

# State Aids in Agriculture

## Non-exhaustive list of issues, questionnaire answers to facilitate preparations for bilateral meetings

### TURKEY

The answers of the questionnaire “state aids in agriculture” cover only specific provisions, which are applicable in agriculture apart from general provisions of State Aids included in screening chapter “competition policy”.

Presentations for the screening of chapter on “competition policy” can be seen on web through the page [http://www.abgs.gov.tr/tarama/tarama\\_files/08/08AT\\_Annotated.htm](http://www.abgs.gov.tr/tarama/tarama_files/08/08AT_Annotated.htm).

However, as several programs covered under the chapter “competition policy” are also available for the agricultural enterprises, it is preferred to present a summary of such programs below. In the presentation for competition policy, the rules on the assessment of state aid with horizontal objectives are explained under the titles: de minimis aid, training aid, aid to small and medium sized enterprises, employment aid, state aid for research and development, state aid for environmental protection and state aid for risk capital.

The following non-exhaustive types of incentives and eligibility criteria would be listed as an example and covered by the Decree 2002/4367 (Decree Concerning State Encouragements to Investments), Decree 2000/1822 (Decree for State Aids for Investments of SMEs), Law 2004/5084 (Law on Encouragement of Investments and Employment).

Types of incentives:

- Exemption from customs duties and fund levies,
- Value Added Tax exemption for imported and domestically purchased machinery and equipment,
- Credit allocation from the Budget,
- Income tax relief,
- Compensation to social security employer contribution,
- Free of charge land allocation,
- Energy support,

Eligibility criteria:

- Development level of the region that the plant is to be established,
- Employment opportunities created by the investment,
- Certain limits for the amount of investment,
- Size of the SME (for SME support).

Since the above mentioned type of programs are combinations of measures covering tax exemptions, soft loans and grants etc., it is difficult to calculate breakdown of support according to sectors and type of tool used.

Majority of state aids for agriculture falls under the heading of “the operating aids”. Since the measures listed under this heading are also covered in detail in “Financial support: direct payments and other aid schemes” and other product specific items, this document will cover a briefing of operating aids without any fiches.

State aid measures listed below reflect the current situation in Turkey without any assessment with regard to maintaining them upon accession.

**A non-exhaustive list of state aids in agriculture is shown below:**

**(1) Operating aids**

- ✓ *Direct Income Support + Diesel and Chemical Fertilizer Support (based on area)*
- ✓ *Premium Payments (for Sun Flower Seed, Cotton, Canola, Soy Bean, Olive Oil and Maize)*
- ✓ *Milk Premium*
- ✓ *Tea Support*
- ✓ *Farmer Transition Payments (for Hazelnut and Tobacco)*
- ✓ *Cereal Premium*
- ✓ *Mohair (Angora Wool) Support*
- ✓ *Silk Cocoon Support*
- ✓ *Export Refund*

**(2) Aids for primary producers**

- a. Investment aids
  - ✓ *Subsidized Credit Scheme for Farmers (via Ziraat Bank and Agricultural Loans Cooperative Unions)*
- b. Forestry sector aids
  - ✓ *Individual and Cooperative Based Loans Provided for Forest Villagers*
- c. Agro-environmental aids
  - ✓ *Environmentally Based Agricultural Land Protection(ÇATAK) Program*

**(3) Aids for processing and marketing of agricultural products**

- ✓ *Animal Husbandry Supports*
- ✓ *Village Based Participatory Investment Program*
- ✓ *Duty Loss Payments to Agricultural SEEs (this tool is explained in the presentation for competition policy under the title of “Rules on the Assessment of Services of General Economic Interest”. Due to its relevance with the topic, it is iterated under this heading)*
- ✓ *Capital Injection to Agricultural SEEs (this tool is explained in the presentation for competition policy under the title of “Financial Transfers to Public Enterprises”. Due to its relevance with the topic, it is iterated under this heading)*
- ✓ *Subsidized Credit Scheme for Agricultural Sales Cooperative Unions*

**(4) Other aids for rural development and other aids for agriculture**

- a. Aids in case of damages caused by natural disasters or exceptional occurrences
  - ✓ *Aid for Farmers Who Suffered from Natural Disasters*
- b. Aids for fight against animal or plant diseases
  - ✓ *Supporting the Plant And Animal Health*
- c. Aids for insurance policies in case of natural disasters and other events
  - ✓ *Agricultural Insurance Premium Support*
- d. Start up for producer organization
  - ✓ *Social Assistance Support in Rural Areas*
  - ✓ *Support for Animal Husbandry and Greenhouse Cooperatives*
- e. Aids for research and development
  - ✓ *Support for Research and Development Projects*
- f. Other aids
  - ✓ *Land Consolidation and Parceling Activities*

## (1) Operating aids

Table: Operating aids in Turkey, *figures in approximate*

million Euro

Title of the aid scheme	Aid Based on	Legal Basis	2005 Expenditure	2006 Estimated Expenditure
Direct Income Support	Area (regardless of type or quantity of product)	Communiqués Published Annually	999.7	1,077.8
Diesel Support	Area	Communique 2005/38	243.2	-
Chemical Fertilizer Aid	Area	Communique 2005/42	162.3	-
Premium Payments (for Sun Flower, Cotton, Canola, Soy Bean, Olive Oil and Maize)	Quantity	Communiqués Published Annually	376.2	439.5
Cereal Premium	Quantity	Decree on Support to Cereal Producers No: 2005/8872	125.0	-
Milk Premium	Quantity	Decree on Support for Animal Husbandry (No:2005/8503)	50.9	53.2
Tea Support	Income Support: Quantity	Decree on Support to Tea Producers (No: 2004/8302)	67.7	83.9
	Structural Support: Yield	Decree on Tea Trimming (No: 2004/7758)		
Farmer Transition Payments (for Hazelnut and Tobacco)	Area	Hazelnut: Decree No: 2003/5495 Tobacco: Decree No: 2001/2705	0.36	0.36
Export Refund <sup>(*)</sup>	Quantity	Related Money Credit and Coordination Council Decisions	24.8	25.0
Mohair (Angora wool) Support	Quantity	Decree No: 2005/8534	0.76	1.06
Silk Cocoon Support	Quantity	Decree No: 2005/8534	0.86	0.84
<b>Total</b>			<b>2,051.78</b>	<b>1,681.66</b>

(\*) The exchange rate parity used for Euro/USD; 2005: Euro=1.25 USD, 2006: Euro=1.26 USD

Source: own aggregation based on data from the Ministry of Agriculture and Rural Affairs, the Undersecretariat for Foreign Trade, the Ministry of Industry and Trade

**(2) Aids for primary producers**

**a. Investment Aids**

*Subsidized Credit Scheme for Farmers (via Ziraat Bank and Agricultural Loans Cooperative Unions)*

**(1) Ministry or other administrative body with statutory responsibility for the scheme and its implementation:**

*Undersecretariat of Treasury (subsidizing the difference between the normal and subsidized rates of Ziraat Bank)*

*Ziraat Bank and Agricultural Loans Cooperative Unions (ALCU) (implementation)*

**(2) Title of aid scheme:**

*Subsidized Credit Scheme for Farmers (via Ziraat Bank and Agricultural Loans Cooperative Unions)*

**(3) Legal basis (attach a copy of the legal basis or the draft legal basis if available at the time of notification)**

*Decree No: 2005/8378 (last one)*

*Decree No: 2004/6840*

**(4) Level at which scheme is administered:**

*Central Government*

**(5) Aim of scheme:**

*To improve productivity and quality of agricultural products*

**(6) Beneficiaries**

*Farmers*

**(7) Other aid limitations or criteria**

*Each farmer can use maximum 500,000 YTL (299,490 Euro) credit for livestock breeding and maximum 250,000 YTL (149,745 Euro) credit for other agricultural loans.*

*Maximum 5 years maturity for investment loans and 18 months maturity for operating loans*

**(8) What are the instruments (or forms) of aid: (delete where Not Applicable)**

*Soft Loan*

**(9) For each instrument of aid a summary description of its rules and conditions of application should be given, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective criteria are fulfilled or whether there is an element of discretion by the awarding authorities:**

*The farmers, who are eligible for lending, are able to use loans that are subsidized at 25-60 percent of the Ziraat Bank's current interest rate. The Treasury covers the income loss that the Bank faces. The Bank applies this support automatically within the budgetary ceiling provided that applicants who have a good credit history submit necessary documents.*

- (10) For each aid instrument, the eligible costs on which the aid is calculated should be specified (e.g. land, buildings, equipment, personnel, training, consultants fees, etc.):**

*Not Applicable*

- (11) Where there is more than one aid instrument, to what extent may a recipient cumulate several instruments: To what extent may the aid in question be cumulated with any other aid schemes in operation?**

*There is no cap determined for state aids implemented in Turkey but for some exceptional cases where some specific rules are imposed for particular aids. Those cases are explained in related fiches.*

- (12) Duration of aid scheme.**

*The scope of scheme is revised annually.*

- (13) Expenditure in 2005; estimated expenditure in 2006**

*Expenditure in 2005: 40 Million Euro*

*Estimated expenditure in 2006: 67.2 Million Euro*

- (14) Other relevant data.**

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## **b. Forestry Sector Aids**

### Individual and Cooperative Based Loans provided for Forest Villagers

- (1) **Ministry or other administrative body with statutory responsibility for the scheme and its implementation:**

*Ministry of Environment and Forestry (General Directorate of Forest-Village Relations)*

- (2) **Title of aid scheme:**

*Individual and Cooperative Based Loans provided for Forest Villagers*

- (3) **Legal basis (attach a copy of the legal basis or the draft legal basis if available at the time of notification)**

*Communiqué on the Basis and Principles of Forest Villagers Development Services (Official Gazette no: 25454 dated 6.5.2004)*

- (4) **Level at which scheme is administered:**

*Central Government*

- (5) **Aim of scheme**

*To increase the welfare of forest villagers, protect and improve the forests.*

- (6) **Beneficiaries**

- *Individual families that are poor and in need, living in forest villages.*
- *Cooperatives established by forest villagers.*

- (7) **Other aid limitations or criteria**

*Terms and Conditions of Loan for Individuals:*

- *village should have been included in the respective year's working program,*
- *individual should be a Turkish Citizen,*
- *individual should be a permanent inhabitant of respective forest village,*
- *individual should be poor,*

*Terms and Conditions of Loan for Cooperatives*

- *cooperative should be established in a forest village,*
- *population of the village should be less than 2000,*
- *settlement should not have a municipality administration,*
- *cooperative should own a certain amount of equity capital (10-30-50 percent, depending on the type of project)*

- (8) **What are the instruments (or forms) of aid: (delete where Not Applicable)**

*Direct grant (for the purposes of training, extension, demonstration facilities, individuals or village legal entities may be provided a direct grant)*

*Soft loan*

<u><b>Type of Loan</b></u>		<i>Repayment Period</i>	<i>Grace Period</i>	<i>Interest Rate</i>
INDIVIDUAL	<i>Social *</i>	<i>Depends on the subject of loan</i>	-	0
	<i>Economic *</i>	3-9 Years	1 Year	1/7 of the rate applied for agricultural loans by Ziraat Bank
COOPERATIVES		3-10 Years	Repayment starts whenever the plant starts operating	

*\* Individual Social Loans are the ones that are provided in order to protect forests by preventing villagers from over-use of wood. Individual Economic Loans are the ones that are provided in order to increase the scale of a family enterprise to a profitable level.*

- (9) **For each instrument of aid a summary description of its rules and conditions of application should be given, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective criteria are fulfilled or whether there is an element of discretion by the awarding authorities:**

*The decision making process of these loans depends on the District Development Plans prepared by a professional committee composed of forestry engineers, agricultural engineers, economists and sociologists. The plans cover some studies regarding the income of those villages, the willingness and tendency of the village to increase its welfare. Taking those plans and available budget into account, the responsible administration starts the process by including beneficiaries in its working program.*

- (10) **For each aid instrument, the eligible costs on which the aid is calculated should be specified (e.g. land, buildings, equipment, personnel, training, consultants fees, etc.):**

*Not available*

- (11) **Where there is more than one aid instrument, to what extent may a recipient cumulate several instruments: To what extent may the aid in question be cumulated with any other aid schemes in operation?**

*There is no cap determined for state aids implemented in Turkey but for some exceptional cases where some specific rules are imposed for particular aids. Those cases are explained in related fiches.*

- (12) **Duration of aid scheme.**

*Not Specified*

**(13) Expenditure in 2005; estimated expenditure in 2006**

		<i>2005</i>		<i>2006</i>
<i><u>Type of Loan</u></i>		<i>Number of beneficiaries</i>	<i>Budget (000 Euro)</i>	<i>Expected Budget (000 Euro)</i>
INDIVIDUAL	<i>Social</i>	<i>725</i>	<i>24,584</i>	<i>25,604</i>
	<i>Economic</i>	<i>4,613</i>		
<i>COOPERATIVES</i>		<i>14</i>	<i>910</i>	

*Source: Ministry of Environment and Forestry*

**(14) Other relevant data.**

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**c. Agro environmental aids**

*Environmentally Based Agricultural Land Protection (ÇATAK) Program*

**(1) Ministry or other administrative body with statutory responsibility for the scheme and its implementation:**

*Ministry of Agriculture and Rural Affairs, General Directorate of Agricultural Production and Development*

**(2) Title of aid scheme:**

*Environmentally Based Agricultural Land Protection Program, (ÇATAK Program)*

**(3) Legal basis:**

*Law No: 5403 “The Protection of Soil and Use of Land”*

*Decree Law No: 2005/9230 “Support to Producers who Prefer Agricultural Practices foreseen in the Environmentally Based Agricultural Land Protection Program*

*By-law on providing Subsidy and Technical Support to the “Producers who Prefer Agricultural Practices covered in the Environmentally Based Agricultural Land Protection Program (CATAK) (Official Gazette no: 25994 dated 15.11.2005)*

**(4) Level at which scheme is administered:**

*Central Government and Regional*

**(5) Aim of scheme:**

*To reduce adverse effects of agricultural practices on environment, to prevent erosion, to sustain renewable natural resources, to protect the natural cover and the quality of soil and water in the vulnerable areas.*

**(6) Beneficiaries:**

*Producers in the vulnerable areas*

**(7) Other aid limitations or criteria.**

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**(8) What are the instruments (or forms) of aid: (delete where Not Applicable)**

*Direct grant*

**(9) For each instrument of aid a summary description of its rules and conditions of application should be given, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective criteria are fulfilled or whether there is an element of discretion by the awarding authorities:**

*The payment will be made under 3 categories;*

*Category 1)*

- a) Erosion combat (embankment, fencing for protection, application of ideal tillage techniques (contour tillage) and/or leaving the land uncultivated for protection reasons)*
- b) Land improvement*
- c) Drainage*
- d) Stone collection*

*If the producer prefers to practice two or more of the above mentioned techniques in replacement of their current production practices they will be awarded an annual payment per hectare for a total of 3 years.*

*Category 2)*

- a) Practicing suitable irrigation techniques*
- b) Controlled usage of pesticide, fertilizers and hormones.*
- c) Usage of organic, green and barn fertilizers compost etc.*
- d) Application of organic production and Good Agricultural Practices*

*If the producer prefers to practice two or more of the above mentioned techniques in addition to their current production practices, or in replacement of their current practices they will be awarded an annual payment per hectare for a total of 3 years.*

*Category 3)*

- a) Establishing permanent plant coverage,*
- b) Improvement of existing or formulation of new grass meadows.*
- c) Prevention of excessive grazing.*
- d) Production of fodder plants*

*If the producer prefers to practice two or more of the above mentioned techniques in addition to their current production practices, or in replacement of their current practices they will be awarded an annual payment per hectare for a total of 3 years.*

**(10) For each aid instrument, the eligible costs on which the aid is calculated should be specified (e.g. land, buildings, equipment, personnel, training, consultants fees, etc).**

*Not Applicable*

**(11) Where there is more than one aid instrument, to what extent may a recipient cumulate several instruments: To what extent may the aid in question be cumulated with any other aid schemes in operation?**

*There is no cap determined for state aids implemented in Turkey but for some exceptional cases where some specific rules are imposed for particular aids.*

*The only limitation for ÇATAK program is the Direct Income Support (DIS) scheme, as the farmers benefiting from ÇATAK program will not be eligible for DIS payments.*

**(12) Duration of aid scheme:**

*2006 – 2007*

**(13) Expenditure in 2005; estimated expenditure in 2006**

*Expenditure in 2005: None*

*Estimated expenditure in 2006: Although the estimated expenditure will depend on the ratio of producer applications, the total amount of funds allocated for the ÇATAK Program is 7,14 million Euro.*

**(14) Other relevant data.**

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**(3) Aids for processing and marketing of agricultural products**

Animal Husbandry Supports

**(1) Ministry or other administrative body with statutory responsibility for the scheme and its implementation:**

*Ministry of Agriculture and Rural Affairs*

**(2) Title of aid scheme:**

*Animal Husbandry Supports*

**(3) Legal basis (attach a copy of the legal basis or the draft legal basis if available at the time of notification)**

*Decree on Support For Animal Husbandry (No: 2005/8503)*

**(4) Level at which scheme is administered:**

*Central Government*

**(5) Aim of scheme**

- *To support the development of animal husbandry*
- *To increase the quality and quantity of animal production*
- *To improve the genetic existence*
- *To increase the fodder production*
- *To ensure the hygiene in milking sector*
- *To increase the artificial insemination*

**(6) Beneficiaries**

*Animal breeders, agricultural holdings dealing with animal husbandry*

**(7) Other aid limitations or criteria**

Milk premium

*(Explained in the “On general provisions, the Single Payment Scheme, coupled aid schemes and the Integrated Administration and Control System (IACS)” chapter).*

Beef and veal premium

*(Explained in the “On general provisions, the Single Payment Scheme, coupled aid schemes and the Integrated Administration and Control System (IACS)” chapter).*

Support for improvement of the genetic existence:

- *Supporting the Stock Certified Cattle*
  - *For the cattle that is registered in the pedigree system: 500 YTL/head (299 Euro/head)*
  - *For the cattle that is registered in the pre- pedigree system (heifers): 250 YTL/head (149 Euro/head)*
- *Supporting the Calves that were born in consequence of artificial insemination.*
  - *For the cattle that is registered in the pedigree system: 80 YTL/head (48 Euro/head)*

- For the cattle that is registered in the pre- pedigree system (heifers): 40 YTL/head (24 Euro/head)

#### Support for increasing the fodder production

- For multi annual fodders like Alfalfa: 40 per cent of investment and management expenditures (including agricultural machineries, excluding transportation and pesticide) is supported by direct grant
- For annual fodders like maize: 30 per cent of investment and management expenditures (including agricultural machineries, excluding transportation and pesticide) is supported by direct grant
- 25% of project cost of certified fodder seed production is supported by direct grant

#### Supporting the Apiculture (Beekeeping)

- For beekeeper who is keeping the queen bee: 15 YTL/queen bee (9 Euro/queen bee) (only for members of the Beekeeping Association)
- For beekeeper who is keeping the queen bee: 7.5 YTL/queen bee (4.5 Euro/queen bee) (for other beekeepers)
- For run honey: 40 YKr/kg (24 Eurocents/kg) (only for members of the Beekeeping Association)
- For run honey: 30 YKr/kg (18 Eurocents/kg) (for other beekeepers)

#### Supporting to the holdings which is not endurance animal disease

- Explained in the Plant and Animal Health fiche.

#### Supporting to the Struggle Against Animal Diseases

- Explained in the Plant and Animal Health fiche.

#### Animal Registration System

- For each registered livestock: 2 YTL/head (1.2 Euro/ head).

#### Protect the Animal Genetic Resources

- For cattle (such as Anatolian Black etc.): 250 YTL/ head (149 Euro/head)
- For sheep and goat (such as Angora Goat etc.): 30 YTL/head (18 Euro/head)

#### Milking hygiene

- For milking machines and milk cooling tanks: 40 per cent of total amount of investment is supported (up to 80,000 YTL- 48,000 Euro)

### **(8) What are the instruments (or forms) of aid: (delete where Not Applicable)**

*Direct grant*

### **(9) For each instrument of aid a summary description of its rules and conditions of application should be given, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective criteria are fulfilled or whether there is an element of discretion by the awarding authorities:**

*Producer applies to provincial branch of MARA with producer receipt or other necessary documents and provincial branch of MARA prepares an entitlement*

*document. The document is forwarded to the nearest Ziraat Bank provincial office and then to General Directorate of Ziraat Bank (only amounts to be supported). After that, the total amount is transferred to producer's account held within the Ziraat Bank provincial branch.*

- (10) For each aid instrument, the eligible costs on which the aid is calculated should be specified (e.g. land, buildings, equipment, personnel, training, consultants fees, etc.):**

*Not Applicable*

- (11) Where there is more than one aid instrument, to what extent may a recipient cumulate several instruments: To what extent may the aid in question be cumulated with any other aid schemes in operation?**

*There is no cap determined for state aids implemented in Turkey but for some exceptional cases where some specific rules are imposed for particular aids. Those cases are explained in related fiches.*

- (12) Duration of aid scheme.**

*2005-2010*

- (13) Expenditure in 2005; estimated expenditure in 2006**

	<b>2005</b>	<b>2006</b>
<b><u>Type of Expenditure</u></b>	<i>Budget (Million Euro)</i>	<i>Expected Budget (Million Euro)</i>
<i>Supports For Animal Husbandry</i>	<i>165</i>	<i>308</i>

*Source: Ministry of Agriculture and Rural Affairs*

- (14) Other relevant data.**

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Village Based Participatory Investment Program

- (1) Ministry or other administrative body with statutory responsibility for the scheme and its implementation:**

*Ministry of Agriculture and Rural Affairs*

- (2) Title of aid scheme:**

*Village Based Participatory Investment Program (VBPIP)*

- (3) Legal basis (attach a copy of the legal basis or the draft legal basis if available at the time of notification)**

*By-law on Supporting Village Based Participatory Investment Programs (Official Gazette no:25915 dated 23.8.2005)*

- (4) Level at which scheme is administered:**

*Central Government*

- (5) Aim of scheme;**

*To increase income in rural areas and to raise social standards by conserving natural resources.*

- (6) Beneficiaries**

*Private sector and public sector;*

*First group is Private Sector Investment project beneficiaries;*

*Any individuals; who are occupied with agricultural production by personally and occupied with rural agribusinesses,*

- Private enterprises eligible to apply; companies classified as an ordinary partnership, joint venture, unlimited company, limited liability company or a joint-stock company as defined in the Turkish Commercial Code and the Civil Code;*
- Any foundation established in accordance with provisions of the Foundations Law or the Civil Code;*
- Any agricultural cooperatives and unions in accordance with related laws and regulations,*

*Beneficiaries should be registered to Farmer Registry System and/or any other registry system of the MARA;*

*Beneficiaries should be reside and headquarters of their organization should be based in one of the 16 provinces covered by the program.*

*Second group is Public sector investment project beneficiaries;*

- District governor's offices and unions for village services supply (Köylere Hizmet Götürme Birliği)*

- (7) Other aid limitations or criteria**

*Aids will be given after project proposals (prepared according to the EU call for proposal application forms and regulations) evaluated (using same criteria of EU call for proposal evaluation criteria) by the provincial evaluation committees and approved by MARA.*

- (8) What are the instruments (or forms) of aid: (delete where Not Applicable)**

*Direct grant*

- (9) For each instrument of aid a summary description of its rules and conditions of application should be given, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective criteria are fulfilled or whether there is an element of discretion by the awarding authorities:**

*Program will be implemented in 16 provinces (Çanakkale, Denizli, Bolu, Konya, Karaman, Burdur, Hatay, Niğde, Tokat, Artvin, Gümüşhane, Rize, Ardahan, Malatya, Adıyaman, Batman).*

*Investment support subjects of the projects for public sector are limited to rehabilitation of village based rural infrastructure facilities (sewage, drinking water, road and irrigation systems).*

*Investment support subjects of the projects for private sector are limited to;*

- *Maize drying and storage,*
- *Collection, cooling and processing of milk,*
- *Storage, processing and packaging of fruits and vegetables,*
- *Construction of greenhouses using alternative sources of energy (geothermal, solar, wind, etc.),*
- *Meat Processing (in Bolu, Hatay and Malatya), food legumes processing and packing (in Denizli) and bee products processing and packaging (in other project provinces)*

*50 percent of the individual projects up to 17,500 USD (14,000 Euro), 50 percent of the private sector projects up to 125,000 USD (100,000 Euro) (does not include VAT), and 75 percent of public sector projects up to 225,000 USD (180,000 Euro) (Include VAT).*

- (10) For each aid instrument, the eligible costs on which the aid is calculated should be specified (e.g. land, buildings, equipment, personnel, training, consultants fees, etc.):**

*Eligible cost in the projects should be realized in 15 months of the grant contracts signed and will be limited to;*

- *Cost of Construction (Works),*
- *Costs of Machinery and Equipment and Costs of Materials*
- *Costs of Consultancy Services*
- *Project Operating Cost.*

*Beneficiaries should have subcontractors do all of the purchasing of materials, equipments, services and construction works under contracts awarded in accordance with World Bank Guidelines.*

*Beneficiaries may tender various components of the project as whole or as parts (Such as purchasing of machines, equipments, works etc.)*

*Permanent staff and/or regular temporary workers and/or regular subcontractors of beneficiaries and public organizations should not be subcontractor.*

- (11) Where there is more than one aid instrument, to what extent may a recipient cumulate several instruments: To what extent may the aid in question be cumulated with any other aid schemes in operation?**

*There is no cap determined for state aids implemented in Turkey but for some exceptional cases where some specific rules are imposed for particular aids. Those cases are explained in related fiches.*

**(12) Duration of aid scheme.**

*2005-2007*

**(13) Expenditure in 2005; estimated expenditure in 2006**

	<b><i>2005- 2007</i></b>	<b><i>2005</i></b>	<b><i>2006</i></b>
<b><u>Type of Expenditure</u></b>	<i>Total Budget (Million Euro)</i>	<i>Euro</i>	<i>Expected budget (Million Euro)</i>
<i>Beneficiary's Direct Grant</i>	<i>24</i>	<i>0</i>	<i>17</i>

*Source: Ministry of Agriculture and Rural Affairs*

**(14) Other relevant data.**

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Duty loss payment to agricultural State Economic Enterprises

- (1) **Ministry or other administrative body with statutory responsibility for the scheme and its implementation:**

*Undersecretariat of Treasury*

- (2) **Title of aid scheme:**

*Duty loss payment to agricultural State Economic Enterprises (SEEs)*

- (3) **Legal basis (attach a copy of the legal basis or the draft legal basis if available at the time of notification):**

*Decree Law, No: 1984/233*

- (4) **Level at which scheme is administered:**

*Central Government*

- (5) **Aim of scheme:**

*To meet the financial loss of agricultural SEEs arising from the duties given by Ministerial Decrees.*

- (6) **Beneficiaries:**

*Agricultural State Economic Enterprises: Turkish Grain Board (TMO), Turkish Sugar Factories (TŞFAŞ), General Directorate of Agricultural Enterprises (TİGEM), Tea Corporation (ÇAYKUR), Meat and Fish Products Corporation (EBÜ AŞ)*

- (7) **Other aid limitations or criteria:**

*Payments are made after the amount of duty loss is determined by official audits. The only constraint is the annual budget; therefore the accrued duty losses can be paid to the enterprises in the following years.*

- (8) **What are the instruments (or forms) of aid: (delete where Not Applicable)**

*Duty loss payment*

- (9) **For each instrument of aid a summary description of its rules and conditions of application should be given, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective criteria are fulfilled or whether there is an element of discretion by the awarding authorities:**

*Duty losses are paid after the amount of duty loss is determined by official audits. When there exists a mutual debt relationship between the enterprise and state, mutual debts can be offset. (Offsetting occurs between the debt of the SEE's to Treasury and receivables of SEEs (duty loss and/or un-paid capital) from Treasury, Offsettings have also been shown in the table below.*

- (10) **For each aid instrument, the eligible costs on which the aid is calculated should be specified (e.g. land, buildings, equipment, personnel, training, consultants fees, etc.):**

*Duty loss is determined according to the deprived profit of the duty, which is calculated as the sale cost of goods plus a 10 percent profit.*

- (11) **Where there is more than one aid instrument, to what extent may a recipient cumulate several instruments: To what extent may the aid in question be cumulated with any other aid schemes in operation?**

*Not Applicable*

**(12) Duration of aid scheme:**

*Occasional*

**(13) Expenditure in 2005; estimated expenditure in 2006:**

		<i>Euro</i>
<b><i>Title Of Aid</i></b>	<b><i>2005</i></b>	<b><i>2006</i></b>
<i>Duty Loss</i>	<i>49,691</i>	<i>110,302</i>
<i>TMO</i>	<i>29,949</i>	<i>92,945</i>
<i>TŞFAŞ</i>	<i>0</i>	<i>11,198</i>
<i>ÇAYKUR</i>	<i>19,742</i>	<i>6,159</i>
<i>TEKEL</i>	<i>0</i>	<i>0</i>
<i>TİGEM</i>	<i>0</i>	<i>0</i>
<i>Offsetting</i>	<i>959,137</i>	<i>0</i>
<i>TMO</i>	<i>552,089</i>	<i>0</i>
<i>TŞFAŞ</i>	<i>407,048</i>	<i>0</i>
<i>ÇAYKUR</i>	<i>0</i>	<i>0</i>
<i>TEKEL</i>	<i>0</i>	<i>0</i>
<i>TİGEM</i>	<i>0</i>	<i>0</i>

*Source: Undersecretariat of Treasury*

**(14) Other relevant data.**

-

Capital Injection to Agricultural State Economic Enterprises

- (1) **Ministry or other administrative body with statutory responsibility for the scheme and its implementation:**

*Undersecretariat of Treasury*

*Privatization Administration*

- (2) **Title of aid scheme:**

*Capital Injection to Agricultural State Economic Enterprises (SEEs)*

- (3) **Legal basis (attach a copy of the legal basis or the draft legal basis if available at the time of notification):**

*Decree Law, No: 1984/ 233 (for SEEs under Treasury's portfolio)*

*Law of Privatization Applications, NO: 1994/4046 (for SEEs under PA's portfolio)*

- (4) **Level at which scheme is administered:**

*Central Government*

- (5) **Aim of scheme:**

*To sustain the capital structure of agricultural SEEs in order to keep them in operation.*

- (6) **Beneficiaries:**

*Agricultural State Economic Enterprises under Treasury's portfolio: Turkish Grain Board (TMO), Turkish Sugar Factories (TŞFAŞ), General Directorate of Agricultural Enterprises (TİGEM), Tea Corporation (ÇAYKUR), Meat and Fish Products Corporation (EBÜ AŞ)*

*Agricultural State Economic Enterprises under PA's portfolio: Tobacco Company (TEKEL), 3 factories of Turkish Sugar Factories (TŞFAŞ)*

- (7) **Other aid limitations or criteria:**

*None, other than budget/privatization fund constraints which may delay the acceptance of capital increase and the payments for capital injection to following years.*

- (8) **What are the instruments (or forms) of aid: (delete where Not Applicable)**

*Capital injection.*

- (9) **For each instrument of aid a summary description of its rules and conditions of application should be given, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective criteria are fulfilled or whether there is an element of discretion by the awarding authorities:**

*When it is required to increase the paid in capital of SEEs as result of their business activities, such injection is transferred through a decision of Higher Planning Council. Offsetting can also be used when necessary as explained in the fiche for Duty Losses.*

- (10) **For each aid instrument, the eligible costs on which the aid is calculated should be specified (e.g. land, buildings, equipment, personnel, training, consultants fees, etc.):**

*Not Applicable*

- (11) Where there is more than one aid instrument, to what extent may a recipient cumulate several instruments: To what extent may the aid in question be cumulated with any other aid schemes in operation?

*Not Applicable*

- (12) Duration of aid scheme:

*Occasional*

- (13) Expenditure in 2005; estimated expenditure in 2006:

		Euro
Title Of Aid	2005	2006
<i>Capital Injection</i>	<i>26,857</i>	<i>42,966</i>
<i>TMO</i>	<i>0</i>	<i>0</i>
<i>TŞFAŞ</i>	<i>0</i>	<i>0</i>
<i>ÇAYKUR</i>	<i>0</i>	<i>0</i>
<i>TEKEL</i>	<i>0</i>	<i>0</i>
<i>TİGEM</i>	<i>26,857</i>	<i>25,609</i>
<i>EBUAS</i>	<i>0</i>	<i>17,357</i>

*Source: Undersecretariat of Treasury*

- (14) Other relevant data.

-

Subsidized Credit Scheme for Agricultural Sales Cooperative Unions

- (1) **Ministry or other administrative body with statutory responsibility for the scheme and its implementation:**

*Undersecretariat of Treasury*

- (2) **Title of aid scheme:**

*Subsidized Credit Scheme for Agricultural Sales Cooperative Unions (ASCUs)*

- (3) **Legal basis (attach a copy of the legal basis or the draft legal basis if available at the time of notification):**

*Decree No: 2005/8839*

- (4) **Level at which scheme is administered:**

*Central Government*

- (5) **Aim of scheme:**

*The Law No: 4572, aims the restructuring of ASCUs and describes the supports for this support as: debt write-offs, payment of severance/notice payments for excess workers, supports for the audit, consultancy, and other services, and credit support. The Decree No: 2005/8839 defines the rules and conditions for the subsidized credits to be provided from the Support and Price Stabilization Fund's Revolving Fund, to the ASCUs during their restructuring period. Other supports mentioned above were fully covered under the Agricultural Reform Implementation Project (ARIP).*

- (6) **Beneficiaries:**

*Final beneficiaries are the farmers, who are partners of ASCUs. ASCUs are borrowing from the Revolving Fund to finance their procurements from their partners. ASCUs are also eligible for short-term (6 months) working capital credits.*

- (7) **Other aid limitations or criteria:**

*The credits have been provided to the ASCUs according to their Business Plans. The magnitude of the Revolving Fund is the only other limitation, which is around 275.8 million Euro as of December 2005 excluding the accrued interest.*

- (8) **What are the instruments (or forms) of aid: (delete where Not Applicable)**

*Subsidized credits*

- (9) **For each instrument of aid a summary description of its rules and conditions of application should be given, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective criteria are fulfilled or whether there is an element of discretion by the awarding authorities:**

*The ASCUs use loans that are subsidized at 25 percent of the Ziraat Bank's current interest rate.*

- (10) **For each aid instrument, the eligible costs on which the aid is calculated should be specified (e.g. land, buildings, equipment, personnel, training, consultants fees, etc.):**

*Not Applicable*

- (11) **Where there is more than one aid instrument, to what extent may a recipient cumulate several instruments: To what extent may the aid in question be cumulated with any other aid schemes in operation?**

*Not Applicable*

- (12) **Duration of aid scheme.**

*The scheme is related with the restructuring period of ASCUs. As no specific time period is mentioned in the Law for restructuring, the studies are being carried according to the closing date of ARIP Loan, which is 31.12.2007.*

- (13) **Expenditure in 2005; estimated expenditure in 2006**

*For 2005/2006-business period of the ASCUs, an amount of 144 million Euro credits have been provided for the following ASCUs. Credits for 2006/2007 period will be taken into consideration once their business plans will be prepared (around June-August 2006)*

ASCU	Product	Credit (000 Euro)
ANTBİRLİK	Cotton	2,995
ÇUKOBİRLİK	Cotton	17,969
GÜNEYDOĞUBİRLİK	Pistachio	2,995
KARADENİZBİRLİK	Sunflower seeds	8,985
MARMARABİRLİK	Olive	29,949
TARIŞ İNCİRBİRLİK	Fig	6,289
TARIŞ ÜZÜMBİRLİK	Raisin	8,985
TARIŞ Z.YAĞIBİRLİK	Olive oil	29,949
TRAKYABİRLİK	Sunflower seeds	35,939
TOTAL		144,055

*Source: Undersecretariat of Treasury*

- (14) **Other relevant data.**

-

- (4) **Other aids for rural development and other aids for agriculture**  
**a. Aids in case of damages caused by natural disasters or exceptional occurrences**  
*Aid For Farmers Who Suffered From Natural Disasters*
- (1) **Ministry or other administrative body with statutory responsibility for the scheme and its implementation:**  
*Ministry of Agriculture and Rural Affairs*
- (2) **Title of aid scheme:**  
*Aid For Farmers Who Suffered From Natural Disasters*
- (3) **Legal basis (attach a copy of the legal basis or the draft legal basis if available at the time of notification)**  
*The Law Regarding Farmers Who Suffered From Natural Disasters (No: 1977/2090)*
- (4) **Level at which scheme is administered:**  
*Central Government*
- (5) **Aim of scheme**  
*To protect and compensate income of farmers that suffered from natural disasters.*
- (6) **Beneficiaries**  
*Producers who lose minimum 40 per cent of their agricultural existence because of natural disasters.*
- (7) **Other aid limitations or criteria**  
 -
- (8) **What are the instruments (or forms) of aid: (delete where Not Applicable)**  
*Direct grant*  
*Soft Loan*
- (9) **For each instrument of aid a summary description of its rules and conditions of application should be given, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective criteria are fulfilled or whether there is an element of discretion by the awarding authorities:**  
*Damage percentage is decided by Damage Determination Commissions, which are set up in provinces. When the commission decides on the damage percentage and amount of aid, this amount is paid to the farmer.*
- (10) **For each aid instrument, the eligible costs on which the aid is calculated should be specified (e.g. land, buildings, equipment, personnel, training, consultants fees, etc.):**  
*Damaged equipment, harvest and farm animals.*
- (11) **Where there is more than one aid instrument, to what extent may a recipient cumulate several instruments: To what extent may the aid in question be cumulated with any other aid schemes in operation?**  
*There is no cap determined for state aids implemented in Turkey but for some exceptional cases where some specific rules are imposed for particular aids.*

*Those not insured under the Law No. 5363, cannot benefit from state aid available under the Law No. 2090*

**(12) Duration of aid scheme.**

*No time limit*

**(13) Expenditure in 2005; estimated expenditure in 2006**

	<i><b>2005</b></i>	<i><b>2006</b></i>
<i><b><u>Type of Expenditure</u></b></i>	<i><b>Budget (000 Euro)</b></i>	<i><b>Expected Budget (000 Euro)</b></i>
<i>Farmers Direct Grant</i>	<i>314</i>	<i>294</i>

*Source: Ministry of Agriculture and Rural Affairs*

**(14) Other relevant data.**

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**b. Aids for fight against animal or plant diseases**

Supporting Plant and Animal Health

- (1) **Ministry or other administrative body with statutory responsibility for the scheme and its implementation:**

*Ministry of Agriculture and Rural Affairs*

- (2) **Title of aid scheme:**

*Supporting Plant and Animal Health*

- (3) **Legal basis (attach a copy of the legal basis or the draft legal basis if available at the time of notification)**

- *Communiqué On Supporting the Certificated Seeds And Plant with Supporting The Alternative Products Where The Potato Papilloma Appears (No: 2005/20)*
- *Decree on Support for Animal Husbandry (No: 2005/8503)*

- (4) **Level at which scheme is administered:**

*Central Government*

- (5) **Aim of scheme**

- *To improve plant and animal health*
- *To prevention of contamination of diseases*
- *To ensure consumption of healthy food*

- (6) **Beneficiaries**

*Plant producers and animal breeders*

- (7) **Other aid limitations or criteria**

*The related activities for the plant health are as follows :*

*1- Fight Against Plant Diseases And Pests*

*MARA carries out some disinfection measures in order to prevent plant diseases and pests. Farmers do not pay any fee for these services. All of the expenditures are covered under the budget of MARA.*

*2- Fight Against Sun Pest*

*MARA carries out some disinfection measures (particularly wheat areas) in order to prevent sun pest. Farmers do not pay any fee for these services. All of the expenditures are covered under the budget of MARA.*

*3- Supporting Alternative Products Where Potato Papilloma Appears.*

*This support is implemented in Giresun, Ordu, Niğde and Nevsehir provinces and started in 2005. In these provinces, farmers are compensated for the alternative production including oil seeds, cereals, protein crops, fodders, orchards or vineyards, whenever the disease appears in an area (A farmer should be registered with NFRS to be eligible for the support).*

*For annual plants:*

- *For Oil Seeds: 75 YTL/da (45 Euro/da)*
- *For Fodders: 60 YTL/da (36 Euro/da)*
- *Cereals + Protein Crops : 40 YTL/da (24 Euro/da)*

*For multi annual plants:*

- *Fodders : 200 YTL/da (120 Euro/da)*
- *Orchards or vineyards : 340 YTL/da (204 Euro/da)*

*Supporting holdings animal disease-free regions*

- *Premium of Healthy Cattle: 50 YTL/head (30 Euro/head) (currently only in Trace region)*

*Supporting Fight Against Animal Diseases*

- *If more than 80 per cent of cattle population is vaccinated for Foot and Mouth Disease (FMD) in a village, 75 Ykr/head (45 Eurocents/head) support is available for vaccinated animal*
- *If more than 80 per cent of sheep/goat population is vaccinated for FMD in a village, 50Ykr/head (30 Eurocents/head) support is available for vaccinated animal*
- *If less than 80 per cent of cattle population is vaccinated for FMD in a village, 50Ykr/head (30 Eurocents/head) support is available for vaccinated animal*
- *If less than 80 per cent of sheep/goat population is vaccinated for FMD in a village, 25Ykr/head (15 Eurocents/head) support is available for vaccinated animal*
- *For Cattle Brucellosis (S-I9 Young) : 1 YTL/head (60 Eurocents/head)*
- *For Sheep Brucellosis (Rev-1 Young) : 50 Ykr/head (30 Eurocents/head)*
- *For PPR, Sheep-Goat Variola, Anthrax : 25 Ykr/head (15 Eurocents/head)*

**(8) What are the instruments (or forms) of aid: (delete where Not Applicable)**

*Direct grant*

**(9) For each instrument of aid a summary description of its rules and conditions of application should be given, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective criteria are fulfilled or whether there is an element of discretion by the awarding authorities:**

*For potato papilloma: Application Form and Alternative Product Support Form are required*

*For others: implementation or other relevant forms (such as MARA's provincials report or veterinarian report) are required.*

**(10) For each aid instrument, the eligible costs on which the aid is calculated should be specified (e.g. land, buildings, equipment, personnel, training, consultants fees, etc.):**

*As explained above.*

- (11) Where there is more than one aid instrument, to what extent may a recipient cumulate several instruments: To what extent may the aid in question be cumulated with any other aid schemes in operation?**

*There is no cap determined for state aids implemented in Turkey but for some exceptional cases where some specific rules are imposed for particular aids. Those cases are explained in related fiches.*

- (12) Duration of aid scheme.**

*Not specified*

- (13) Expenditure in 2005; estimated expenditure in 2006**

	<b>2005</b>	<b>2006</b>
<b><u>Type of Expenditure</u></b>	<i>Budget (000 Euro)</i>	<i>Expected Budget (000 Euro)</i>
<i>Fight Against Plant Diseases And Pests</i>	<i>1,168</i>	<i>1,624</i>
<i>Fight Against Sun Pest</i>	<i>5,990</i>	<i>5,207</i>
<i>Supporting Alternative Products Where The Potato Papilloma Appears.</i>	<i>8,985</i>	<i>11,198</i>
<i>Supporting holdings that do not have the endurance against animal disease</i>	<i>42</i>	<i>39</i>
<i>Supporting Fight Against Animal Diseases</i>	<i>48</i>	<i>45</i>
<b>TOTAL</b>	<b>16,233</b>	<b>18,113</b>

*Source: Ministry of Agriculture and Rural Affairs*

- (14) Other relevant data.**

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**c. Aids for insurance policies in case of natural disasters and other events**

Agricultural Insurance Premium Support

- (1) **Ministry or other administrative body with statutory responsibility for the scheme and its implementation:**

Ministry of Agriculture and Rural Affairs

*Responsibilities:*

- *implementation of the scheme*
- *supervision of all operations other than insurance*

Undersecretariat of Treasury

*Responsibilities:*

- *determining rules applicable to insurance contracts*
- *supervision of insurance operations*

- (2) **Title of aid scheme:**

*Agricultural Insurance Premium Support*

- (3) **Legal basis (attach a copy of the legal basis or the draft legal basis if available at the time of notification)**

*Law on Agricultural Insurance, No: 2005/5363*

- (4) **Level at which scheme is administered:**

*Central Government (regulation and supervision)*

- (5) **Aim of scheme**

*To provide insurance cover for agricultural, livestock, farm fish products, and agricultural constructions and equipments against natural disasters.*

- (6) **Beneficiaries**

*Producers dealing with agricultural, livestock, farm fish production.*

- (7) **Other aid limitations or criteria**

*Those who want to benefit should sign an insurance contract with participating companies.*

- (8) **What are the instruments (or forms) of aid: (delete where Not Applicable)**

*Direct grant: Government subsidy, the amount of which is to be determined by the Council of Ministers, for the premiums to be paid by the insured.*

- (9) **For each instrument of aid a summary description of its rules and conditions of application should be given, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective criteria are fulfilled or whether there is an element of discretion by the awarding authorities:**

*Basically, the system is based on an insurance pool composed of voluntary participation by insurance companies licensed in agriculture branch. Insurance companies are obliged to cede the premiums and the risk to the pool operated by a private company to be founded by the participating insurance companies.*

*Although the law enumerates basic risks (such as natural hazards, drought, frost, hail, storm; diseases affecting livestock, e.t.c), the Council of Ministers is entitled to extend the coverage to other important risks threatening agricultural production, and to decide whether a specific agricultural product, livestock, farm fish production and agricultural constructions and equipments would be covered for a specific peril.*

*The Council of Ministers is also entitled to determine the amount of government subsidy for the premiums payable by the insured.*

- (10) For each aid instrument, the eligible costs on which the aid is calculated should be specified (e.g. land, buildings, equipment, personnel, training, consultants fees, etc.):**

*Net insurance premium (net of taxes and other duties) to be paid under the insurance contract.*

- (11) Where there is more than one aid instrument, to what extent may a recipient cumulate several instruments: To what extent may the aid in question be cumulated with any other aid schemes in operation?**

*There is no cap determined for state aids implemented in Turkey but for some exceptional cases where some specific rules are imposed for particular aids. Those cases are explained in related fiches.*

- (12) Duration of aid scheme.**

*Not specified*

- (13) Expenditure in 2005; estimated expenditure in 2006**

*Not Applicable for 2005.*

*Estimated expenditure in 2006: Although the estimated expenditure will depend on the applications, the total amount of funds allocated is 112 Million Euro.*

- (14) Other relevant data.**

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**d. Start up for producer organization**

*Social Assistance Support in Rural Areas*

**(1) Ministry or other administrative body with statutory responsibility for the scheme and its implementation:**

*Ministry of Agriculture and Rural Affairs*

*Social Assistance And Encourage The Solidarity Fund (SAESF – SYDTF)*

**(2) Title of aid scheme:**

*Social Assistance Support in Rural Areas*

**(3) Legal basis (attach a copy of the legal basis or the draft legal basis if available at the time of notification)**

- *By-law on Credits for Agricultural Cooperatives (Official Gazette no: 24474 dated 26.7.2001)*

- *The related Protocol between MARA and SAES Fund*

**(4) Level at which scheme is administered:**

*Central Government*

**(5) Aim of scheme**

- *To support the generation of alternative income and employment opportunities for poor producer who lives in rural areas*

- *To provide social assistance for poor producer*

**(6) Beneficiaries**

*Poor producers who live in rural areas (who have no social security protection and salary)*

**(7) Other aid limitations or criteria**

*Producers should set up a cooperative. These cooperatives should deal with;*

- *Dairy Cattle Breeding (100 family X 2 heads dairy cattle per family)*

- *Sheep Breeding (50 family X 25 heads sheep per family)*

- *Greenhouses (100 family X 500 m<sup>2</sup> greenhouse per family)*

*The cooperative must apply to provincial branch of MARA and select a cooperative subject (which are listed above).*

*If the applications are approved after the MARA controller's inspections, SAES Fund supports each approved cooperative, according to the application order of the cooperatives while taking the SAES Fund budget resources into account.*

**(8) What are the instruments (or forms) of aid: (delete where Not Applicable)**

*Soft Loan (100 percent of the expenditure is provided as soft loan by SAES Fund)*

- *Total 5 years maturity*

- *Joint liability of each member of cooperatives*

- *Two years grace period*

- *No interest*

- (9) For each instrument of aid a summary description of its rules and conditions of application should be given, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective criteria are fulfilled or whether there is an element of discretion by the awarding authorities:

*Rules and conditions are explained above.*

- (10) For each aid instrument, the eligible costs on which the aid is calculated should be specified (e.g. land, buildings, equipment, personnel, training, consultants fees, etc.):

*Land, barn, pen, agricultural equipment, livestock and green house*

- (11) Where there is more than one aid instrument, to what extent may a recipient cumulate several instruments: To what extent may the aid in question be cumulated with any other aid schemes in operation?

*There is no cap determined for state aids implemented in Turkey but for some exceptional cases where some specific rules are imposed for particular aids.*

*The Protocol requires that the beneficiaries of this aid shall not cumulate with the one under the Scheme "Support for Animal Husbandry and Greenhouse Cooperatives".*

- (12) Duration of aid scheme.

*2004-2009*

- (13) Expenditure in 2005; estimated expenditure in 2006

	<b>2005</b>	<b>2006</b>
<b><u>Type of Expenditure</u></b>	<i>Budget</i> (000 Euro)	<i>Expected Budget</i> (000 Euro)
<i>Cooperative Supports</i>	74,873	69,989

*Source: Ministry of Agriculture and Rural Affairs*

- (14) Other relevant data.

*As of end of 2005, 398 cooperatives and its members (approximately 35,000 families) were supported within this scheme*

Support for Animal Husbandry and Greenhouse Cooperatives

- (1) **Ministry or other administrative body with statutory responsibility for the scheme and its implementation:**

*Ministry of Agriculture and Rural Affairs*

- (2) **Title of aid scheme:**

*Support for Animal Husbandry and Greenhouse Cooperatives*

- (3) **Legal basis (attach a copy of the legal basis or the draft legal basis if available at the time of notification)**

*By-law on Credits for Agricultural Cooperatives (Official Gazette no: 24474 dated 26.7.2001)*

- (4) **Level at which scheme is administered:**

*Central Government*

- (5) **Aim of scheme**

*To support the producer organizations and to increase producers' income*

- (6) **Beneficiaries**

*Producers who want to establish cooperative*

- (7) **Other aid limitations or criteria**

*Producers must set up a cooperative. These cooperatives should deal with;*

- *Pure Bred Cattle Breeding*
- *Dairy Cattle Breeding*
- *Beef And Veal*
- *Sheep Breeding*
- *Apiculture (Beekeeping)*
- *Greenhouses*

*The cooperative must apply to provincial branch of MARA and select a cooperative subject (which are listed above).*

*If the applications are approved after the MARA controller's inspections, MARA supports each approved cooperative, according to the application order of the cooperatives while taking the related MARA budget resources into account.*

- (8) **What are the instruments (or forms) of aid: (delete where Not Applicable)**

*Soft Loan (80 percent of the expenditure is provided as soft loan by MARA, the rest is covered by co financing)*

- *Total 7 years maturity*
- *Joint liability of each member of cooperatives*
- *At the end of the first year, only interest's back payment*
- *At the end of the second year, interest + capital*
- *Interest rate: 50 percent of agricultural credits, which is enforced by the Ziraat Bank.*



- (9) For each instrument of aid a summary description of its rules and conditions of application should be given, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective criteria are fulfilled or whether there is an element of discretion by the awarding authorities:

*Rules and conditions explained above.*

- (10) For each aid instrument, the eligible costs on which the aid is calculated should be specified (e.g. land, buildings, equipment, personnel, training, consultants fees, etc.):

*Land, barn, pen, agricultural equipment, livestock and green house*

- (11) Where there is more than one aid instrument, to what extent may a recipient cumulate several instruments: To what extent may the aid in question be cumulated with any other aid schemes in operation?

*There is no cap determined for state aids implemented in Turkey but for some exceptional cases where some specific rules are imposed for particular aids.*

*The beneficiaries of this aid shall not cumulate with the one under the Scheme "Social Assistance Support in Rural Areas".*

- (12) Duration of aid scheme.

*Not specified*

- (13) Expenditure in 2005; estimated expenditure in 2006

	<b>2005</b>	<b>2006</b>
<b><u>Type of Expenditure</u></b>	<i>Budget (000 Euro)</i>	<i>Expected Budget (000 Euro)</i>
<i>Cooperative Supports</i>	53,908	50,392

*Source: Ministry of Agriculture and Rural Affairs*

- (14) Other relevant data.

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**e. Aids for research and development**

*Support for Research and Development Projects*

- (1) Ministry or other administrative body with statutory responsibility for the scheme and its implementation:**

*Ministry of Agriculture and Rural Affairs (General Directorate of Agricultural Researches)*

- (2) Title of aid scheme:**

*Support for Research and Development Projects*

- (3) Legal basis (attach a copy of the legal basis or the draft legal basis if available at the time of notification)**

*- The Communiqué of Support for Research and Development Projects (No: 2005/27)*

- (4) Level at which scheme is administered:**

*Central Government*

- (5) Aim of scheme**

*To provide support for agricultural R&D studies*

- (6) Beneficiaries**

*Individual or legal entity researchers*

- (7) Other aid limitations or criteria**

*The project must be an agricultural R&D project.*

*It is preferred that the project contains a kind of cooperation of private sector or NGO.*

*Expenditures that are offered for support should not cover vehicle, building or construction type of titles.*

- (8) What are the instruments (or forms) of aid: (delete where Not Applicable)**

*Direct grant*

- (9) For each instrument of aid a summary description of its rules and conditions of application should be given, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective criteria are fulfilled or whether there is an element of discretion by the awarding authorities:**

*Researcher proposes a project fiche to MARA. The Evaluation Committee that is set up by MARA does the necessary assessment of the projects.*

*If the Committee approves the project, then it is reported to MARA and MARA supports the project according to the budgetary means.*

- (10) For each aid instrument, the eligible costs on which the aid is calculated should be specified (e.g. land, buildings, equipment, personnel, training, consultants fees, etc.):**

*Laboratory equipments and chemicals, software, hardware, stock, seed etc.*

- (11) Where there is more than one aid instrument, to what extent may a recipient cumulate several instruments: To what extent may the aid in question be cumulated with any other aid schemes in operation?**

*There is no cap determined for state aids that are implemented in Turkey but for some exceptional cases where some specific rules are imposed for particular aids. Those cases are explained in related fiches.*

- (12) Duration of aid scheme.**

*2005-2010*

- (13) Expenditure in 2005; estimated expenditure in 2006**

	<b>2005</b>	<b>2006</b>
<b><u>Type of Expenditure</u></b>	<i>Budget (000 Euro)</i>	<i>Expected Budget (000 Euro)</i>
<i>Direct Grant</i>	898	1,680

*Source: Ministry of Agriculture and Rural Affairs*

- (14) Other relevant data.**

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## **f. Other aids**

### *Land Consolidation and Parceling Activities*

- (1) Ministry or other administrative body with statutory responsibility for the scheme and its implementation:**

*Ministry of Agriculture and Rural Affairs (General Directorate of Agricultural Reform- GDAR)*

- (2) Title of aid scheme:**

*Land Consolidation and Parceling Activities*

- (3) Legal basis (attach a copy of the legal basis or the draft legal basis if available at the time of notification)**

*The Law of Agricultural Reform on Land Distribution In Irrigable Areas (No: 1984/3083)*

- (4) Level at which scheme is administered:**

*Central Government and Regional*

- (5) Aim of scheme**

- *To increase the average size of holdings via land consolidation*
- *To prevent the fragmentation of agricultural areas.*

- (6) Beneficiaries**

*Farmers or villagers who wants to participate in consolidation and parceling programs.*

- (7) Other aid limitations or criteria**

*When the farmers/villagers apply to General Directorate of Agricultural Reform for land consolidation, the Directorate proceeds a survey in these areas and reports the results to MARA. If these areas are found suitable for land consolidation (if GDAR and MARA approve) MARA prepares a Decree of Council of Ministers. After that these areas are declared as Agricultural Reform Area.*

*Areas are examined in the context of:*

- Land registration*
- Irrigation situation*
- Public (treasury) land existence*
- Amount of grassland*
- Fragmentation level*

- (8) What are the instruments (or forms) of aid: (delete where Not Applicable)**

*Soft loan: if the farmer/s are entitled for some agricultural land that is owned by treasury, they pay for that piece of land within a 10 years period, with equal installments, with no interest rate applied.*

- (9) For each instrument of aid a summary description of its rules and conditions of application should be given, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective**

**criteria are fulfilled or whether there is an element of discretion by the awarding authorities:**

- *Voluntary farmer application is required to get the program started.*
- *Survey, consolidation and parceling expenditures are provided by Central Government.*
- *If the farmers are entitled for some agricultural land that is owned by treasury, they pay for that piece of land within a 10 years period, with equal installments, with no interest rate applied.*

- (10) For each aid instrument, the eligible costs on which the aid is calculated should be specified (e.g. land, buildings, equipment, personnel, training, consultants fees, etc.):**

*Land*

- (11) Where there is more than one aid instrument, to what extent may a recipient cumulate several instruments: To what extent may the aid in question be cumulated with any other aid schemes in operation?**

*Not Applicable*

- (12) Duration of aid scheme.**

*No time limit (each project takes approximately 3 years)*

- (13) Expenditure in 2005; estimated expenditure in 2006**

*The total amount of farmers' debt caused by treasury land purchase, appears at the end of the project. Since those issues are held after the end of the program, there is no regular and aggregate statistics illustrating the value of those treasury lands.*

- (14) Other relevant data.**

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