Committee II - Expansion of Trade

TRADE IN AGRICULTURAL PRODUCTS

GREECE

Synopsis of Non-Tariff Measures for the Protection of Agriculture or in Support of Incomes of Agricultural Producers furnished by the Government of Greece

I.

NATIONAL AGRICULTURAL POLICIES

A. General Objectives

In the field of agricultural production, the Government's policy is intended on the one hand to maintain certain basic productions for domestic consumption so as to reduce imports and to improve the nutritional status of the population, and on the other hand to maintain special productions which are particularly well adapted to domestic weather conditions and which are mostly or for the major part intended for export, and also to improve quality and yields.

In pursuing this policy, the Government takes account of the need to ensure a minimum income for agricultural producers in view of the extremely low level of such income, but the Government also has to subordinate its action in favour of farmers to other imperative factors, in particular the need to stabilize the monetary and economic situation, and to contain consumer prices for staple foods.

1 Grains
2 Livestock products
3 Dried fruit and tobacco
4 Cotton, certain fresh fruits and vegetables
B. Special Measures

The Government has not adopted any specific system to support agricultural prices or incomes.

Broader, Governmental policy in this field consists, on the one hand, in ensuring a certain degree of stability in the market for agricultural products through adequate financing of stockpiling operations and staging of sales, and on the other hand, in driving prices for export products towards the level obtaining in international markets.

The Government, however, does intervene on the market, either directly or indirectly, to maintain income levels for certain categories of agricultural producers, in particular with respect to wheat, currants and sometimes tobacco, producers of which constitute the major and the poorer part of the agricultural population.

In the case of wheat, the Government intervenes through the collection of specified quantities, and through the determination of the price to be applied for collected quantities. The price thus determined is applied uniformly throughout the territory, but varies according to a differential scale, depending upon the size of the farm and the quantity collected. KYDEP, a central co-operative organization, purchases, at the price level fixed by the Government, any amount of wheat offered by growers within the framework of Government decisions relating to quotas and the quantity to be collected and to those categories of wheat growers who are entitled to supply wheat for collection purposes, decisions which in fact vary from year to year. This organization acts under the responsibility and on behalf of the State, which finances all purchase, storage, transportation and distribution operations on account of wheat delivered by growers. Internal trade is free, but imports come under State monopoly. The sale price to the flour-milling industry of imported or collected State wheat is fixed in the light of the price variations for wheat on the free market, end of the compulsory percentage of domestic wheat which has to be incorporated. The selling price of State wheat has therefore fluctuated frequently (see Sections III and IV).

As regards currants, the Government fixes floor prices every year in relation to international prices. Any producer may sell his crop to ASO (a central co-operative organization which deals specifically with currants) at such floor prices to the extent that he cannot secure higher prices in the free market. Any profits from sales by ASO in foreign markets are allocated to producers who have delivered currants for collection, in addition to the floor price which has been obtained.
As regards tobacco, the Government, in order to alleviate a rather stagnant market, sometimes guarantees to buy a specific quantity at prices fixed on the basis of international prices and in the light of trade criteria.

In the case of other products, other co-operative bodies acting under Government control have responsibility for marketing in the domestic territory or abroad part of the year's crop, thereby supplementing, and not substituting for, the activity of private traders. The principal co-operatives are ELAIOURGIKI for olive oil, SYKIKI for dried figs, K305 for sultanas and SEKE for tobacco. As olive oil is a staple food for the Greek population, ELAIOURGIKI often undertakes stock-piling operations with a view to supporting prices paid to producers during bumper years on the one hand, and, on the other hand, in order to secure normal market supplies and to curb prices when they rise unduly on account of shortages.

The fact that the Government does not intervene in the formation of prices for feedingstuffs - except for the regulation of grassland rents for livestock breeders and for the supply of imported feeds at concessional prices - is attributable to the fact that the continuing increase of the demand is of itself an essential factor which ensures price firmness at production level.

II.

SUBSIDIES

(Including all forms of income and price support)

The Greek Government does not maintain any direct subsidies on agricultural products.

Nitrogenous fertilizers (which are entirely imported) are the only fertilizers for which subsidies are paid. Agricultural production factors are exempt from all taxes or charges. There are no taxes on agricultural products or incomes, except in the case of farmers whose returns are considered to be more than adequate to support their families.

1 The Government fixes the consumer price of bread, which is sold at a level below the cost of home-grown wheat, the difference being covered in part out of the profit on the sale to the millers of imported wheat and in part out of a budgetary subsidy. Second-quality flour is sold for consumption at less than cost, the difference being covered by a corresponding increase in the price of first-quality flour.
III.

MIXING REGULATIONS

Millers are required to incorporate a certain percentage of home-grown wheat from the free market and the balance is sold to them by the State out of quantities collected by KYDEP or out of imports. The percentage of compulsory incorporation has ranged in the past few years between 2 per cent and 80 per cent, the highest percentages being prescribed in the months immediately following the harvest and the lowest at the end of the season.

IV.

STATE-TRADING OPERATIONS

(Including private enterprises enjoying special privileges)

Government intervention in the wheat trade has been described in Sections II B and III. No other agricultural commodity is under State-trading.

V.

IMPORT RESTRICTIONS

A. Restrictions applied to Products for which Support Measures are in Force

No quantitative restriction is imposed on imports of agricultural products except wheat and wheat flour, importation of which is, as stated above, under State monopoly. In the case of the few agricultural products which remain subject to control measures - mostly of an administrative nature - import licences are granted liberally. Before the date of shipment the importer is required to make a deposit for an amount representing a certain proportion of the c.i.f. value of the goods, in the national currency.

B. Other Restrictions Applied for the Protection of Agriculture

Nil.

VI.

MEASURES WHICH TEND TO REDUCE OR REMOVE THE NEED FOR NON-TARIFF MEASURES OF PROTECTION OR SUPPORT

These measures consist of all the measures taken in the field of agricultural technique in order to increase farm productivity, to lower production costs and to improve the quality of production. The most important measures include in particular:
(1) The continuation of the land improvement programme, in particular irrigation work.

(2) The expansion of the activities of the extension services of the Ministry of Agriculture.

(3) The development of farm credit extended by the Greek Land Bank in order to facilitate the modernization of farms and the re-conversion of certain productions.

(4) The measures intended to standardize the various produce, to improve the quality of production for export and to achieve a better organization of marketing as a whole.

VII.

FISH

Imports of fish are unrestricted. There is in this field no price support or protective measure.