TRADE IN AGRICULTURAL PRODUCTS

GREECE

Brief description of Non-Tariff Measures for the Protection of Agriculture and the Support of Farmers' Income submitted by the Government of Greece

I.

AGRICULTURAL POLICY

A. General Objectives

The Greek Government's policy, in respect of agricultural production, is designed on one hand to maintain or to develop the production of a number of basic commodities intended for domestic consumption with a view to curtailing the volume of imports and of improving the population's diet, and on the other hand to maintain or to expand production of special crops particularly suited to the country's climatic conditions, intended mostly for export, and to improve the quality and yield of such crops.

Whilst allowing for the necessity of raising the extremely low level of farmers' earnings by providing them with an assured minimum income, governmental action is often conditioned by other imperative considerations, such as monetary and economic stability and the need to restrict prices of some essential foodstuffs.

B. Special Measures

The Greek Government has not adopted any specific methods of supporting agricultural prices and incomes.

The general directives of its policy in this respect are designed to maintain some degree of market stability through appropriate financing of stocks and

1. Cereals
2. Livestock products
3. Dried fruit and tobacco
4. Cotton, certain varieties of fresh fruit and vegetables
staggering of sales and by adjusting the prices of exportable products in line with world prices.

Direct or indirect Government intervention is resorted to, however, to support the income of some particular categories of agricultural producers, such as growers of wheat, of currants (raisins) and occasionally of tobacco, which represent the largest and poorest sections of the rural population.

In the case of wheat, Government action takes the form of collecting specified quantities of grain at a fixed price. This price, whilst fixed uniformly for all parts of the country, varies in accordance with a scale based on the size of the farms and on the volume of grain delivered. The KYDEP, a central co-operative organization, arranges to buy, at the price fixed by Government, all of the wheat delivered by growers under the prevailing provisions applying to the volume to be collected, to the categories of producers entitled to deliver to the collecting agency, etc., such provisions being subject to change from year to year. The KYDEP operates under the responsibility and for the account of the State, which finances all transactions in respect of purchases, storage, transportation and distribution of wheat delivered by growers. Whilst the domestic market is free, imports are under State monopoly. The price at which wheat (whether imported or collected) is sold to millers by the State is fixed with due regard to the price variations on the free market and to the percentage of compulsory incorporation of home-grown wheat in the flour. This explains the frequent price fluctuations of wheat sold by the State (see Sections IV and V).

As from last year, Government policy in respect of wheat has undergone a change. The level of support accorded to wheat was gradually reduced with the object of curtailing the acreage under wheat and promoting a re-conversion to other crops, particularly fodder plants and cotton. Purchase prices and quantities collected in 1959 were lower than in previous years.

With regard to currants (raisins), floor prices are established each year in line with world prices. Producers may sell their crops at these prices to the ASO, a central co-operative organization of the raisin trade, if they cannot obtain a better price on the free market; any profits accruing to the ASO from export sales are distributed among the producers who had made deliveries to the collecting agency, as a supplement to the floor price originally paid to them.

In the case of tobacco, with the object of supporting a somewhat sluggish market, the Government may occasionally commit itself to the purchase of specified quantities at prices fixed in line with world prices and commercial criteria.

With regard to other products, a portion of the crop is merchandized either domestically or on the export markets, under State control, by the respective co-operative organizations, operating in adjunction to private traders without, however, depriving them of their prerogatives.
Chief among these organizations are the ELAIOURGIKI for olive oil, the SYKIKI for dried figs, the KSOS for sultana raisins and the SEKE for tobacco. Since olive oil is a primary foodstuff in Greece, the ELAIOURGIKI often builds up stocks, under Government control, in order to support producers' prices in the event of bumper crops and inversely to feed the market with normal supplies and to prevent undue price increases in case of shortages.

Except for regulations on the renting of pasture, which favour cattle breeders, and reduced import prices for animal feedingstuffs, there is no direct action to influence the prices of animal products. The reason is that the constant rise in demand is in itself a factor conducive to firm producers' prices.
II.

SUBSIDIES

(including all forms of income and price support)

The Greek Government does not, as a general rule, grant any direct subsidies on agricultural production.¹

It was recently decided, however, under the crop re-conversion policy, to grant a small subsidy on fodder crops and on cotton.

A subsidy is also paid on fertilizers, which for the most part are imported.

The means of agricultural production are exempt from all taxes and levies.

There are no taxes on agricultural products and income, except in the case of farmers whose income is considered to be more than adequate to support their family.

III.

TOTAL COST OF GOVERNMENT SUPPORT PROGRAMMES

The total cost of Government support programmes for the year 1959 amounted to the following figures:

(in millions of drachmae)

<table>
<thead>
<tr>
<th>Item</th>
<th>1959</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tobacco</td>
<td>100</td>
</tr>
<tr>
<td>Olive oil</td>
<td>30</td>
</tr>
<tr>
<td>Fertilizers</td>
<td>50</td>
</tr>
<tr>
<td>Rural constabulary</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>205</strong></td>
</tr>
</tbody>
</table>

¹ The authorities fix the retail price of bread, which is sold at less than the cost price of home-grown wheat, the difference being covered by drawing on profits from the resale of imported wheat to millers and by a subsidy appropriated from the State budget. Second grade flour is also sold at retail below the cost price, the loss in this case being offset by a corresponding increase in the price of first grade flour.
Net agricultural income

The figures pertaining to net agricultural income for the years 1955, 1956, 1957 and 1958, on the basis of prevailing prices, are shown hereunder:

<table>
<thead>
<tr>
<th>Year</th>
<th>Agriculture</th>
<th>Cattle-raising</th>
<th>Forestry</th>
<th>Fishing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in millions of drachmae)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1955</td>
<td>15,036</td>
<td>3,300</td>
<td>713</td>
<td>379</td>
<td>19,428</td>
</tr>
<tr>
<td>1956</td>
<td>18,870</td>
<td>2,535</td>
<td>822</td>
<td>454</td>
<td>22,681</td>
</tr>
<tr>
<td>1957</td>
<td>19,884</td>
<td>2,548</td>
<td>906</td>
<td>455</td>
<td>23,793</td>
</tr>
<tr>
<td>1958*</td>
<td>19,169</td>
<td>3,328</td>
<td>893</td>
<td>576</td>
<td>23,966</td>
</tr>
</tbody>
</table>

*Provisional figures

The gross national product for the same years was as follows:

(in millions of drachmae)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>54,623</td>
</tr>
<tr>
<td>1956</td>
<td>63,924</td>
</tr>
<tr>
<td>1957</td>
<td>69,495</td>
</tr>
<tr>
<td>1958</td>
<td>73,181</td>
</tr>
</tbody>
</table>

IV.

MIXING REGULATIONS

Millers are required to use a certain percentage of home-grown wheat obtained partly from the free market, partly from the State out of supplies collected by the KYDEP or imported. The percentage of compulsory use of home-grown wheat has varied, over the past few years, between 2 and 80 per cent, the highest percentages being prescribed during the months immediately following the harvest and the lowest toward the end of the campaign.

V.

STATE-TRADING OPERATIONS

(including private enterprises enjoying special privileges)

Government interventions in the merchandizing of wheat and tobacco were dealt with under sections I/B and IV. None of the other agricultural products is subject to State-trading operations.
VI.

IMPORT RESTRICTIONS

A. There are no quantitative import restrictions on agricultural products with the exception of wheat and wheat flour which, as previously stated, are under State monopoly. In the case of the few agricultural products which are still subject to control measures, mainly of administrative character, import licences are granted liberally. Importers are required to deposit, prior to the date of dispatch, an amount equivalent to a specified percentage of the c.i.f. value of the goods, payable in local currency.

B. Other restrictions applied for the protection of agriculture: None.

VII.

PROVISIONS TENDING TO MAKE IT UNNECESSARY OR LESS NECESSARY TO RESORT TO NON-TARIFF MEASURES OF PROTECTION OR SUPPORT

Included under these provisions are a number of technical and other programmes designed to promote increased farming productivity, to reduce costs and improve the quality of products, e.g.:

(1) Programme of land improvement, and more particularly of irrigation;
(2) Programme of vocational training and educational activities of the Ministry of Agriculture;
(3) Measures aimed at increasing the volume of credits extended by the Agricultural Bank for modernization of farming undertakings and re-conversion of crops; and
(4) Measures designed to further the standardization of products, to improve the quality of exportable commodities and to promote a better marketing organization in general.

VIII.

FISH

No import restrictions. No price support or protection measures.

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1 Some restrictive provisions have recently been introduced, as temporary measures, in respect of imports of fodder grains and rice.