

WORLD TRADE ORGANIZATION

G/AG/N/CYP/10
6 February 2001

(01-0581)

Committee on Agriculture

Original: English

NOTIFICATION

The attached notification concerning domestic support measures for the calendar year **1999** (**Table DS:1** and the relevant supporting tables) was received from the delegation of **Cyprus** on 6 December 2000.

Table DS:1

DOMESTIC SUPPORT: Cyprus**REPORTING PERIOD: Calendar year 1999***Current Total Aggregate Measurement of Support*

Total AMS commitment level for period in question	Currency	Current Total AMS
(from Section 1 of Part IV of the Schedule)	(from Section 1 of Part IV of the Schedule)	(from attached Supporting Tables)
1	2	3
54.5	Million £C	28.99

DOMESTIC SUPPORT: Cyprus**REPORTING PERIOD: Calendar year 1999***Measures exempt from the reduction commitment - "Green Box"*

Measure type	Name and description of measure with reference to criteria in Annex 2	Monetary value of measure in year in question (£C)	Data sources
1	2	3	4
(a) Total general services		73,310,664	
(i)	Research services Research including general research, research in connection with environmental programmes, and research programmes relating to particular products.	2,993,277	Budgets
(ii)	Pest and disease control services Pest and disease control, including general and product-specific pest and disease control measures, such as early warning systems, quarantine and eradication.	154,717	
(iii)	Training services Agricultural training services provided by the Ministry of Agriculture and Natural Resources to all farmers.	51,406	
(iv)	Extension and advisory services Extension and advisory services, provided by the Ministry of Agriculture to all farmers.	9,093,989	
(v)	Inspection services Inspection of agricultural produce including general inspection services and the inspection of particular products for health, safety, grading or standardization purposes.	519,933	
(vi)	Veterinary services Veterinary services including veterinary public health, extension services, disease control, veterinary inspection services, quarantine services, etc.	3,449,791	
(vii)	Marketing and promotion services - Expenses for providing general marketing and promotion services by the Ministry of Commerce, Industry and Tourism - Expenses for providing marketing and promotion services by the Vine Products Commission.	1,021,317 1,058,548	

1	2	3	4
	(viii) Infrastructural services Capital expenses for providing for: - Rural development - Water development (dams, water treatment works, water supply, etc.) - Land consolidation works - Development of livestock areas and zones and other infrastructural works for livestock (including works for environmental protection such as treatment of waste, etc.).	54,967,686	Budgets
(b)	Public stockholdings for food security purposes Cyprus Grain Commission Services (operational expenses) The Cyprus Grain Commission among other things also fulfils a public stockholding role for food security purposes by managing and controlling the import, storage and distribution of grains.	6,565,023	Cyprus Grain Commission
(c)	Payments for relief from natural disasters (i) Compensation through the Agricultural Insurance Organization Compensation paid by the Government for the exceptional drought conditions and other natural disasters which prevailed in 1998. The compensation includes a) the contribution of the Government to the Agricultural Insurance Scheme and b) the additional compensation which was paid to farmers due to exceptional drought conditions, hail storms, frost, etc. For the additional compensation, the Agricultural Insurance Organisation borrowed from the Cooperation Central Bank and the Government undertook loan repayments. (ii) Loans In the case of damages caused to crops and livestock by natural calamities, not covered by the Agricultural Insurance Organization, the Government issued loans with subsidized interest rate. The total amount of loans issued during 1999 was £C 45,442.	5,533,927	Budget Department of Agriculture
(d)	Structural adjustment assistance conforming to Annex 2, paragraph 10 of the Agreement on Agriculture and production-limiting programme under Article 6.5 of the Agreement Package of measures to limit/stabilize dairy and beef production Cyprus Notification on package of measures to limit/stabilize dairy and beef production is relevant. (G/AG/N/CYP/2 refers)	1,636,144	Department of Agriculture
(e)	Regional assistance programmes Wine grapes area subsidy An area subsidy is paid annually on a per hectare basis to all vine growers, based on the age of vineyard as well as on geographical considerations. In these areas we have almost a monoculture.	2,596,969	Vine Products Commission
Total for all exempt measures of Supporting Table DS:1		89,642,727	

DOMESTIC SUPPORT: Cyprus**REPORTING PERIOD: Calendar year 1999***Measures exempt from the reduction commitment Special and Differential Treatment – "Development Programmes"*

Measure type	Name and description of measure with reference to criteria in Article 6:2	Monetary value of measure in year in question (£C)	Data sources
1	2	3	4
(a) Total investment subsidies generally available to agriculture		2,431,923	
(i)	Subsidies for piping, irrigation equipment and installation of improved irrigations systems. Provision by the Department of Agriculture, of financial support, to farmers of mountainous and semi-mountainous areas for piping, irrigation equipment and installation of improved irrigation systems.	24,986	Department of Agriculture
(ii)	Subsidies for soil conservation works Provision of financial assistance by the Department of Agriculture for the construction of soil conservation works.	202,245	
(iii)	Subsidies for Citrus and Deciduous Replanting. Provision of financial support, by the Department of Agriculture, for the restructuring of agricultural crops.	1,225,547	
(iv)	Purchase of animals Subsidization of the purchase of selected breeding stock for livestock improvement and conservation of rare breeds of farm animals. Subsidization of the purchase of genetically improved sows (hybrids) in order to encourage the genetic improvement of the swine population.	47,229	
(v)	Subsidies for integrated livestock development Payments to livestock keepers for the relocation of livestock units from residential areas to livestock areas/zones. Subsidization of interest on loans made for the relocation and modernization of livestock units. Subsidization of expenditure for the establishment of units for the treatment/utilization of swinery waste/effluent.	416,930	

1	2	3	4
	(vi) Subsidies for the modernization and improvement of production of agricultural units Provision of financial support, by the Department of Agriculture, in order to encourage the modernization and improvement of production of Agricultural Units for crop production and for the technological upgrading of the units.	514,986	Department of Agriculture
	(vii) Interest on loans subsidy, as a difference between the maximum legal lending rate in Cyprus and subsidized interest rate of agricultural loans issued by Government. Cash subsidies are included in subsidies for integrated livestock development. Agricultural loans were medium-term and long-term loans issued to farmers at a subsidized interest rate of 6%, as from 1994. (It was 7% before). The maximum legal lending rate in Cyprus is 9%). In 1999, total loans disbursed through agricultural development projects were £C 298,115. Subsidized credit was available through the following agricultural development projects: <ul style="list-style-type: none"> - Financing facilities for piping, irrigation equipment and installation - Project for the development of floriculture - Project for the improvement of vegetable cultivation - Utilization of aromatic plants and encouragement of their cultivation - Encouragement of young people to remain in rural areas - Project for the control of Citrus Tristeza Virus - Integrated livestock development project. 	n.a.	Loan Commissioners Cooperative Central Bank
	(b) Input subsidies generally available to low-income or resource-poor producers	2,077,093	
	(i) Subsidies for the encouragement of forage cultivation and hay making. Provision of subsidies to farmers for forage cultivation (pasture development), for silage and mainly for the production of hay with the objective to encourage livestock keepers to use hay as feed, in proper quantities, thus replacing barley and other concentrates. A small percentage of the budgetary outlays is spent on field trials.	2,049,170	Department of Agriculture
	(ii) Subsidies to plant protection associations. Provision of subsidies to plant protection associations which cover part of the expenses for pest and disease control, mainly for grapes and olives.	27,923	
Total for exempt measures, special and differential treatment		4,509,016	

DOMESTIC SUPPORT: Cyprus**REPORTING PERIOD: Calendar year 1999***Calculation of the Current Total Aggregate Measurement of Support*

Description of basic products (including non-product specific AMS)	Product-specific AMS (from Supporting Tables DS:5 to DS:7 below)	Product-specific equivalent measurements of support (from Supporting Table DS:8 below)	Current Total AMS (aggregate)
	(£C)	(£C)	(£C)
1	2	3	4
Wheat	1,146,320		1,146,320
Barley	9,907,875		9,907,875
Wine grapes	4,021,273		4,021,273
Livestock products (Feedgrain subsidy)	8,353,378		8,353,378
Edam cheese	745,446		745,446
Tobacco	582,528		582,528
Carobs	274,473		274,473
Apples	660,492		660,492
Pears	83,013		83,013
Citrus <i>de minimis</i>	0		0
Peaches <i>de minimis</i>	0		0
Bananas <i>de minimis</i>	0		0
Sultanina (table grapes) <i>de minimis</i>	0		0
Kiwis <i>de minimis</i>	0		0
Cherries <i>de minimis</i>	0		0
Other fruit <i>de minimis</i>	0		0
Sheep and goat products <i>de minimis</i>	0		0
Olive oil		3,217,908	3,217,908
Non-product-specific AMS			0
Total: Current Total AMS	25,774,798	3,217,908	28,992,706

Supporting Table DS:5

DOMESTIC SUPPORT: Cyprus**REPORTING PERIOD: Calendar year 1999***Product-Specific Aggregate Measurements of Support: Market Price Support*

Description of basic products	Calendar year 1999	Measure type(s)	Applied administered price (£C/tonne)	External reference price (generally from AGST/...) (£C/tonne)	Eligible production (tonnes)	Associated fees/levies (£C)	Total market price support (£C)	Data sources
1	2	3	4	5	6	7	8 ((4-5*6)-7)	9
Wheat (10.01)		Fixed producer prices	145	CIF 63.12 ¹	14,000		1,146,320	(a) Department of Statistics and Research, Ministry of Finance (b) Imports and Exports Statistics 1986-1988, Nicosia, Department of Statistics and Research, Ministry of Finance. (c) Cyprus Grain Commission
Barley (10.03)		Fixed producer prices	127	CIF 38.43 ²	112,500		9,907,875	(a) Department of Statistics and Research, Ministry of Finance (b) Imports and Exports Statistics 1986-1988, Nicosia, Department of Statistics and Research, Ministry of Finance (c) Cyprus Grain Commission

¹External reference price used £C 63.12/tonne.²External reference price used £C 38.43/tonne.

DOMESTIC SUPPORT: Cyprus

REPORTING PERIOD: Calendar year 1999

Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payments

Description of basic product	Calendar year 1999	Measure type(s)	Applied administered price (£C/tonne)	External reference price (generally from AGST/...) (£C/tonne)	Eligible production (tonnes)	Total price-related direct payments (£C)	Other non-exempt direct payments (£C)	Associated fees/levies (£C)	Total direct payments (£C)	Data sources
1	2	3	4	5	6	7 ((4-5)*6))	8	9	10 (7+8-9)	11
Wine grapes (wine of fresh grapes 22.04)	(i) Subsidy by weight of wine grapes (ii) Subsidy on Commandaria wine, by volume (iii) Withdrawal of surplus production					2,490,205 38,805 1,492,263			2,490,205 38,805 1,492,263	Final Accounts, Vine Products Commission. (Budgetary outlays)
Edam cheese) Tobacco) Carobs) Apples) Pears)		Product-specific direct payments					745,446 582,528 274,473 660,492 83,013		745,446 582,528 274,473 660,492 83,013	Treasury, Ministry of Finance
Total						2,345,952	2,345,952		2,345,952	
Citrus) Peaches) Bananas) Sultanina (table grapes)) Kiwis) Cherries) Other Fruit)		Product-specific direct payments <i>de minimis</i> (1)				893,086 128,128 75,002 38,701	5,414 7,138 25,265		893,086 128,128 75,002 38,701 5,414 7,138 25,265	Treasury, Ministry of Finance, Department of Statistics and Research, Ministry of Finance
Sheep and goat products))		Product-specific direct payments <i>de minimis</i> (1)					2,490,845		2,490,845	
Total						3,663,579	3,663,579		3,663,579	

Note: (1) Support does not exceed 10% of total value of production of each of these products, for the relevant year. Under the provisions of Article 6.4 of the Agreement on Agriculture, support falling below the *de minimis* level need not be included in the calculation of the Current Total AMS.

Supporting Table DS:7

DOMESTIC SUPPORT: Cyprus**REPORTING PERIOD: Calendar year 1999***Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS*

Description of basic product	Calendar year 1999	Measurement type(s)	Other product-specific budgetary outlays	Other product specific support (include calculation details)	Associated fees/levies (£C)	Total other product-specific support	Market price support (Supporting Table DS:5) (£C)	Non-exempt direct payments (Supporting Table DS:6) (£C)	Total AMS (£C)	Data sources
1	2	3	4	5	6	7 (4+5-6)	8	9	10 (7+8-9)	11
Wine grapes (wine of fresh grapes 22.04)	- Subsidy by weight of wine grapes - Subsidy on Commandaria wine, by volume - Withdrawal of wine grapes							4,021,273	4,021,273	Final Accounts Vine Products Commission. (Budgetary outlays)
Wheat (10.01)	Fixed producer prices						1,146,320		1,146,320	(a) Department of Statistics and Research, Ministry of Finance
Barley (10.03)	Fixed producer prices						9,907,875		9,907,875	(b) Imports and Exports Statistics 1986-1988, Nicosia, Department of Statistics and Research, Ministry of Finance (c) Cyprus Grain Commission

1	2	3	4	5	6	7 (4+5-6)	8	9	10 (7+8-9)	11
<u>Livestock products:</u>	Feedgrain subsidy		8,353,378			8,353,378			8,353,378	Cyprus Grain Commission
Meat (beef, mutton and lamb, goats and kids, pork, poultry, other meat), milk, eggs										
*The fixed external reference price used was: £C 58.11/tonne.										
Edam cheese)		Product-specific						745,446	745,446	Treasury, Ministry of Finance
Tobacco)		direct payments						582,528	582,528	
Carobs)								274,473	274,473	
Apples)								660,492	660,492	
Pears)								83,013	83,013	
Total								2,345,952	2,345,952	
Citrus)		Product-specific						893,086	0	Treasury, Ministry of Finance.
Peaches)		direct payments						128,128	0	
Bananas)		<i>de minimis</i> (1)						75,002	0	Department of Statistics and Research, Ministry of Finance
Sultanina (table grapes))								38,701	0	
Kiwis)								5,414	0	
Cherries)								7,138	0	
Other fruit)								25,265	0	
								2,490,845	0	
Sheep and goat products))		Product-specific								
		direct payments								
		<i>de minimis</i> (1)								
Total								3,663,579	0	

- (1) Support does not exceed 10% of the total value of productions of each of these products, for the relevant year. Under the provisions of Article 6.4 of the Agreement on Agriculture, support falling below the *de minimis* level need not be included in the calculation of the Current Total AMS.

Estimated values of production for 1999 are the following (in £C)	Citrus	14,023,000	
	Peaches	1,350,000	
	Bananas	4,147,000	
	Sultanina (table grapes)	5,249,000	
	Kiwis	236,000	
	Cherries	1,195,100	
	Other fruit	8,484,430	
	Sheep and goat products	32,655,000	(meat and milk only)

Supporting Table DS:8

DOMESTIC SUPPORT: Cyprus**REPORTING PERIOD: Calendar year 1999***Product-Specific Equivalent Measurements of Support*

Description of basic products	Calendar year 1999	Measure type(s)	Applied administered price (£C/tonne)	Production eligible to receive the applied administered price (tonnes)	Market price support budgetary outlays (£C)	Equivalent measurement of support (include calculation details)	Non-exempt direct payments	Other product-specific support	Associated fees/levies	Total monetary value of equivalent commitment	Data sources
1	2	3	4	5	6	7	8	9	10	11 (7+8+9-10)	12
Olive oil	Calendar year	Fixed producer price	2,300	2,500*	3,217,908	3,217,908				3,217,908	Cyprus Olive Products Marketing Board. Department of Statistics and Research, Ministry of Finance. The Agricultural Situation in the European Union, 1998 Report, European Commission, Brussels - Luxembourg, 1999.

External reference price 1998 (as from 1999 only Production Market Price exist): 1,751.60 ECU**/tonne or 1,012.84 £C/tonne (intervention price 1997/98)

Notes:

* Preliminary estimate

** 1 Cyprus pound (£C) = 1.7294 ECU (end December 1999)

- It is noted that with respect to equivalent commitments Cyprus undertook a commitment only on the basis of the difference between future contemporaneous prices, i.e. future administered and future external reference prices.