



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 12 July 2013

**12105/1/13
REV 1**

**AGRI 464
VETER 63**

REVISED NOTE

from :	General Secretariat
to :	Delegations

Subject :	Economic consequences to the Cyprus poultry sector due to the occurrence of Newcastle Disease
	- Requested by the Cyprus delegation

Delegations will find attached an information note from the Cyprus delegation to be dealt with under "Any other business" at the Council (Agriculture and Fisheries) on 15 July 2013.

Cyprus would like to inform the Council about the considerable damage and heavy losses incurred by its domestic poultry industry as a result of the recent outbreak of Newcastle's disease on the island. It is now confirmed that the disease was transferred to the island via the occupied territories in the northern part of Cyprus.

As always happens in cases of sudden outbreak of serious animal diseases, the damage is twofold: it comes first from the need to contain and eradicate the disease by isolating infected farms and killing/destroying sick animals and second from the loss of consumer confidence, magnified by bad publicity and excessive fear about the safety of consuming the products in question.

The disease was first detected in a broiler fattening farm in the Kokkinotrimithia village area, which is located adjacent to territory not under the official control of the government of the Republic of Cyprus. The contingency plan as foreseen by Directive 92/66/EK for combating the Newcastle Disease was immediately put in place and the farm was put under strict quarantine and all its birds were culled and destroyed. Restrictions on the movement of animals were imposed on all farms included in the 3 and 10 kilometers protection and surveillance zones. Further to the poultry which have died due to the disease, a total of 190.000 birds have been stamped out and destroyed until now. Consumption of poultry meat dropped very soon by an estimated 30%, causing heavy additional economic damage to the industry.

The crisis was soon felt by breeding and hatchery farms which saw their orders from the affected farms being cancelled. Some 90.000 day-old chicks and an equal number of hatching eggs were destroyed and an additional 350.000 hatching eggs were put into longer term refrigeration and will probably have to be discarded very soon. Due to the reduced demand, hatchers report that a considerable share of their breeding hen stock will have to be euthanized in the middle rather than at the end of the normal production cycle of about 65 weeks.

For the EU as a whole these figures about lost birds and loss of sales may seem negligible and they are so indeed. But for a small country like Cyprus these same numbers amount to heavy losses that put the sector under a lot of pressure. In fact, for our poultry producers this is a real disaster which weakens the sector considerably, as it comes on top of the recent difficulties due to the banking crisis and the lack of working capital and over and above the problems caused by excessive feeding stuff prices in recent months. In view of these additional factors and of the resulting heavy economic exposure of many farms, it is very likely that a considerable number of producers will finally decide to cease production and to exit the market causing even more serious problems to the sector and to the economy as a whole.

This is why we ask for the Council's solidarity. Cyprus alone cannot provide any further assistance to affected farms. We already have difficulty to cover our 50% share of the expenditure incurred to contain the disease. We believe that additional help to cover the cost for the containment of the disease is justified for the reason that the authorities of the Republic of Cyprus do not bear responsibility for the outbreak of the disease which was transferred from the areas not under official veterinary control.

For all these reasons we request the Commission to examine very carefully in what way or ways Cyprus could be helped to deal with this situation.