

# G R E E C E

## COMMON AGRICULTURAL POLICY

The Common Agricultural Policy (CAP) is Europe's answer to the need for a decent standard of living for 12 million farmers and a stable, varied and safe food supply for its 500 million citizens. It strengthens the competitiveness and sustainability of EU agriculture by providing direct payments and market measures to farmers and finances programmes for the development of rural areas in the EU.

### Investing in Greece's Agriculture: 2014-2020

During the next 7 years, the new CAP is going to invest **more than EUR 19.5<sup>1</sup> billion** in Greece's farming sector and rural areas. Key political priorities have been defined at European level such as: jobs, sustainability, modernisation, innovation and quality. In parallel, flexibility is given to Greece to adapt both direct payments and rural development programmes to its specific needs.

#### *Fairer and greener direct payments*

The new direct payments are to be **distributed in a fairer way** between Member States, regions and between farmers, putting an end to 'historical references'. The budget available for **direct payments in Greece** will be around **EUR 15.4 billion**.

Only farmers **currently active** will benefit from income-support schemes and **young farmers** will be strongly encouraged to set up in business, with the introduction of a new 25% aid supplement during the first 5 years in addition to already existing measures.

Greek farmers will take simple, proven measures to promote sustainability and combat climate change with the support of the CAP. 30% of direct payments will be linked to three environmentally-friendly farming practices: crop diversification, maintaining permanent grassland and conserving 5% of areas of ecological interest or measures considered to have at least equivalent environmental benefit.

#### *Market measures to strengthen position of farmers in the food supply chain*

To improve the balance of the food supply chain in Greece, new instruments will be dedicated to farmers, enabling them to get better organised and to market their products better. Professional and interprofessional organisations will be strengthened.

#### *Supporting key priorities for Greece's rural development*

For 2014-2020, Greece has been allocated **more than EUR 4 196<sup>2</sup> million for measures benefiting its rural areas**. This will be spent in accordance with well-defined priorities set out in the so-called "rural development programme" (RDP).

The **new Programme** will focus on the following **main objectives**:

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<sup>1</sup> Total allocation of Direct Payments and Rural Development for the period 2014-2020 (in current prices).

<sup>2</sup> This amount does not take into account EUR 28 million that will be transferred from the national restructuring programmes for the cotton sector to the rural development allocation.

- Improving competitiveness of the agricultural sector,
- Preserving ecosystems and an efficient use of natural resources, while fighting against climate change
- Offer employment opportunities in rural areas.
- Promote innovation across all activities in the RDP

## Key achievements: 2007 - 2013

Since 2007 the CAP has invested **more than EUR 19.5<sup>3</sup> billion in Greece's farming sector and rural areas** with the objective of stabilizing farmers' income, modernising and increasing the sustainability of Greek farms and securing the supply of safe, affordable and quality food for its citizens.

### *Greece's farmers benefit from direct payments*

In 2012 Greece spent **over EUR 2 315 million on direct payments**, benefitting some **727 000 beneficiaries**, 81,4% of whom received a payment below EUR 5 000.

### *Activating the potential of key agricultural sectors*

On **market measures** the EU spent in 2012 **around EUR 66 997 million** in Greece. The biggest share went to **food programmes**, as well as to the **fruit and vegetables, olive oil** and **wine** sectors.

### *Fostering sustainable growth and jobs in Greece's rural areas*

The Greek strategy for EU support on rural development, during the current programming period, focuses on four key objectives:

- To maintaining and improve **competitiveness** in agriculture, forestry and the agri-food sector;
- To protect the **environment** and to manage sustainably its natural resources;
- To improve the **quality of life in rural areas** and to encourage diversification of the rural economy;
- To create local capacity for **employment** in rural areas.

The injection of **public resources** into the **farming** sector had important **multiplier effects**, and played a **key role in attenuating the effects of market fluctuations, reducing environmental pressures** and **facilitating generational renewal** in the farming sector in Greece.

In concrete terms, since 2007 Rural Development funds have helped Greece to:

- Set up more than **8132 young farmers**,
- Record more than **12155 additional tourist visitors /per day** as a result of EAFRD interventions.
- Support more than **80305 holdings farm investments**, including those located in mountain or other less favoured areas and areas affected by specific handicaps.
- Provide support to more than **10034 holdings in Natura 2000 areas**
- Invest more than **EUR 37 million for the modernization of agricultural holdings and agricultural and forestry products.**

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<sup>3</sup>Total expenditure for Direct Payments, Market Measures and Rural Development (payments) for the period 2007-2013 (in current prices).

## Examples of Rural Development projects supported by the CAP

### **Milk and Dairy Products Plant in the Region of Thessaly**

This project aims to modernize the infrastructure and production lines of the milk plant owned by the Association of Agricultural Cooperatives of Volos (Region of Thessaly). It includes reconstruction of new buildings with the appropriate equipment for collection, pasteurization, storage and packaging of milk.

*Total cost: EUR 6.14 million (EU contribution: EUR 2.54 million)*

[www.evol-easvolou.gr](http://www.evol-easvolou.gr)

### **Vineyards of Santorini (SANTO)**

The goal of the project is to preserve the historic winemaking practices of Santorini, an island of volcanic origin in the Aegean Sea. The project will contribute also to the preservation of Santorini's special ecosystem, the protection of its indigenous vineyard and unique grape varieties, as well as to the fight against soil erosion.

*Total cost: EUR 2.96 million (EU contribution: EUR 2.5 million)*

[www.santowines.gr](http://www.santowines.gr)

### **Establishment of Company for Olive Oil Soap in Chania**

This project consisted in the creation of a sustainable manufacturing company of soap based on organic olive oil, located in the Chania region of Crete. The project also aims to improve the energy efficiency of the production, to avoid hazardous toxic waste to the environment and to give new opportunities for growth and job creation.

*Total cost: EUR 17 200 (EU contribution: EUR 6 650)*

<http://fisikashop.com>

### **Nanotechnology in the Production of Pottery**

This innovative project aims to expand the business of high quality pottery production through the use of nanotechnology. The project involves a company, which is a member of the Potters Network for the Municipality of Heraklion, in Crete and is funded and established under Leader+.

*Total cost: EUR 116 361 (EU contribution: EUR 46 545)*

<http://www.minoanpottery.gr>

### **Relocation and Modernisation of Honey-Making Company in Attica**

Environmental benefits, as well as production optimization, will derive from waste treatment and energy efficiency of new modern buildings and equipment (for processing raw materials and for producing and packaging honey) supported by this project. The project aims to relocate a leading company (originally a small family business in 1928) in the production of high quality honey.

*Total cost: EUR 3.2 million (EU contribution: EUR 1.43 million)*

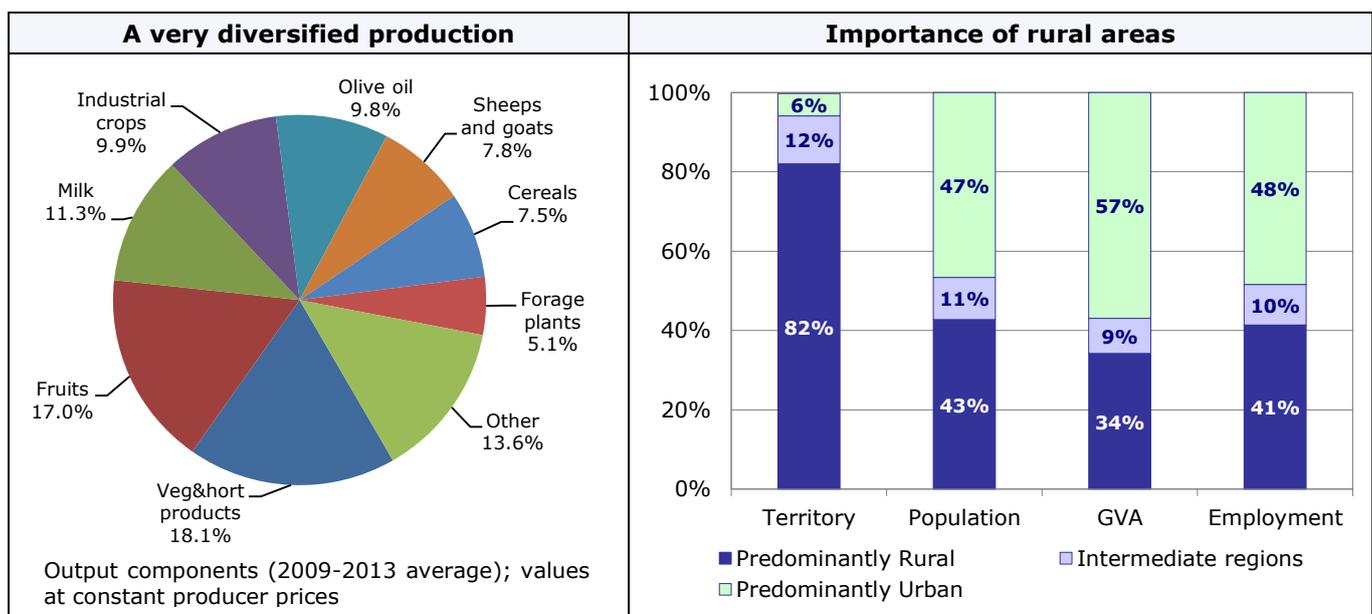
<http://www.attiki-pittas.gr>

## GREEK AGRICULTURE AT A GLANCE

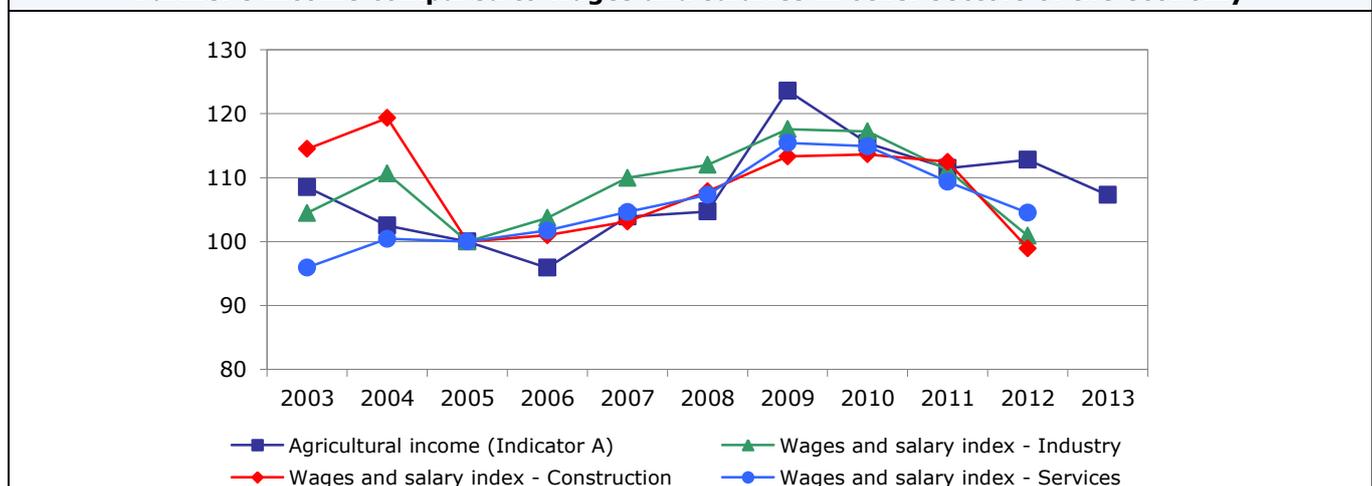
The primary sector accounts for **3.3% of the country's economy (total GVA)** and for **12.2% of total employment**. This is higher than the European average both in economic terms (1.7% in EU-27) and employment (5.2% in EU-28).

Greece's 723 060 holdings are **predominantly small**: indeed, 52% of holdings have less than 2 hectares.

The **age structure of the farming community is on average older than in the EU-28**: in Greece only 6.9% of farmers are under 35 years old (7.5% in EU-28), while 33% are older than 64 (30% in EU-28).



### Farmer's income compared to wages and salaries in other sectors of the economy



### What do the Greeks think of the CAP?

According to the most recent Eurobarometer of end-2013, **almost 82% of the Greece's correspondents consider that the financial support given by the EU through the CAP is either enough or too low (8% consider it "too high")**. The main explanations offered are that "financial aid to farmers makes it possible to guarantee the food supply" (49%), the need to "ensure production of food while protecting the environment" (42%) and that agriculture requires heavy human and financial investments (40%).

Data sources: Eurostat and Rural Development Report 2013.