of Migros, an input foreclosure will arise if Anadolu Group, which controls Migros, does not supply its products to Migros' rival retailers, as a result of the acquisition transaction of Migros with other retailers operating at the same level of the supply chain. On the other hand, if Migros procures products only from Anadolu Group from suppliers operating in the upstream market, customer foreclosure will apply to other suppliers that are rivals of Anadolu Group. Under these circumstances, via the transaction, rival undertakings of Migros in the supply chain will have difficulty in accessing Anadolu Group products or will be completely deprived of the opportunity to procure such products.[108]

In the context of horizontal and vertical relations between the actors in the supply chain, the position of the actors in the market has the potential to ultimately affect the market.

[105] TCB decision dated 04.05.2021 and numbered 21-25/307-140, p. 4
[106] Guideline on the Assessment of Non-Horizontal Mergers and Acquisitions, p. 7-8.
[107] Customer foreclosure means that if the undertaking operating in the upstream market in the supply chain merges with a customer with market power in the downstream market, it restricts the access of rival undertakings in the upstream market to a significant customer base. (Rekabet Terimleri Sözlüğü, 2019: 113). Input foreclosure, as a result of vertical merger or acquisition, is the foreclosure of the supply of the products that the undertaking, which is a party to the said transaction, against the competitors in the downstream market (Rekabet Terimleri Sözlüğü, 2019: 87).
[108] For example, Anadolu Group supplies products in the cola drink category under the "*Coca-Cola*" brand. In case of input foreclosure, Anadolu Group may not supply products to rival undertakings of Migros with which it has a vertical relationship. Thus, the possibility of competing retailers' access to the aforementioned branded products may be eliminated. In this case, consumers will only be able to find the brand in question at Migros. The final situation is that the consumer is denied the option to purchase the product by comparing prices between different undertakings. Moreover, as a result of decreased competition among retailers for the given product, Migros' motivation and power to sell the product at the desired price will increase, which will ultimately reduce consumer welfare.

Transactions carried out by actors in the FMCG retail sector, which mainly consists of food products, are important. As a result of the integration of stores in the retail sector, the control of the market may pass into the hands of certain undertakings. The increasing market power of the supermarkets, which are the important actors of the retail sector, and the buyer power that they have at the supply level support each other. The undertaking with increased bargaining power will have the ability to purchase goods under more favorable conditions, so the products can be supplied to the consumer at lower prices, and this will eventually increase the power of the said undertaking in the market (Bilir et al., 2021: 44). The increasing buyer power in the supply chain under the raising concentration conditions includes the possibility of increasing the market power of the mentioned undertakings. The critical issue at this point is the level of competition faced by undertakings. For the increased concentration level to positively affect the consumer price and, moreover, the market through the buyer power that it will create in the supply chain, the undertaking with increasing buyer power must be under significant competitive pressure. Otherwise, the enterprise whose buyer power has increased will not see sufficient competitive pressure, so it will have the chance to sell the product that it procured at a low price at a high price. Moreover, as mentioned above, there will be a decrease in the variety of products that consumers can access, with the effect of customer and input constraints to be created by the vertical relationship. As can be seen, the incentive to get more shares from the market as a result of the accumulation of capital may prevent undertakings from protecting consumer welfare. In this direction, the investigations and decisions taken by TCB are focused on protecting the functioning of the market and consumer welfare. Otherwise, the perception of the possibility of criminal sanction ensures that a balance is established in the decisions and actions of the undertakings.

If the information and evaluations conveyed so far in this part of the thesis are summarized, as a result of the transformation in the food regime, new actors have entered the market or the position and role of the existing actors have changed. These actors have the capacity to influence the supply chain and ultimately the food industry in terms of price, product availability, product quality, and access to alternative brand products, with their roles in the food industry, their position or their joint actions and practices.

Therefore, the activities of the modern period food regime actors in the relevant markets are closely followed by TCA. As mentioned above, the decisions taken by TCB bring new rules for the market. The said rules have the potential to affect the activities of the actors in the supply chain and thus the operation in it. The situations where mergers/acquisitions between undertakings cause concentration in the market have increased the buyer power of some actors in the supply chain. On the other hand, it is one of the significant issues that TCA carries out many investigations in light of the possibility of price increases or decreases observed in the food sector due to anti-competitive actions and practices.

4.1.5. Reflections of the Covid-19 Pandemic Process on the Food Supply Chain and Its Impact on the Market

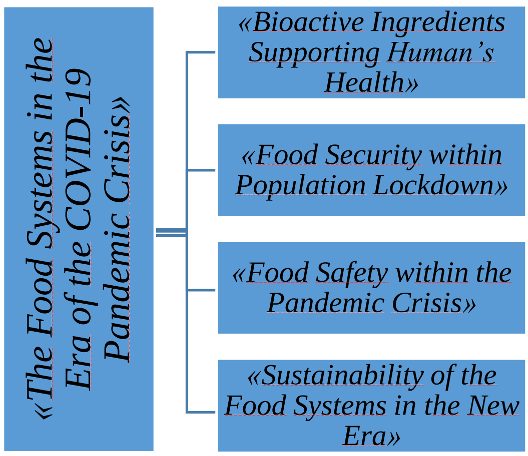
The pandemic, known as Coronavirus (COVID-19), which broke out in Wuhan, the city of China in 2019, has had global impacts in many ways such as health, economy, etc. The cases caused by the pandemic were first seen in Turkey in 2020. The common point of various pandemics seen in the historical process is their negative effects on global economies. The practices in the context of the restrictions brought within the country and between countries to prevent the spread of the COVID-19, financial pressures on the food supply chain, the closure of production facilities, the decrease in employee mobility, and the changes observed in consumer demand have affected food supply chain (Aday & Aday, 2020: 167).

WHO has taken some measures in the form of an action plan to prepare all countries for the possible effects of the pandemic process. Priority steps and actions are listed as nationwide coordination, planning, risk communication, surveillance and rapid response teams, national laboratories, infection prevention and control, operational support and logistics (WHO, 2020). The aforementioned measures and precautions have led to some temporary conditions such as the closure of workplaces and the transition to working from home. However, at this point, the food industry differs from other industries. Since people working in the food industry did not have the option to work from home, they had to continue their routine work patterns (FAO & WHO, 2020: 1).

COVID-19 has raised four main issues in the food industry, moreover in the food supply chain. One of them is that people tend to eat healthy to keep their immune system strong in order to protect themselves against disease (Rodríguez-Pérez et al., 2020:2). Another issue is the increasing tendency to pay attention to food safety in order to prevent the spread of the pandemic among supply chain actors, producers, retailers and consumers. On the other hand, food safety concerns have arisen due to the lockdowns, and finally the issue of food sustainability has gained importance (Galanakis, 2020: 1).

The reflections of the COVID-19 process on the food industry can be demonstrated with the help of the following figure:

Figure 6. Reflections of the COVID-19 Process on the Food System/Market



Source: Galanakis, 2020: 2

The food supply chain is not just domestic flow, as discussed earlier. When all of the products cannot be produced in the country, the foreign channel, hence the import, comes into play. In this context, countries that had to procure raw materials and intermediate inputs used in production from the Far East had to feel the economic effects of COVID-19 intensely. Another impact of COVID-19 is the change in the product and service demanded by the markets. The massive shifts and challenges in product supply and demand have had an impact throughout the entire supply chain. Due to the outbreak of global pandemic in China, the capacity of the Chinese production facilities has been reduced, while the duration for supplying products from China have extended.[109] Of course, these effects were not limited to the procurement process from China. Many countries closed their borders to other countries to prevent the spread of the pandemic and stopped product trade.[110]Absolutely the measures taken to reduce the devastating effects of the pandemic significantly affected the economic channel.

As given in the figure above, the COVID-19 outbreak has brought up the issue of food security in the food industry. The effects of the pandemic on the supply chain are linked to food security.[111] The sensitivity in the food supply chain, which has recently given threat for the increase in food prices and the inadequacy of food, has become more apparent during the COVID-19 process. In the aforementioned value chain, supply and demand-side disruptions, situations that endanger food security, have made access to adequate and healthy food even more important. During the pandemic, people turned to food supply in panic. When this situation is considered together with the inflationary effects in the economy, the demand-side effects of the epidemic can be seen. Supply shocks can be listed as countries closing their borders, stopping product supply, disruptions in product transportation and increasing e-commerce volume. The aforementioned shocks have jeopardized access to food and food supply in terms of food security (Soğancılar et al., 2022: 2333).

It would certainly not be an erroneous inference to say that the flexibility to respond to these shocks should be good enough in order to minimize the damage caused by supply and demand shocks in the economy. States have introduced lockdown measures and transportation and movement restrictions to reduce the spread of the pandemic. This

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[109] https://www.smartopt.com.tr/covid-19un-tedarik-zincirine-etkileri-ve-olasi-senaryolar/ (Accessed Accessed on July, 13, 2022)

[110] In this context, Russia, Kazakhstan, Armenia, Belarus, Kyrgyzstan have stopped the export of many agricultural products within the scope of COVID-19 measures. (https://www.dunya.com/ekonomi/5-ulkeden-tarim-ve-gida-urunlerine-ihracat-yasagi-haberi-466623. Accessed Accessed on July, 13, 2022. This situation undoubtedly had an impact on the supply chain through the import channel. Within the framework of the said export ban, Turkey could not import bran, sunflower seeds and soybean from Russia.

[111]Food security means people's access to sufficient levels of safe, nutritious food that they need. (Soğancılar et al., 2022: 2335).

situation adversely affected the activities of the supply chain actors, including the processing and distribution of the product from the harvest stage.

As stated in the previous parts of the thesis, the food supply chain refers to the whole process from farm to the table, which includes all stages of agricultural production, processing, distribution, retail sale and consumption of products (Siche, 2020). Food supply chains are becoming increasingly global. This situation causes all countries in the chain to be adversely affected as a result of events with global effects such as COVID-19 (Soğancılar et al., 2022: 2338).

Flow in the food supply chain is important from different perspectives. Food security and well-being for customers is a source of income and profit for individuals and businesses (Gholami-Zanjani et al., 2021:1). Precautionary lockdowns and changes in consumer habits during the COVID-19 process adversely affected the continuity of the food supply chain. The chain members involved in agricultural production (processing, distribution, etc.) had to adapt simultaneously to the decrease in accommodation and service in the out-of-home area (hotel, restaurant, etc.) and the rapidly increasing demand for the food retail sector. Since the process of packaging, processing and labeling of food products for the service and food sector is different, it required time and financial resources to ensure logistics compliance in the face of this change (Soğancılar et al., 2022: 2339).

The demand shock, which we have witnessed closely in Turkey, has manifested in the form of consumers developing a stocking attitude in a panic. In this context, consumers have emptied the shelves of the supermarket for products such as pasta, rice, canned food, soap, toilet paper, and hand sanitizer (Hobbs, 2020: 172). However, it can be argued that food retailers with significant buyer power and cost efficiency can respond in a timely manner to such an increase in demand. Actors operating with the exact timing approach in production and distribution were able to increase productivity in the sector with low stock and product flow (Soğancılar et al., 2022: 2339). As stated by Hobbs (2020), food systems that were fragile at the beginning of the pandemic managed to adapt to the increasing demand with the increase in the food supply chain and product flow, and the short-term food shortage was alleviated (Hobbs, 2020). One of the effects of the pandemic on the food supply chain is the closure of places such as restaurants, cafes and bars (Hobbs, 2020: 172). Thus, the demand for food turned to retailers and created additional pressure on the retail sector (Soğancılar et al., 2022: 2340).

Supply-side problems created by the pandemic in the food supply chain can be listed as restriction in the movement of goods due to the limitations set by countries, disruption in the transportation structure, and labor shortage. Sickness of workers, restrictions on transportation from one place to another caused disruptions in the processing and distribution of food (Hobbs, 2020: 173). In the context of problems encountered in transportation, the prolongation of delivery times in sea and rail transportation has brought up the risk of spoilage of food. For this reason, road transport has become more preferable (Soğancılar et al., 2022: 2341). On the other hand, the use of e-commerce has increased due to the pandemic. With the digital economy, the short supply chain, where the number of intermediaries has decreased, has become more prominent (O'Hara & Toussaint, 2021).

The information given above reveals the impacts of the COVID-19 pandemic on the food supply chain, not only in Turkey but in general. When the aforementioned effects are analyzed directly within the framework of Turkey, it is of course possible to talk about the increasing demands of consumers in the food retail sector due to panic and the reflections of this situation on the market. In the process of shutting down at home, consumers have started to access products through online channels. According to the report published by TCA, in the food and supermarket category, consumers have clearly turned to e-commerce, with a significant 420% increase in e-commerce compared to the pre-COVID-19 period. Products such as fruits and vegetables, which were mainly supplied from the traditional channel before the pandemic, were started to be procured from online sales channels. This situation supports the argument that consumers' habits have changed (Sarıçiçek et al., 2022: 39).

On the other hand, in the reflection of the epidemic in Turkey, the demand for basic nutrients and foods with a long shelf life has increased. The falling demand for fresh products caused a decrease in the prices of these products and a decrease in sales.

Problems arose in the supply of fruit and meat within the framework of agricultural production and food supply chain. As a result of the measures taken to reduce the momentum of the pandemic, the consumption shifted from the area outside to the households, and there were changes in food demand (Selışık, 2020).

The effects of the COVID-19 process on the food supply chain and the market are, of course, not limited to what is reported here. The reflections of this process, which affects the economy in many ways, can be discussed in more detail. However, since the thesis focuses on the supply chain in the food sector in general, the effects of COVID-19 on the food supply chain actors and the market have been mentioned in the context of its global reflections and their projections in Turkey. As can be seen, the pandemic caused disruptions in the flow of the supply chain and put pressure on food retailers in the face of sudden demand growth. Demand for cafes and restaurants has shifted to food retailers, as a result of the measures taken to reduce the momentum of the pandemic. On the other hand, the activities were interrupted due to reasons such as the sickness and isolation of the employees operating in the distribution and processing stages, and this situation led to the inability to deliver the products to the market and the consumer. With the suspension of export and import activities of the countries, the countries that supply products related to imports have had their share of the disruption in the supply chain originating from abroad.

If all the information given in the fourth part of the thesis is briefly summarized, from the perspective of the food regime, the number of actors in the food supply chain and their roles in the chain have changed with the modern period food regime. Retailers at the individual level have taken their place in the supply chain as actors operating in an organized manner with high buyer power. On the other hand, although it is seen as sector specific, actors such as brokers and merchants have also been included in the system and have played important roles in the product flow. When we look at the undertakings in the supplier position, it is seen that the dominant position of the undertakings with the brand in the relevant markets has the potential to spread to the other links of the chain. The position of the producers in the food supply chain has been shaped within the framework of the actions and practices of these actors. The roles and possible effects of the aforementioned players in the market have been met in terms of competition law. In this context, many investigations have been carried out by TCA. The decisions taken as a result of the investigations have brought some rules for the actions of the sectors. These rules are of significant importance in terms of their potential to influence the positions of other actors of the chain in the value chain, and moreover, the market conditions.

CONCLUSION

Within the scope of this thesis, the role of food regime actors in the market as a result of the change in the supply chain of the modern period food regime has been examined from the perspective of competition law. The study is based on the decisions of the Turkish Competition Authority regarding the actions and practices of the said actors in the market and their effects on the functioning of the supply chain within the framework of competition law.

In the first part of the thesis, the transformation created by the change in the food regime in the production process, supply chain, producer profile and consumption habits are discussed. The periodical separation of the food regime, which was first introduced by Harriet Friedmann, is based on and accordingly, the theoretical framework regarding the traditional, transitional and modern period food regime is included.

In accordance with the aforementioned theoretical framework, in the traditional food regime, production is mainly carried out for self-consumption, and the rest is sold in nearby markets. In the traditional food system, the supply chain is simple and short-term. There are two main actors in the supply chain, the producer and the consumer. Retailers operate on an individual level. It is observed that herbal products predominate in the consumption habits. In the transitional period food regime, food production has started to show features that differ from traditional methods with the "*Green Revolution*" realized by industrialized countries to increase production and efficiency in agriculture and food sector. In agricultural production, modern inputs such as improved seed varieties, use of chemical fertilizers and pesticides have become prominent. New markets have emerged for the supply of modern agricultural inputs and high-capital international companies have begun to emerge in the supply of inputs. Thus, new actors have been added to the supply chain. Consumption habits have shifted from a grain-based diet to a basket that also includes animal food products. Moreover, consumption places have expanded beyond the household. Finally, when it comes to the modern period food regime, contract-based production has been adapted as a new model in agricultural production, and a new era has started under the dominance of companies in production and marketing in the contracted production model. In the modern period, while the dependence of the producers on modern agricultural inputs in agricultural production has increased, initiatives of producers in the production decision, product selection, production method, product standard, and thus their sovereignty in the production process has been limited. In the modern food system, new actors have been added to the supply chain and important changes have occurred in the roles of existing actors in the supply chain. Retailers have started to operate in an organized level rather than individual. Chain markets at the global level have emerged as market-guiding actors. On the other hand, consumption is not only for nutritional purposes, but the motivation of nutrition based on individual benefit and luxury consumption has become prominent in middle- and upper income groups.

In the second part of the thesis, the reflections of the transformation in the food regime in Turkey according to certain periods have been discussed. In this section, agricultural policies in Turkey between 1923-2022 have been mentioned to understand the transformation in the food regime. It was seen that the characteristics of the traditional food regime were valid in the 1923-1950 period. In the mentioned period, agricultural production was based on traditional methods and mainly self-consumption. It was observed that the state plays an active role in agricultural production. Production was carried out mainly for self-consumption. The actors in the food supply chain in the 1923-1950 period consisted of the producer, the state and the consumer. In the 1950-1980 period, it was determined that the transitional period food regime characteristics were valid in Turkey. In this context, the level of integration of farmers to the market increased with the development of highways. The type of products started to differ from grain-based products. Technological developments in production found their expression with increasing mechanization. Actors such as Migros-Türk, which operated outside the traditional grocery format, were added to the supply chain. Institutions such as the Meat and Fish Institution established by the state, Yem Sanayii Türk A.Ş., and the Turkish Coal Enterprises Institution were also new actors added to the supply chain. In addition, input supplier companies started to take an active role in the production of agricultural inputs. In parallel with the transitional period food regime, the consumption basket started to include animal products as well as herbal products. In the post-1980 period, it was seen that the role of the state in agricultural policies began to decline. The neoliberal policies that were dominant on a global scale after 1980 found their reflection in Turkey as well, and the dynamics of the economy became determined by the private sector and international companies. In this period, while the number of enterprises based on family labor in agricultural production decreased, the number of medium and large-scale enterprises increased. Thus, the producer profile began to transform. A process in which the weight of multinational companies increased in the supply chain has become evident. Food companies and retail chains operating on a global scale have become dominant in the food industry. Finally, with the change observed in consumer habits in the aforementioned period, there has been a transition towards a consumption basket that consists of products that are flexible in production, that can be consumed quickly, and that include more standard products.

Since this thesis focuses on the player profile in the supply chain and the market roles of these players, the conceptual framework for the supply chain is presented in the third part of the thesis. In the fourth part of the thesis, the power of influence in the food market and the potential to affect consumer welfare of the players who have an increasing weight in the modern period food regime and take an active role in the supply chain are discussed from the perspective of competition law. Within the scope of this part, after drawing a framework specific to Turkey regarding the structure of the food supply chain, various regulations regarding the legislation regulating the competition conditions in the Turkish food market and preventing concentration are included. Understanding the competition law perspective, which is the focus of the thesis on the market roles of the actors in the supply chain, information about the relevant legislation is also mentioned in this part of the thesis.

In this context, first of all, the effects of the trademark owner undertakings on the supply chain as a result of their unilateral actions and practices were examined, and some decision examples were included within the scope of the investigations carried out by the Turkish Competition Authority. Retailers constituted another of the actors discussed. Mergers and acquisitions of retailers, which have started to operate in an organized manner with the modern period food regime, and the concentrations created in the food sector were examined. It was observed that with the increasing buyer power as a result of concentrations, retailers can put pressure on suppliers, establish commercial relations with them exclusively, and in fact limit the availability of products in the market. Thus, determinations about the possibility of encountering a decrease in consumer welfare were included due to the decrease in alternative sales points where consumers can access the product and facing higher prices in the product prices. Although the relevant regulations applied in the Turkish Competition Law in eliminating the negative effects of the increasing buyer power on the supply chain were mentioned, the approach of the European Union to the issue was discussed within the framework of unfair commercial practices in terms of projection. In this context, it was seen that with the EU Unfair Commercial Practices Directive, the buyer power was tried to be controlled and certain prohibitions were introduced in this direction.

Within the scope of the thesis, the market roles of the players in the fresh vegetable and fruit sector in the breakdown of the food sector has been another topic discussed in the context of competition law. As a result of the investigations and determinations carried out by the Turkish Competition Authority regarding the sector, it has been observed that the concentration in the wholesale part of the sector is low. In the decisions taken for the sector, it has been observed that the allegations of actions that are against competition and complicate the activities of the producer in the supply chain are mainly directed towards the buying cartel. On the other hand, in order to be enlightening, the type of regulations included in the European Union regarding the actions and practices of the players in the fresh fruit and vegetable sector has been mentioned. It has been observed that with the regulations introduced, it is aimed to increase the bargaining power of the farmer in the fresh vegetable and fruit sector, and importance is given to producer cooperation in the establishment of a competitive structure in the market.

In the light of all these information and determinations, the inferences made within the scope of the thesis can be summarized as follows: The supply chain, which has been transformed with the change in the food regime, and the activities of the players added to the supply chain and whose roles have changed, ultimately affect consumer welfare. Anti-competitive actions and practices of trademark owner undertakings or retailers whose buyer power has increased as a result of concentrations may cause disruption in the functioning of the supply chain. Decreased competition and behaviors that lead to violations on the basis of competition law weaken the possibility of the consumer to find low-priced and high-quality products. As a result, it has been observed that the modern food regime has led to changes in terms of competition law practices, and moreover, it has affected the food sector and the consumer through the supply chain channel. Finally, in the discussion put forward, it has been seen that the issue of whether consumers can find cheaper and higher quality products in the food sector, with the supply chain having a multi-player structure, is shaped by the actions and practices of the actors in the market. On the other hand, some of the rules introduced by the decisions of the TCB affect the activities of other actors in the supply chain and increase the number of players that can enter the supply chain. Thus, it has been evaluated that consumer welfare has been positively affected by the increased product variety and product availability following the introduced rules.

Considering the importance of the food sector in the country's economy and its place in the diet of individuals, it can be said that it is highly crucial for consumers to reach affordable food. In this context, the importance of the investigations and legal regulations made by the Turkish Competition Authority regarding the actions and practices of the actors in the supply chain is emphasized. In conclusion, additional institutional and legal arrangements that will positively affect consumer welfare are required to regulate the functioning of the supply chain and the market roles of the actors.

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APPENDIX1. ETHICS COMMISSION FORM

HACETTEPE UNIVERSITY
GRADUATE SCHOOL OF SOCIAL SCIENCES
ETHICS COMMISSION FORM FOR THESIS

HACETTEPE UNIVERSITY
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ECONOMICS DEPARTMENT

Date: 23/09/2022

Thesis Title: The Structure of the Food Supply Chain in Turkey from the Perspective of Food Regime and Examining the Market Roles of Modern Period Food Regime Actors in the Framework of Competition Law

My thesis work related to the title above:

1. Does not perform experimentation on animals or people.
2. Does not necessitate the use of biological material (blood, urine, biological fluids and samples, etc.).
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4. Is not based on observational and descriptive research (survey, interview, measures/scales, data scanning, system-model development).

I declare, I have carefully read Hacettepe University's Ethics Regulations and the Commission's Guidelines, and in order to proceed with my thesis according to these regulations I do not have to get permission from the Ethics Board/Commission for anything; in any infringement of the regulations I accept all legal responsibility and I declare that all the information I have provided is true.

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23.09.2022
Date and Signature

Name Surname:	Fatma ABAZ
Student No:	N18139405
Department:	Economics
Program:	Economics (English) Master Program
Status:	☒ MA ☐ Ph.D. ☐ Combined MA/ Ph.D.

ADVISER COMMENTS AND APPROVAL

Assoc. Prof. Dr. Özgür TEOMAN

APPENDIX2. ORIGINALITY REPORT

HACETTEPE UNIVERSITY
GRADUATE SCHOOL OF SOCIAL SCIENCES
MASTER'S THESIS ORIGINALITY REPORT

HACETTEPE UNIVERSITY
GRADUATE SCHOOL OF SOCIAL SCIENCES
ECONOMICS DEPARTMENT

Date: 23/09/2022

Thesis Title : The Structure of the Food Supply Chain in Turkey from the Perspective of Food Regime and Examining the Market Roles of Modern Period Food Regime Actors in the Framework of Competition Law

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Name Surname:	Fatma ABAZ
Student No:	N18139405
Department:	Economics
Program:	Economics (English) Master Program

ADVISOR APPROVAL

APPROVED.

Assoc. Prof. Dr. Özgür TEOMAN