



GREECE

CAP IN YOUR COUNTRY

The **Common Agricultural Policy (CAP)** is Europe's answer to the need for a decent standard of living for 22 million farmers and agricultural workers and a stable, varied and safe food supply for its 500 million citizens. As a common policy for all 28 EU countries, the CAP strengthens the competitiveness and sustainability of EU agriculture by providing Direct Payments aimed at stabilising farm revenues and finances projects responding to country-specific needs through national (or regional) Rural Development Programmes, which also cover the wider rural economy.

The CAP also provides a range of market measures, including tools to address market difficulties, and other additional elements such as quality logos or promotion for EU farm products, which complete CAP action to support farmers. The CAP budget fixed for the period from 2014-2020 provides a total of EUR 408.31 billion in EU funds with EUR 308.73 billion intended for Direct Payments and market measures (the so-called First Pillar) and EUR 99.58 billion for Rural Development (the so-called Second Pillar).



- covers an area of **131 621 km²** of which **50% is forest**.
- has a total **population** of almost 11 million of which nearly half live in rural areas.
- is characterised by an agriculture with **small-scale structures** where farming is difficult - 78% of the total Utilised Agricultural Area (UAA) is classified as area facing **natural constraints**, and 53.9% is in mountainous regions. Irrigated land accounts for 19.8% of the UAA and 86% of water use in Greece is consumed in agriculture, often with considerable water losses. Some 3.8% of farmland is dedicated to organic farming.

INVESTING

in Greece's agriculture 2014-2020



In the period to 2020, the new CAP is going to invest **more than EUR 19.6¹ billion** in Greece's farming sector and rural areas. Key political priorities have been defined at European level such as: jobs and growth, sustainability, modernisation, innovation and quality. At the same stage, flexibility is given to Greece to adapt both Direct Payments and Rural Development Programmes to its specific needs.

Fairer and greener direct payments

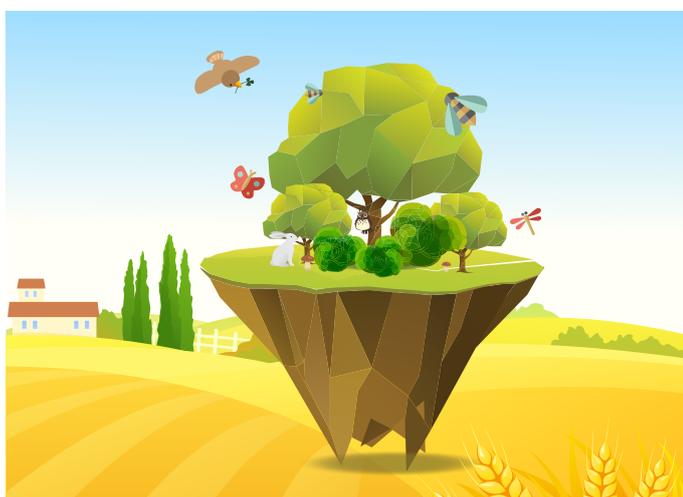
The new Direct Payments are to be distributed in a fairer way between Member States, and between farmers within the same Member State, putting an end to allocations on the basis of "historical references". Given the difficulties of such re-distribution, Member States also have more flexibility to take into account specific sectors in particular regions. The budget available for Greek farmers in the form of Direct Payments is around **EUR 14.9 billion**.

A key change in the new CAP is the application of new '[Greening](#)' rules, in order to highlight the benefits farmers provide to society as a whole on issues such as climate change, biodiversity loss and soil quality. Under this system, 30% of the

Direct Payment envelope, paid per hectare, is 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.

Since 2015, Greece applies the [Basic Payment Scheme \(BPS\)](#) and makes a division between 3 regions: grazing areas, arable land and permanent crops. The small farmers benefit from a flat-rate simplified system of support (the Small Farmers Scheme), with a maximum of EUR 1 250 support per farmer: this scheme reduces the administrative burdens for small farmers, lessens the controls on [cross-compliance](#) and exempts them from greening rules. The Greek authorities have decided to earmark 7.42% in 2015 to 8% in 2019 of the Direct Payments envelope for voluntary coupled support (targeting mainly sheep and goats, beef and veal and fruit and vegetables). With the goal of achieving a **fairer distribution of the support**, the amounts of Direct Payments for the largest beneficiaries will be capped at EUR 150 000.

Other changes introduced in the 2013 CAP reform include stricter rules on **active farmers** eligible for Direct Payments and a new 25% aid supplement for **young farmers** for the first 5 years, in addition to already existing installation grants.



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



Farmers at the heart of the food supply chain

To improve the balance of the food supply chain in Greece, EU instruments and measures (such as [Producer Organisations](#) support) help farmers to get better organised and to market their products better.

Moreover, the EU organic logo helps consumers choose food produced in a sustainable way.

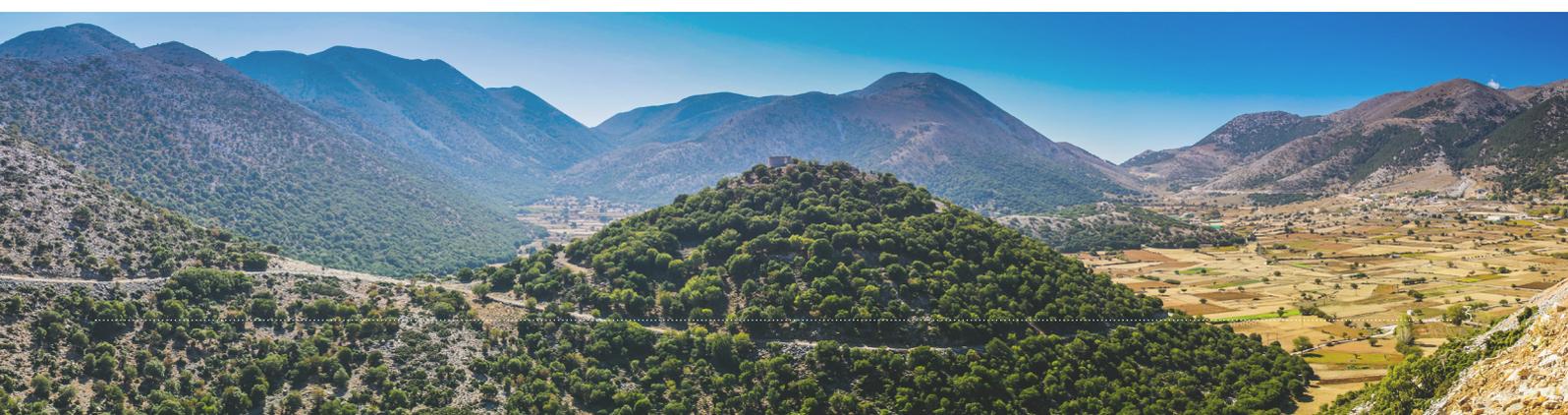


Supporting key priorities for Greece's rural development

With a total contribution of **more than EUR 4.7 billion** for measures benefiting its rural areas, the [2014-2020 Rural Development Programme for Greece](#) focuses on the following priorities:

-  Improving competitiveness of the agricultural sector by providing support for: young farmers (23 900 Greek farms will benefit from start-up aid), restructuring and modernisation (6 300 agricultural holdings), the development of short supply chains (8 300 agricultural holdings) and investments in processing and marketing (600 agri-food business).
-  Restoring and preserving ecosystems: 10.3% of Greek farmland under contracts to preserve biodiversity, 12.1% to improve water management and 10.7% to improve soil management and/or prevent soil erosion.
-  Promote innovation and knowledge transfer in the fields of environmental awareness, innovative technologies and research across all activities in the RDP (creation of 86 640 training places and support to 530 cooperation projects).
-  Enhance resource efficiency: approximately 51 000 hectares will switch to more efficient irrigation systems.
-  Social inclusion and local development: improved services and ICT infrastructure and the creation of 2 000 new jobs via LEADER/CLLD.

Most of EAFRD support is earmarked for investments in physical assets, areas facing natural or other specific constraints, organic farming and agri-environment and climate measures.



KEY ACHIEVEMENTS



Between 2007 and 2013 the CAP has invested around **EUR 21.5 billion²** in Greece's farming sector and rural areas with the objective of stabilising 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 the CAP

Direct Payments have been a key safety net and a driver for the modernisation of agricultural holdings. In 2014 Greek farmers received **more than EUR 2.2 billion** in Direct Payments, benefitting more than 709 270 farmers and farm businesses, 81% of whom received a payment below EUR 5 000. Moreover, in 2014, the EU spent EUR 45.2 million on market measures in Greece, primarily in the fruit and vegetables, wine and olive oil sectors.

Fostering sustainable growth and jobs in Greece's rural areas

The Rural Development Programme for the period 2007-2013 invested **EUR 3.9 billion** in Greece's agriculture and rural areas. In concrete terms, the injection of public resources into the farming sector, environmental actions and local development helped Greece to:

- set up more than **19 000 young farmers** by providing almost **EUR 330 million in installation grants**;
- support more than **80 000 holdings in Less Favoured Areas**;
- enhance the **environment and the countryside** with agri-environmental measures and actions for the protection of land, forests and animal welfare worth close to **EUR 1 billion**;
- promote the **competitiveness of rural areas** by modernising Greek agricultural holdings with support of almost EUR 250 million;
- improve **agricultural performance** by investing more than EUR 350 million in agricultural infrastructure;
- empower local action by allowing **Local Action Groups** to select and support more than **2 100 actions** across eligible areas covering **2.3 million inhabitants**.

Example of a Rural Development project supported by the CAP

Modernisation, innovation and job creation in dairy company in Thessaloniki

Thanks to Rural Development funding, a Greek entrepreneur from Thessaloniki set up a model dairy unit in 2006, producing kefir from cow's milk with the addition of beneficial fresh grains. After this initial breakthrough, he used further funding under the Greek RDP (LEADER programme) to modernise and diversify his production, now producing kefir yogurt. This additional investment has helped him to cut production costs, thereby making him more competitive, and upgrade the quality of his products. This ongoing economic success has allowed him to hire a new staff member, with the prospect of creating more jobs in future. Total costs: EUR 340 946 (EU contribution: EUR 161 949) [More info](#)



² Total expenditure for Direct Payments, Market Measures and Rural Development (payments) for the period 2007-2013 (in current prices).

Adding value with Quality schemes

Through the [Quality Policy of the CAP](#), the EU provides a number of measures to help producers build on the high quality reputation of European products to sustain competitiveness and profitability. A key tool in this is the register of more than 1 300 protected food names which are classified as a **Protected Designation of Origin (PDO)**, a **Protected Geographical Indication (PGI)** or a **Traditional Speciality Guaranteed (TSG)**. The production of these registered quality products contributes to diversity, development and growth in the rural areas where they are produced and protect local knowledge, skills and jobs.



At present Greece has registered [75 products as PDO](#) (such as Feta cheese, Tomataki Santorinis, etc) and [28 products as PGI](#) (such as Patata Naxou, Milo Kastorias, etc).



What do the Greeks think of the CAP?

According to the most recent Eurobarometer, published in January 2016, **79%** of the Greeks think that the financial support given by the EU through the CAP is either enough or too low (only 6% considers it "too high"). Most people think that the CAP's objectives should be to 'ensure that agricultural products are of good quality, healthy and safe (69%)', 'ensure reasonable food prices for consumer' (74%) and developing rural areas while preserving the countryside (67%). Moreover, **87%** is totally 'in favour' of the greening practices.

[Read the Eurobarometer "Europeans, Agriculture and the CAP".](#)

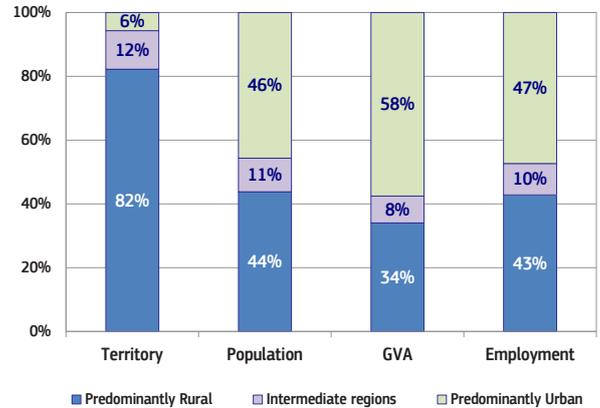


AGRICULTURE AT A GLANCE

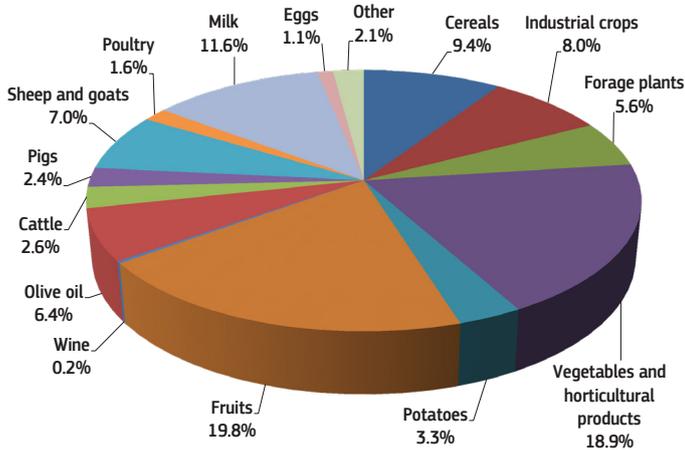
Greece's agricultural sector is characterised by:

- **Small-sized farms;** 76.7% of holdings have less than 5 hectares and the average farm size of 6.8 ha is smaller than the average EU-28 holding with a size of 16.1 ha.
- **Rather old farmers** (only 5.2% Greek farmers are under 35 years old).
- A contribution to Greece's **economy** with 3.8% of the total GVA (EU-28: 1.6%) and to **employment** with 13.6% of total employment (4.7% in EU-28). This indicates the particular high economic importance of the sector.

Importance of rural areas

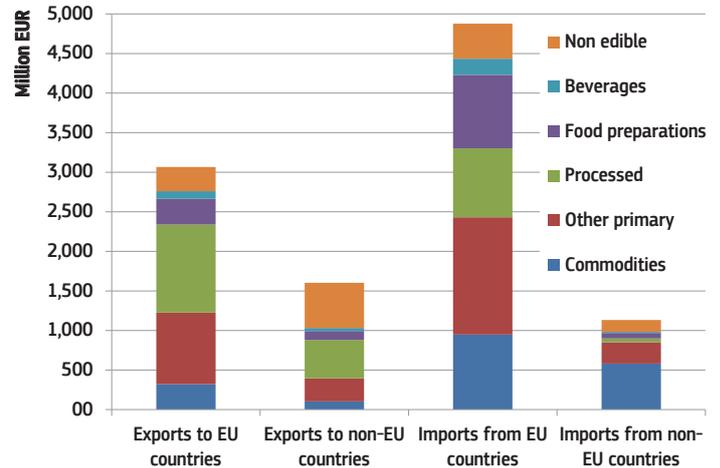


A very diversified production



Output components (2013-2015 average); values at constant producer prices

High dependence on imports (total agricultural products in Mio EUR, 2014)



Farmer's income continues to be volatile

