

WORLD TRADE ORGANIZATION

G/AG/N/CYP/7
16 November 1998

(98-4532)

Committee on Agriculture

Original: English

NOTIFICATION

The attached notification concerning domestic support measures for the calendar year 1997 (**Table DS:1** and the relevant supporting tables) was received from the delegation of **Cyprus** on 5 October 1998.

DOMESTIC SUPPORT: Cyprus
REPORTING PERIOD: Calendar year 1997
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
56.1	Million £C	17.8

DOMESTIC SUPPORT: Cyprus**REPORTING PERIOD: Calendar year 1997***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		69,043,965	
(a) Total general services		51,289,366	Budgets
(i)	Research services Research including general research, research in connection with environmental programmes, and research programmes relating to particular products.	2,907,434	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.	145,206	Budgets
(iii)	Training services Agricultural training services provided by the Ministry of Agriculture and Natural Resources to all farmers.	40,297	Budgets
(iv)	Extension and advisory services Extension and advisory services, provided by the Ministry of Agriculture to all farmers.	9,297,889	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.	127,247	Budgets
(vi)	Veterinary services Veterinary services including veterinary public health, extension services, disease control, veterinary inspection services, quarantine services, etc.	3,371,846	Budgets
(vii)	Marketing and promotion services - Expenses for providing general marketing and promotion services by the Ministry of Commerce and Industry; - Expenses for providing marketing and promotion services by the Vine Products Commission.	644,634 1,029,997	Budgets

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.).	33,724,816	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.	5,970,630	Cyprus Grain Commission
(c)	Payments for relief from natural disasters (i) Compensation through the Agricultural Insurance Organization 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 Government contribution is included in this table. (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 1997 was £C 939,751.	1,244,987	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. (+)	5,107,080	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.	3,399,833	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.	2,032,069	Budget

(+) Note: Notification No. G/AG/N/CYP/2 concerning new or modified domestic support measures exempt from reduction is relevant.

DOMESTIC SUPPORT: Cyprus**REPORTING PERIOD: Calendar year 1997***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		1,957,872	
(a) Total investment subsidies generally available to agriculture		445,809	
(i)	Subsidies for soil conservation works Provision of financial assistance by the Department of Agriculture for the construction of soil conservation works.	126,334	Department of Agriculture
(ii)	Purchase of animals Subsidization of the purchase of selected breeding stock for livestock improvement and conservation of rear breeds of farm animals.	8,526	
(iii)	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.	310,949	
(iv)	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 are medium-term and long-term loans issued to farmers at a subsidized interest rate of 5%, as from 1994. (It was 7% before). The maximum legal lending rate in Cyprus is 8.5% as from 1994 (compared to 9% before).	n.a.	Loan Commissioners Cooperative Central Bank

1	2	3	4
	<p>In 1997, total loans disbursed through agricultural development projects were £C 771,780. Subsidized credit was available through the following agricultural development projects:</p> <ul style="list-style-type: none"> - 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. 		
(b)	Total input subsidies generally available to low-income or resource-poor producers	1,512,063	
(i)	<p>Subsidies for the encouragement of forage cultivation and hay making.</p> <p>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.</p>	1,494,066	Department of Agriculture
(ii)	<p>Subsidies to plant protection associations.</p> <p>Provision of subsidies to plant protection associations which cover part of the expenses for pest and disease control, mainly for grapes and olives.</p>	17,997	

DOMESTIC SUPPORT: Cyprus**REPORTING PERIOD: Calendar year 1997***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 measurements of support (from Supporting Table DS:8 below) (£C)	Current Total AMS (aggregate) (£C)
1	2	3	4
Wheat	846,504		846,504
Barley	2,953,800		2,953,800
Wine grapes	2,822,597		2,822,597
Livestock products (Feedgrain subsidy)	8,889,066		8,889,066
Tobacco	340,000		340,000
Edam cheese	410,930		410,930
Tomatoes <i>de minimis</i>	0		0
Onions <i>de minimis</i>	0		0
Apples <i>de minimis</i>	0		0
Kiwis <i>de minimis</i>	0		0
Cherries <i>de minimis</i>	0		0
Pears <i>de minimis</i>	0		0
Peaches <i>de minimis</i>	0		0
Sheep and goat products <i>de minimis</i>	0		0
Olive oil		1,528,989	1,528,989
Non-product-specific AMS			
Total: Current Total AMS	16,262,897	1,528,989	17,791,886

Supporting Table DS:5

DOMESTIC SUPPORT: Cyprus**REPORTING PERIOD: Calendar year 1997***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 ((4-5*6)-7)	9
Wheat (10.01)		Fixed producer prices	142	CIF 63.12 ¹	10,800		846,504	Imports and Exports Statistics 1986-1988, Nicosia, Department of Statistics and Research, Ministry of Finance.
Barley (10.03)		Fixed producer prices	120	CIF 38.43 ²	36,000		2,953,800	Imports and Exports Statistics 1986-1988, Nicosia, Department of Statistics and Research, Ministry of Finance.

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

DOMESTIC SUPPORT: Cyprus**REPORTING PERIOD: Calendar year 1997***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				2,805,203			2,805,203	Final Accounts, Vine Products Commission. (Budgetary outlays)
Tobacco)	Calendar year	Product-specific				340,000			340,000	Treasury, Ministry of Finance
Edam cheese)		direct payments				410,930			410,930	
Total						750,930			750,930	
Tomatoes)	Calendar year	Product-specific				69,803			69,803	Treasury, Ministry of Finance,
Onions)		direct payments				3,710			3,710	Department of
Apples)		<i>de minimis</i> (1)				361,631			361,631	Statistics and
Kiwis)						12,624			12,624	Research,
Cherries)						13,931			13,931	Ministry of
Pears)						14,817			14,817	Finance
Peaches)						8,750			8,750	
Sheep and goat products)		Product-specific				1,365,453			1,365,453	
		direct payments								
		<i>de minimis</i> (1)								
Total						1,850,719			1,850,719	

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.

DOMESTIC SUPPORT: Cyprus**REPORTING PERIOD: Calendar year 1997***Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS*

Description of basic product	Calendar / marketing year beginning...	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)		(i) Subsidy by weight of wine grapes (ii) Subsidy on Commandaria wine, by volume						2,822,597	2,822,597	Final Accounts Vine Products Commission. (Budgetary outlays)
Wheat (10.01)		Fixed producer prices					846,504		846,504	Imports and Exports Statistics, 1986-1988, Nicosia, Department of Statistics and Research, Ministry of Finance
Barley (10.03)		Fixed producer prices					2,953,800		2,953,800	Imports and Exports Statistics, 1986-1988, Nicosia, Department of Statistics and Research, Ministry of Finance

1	2	3	4	5	6	7 (4+5-6)	8	9	10 (7+8-9)	11
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Livestock products:

Meat		Feedgrain subsidy ¹								Cyprus Grain Commission
Beef										
Mutton and lamb										
Goats and kids										
Pork										
Poultry										
Other meat										

Milk

Eggs

8,889,066

8,889,066

8,889,066

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

Tobacco	)	Calendar year	Product-specific		340,000	340,000	Treasury, Ministry
Edam cheese	)		direct payments		410,930	410,930	of Finance
Total					750,930	750,930	
Tomatoes	)	Calendar year	Product-specific		69,803	0	Treasury, Ministry
Onions	)		direct payments		3,710	0	of Finance.
Apples	)		<i>de minimis</i> (1)		361,631	0	Department of
Kiwis	)				12,624	0	Statistics and
Cherries	)				13,931	0	Research, Ministry
Pears	)				14,817	0	of Finance
Peaches	)				8,750	0	
Sheep and goat products	)		Product-specific direct payments <i>de minimis</i> (1)		1,365,453	0	
Total					1,850,719	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 1997 are the following (in £C)	Tomatoes	7,272,000
	Onions	1,155,000
	Apples	6,590,000
	Kiwis	162,000
	Cherries	871,000
	Pears	993,200
	Peaches	1,236,000
	Sheep and goat products	28,584,000

Supporting Table DS:8

DOMESTIC SUPPORT: Cyprus**REPORTING PERIOD: Calendar year 1997***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
Olive oil	Calendar year	Fixed producer price	2,100	1,300*	1,528,989						Cyprus Olive Products Marketing Board. Department of Statistics and Research, Ministry of Finance. The Agricultural Situation in the European Union, 1996 Report, European Commission, Brussels - Luxembourg, 1997.

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 1997: 1,589.40 ECU/tonne or 923.85 £C/tonne (intervention price 1996/97)

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

*Preliminary estimate: 1 Cyprus pound (£C) = 1.7204 ECU - end December 1997

1	2	3	4	5	6	7	8	9	10	11 (7+8+9-10)	12
Pork											The price fixing policy was abolished by an order of the Minister of Commerce, Industry and Tourism on 12.9.1997.
Poultry meat											The price fixing policy was abolished by an order of the Minister of Commerce, Industry and Tourism on 11.7.1997.
Eggs (in shell)											The price fixing policy was abolished by an order of the Minister of Commerce, Industry and Tourism on 11.7.1997.