

# WORLD TRADE ORGANIZATION

**G/AG/N/CYP/3**

27 June 1997

(97-2646)

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**Committee on Agriculture**

Original: English

## NOTIFICATION

The attached final notification concerning domestic support commitments for the calendar year 1996 (Table DS:1 and the relevant supporting tables) was received from the delegation of the **Republic of Cyprus** on 20 June 1997.



**DOMESTIC SUPPORT: Cyprus****REPORTING PERIOD: calendar year 1996***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
Total for all exempt measures of Supporting Table DS:1			
(a) Total general services			
(i) Research services	Research including general research, research in connection with environmental programmes, and research programmes relating to particular products.	59,866,522	
(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.	45,358,732	Budgets
(iii) Training services	Agricultural training services provided by the Ministry of Agriculture and Natural Resources to all farmers.	2,724,890	Budgets
(iv) Extension and advisory services	Extension and advisory services, provided by the Ministry of Agriculture to all farmers.	142,288	Budgets
(v) Inspection services	Inspection of agricultural produce including general inspection services and the inspection of particular products for health, safety, grading or standardization purposes.	38,867	Budgets
(vi) Veterinary services	Veterinary services including veterinary public health, extension services, disease control, veterinary inspection services, quarantine services, etc.	8,979,215	Budgets
		109,881	Budgets
		3,216,922	Budgets

Supporting Table DS:1

**DOMESTIC SUPPORT: Cyprus**

**REPORTING PERIOD: calendar year 1996**

*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
(vii)	Marketing and promotion services		
-	Expenses for providing general marketing and promotion services by the Ministry of Commerce and Industry.	476,136	Budgets
-	Expenses for providing marketing and promotion services by the Vine Products Commission.	1,019,541	Budgets
(viii)	Infrastructural services		
	Capital expenses for providing for:	28,650,992	Budgets
-	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.).		
(b)	Public stockholding for food security purposes		
	Cyprus Grain Commission services (operational expenses)	5,715,112	Cyprus Grain Commission
	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.		

**DOMESTIC SUPPORT: Cyprus****REPORTING PERIOD: calendar year 1996***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
(c) Payments for relief from natural disasters	<p>(i) Compensation through the Agricultural Insurance Organization</p> <p>The Agricultural Insurance Organization covers certain crops against certain natural disasters. The Agricultural Insurance Scheme is a contributory scheme where both the Government and farmers contribute. Only the Government contribution is included in this table.</p> <p>(ii) Grants paid to farmers for their relief from damages caused to crops and livestock by natural calamities not covered by the Agricultural Insurance Organization</p> <p>In the case of damages caused to crops and livestock by natural calamities, not covered by the Agricultural Insurance Organization, the Government pays grants to farmers affected, in addition to subsidizing the interest on loans. The total amount of loans issued during 1996 was £C 22,706 (the average amount of grants issued by the Government for 1986-88 was £C 340,065).</p> <p>An amount of £C 59,668 was issued to the Cyprus Potato Marketing Board for the provision of financial assistance to potato growers affected by damages caused to early spring-crop potatoes of certain areas by low temperatures (payments for relief from natural disasters, conforming to Annex 2, paragraph 8 of the Agreement on Agriculture).</p>	<p>1,962,895</p> <p>1,898,331</p> <p>4,896</p> <p>59,668</p>	<p>Budget</p> <p>Department of Agriculture</p> <p>Ministry of Finance</p>

Note: Notification G/AG/N/CYP/2 concerning new or modified domestic support measures exempt from reduction is relevant.

Supporting Table DS:1

**DOMESTIC SUPPORT: Cyprus**

**REPORTING PERIOD: calendar year 1996**

*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
(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.	3,200,435	Ministry of Finance
(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.	2,719,743	Vine Products Commission
(f) Other	Citrus area subsidy An area subsidy was paid on ad hoc basis to citrus growers to compensate for loss of income due to bad production results in the previous year.	909,605	Budget

Note: Notification G/AG/N/CYP/2 concerning new or modified domestic support measures exempt from reduction is relevant.

**DOMESTIC SUPPORT: Cyprus**  
**REPORTING PERIOD: calendar year 1996**  
*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
Total for exempt measures, special and differential treatment			
(a) Investment subsidies generally available to agriculture		1,518,447	
(i)	Subsidies for the installation of improved irrigation systems Provision by the Department of Agriculture, to all farmers, of financial support for the installation of improved irrigation systems. The project was suspended in 1996.	298,964	Accounts, 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.	0	Accounts, Department of Agriculture
(iii)	Subsidies for vine replanting Provision of subsidies for the uprooting of traditional vine varieties, not suitable for the production of good quality wine, and replanting with improved varieties with the objective of producing good quality wine. As from 1996, subsidies provided through the Vine Replanting Project will be distributed to vine growers jointly with other Wine Grapes Area Subsidies (Supporting Table DS:1, Regional Assistance Programmes). Subsidies that would be paid through the Vine Replanting Project in 1996 will be distributed to vine grower in 1997. The amount for 1996 consisted of financial assistance (£C 2,212) for replacing the variety Malavasia Grossa.	30,020	Accounts, Department of Agriculture
(iv)	Purchase of animals Subsidization of the purchase of selected breeding stock for livestock improvement and conservation of rear breeds of farm animals.	2,212	Vine Products Commission
(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.	7,230	Accounts, Department of Agriculture
		259,502	Accounts, Department of Agriculture

Supporting Table DS:2

**DOMESTIC SUPPORT: Cyprus**  
**REPORTING PERIOD: calendar year 1996**  
*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
(vi)	<p>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</p> <p>Cash subsidies are included in subsidies for integrated livestock development.</p> <p>Agricultural loans are medium-term and long-term loans issued to farmers at a subsidized interest rate of 5 per cent, as from 1994. (It was 7 per cent before).</p> <p>The maximum legal lending rate in Cyprus is 8.5 per cent as from 1994 (compared to 9 per cent before).</p>	n.a.	<p>Loan Commissioners</p> <p>Cooperative Central Bank</p>

In 1996, total loans disbursed through agricultural development projects were £C 1,148,050. Subsidized credit was available through the following agricultural development projects:

- Encouragement of forage cultivation and hay making
- Plant protection associations
- Project for the development of floriculture
- Project for the improvement of vegetable cultivation
- Project for the organic production of vegetables
- 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.



**DOMESTIC SUPPORT: Cyprus**  
**REPORTING PERIOD: calendar year 1996**  
*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
(b)	Input subsidies generally available to low-income or resource-poor producers	1,219,483	
(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.	1,204,484	Accounts, 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.	14,999	Accounts, Department of Agriculture

Supporting Table DS:4

**DOMESTIC SUPPORT: Cyprus**

**REPORTING PERIOD: calendar year 1996**

*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) (£C)	Product-specific equivalent measurements of support (from Supporting Table DS:8 below) (£C)	Current Total AMS (aggregate) (£C)
1	2	3	4
Wheat	1,012,440		1,012,440
Barley	10,423,670		10,423,670
Wine grapes	3,213,951		3,213,951
Livestock products (Feedgrain subsidy)	8,701,449		8,701,449
Groundnuts	290,616		290,616
Onions	145,555		145,555
Apples	<i>de minimis</i>		
Kiwis	<i>de minimis</i>		
Cherries	<i>de minimis</i>		
Sheep and goat products	<i>de minimis</i>		
Olive oil		2,106,360	2,106,360
Pork		710,735	710,735
Poultry meat		7,315,534	7,315,534
Eggs in shell		1,561,844	1,561,844
Non-product-specific AMS			
Total: Current Total AMS	23,787,681	11,694,473	35,482,154

**DOMESTIC SUPPORT: Cyprus****REPORTING PERIOD: calendar year 1996***Product-Specific Aggregate Measurements of Support: Market Price Support*

Description of basic products	Calendar / marketing year beginning ...	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	9
							((4-5)*6)-7	
Wheat (10.01)		Fixed producer prices	141	CIF 63.12 <sup>1</sup>	13,000		1,012,440	Imports and Exports Statistics 1986-1988, Nicosia, Department of Statistics and Research, Ministry of Finance.
Barley (10.03)		Fixed producer prices	118	CIF 38.43 <sup>2</sup>	131,000		10,423,670	Imports and Exports Statistics 1986-1988, Nicosia, Department of Statistics and Research, Ministry of Finance.

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

Supporting Table DS:6

**DOMESTIC SUPPORT: Cyprus**  
**REPORTING PERIOD: calendar year 1996**  
*Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payments*

Description of basic product	Calendar / marketing year beginning ...	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				3,189,207			3,189,207	Final Accounts Vine Products Commission. (Budgetary outlays)
Groundnuts Onions		Product-specific direct payments				24,744	290,616 145,555		24,744 290,616 145,555	Treasury, Ministry of Finance.
Apples Kiwis Cherries		Product-specific direct payments <i>de minimis</i>					113,251 1,233 24,973		113,251 1,233 24,973	Treasury, Ministry of Finance.
Sheep and goat products		Product-specific direct payments <i>de minimis</i> (1)					746,836		746,836	Department of Statistics and Research, Ministry of Finance

Note: 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 failing below the *de minimis* level need not to be included in the calculation of the current Total AMS.

**DOMESTIC SUPPORT: Cyprus**  
**REPORTING PERIOD: calendar year 1996**  
*Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS*

Description of basic product	Calendar / marketing year beginning ...	Measure type(s)	Other product-specific budgetary outlays	Other product-specific support (include calculation details)	Associated fees/levies	Total other product-specific support	Market price support (Supporting Table DS:5) (£C)	Non-exempt direct payments (Supporting Table DS:6) (£C)	Total AMS	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						3,213,951	3,213,951	Final Accounts Vine Products Commission. (Budgetary outlays)
		(ii) Subsidy on Commandaria wine, by volume								
Wheat (10.01)		Fixed producer prices					1,012,440		1,012,440	Department of Statistics and Research. Ministry of Finance. Imports and Exports Statistics 1986-1988, Nicosia.
Barley (10.03)		Fixed producer prices					10,423,670		10,423,670	

Supporting Table DS:7

**DOMESTIC SUPPORT: Cyprus**  
**REPORTING PERIOD: calendar year 1996**

*Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS*

Description of basic product	Calendar / marketing year beginning ...	Measure type(s)	Other product-specific budgetary outlays (£C)	Other product-specific support (include calculation details)	Associated fees/levies (£C)	Total other product-specific support (£C)	Market price support (Supporting Table DS:5)	Non-exempt direct payments (Supporting Table DS:6)	Total AMS (£C)	Data sources
1	2	3	4	5	6	7 (4+ 5-6)	8	9	10 (7+ 8+ 9)	11
Livestock products:		Feedgrain subsidy <sup>1</sup>								Cyprus Grain Commission
Meat										
Beef										
Mutton and Lamb										
Goats and kids										
Pork										
Poultry										
Other meat										
Milk										
Eggs			8,701,449			8,701,449			8,701,449	

<sup>1</sup>The fixed external reference price used was: £C 58.11/tonne.

**DOMESTIC SUPPORT: Cyprus**  
**REPORTING PERIOD: calendar year 1996**  
*Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS*

Description of basic product	Calendar / marketing year beginning ...	Measure type(s)	Other product-specific budgetary outlays (£C)	Other product-specific support (include calculation details)	Associated fees/levies (£C)	Total other product-specific support (4+ 5-6)	Market price support (Supporting Table DS:5)	Non-exempt direct payments (Supporting Table DS:6 (£C)	Total AMS (7+ 8+ 9)	Data sources
1	2	3	4	5	6	7	8	9	10	11
Groundnuts		Product specific direct payments						290,616	290,616	Treasury, Ministry of Finance.
Onions								145,555	145,555	
Apples		Product specific direct payments						113,251	0	Treasury, Ministry of Finance.
Kiwis								1,233	0	Finance. Department
Cherries		<i>de minimis</i> (1)						24,973	0	of Statistics and Research, Ministry of Finance
Sheep and goat products		Product specific direct payments						746,836	0	
		<i>de minimis</i> (1)								

(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 failing below *de minimis level* need not to be included in the calculation of the Current Total AMS.

Estimated value of production for 1996 are the following (in £C): Apples 6,375,000

Kiwis 300,000

Cherries 950,000

Sheep and Goats products (meat and milk only) 28,921,000

**DOMESTIC SUPPORT: Cyprus**  
**REPORTING PERIOD: calendar year 1996**  
*Product-Specific Equivalent Measurements of Support*

Supporting Table DS:8

Description of basic products	Calendar / marketing year beginning ...	Measure type(s)	Applied administered price (£C/tonne)	Production eligible to receive the 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		Fixed producer price	2,100	1,800	2,106,360						Cyprus Olive Products Marketing Board. Department of Statistics and Research, Ministry of Finance. The Agricultural Situation in the European Union, 1995 Report, European Commission, Brussels - Luxembourg, 1996.
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It is noted that with respect to equivalent commitments Cyprus undertook a commitment only on the basis of the difference between future contemporaneous and future external reference prices.  
External reference price 1996: 1,589.40 ECU\*/tonne or 929.80 £C/tonne (intervention price 1995/96)  
Price adjusted by multiplying by 1.207509 (amended to the agrimonetary system from 1 February 1995)  
1 Cyprus pound (£C) = 1.7094 ECU - end December 1996



**DOMESTIC SUPPORT: Cyprus**  
**REPORTING PERIOD: calendar year 1996**  
*Product-Specific Equivalent Measurements of Support*

Description of basic products	Calendar / marketing year beginning ...	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

Pork		Fixed prices	900	42,800	710,735						"Supplies and Services" Regulation, Department of Statistics and Research, Ministry of Finance. The Agricultural Situation in the European Union, 1995 Report, European Commission, Brussels - Luxembourg, 1996.
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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.

External reference price 1996: 1,509.39 ECU\*/tonne or 882.99 £C/tonne (intervention price 1995/96)

liveweight: Administered price £C = 0.52/kg. for 1996.

Price adjusted by multiplying by 1.207509 (amended to the agrimonetary system from 1 February 1995)

1 Cyprus pound (£C) = 1.7094 ECU - end December 1996

**DOMESTIC SUPPORT: Cyprus**  
**REPORTING PERIOD: calendar year 1996**  
*Product-Specific Equivalent Measurements of Support*

Supporting Table DS:8

Description of basic products	Calendar / marketing year beginning ...	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

Poultry meat		Fixed prices	1,050	27,600	7,315,534						"Supplies and Services" Regulation. Department of Statistics and Research, Ministry of Finance. The Agricultural Situation in the European Union, 1994 Report, European Commission, Brussels - Luxembourg, 1995.
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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.

External reference price 1995: 1,111.20 ECU\*/tonne or 784.94 £C/tonne (sluice-gate price 1994/95)

\*Green ECU

1 Green ECU = 1.207509 commercial ECU

1 Cyprus pound (£) = 1.7094 ECU - end December 1996

No institutional prices were applicable for the 1995/96 marketing year. Fixed prices, in Cyprus, were the same as in 1995. For the calculation of support, it was assumed that institutional prices would be at the level of 1994/95.

**DOMESTIC SUPPORT: Cyprus**  
**REPORTING PERIOD: calendar year 1996**  
*Product-Specific Equivalent Measurements of Support*

Description of basic products	Calendar / marketing year beginning ...	Measure type(s)	Applied administered price (£C/tonne)	Production eligible to receive the 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

Eggs (in shell)		Fixed prices	0.52	13,500,000	1,561,844						"Supplies and Services" Regulation. Department of Statistics and Research, Ministry of Finance. The Agricultural Situation in the European Union, 1994 Report, European Commission, Brussels - Luxembourg, 1995.
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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.

1 egg = 55-60 or 57.50 gr.

External reference price 1995: 829.50 ECU\*/tonne or 0.404 £C/dozen (sluice-gate price 1994/95)

\*Green ECU

1 Green ECU = 1.207509 commercial ECU

1 Cyprus pound (£C) = 1.7094 ECU - end December 1996

No institutional prices were applicable for the 1995/96 marketing year. Fixed prices, in Cyprus, were the same as in 1995. For the calculation of support, it was assumed that institutional prices would be at the level of 1994/95.