



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 13 December 2011

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**AGRI 872
AGRIORG 243**

NOTE

from: General Secretariat
to: Council

Subject: Transitional period for the partially coupled aid for processed citrus fruit
- Request from the Cypriot delegation

Delegations will find in Annex a request from the Cypriot delegation. This will be presented under Any Other Business at Council ("Agriculture and Fisheries") at its session on 15-16 December 2011.

In Cyprus citrus is a very important sector in many respects: for farmers, for the local juice and soft drinks industry of and for the environment and landscape.

Following the decoupling in 2008 of all direct support to processed fruit and vegetables, Member States were given the possibility to provide partially coupled support for a transitional period ending in 2012. Cyprus made use of this possibility for areas of citrus fruit previously benefitting from the premium for processing.

In recent years the citrus sector of Cyprus was faced with a multitude of problems, mainly due to prolonged droughts and the resulting scarcity of water for irrigation. It is to be recalled that in 2008, the Council approved the provision of state aid by the Cyprus government to all producers to compensate for the adverse effects of such a prolonged drought. Given that fruit trees like citrus take much longer time to recover from the effects of severe droughts and scarcity of water, the situation did not improve in the years that followed.

These and other problems of structural nature have caused many citrus growers in Cyprus to depend heavily on partially coupled direct support for continuing their operations. It is unfortunately true that an end to these payments would lead to abandonment of many orchards with serious economic, environmental and social consequences.

It is to be noted that the citrus sector of Cyprus contributes 17,5% of the total value of crop production and accounts for 25% of the value of agricultural exports. It provides income and employment to 2000 farmers and workers and to a significant number of other persons engaged in related areas such as fruit picking, packaging, juice production, packing materials production, shipping and transport etc Citrus plantations use every day 40.000 m³ of treated sewage water that could not otherwise have been utilized as efficiently and without additional cost by other sectors. They cover 4% of the utilized agricultural area and play a primary role in maintaining the traditional rural landscape of Cyprus being the main source of greenery in many parts of the island.

In the frame of planning and programming for the new period 2014-2020, Cyprus examines the potential of a series of measures in addressing the problems of citrus production. In the mean time it is imperative that the provision of partially coupled support to the sector is extended by at least one year to include 2013. There is broad consensus and support for this measure in Cyprus, even among those standing to loose, and we are looking forward to have the support of the Council for the acceptance of our request.
