



FINANCIAL SUPPORT - DIRECT PAYMENTS AND OTHER AID SCHEMES



CONTENTS

I. INTRODUCTION

II. DIRECT INCOME SUPPORT SCHEME

III. OTHER DIRECT PAYMENT SCHEMES

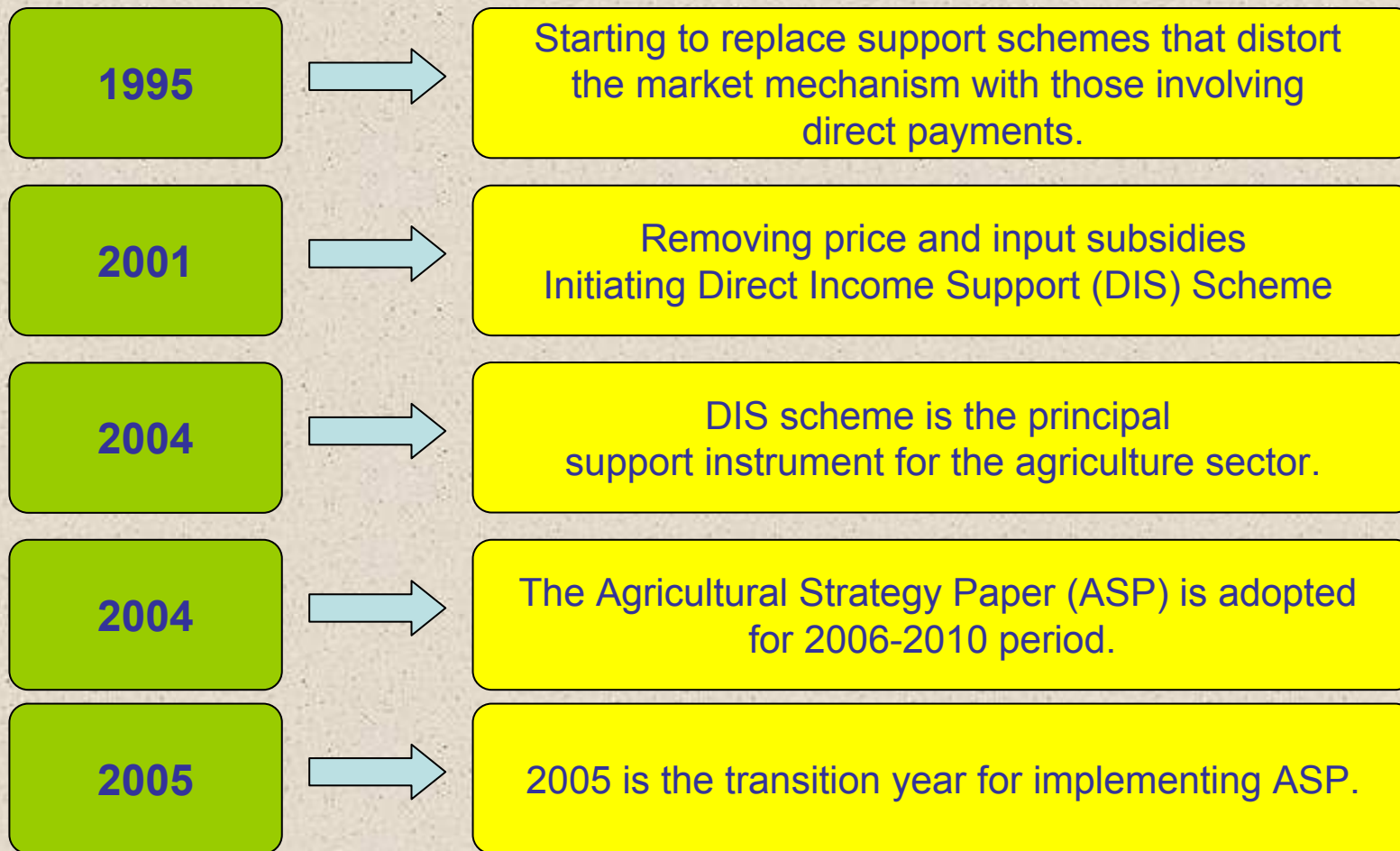
IV. PROSPECTS FOR THE ADOPTION OF THE ACQUIS



INTRODUCTION



INTRODUCTION





INTRODUCTION

General Description

- Main principles of ASP;
 - Economic efficiency,
 - Reducing regional differences,
 - Food safety and security,
 - Sustainability,
 - Harmonization with EU and WTO legislation, and
 - Market mechanism.



INTRODUCTION

□ Agricultural support instruments are listed under 7 headings in the ASP.

These are;

- Direct Income Support Scheme (DIS)
- Premium Payments (for cereals and oleaginous seeds and raw cotton crops)
- Livestock Premium Payments
- Farmer Transition Programme (for Tobacco and Hazelnut)
- Environmentally Based Agricultural Land Protection Program (ÇATAK) (to be initiated countrywide in 2006)
- Agricultural Insurance Payments (to be initiated countrywide in 2006)
- Rural Development Grants (to be initiated countrywide in 2006)



INTRODUCTION

□ The above listed agricultural support schemes can be categorized in 2 main groups.

- Direct Income Support Scheme
- Other Direct Payments Schemes
 - ✓ Premium Payments
 - ✓ Livestock Payments



INTRODUCTION

- ❑ All support payment schemes for crop production is being linked with the National Farmer Registration System (NFRS)

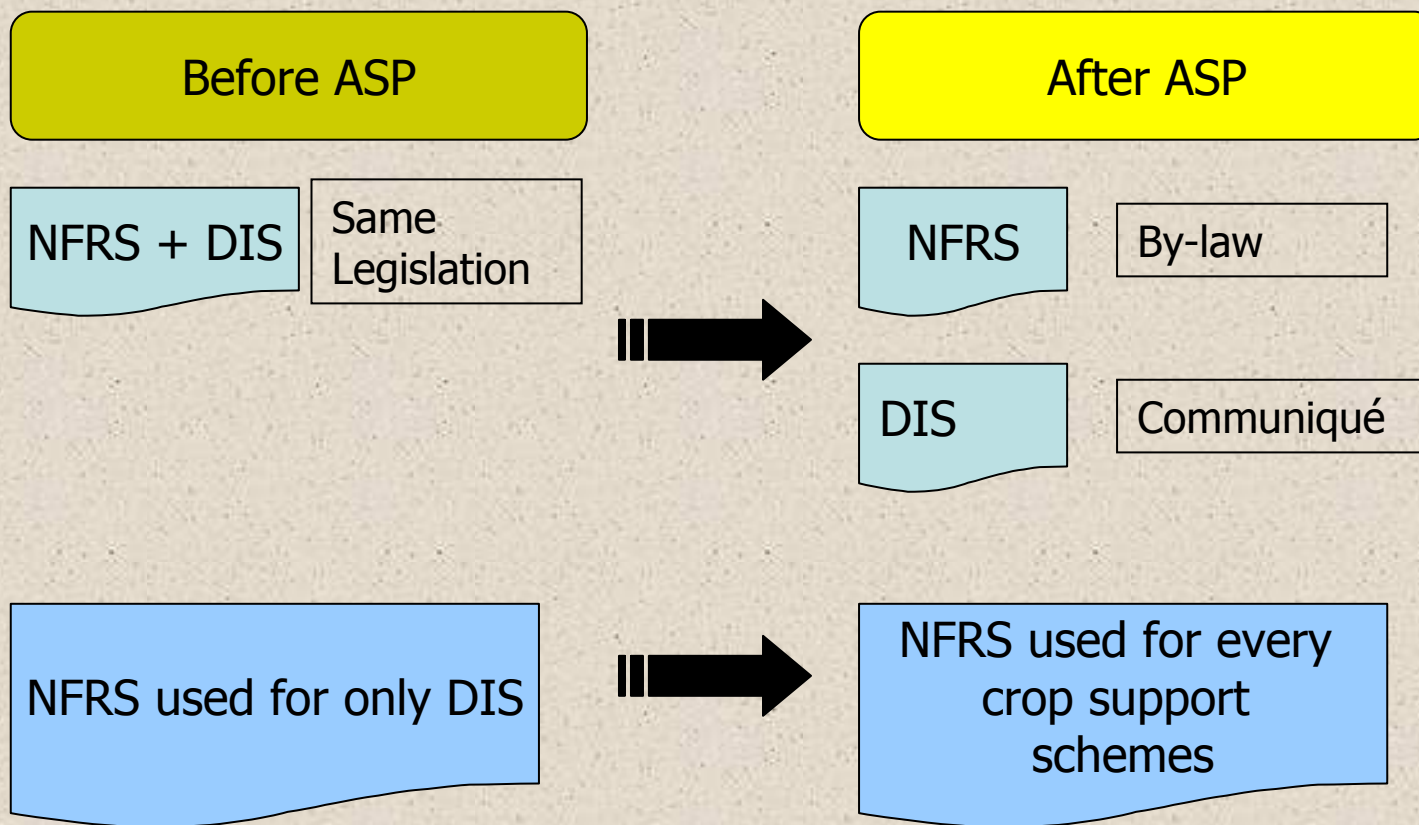
- ❑ Support payments will be determined in accordance with factors related to;
 - region, enterprise, land, crop, farmer system, contract farming
 - environmental issues,
 - annual development programs, and
 - budgetary allocations.

- ❑ The objectives, target groups, payment types and payment schedules of the support schemes will be defined via various legal arrangements.

- ❑ Quality, standard and hygiene are the essential criteria to be used in determining scope of the support and payment amounts.

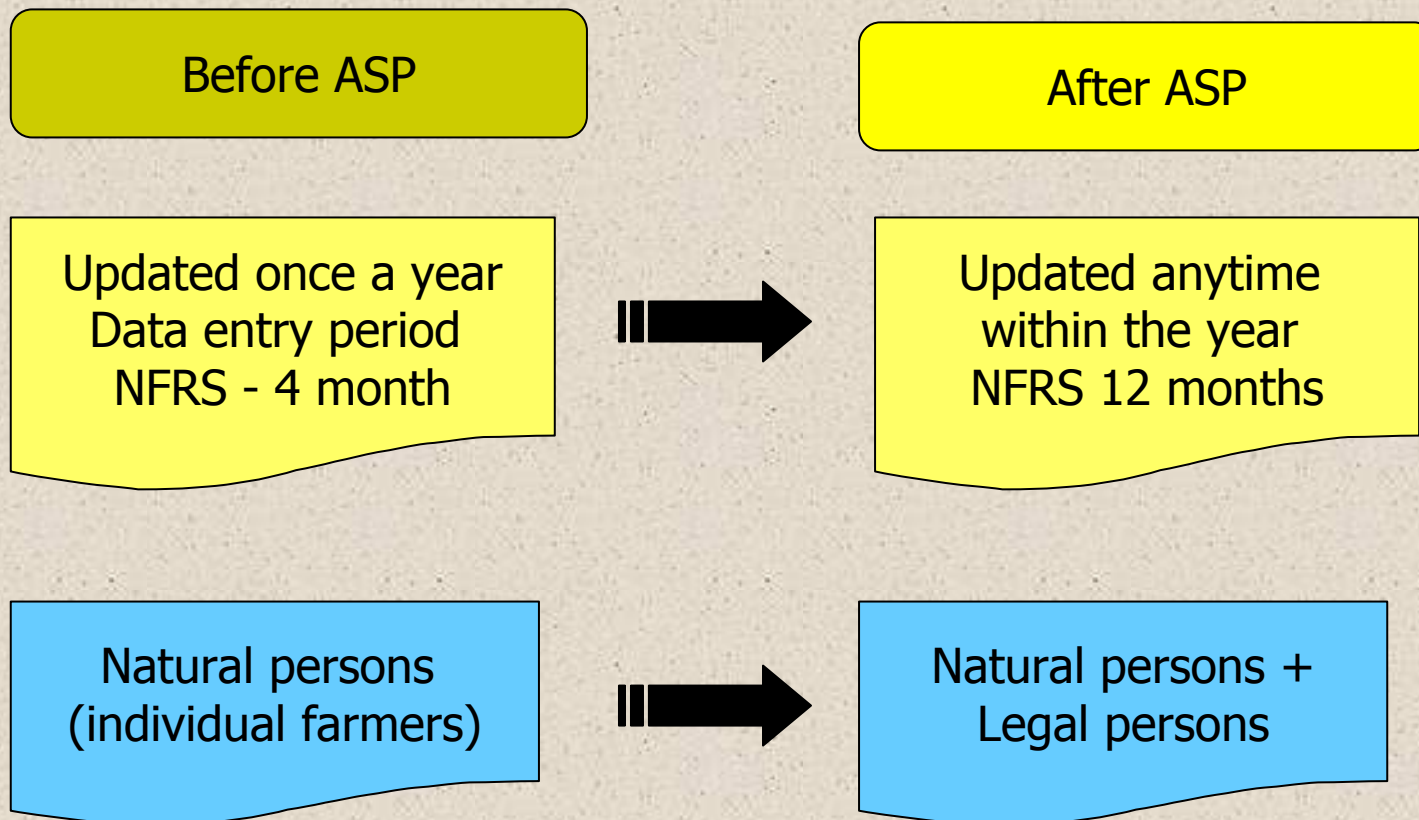


INTRODUCTION



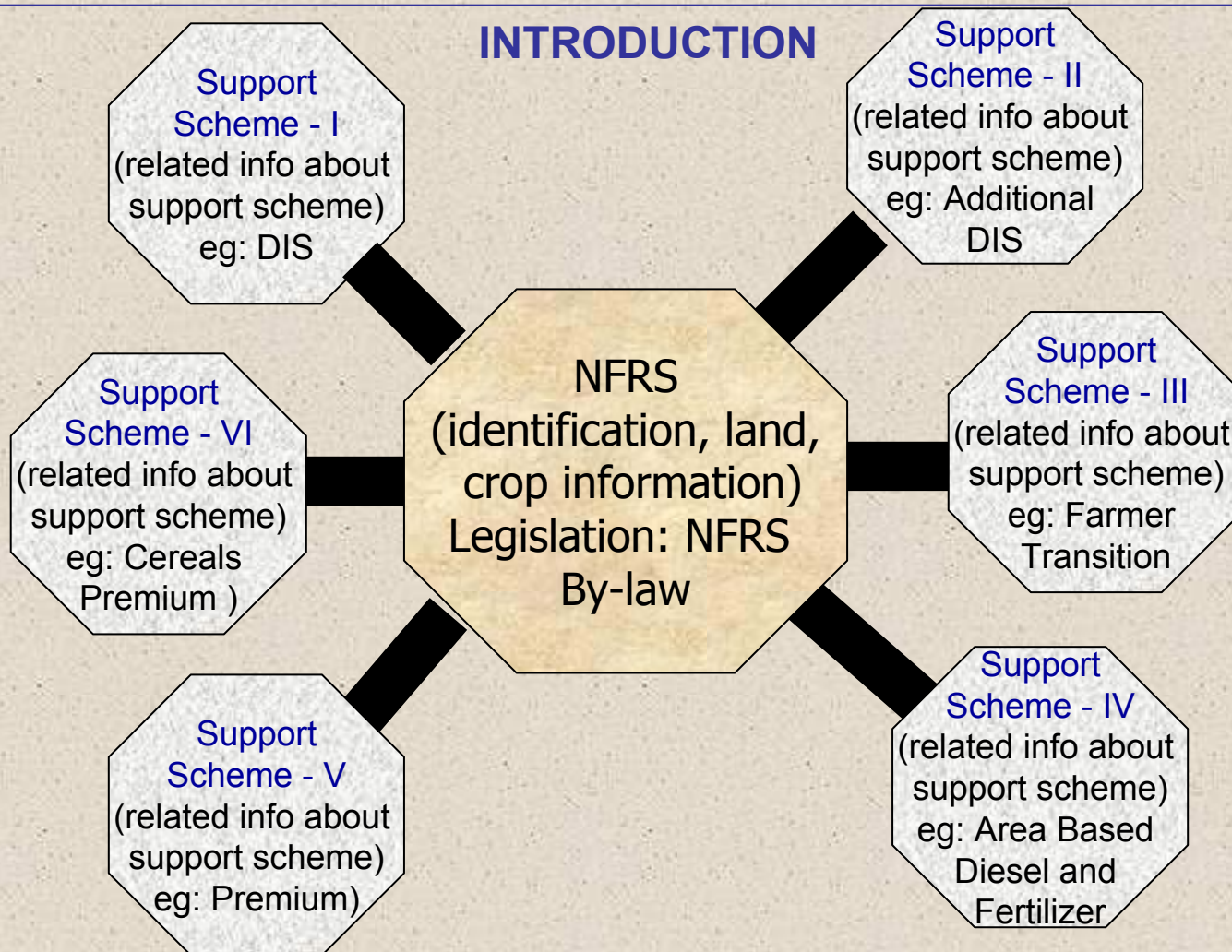


INTRODUCTION





INTRODUCTION





DIRECT INCOME SUPPORT SCHEME (DIS)

**DIESEL AND CHEMICAL FERTILIZER SUPPORTS
(AREA BASED)**



DIRECT INCOME SUPPORT SCHEME

- ❑ DIS scheme which has been implemented since 2001 and had 4 main objectives at the beginning;
 - Transferring necessary financial needs for sustaining production by utilizing direct methods instead of indirect methods,
 - Implementing the support scheme within budgetary limits and with financial discipline,
 - Removing the obstacles that impede with the proper functioning of the market mechanisms and allowing prices to be set on the market,
 - Establishing National Farmer Registration System which encompasses reliable data on the farmers and which can be updated on annual basis.



DIRECT INCOME SUPPORT SCHEME

❑ DIS payments effected between 2001 – 2004 can be summarized as follows:

Year	Number of Farmers (Million)	Realization (Billion €)
2001	2.18	1.08
2002	2.58	1.52
2003	2.75	1.56
2004	2.75	1.51

Source: NFRS Records

❑ In addition, NFRS has been established where 2.75 million farmers and 17 million hectares land are registered.



DIRECT INCOME SUPPORT SCHEME

- ❑ General implementation criteria of DIS scheme are highlighted in the ASP.
- ❑ In this regard;
 - DIS payments share in the total agricultural budget will be declined to 45% at the end of ASP period.
 - DIS payments are destined for those lands whose designated use is agriculture and will be administrated in accordance with the unit rates determined for each year.
 - Payment rights are contingent upon the underlying technology being used in farming such as organic farming, soil analysis, certified seed.
 - The DIS scheme has certain exclusions for greenhouses, fruit and vegetable areas, farmer transition areas, pastures and meadows, forestry areas and those areas under ÇATAK program.



DIRECT INCOME SUPPORT SCHEME

Before ASP

Area based
X YTL/ha



After ASP

Basic DIS

Area based
X YTL/ha

+

Additional DIS

Organic Farming
Area based
X YTL/ha

Soil Analysis
Area based
X YTL/ha

Certified Seed
Area based
X YTL/ha

In its current form DIS payments are independent from crop type and quantity of agricultural production.



DIRECT INCOME SUPPORT SCHEME

Beneficiary Criteria:

- DIS payments are made to the farmers (natural or legal persons) who deal with land-based agricultural activity and are connected with the size of the operation regardless of the status of land tenure.
- Agricultural land either needs to be tilled (cultivated to produce crops) or otherwise sustained for agricultural use.
- Both categories of land are eligible for DIS coverage regardless of the fact that the land itself may or may not be in actual production.



DIRECT INCOME SUPPORT SCHEME

Beneficiary Criteria:

- Basic DIS payments are made to the farmers cultivating or sustaining their lands for agricultural use.
- Additional DIS payments are granted to the farmers who undertake soil analysis, utilize organic farming or certified seed on their land.
- Farmers must be associated with agricultural activity for minimum one production season (8-10 months) on the same land.



DIRECT INCOME SUPPORT SCHEME

Payment Criteria:

- Basic and additional DIS payments are made on per hectare basis considering the land size of the applicant farmers.
- Farmers are eligible for DIS payments for land up to and including 50 hectares.
- Farmers are ineligible for DIS payments for land under 0.1 hectares.
- DIS payments per hectare was € 91.5 in 2001, € 94.5 in 2002, € 92.6 in 2003 and 2004.



DIRECT INCOME SUPPORT SCHEME

Land Eligibility Criteria:

- All lands whose designated use is agriculture are eligible for DIS payments.
- Deserted or stranded agricultural land with no current use, state owned land, forestry areas and communal property such as pastures are ineligible for DIS payments.
- Eligible DIS beneficiaries must comply with minimum land management, crop rotation and arable stubble management conditions and standards.
- DIS payment is not made for areas under Environmentally Based Agricultural Land Protection Programme (ÇATAK).



DIRECT INCOME SUPPORT SCHEME

Transferring of Payment Rights:

- Payment rights can be transferred by 4 methods in the DIS scheme:
 - Legal arrangements between shareholders
 - Inheritance
 - Rental agreement
 - Sales contract

- As the transferring operations are made on cadastral parcel basis, it can be monitored with NFRS.



AREA BASED DIESEL AND FERTILIZER SUPPORT SCHEME

Objective:

This support scheme is being implemented to enable the farmers to meet their requirements in diesel and chemical fertilizers needed for agricultural activity.

Beneficiary and Land Eligibility Criteria

Farmers should meet both DIS scheme criteria of beneficiary eligibility and land eligibility.



AREA BASED DIESEL AND FERTILIZER SUPPORT SCHEME

Payment Criteria :

- In 2005, diesel fuel and fertilizer support payments are made on per hectare basis, in accordance with the land size categorized by crop groups.

Crop Groups	Diesel Fuel Support (€/hectare)	Fertilizer Support (€/hectare)
Vegetables and fruit areas, pasture and meadows and forestry areas	€ 8.9	€ 5.9
Cereals, fodder crops, legumes and tuber crops	€ 14.3	€ 9.5
Industrial crops and oleaginous seeds	€ 26.9	€ 17.9



OTHER DIRECT PAYMENT SCHEMES

(PREMIUM PAYMENTS SCHEME)



PREMIUM PAYMENTS SCHEME

- ❑ Premium payments are categorized for 2 main crop groups in Turkey.
 - Raw Cotton and oleaginous crops
 - Cereals

A. Premium Payments Scheme for Raw Cotton and Oleaginous Crops

Objective:

- ❑ The objective is to increase the production of raw cotton and oleaginous crops which have shortage of supply.

Scope:

- ❑ The first application started in 1993 and premium payments were paid only to raw cotton producers.



PREMIUM PAYMENTS SCHEME

Scope:

- Starting from 1998 olive oil, sunflower, soybean and canola producers have also been included for premium payments.
- Finally, in 2005 maize enters the list of premium crops.

Payment Criteria:

- Premium payments are linked to the production and are made on per kilogram basis depending upon presentation of sales documents.
- Payments are made to farmers (natural persons) registered on NFRS on per hectare basis. But for 2005 crop applications private legal persons will also be eligible from premium payments.



PREMIUM PAYMENT SCHEME

Payment Criteria:

For 2004 Year Crops		Premium Amount (€ Cent /kg)
Sunflower		8
Canola		7
Maize		1.4
Olive oil		14.9
Cotton	Certified	13.6
	Uncertified	11.3
Soy bean	Certified	9.8
	Uncertified	8.3



PREMIUM PAYMENT SCHEME

B. Cereals Premium Payments

Objective:

- The objective is to support cereal producers and registration of production and sales of cereals.

Scope:

- Application was started in 2005 for the first time. But there is no assurance that it will be sustained for following years.
- The scheme covers wheat, barley, rye, oats and rice.

Payment Criteria:

- Premium payments are linked to the production and are made on per kilogram basis depending upon the approval of sales documents.



PREMIUM PAYMENT SCHEME

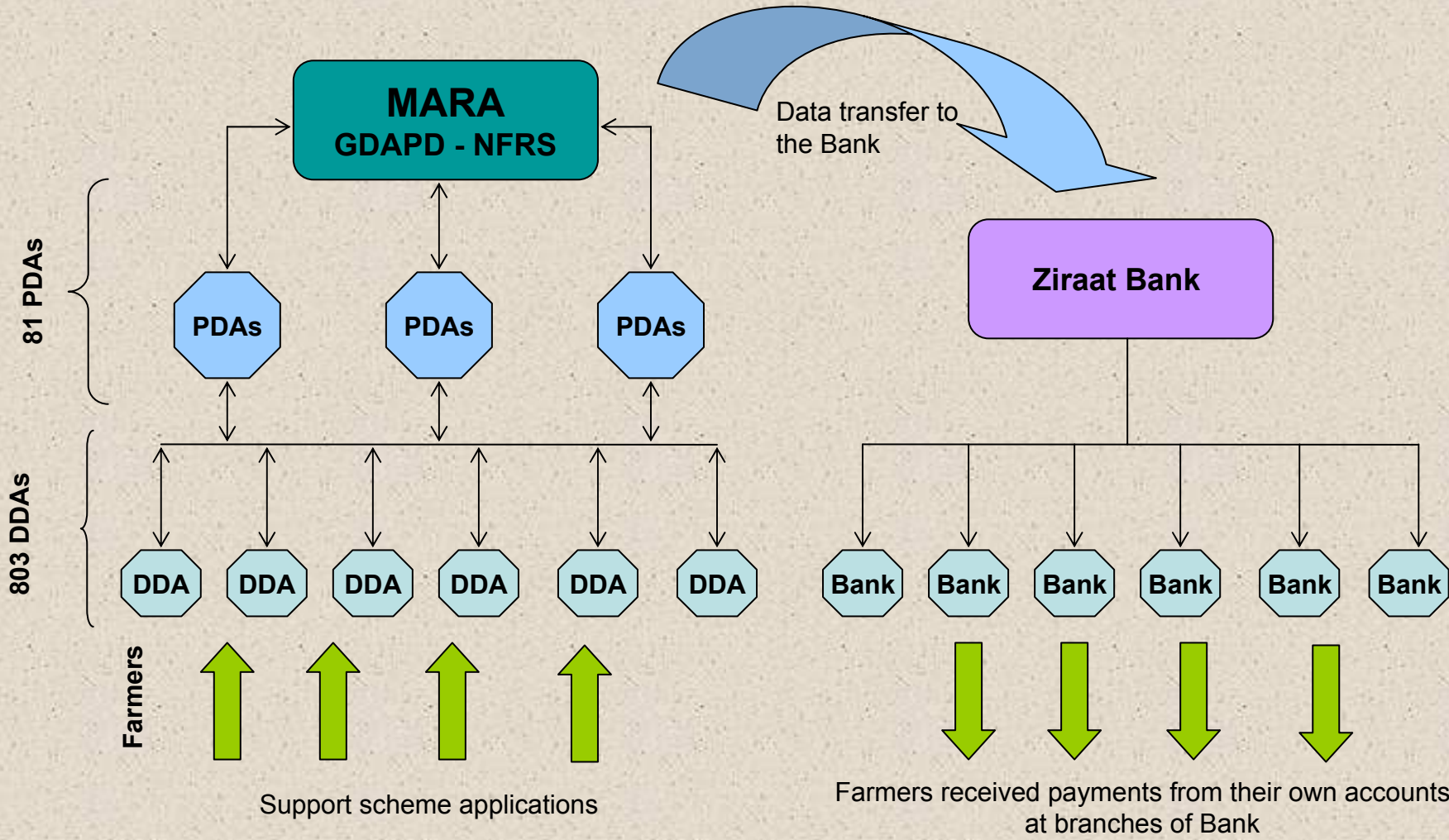
Payment Criteria:

- Farmers (natural and legal persons) who are registered in the NFRS with their identity, crop and land information are eligible for premium payments.

For 2005 Year Crop	Premium Amount (€ Cent /kg)
Wheat	1.7
Barley	1.1
Rye	1.1
Oat	1.1
Rice	1.7



IMPLEMENTATION CHART OF SUPPORT SCHEMES BASED ON NFRS



PDA: Provincial Directorate of Agriculture DDA: District Directorate of Agriculture



OTHER DIRECT PAYMENT SCHEMES

(LIVESTOCK SUPPORTING SCHEME)



LIVESTOCK SUPPORT SCHEME

Main Strategy :

- The overall goal of this support scheme is to develop a sustainable and competitive livestock sector by increasing production and quality.

- This scheme comprises supports related to;
 - animal health,
 - animal improvement,
 - breeding techniques,
 - fodder crops, and
 - increasing crop quality and hygienic conditions.



LIVESTOCK SUPPORT SCHEME

Objective:

- Attain food security by increasing the consumption of animal proteins and catching up the levels of developed countries,
- Assurance of food security from primary production to ultimate consumption,
- Institution of well defined standards and competitiveness in the livestock industry.



LIVESTOCK SUPPORT SCHEME

Types of Support:

- Animal improvement supports
- Fodder crops supports
- Apiculture supports
- Animal health and encouraging registration supports
- Supports for protection of animal gene sources.
- Aquaculture (Fisheries) supports
- Dairy premium and milking units supports



LIVESTOCK SUPPORT SCHEME

Payment Criteria:

- Payments which are made on the basis of YTL per animal head.
 - Animal improvement supports
 - Animal health and encouraging registration supports
 - Supports for protection of animal gene sources

- Payments which are made on project basis.
 - Fodder crops supports

- Payments which are made on the basis of YTL per unit, liter and kg:
 - Apiculture supports
 - Aquaculture (Fisheries) supports
 - Dairy premium and milking units supports



LIVESTOCK SUPPORT SCHEME

Payment Amount:

- Animal improvement supports in 2005

Subsidies paid for animals with breeding certificates	Amount
With pedigree (blue certificate)	300 €/head
With pure race certificate (white certificate)	150 €/head
Supports paid for calves conceived by AI	
Registered with the pedigree	48 €/head
Registered with the pre-degree	24 €/head
Supports for AI	
Priority development regions + registered with pedigree	21 €/head
Other Provinces	15 €/head

**LIVESTOCK SUPPORT SCHEME****Payment Amount: Dairy premium in 2005**

Milk Supports	Income (€ Cent/liter)	Structural (€ Cent/liter)
Members of CBAs in regions free of disease	1.80	2.70
The members of ADC and others in regions free of disease	1.80	1.80
The members of ADC registered with CBAs + receive services from an agricultural adviser	1.80	2.10
The members of ADC + receive services from an agricultural adviser	1.80	1.50
The members of CBAs	3.60	-
The members of ADC and milk producers' unions	1.80	0.60
Other producers.	1.80	-
Producers of small ruminants milk	1.80	-

CBAs: Cattle Breeder Associations



LIVESTOCK SUPPORT SCHEME

Payment Amount:

- Fodder crops supports in 2005

Investment and operating costs of the projects	Amount
for Perennial crops	40%
for Annual crops	30%

Payment Amount:

- Supports for protection of animal genetic resources in 2005

Type	Unit Amount (€/head)
Cattle	149.79
Small ruminant	17.97



LIVESTOCK SUPPORT SCHEME

Payment Amount:

Apiculture Supports in 2005

Type	Unit Amount
Queen bee kept for breeding purposes – Members of union (€/queen bee)	8.99
Queen bee kept for breeding purposes Other (€/queen bee)	4.49
Premium for filtered honey – Member of union (€ Cent/kg)	23.97
Premium for filtered honey – Other (€ Cent/kg)	17.97
Subsidies for pollen collecting bees (Bombus) (€/colony)	11.98



LIVESTOCK SUPPORT SCHEME

Payment Amount:

- Supports for animal health in 2005

Type of Support	€ Cent/Head
Vaccination for foot and mouth disease	
for cattle at village level (the program realization > 80%)	44.94
for small ruminants at village level (the program realization is > 80%)	29.96
for cattle (if the program realization is < 80%)	29.96
for small ruminants (the program realization is < 80%)	14.98
Cattle Brucellosis (S-19 young)	59.92
Sheep Brucellosis (Rev-1 young)	29.96
Sheep and goat plague (PPR), sheep and goat smallpox and anthrax	14.98

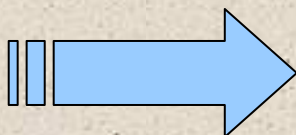


PROSPECTS FOR THE ADOPTION OF THE EU ACQUIS



COMPARISON of EU-TURKISH LEGISLATION

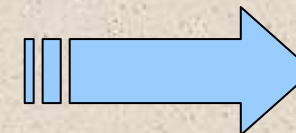
1782/2003
Establishing Common Rules
for Direct Support Schemes under
CAP and Establishing Certain
Support Schemes for Farmers.



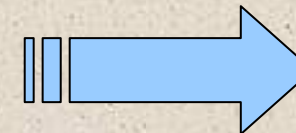
**National Farmer Registration
System By-law**



**Direct Income Support
Communiqué**



**Premium Communiqué and
Decree**



**Environmentally Based Land
Protection Program Bylaw
(CATAK)**

**Livestock Support
Communiqué**

**Good Agricultural Practices
Bylaw**

**Soil Conservation and Land Usage
Law and Bylaw**



COMPARISON of EU-TURKISH LEGISLATION

796/2004
Commission Regulation
Laying down detailed rules
for the detailed rules for the
implementation of
cross-compliance, modulation
and the IACS



**National Farmer Registration
System By-law**



**Good Agricultural Practices
By-law**

**Soil Conservation and
Land Usage Law**

795/2004
Commission Regulation
Laying down detailed rules
for the implementation of
single payment scheme



**Direct Income Support
Communiqué**

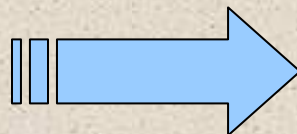
**Environmentally Based Land
Protection Program By-law
(CATAK)**



COMPARISON of EU-TURKISH LEGISLATION

2237/2003

Laying down detailed rules
For the application of certain
Support schemes provided
in the Title IV of 1782/2003



Premium Communiqué and
Decree

Livestock Support
Communiqué



COMPARISON of EU-TURKISH LEGISLATION

Comparable factors:

- DIS and other area based payments as well as premium payments (all type of crop supports) are linked to the NFRS.
- DIS payments are still independent of the crop type and quantity of agricultural production.
- Production technologies which aim to increase quality and yield are supported.
- NFRS and other systems are initiated, strengthened and integrated in order to establish IACS infrastructure in Turkey.
- CATAK legislation is published.
- Good Agricultural Practices legislation is published.



COMPARISON of EU-TURKISH LEGISLATION

Differences:

- Farmer Advisory System has not been established yet.
- DIS scheme is associated only with crops.
- Livestock supports are not linked with animal identification and registration systems.
- There exists no specific legislation covering all these support instruments.



**THANK YOU FOR YOUR
ATTENTION !!!!!**