Techno economic analysis of organic vines productions and perspectives; 
The case of Cyprus

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The organic farming constitutes one of the main axes of sustainable agriculture. The promotion and support by the EU aims at a wide distribution in all member states with the goal to protect the European consumers, the natural environment and the sustainable management of natural resources. It requires specialized knowledge, continuous control, implementation of strict rules of production, while it is a long-term process (usually 3 years) for the transition from the conventional stage into organic agriculture. During the transition process the producer is monitored by the certification body and has loss of income which is reimbursed under the form of incentives (subsidies).

This study focuses on the techno-economical analysis of organic vines produced for wine making in Cypriot Agriculture. The aim of the study is to analyze the primary data that were collected from the producers as well as to create techno-economical data, which are useful for the evaluation of the investments and for the determination of the Agricultural Policy by the responsible institutions and governmental policy makers.

Organic production has been developed to a considerable extent as from 2002 up to 2007 (Agricultural Statistics 2002-2006). The Rural Development Plan (RDP) gave a big boost to the organic agriculture mainly because of the subsidies that were granted for the transition from the conventional farming into organic (subsidy during transition). Consumers interest for the way under which products are produced increases constantly because of the development of consuming culture which in turn leads to the increase in demand of safe and premium quality standards (Torjusen et al 2001). Organic vines are one of the main products organically produced in Cyprus, mainly for wine. The results of the study have indicated that organic vines, as a new form of agriculture in the island, need to be supported from both technical and economical view. The decreased yield is compensated from high prices and low operational cost while the subsidies from the RDP create positive economic results for the specific cultivation. As far as the organic production is concerned, the results of the study stimulated that the transition from conventional into organic agriculture is a high cost business decision. However, the high prices of the organic products along with the incentives-subsidies constitute organic agriculture an attractive activity. Market trends show that the development of organic agriculture will continue (Adamides et al 2006) and that Cyprus has the potential to reach a higher production level of organic products. It is concluded though that without government support organic farming has limited chance to be a viable activity. The absence of know how and technology in the production process and the small scale farms minimize the marginal profit for the producers. Therefore there is a need for supporting the organic agriculture at its first steps while at the same time makes it seem very attractive for producers. The market trends indicate that the development of the Organic Agriculture will increase rapidly in the near future. Cyprus has the potential of creating a well founded Organic Production but still need to be pillowed by the policy makers and the Research (ARI) in order to develop its comparative advantages and be able to stand self developed in the sector of agriculture.