



FETA CHEESE PRODUCTION IN CENTRAL GREECE AN EXTENDED SUMMARY

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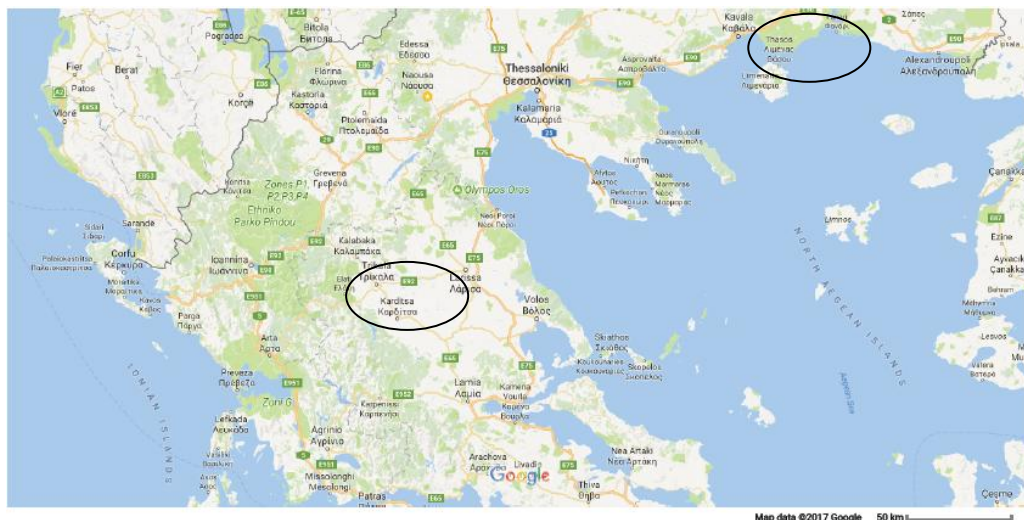
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1. Introduction

The purpose of this summary report is to briefly examine the conditions, institutional arrangements and the relevant policy measures that affect sustainability of fisheries in North Aegean Sea as well as small and medium sized milk producers and feta cheese makers in Thessaly. The analysis focused as far as the first case study is concerned mainly on purse seine and small scale fishers operating in Kavala and its neighboring ports. Whereas for the dairy case study the analysis focused on livestock farmers producing sheep milk for the production of Feta PDO cheese in Thessaly

Map 1. Case studies areas



1.1. Methodological issues

In the first stage a media analysis was conducted which examined national, regional and specialised media. The main aim has been to identify the key elements discussed in the media in relation to the sustainability, mainly economic/financial, of primary producers (farmers and fishermen) in Greece. Along with media analysis, a desk based analysis of policy and market conditions was conducted supplemented with expert interviews. Governmental, farmers' organisations, academic and NGO publications as well as policy and government documents from 2006 to 2016, have been scrutinised.

During the second stage of the research, focus groups, workshops and additional interviews have been conducted. In the case of fisheries two focus groups were held with fishers, one with purse seine fishers and one with coastal fishers. Furthermore, additional interviews with coastal fishers were taken in order to better capture their views. Focus groups and interviews were followed by an experts and stakeholders' workshop. In the case of dairy, interviews with local stakeholders and three focus group meetings were held. Two with sheep milk producers, one of which focused on young farmers' scheme participants of the Greek Rural Development Programme (RDP) and a third comprised of PDO cheese

(Feta) makers. The process concluded with a workshop comprised of local, regional and national key stakeholders and experts.

The third stage, the producer survey, was conducted only in the dairy case study area. Between December 2017 and March 2018, 152 interviews were conducted with sheep and goat farmers spread in 71 different villages. From the original sample 4 producers were eventually excluded because they didn't meet the criteria set by the survey for various reasons.

Case Study B: Feta cheese production in Thessaly



Dairy production in Greece

The most characteristic feature of the structure of the rural economy in Greece is the unequal relationship between animal and crop production. The value of animal production in the total value of agricultural production varies between 26% in 2000 and 30% in 2007 (the year with the lowest total value of the agricultural production in the period 2000-2012) while this relationship between animal and crop production in EU is about 45%. Milk production is almost 41% of the total value of livestock production while sheep and goat meat represents the 25% of the total livestock value (Speed, 2015).

Another characteristic feature of Greece compared to other EU countries is the predominance of small ruminants (sheep and goat) in livestock breeding and the deficit of dairy cow products, therefore sheep and goat milk production take up to 60% of the total milk production and the rest 40% is cow milk.

Although at European level, sheep and goat farming is a minor agricultural activity (3.6% of the total value of livestock production) that nonetheless takes up an important part of the agricultural land in certain countries in EU, Greece has the biggest goat herd population, but with a gradual switch from goats to sheep (AND International, 2011).

Greece has a long history of pastoral farming of sheep and goats while extensive farming is the most common form of traditional farming, with the livestock often herded in mixed flocks for cheese production (up to 30% of the milk used for the production of Feta) and has contributed significantly to the current traditional landscape and the biodiversity of rural areas. This system covers much of the main land and is especially significant for nature conservation of mountainous areas.

Sheep and goat sector has vital role for the stability of rural population by providing income for thousands of farmers. In 2010 extensive livestock was practiced in 2,465,161 ha which accounted to 47.6% of the total UAA of the country, while in the EU-25 is 28.9% (Speed 2015). Nevertheless, the sector is facing a significant decline in production and a reduction in the number of the holdings, as well as a total failure to attract young sheep and goat farmers (Hadjigeorgiou, 2014).

Sheep in Greece are kept mainly for milk production, and in contrast with the cow's milk, the majority (70%) is transformed into quality cheese products (Gousios et al, 2014) and secondarily into yogurts and other milk-based products. Nearly 80% of sheep and goat milk derives from small and family farms with an average herd size less than 100 animals, which are highly dependent on family labour, with almost 115,000 families engaged in farming and over 300,000 people working part or full time in the primary dairy sector (Parpouna et al, 2015).

Dairy processors are scattered all over the country and are operating mainly regionally while they vary greatly in size. The secondary dairy sector, i.e. milk processing, involves 53 big dairy companies processing >5000 tons of milk per year

and 671 SMEs or family dairy units processing <5000 tons of milk per year (Parpouna, 2015) They process all types of milk produced in Greece, namely 602,519 tons of cow milk, 547,815,383 of sheep milk, 129,566,015 tons of goat milk in 2015 (ELOGAK, 2016) while the highest volume is directed in the production of drinking milk, yogurt and cheese. There are 3-4 firms which operate at national and even at international level, while the on-farm production of sheep and goat cheeses and other milk-based products is estimated to reach the 1/5 of total production. These units operate at a limited scale covering mainly the needs of the local markets (Hadjigeorgiou, 2014).

In accordance with the national and European legislation applied, Feta is a Protected Destination of Origin (PDO) since 2002 and as that is produced with traditional techniques in Greece, in the defined geographical area consisted by the continental parts of the administrative regions of Attica, Central Greece, Western Greece, Peloponnese, Thessaly, Epirus, Western Macedonia, Central Macedonia, Easter Macedonia and Thrace and from the regional unit of Lesbos from sheep milk or in a mixture with 30% of goat milk from the same area. Milk is derived from sheep and goats adapted to the area of the production of Feta, whose diet is based on the flora of the local pastures.

The Thessaly region (NUTS 2), is located in the centre-east of mainland Greece, has an area of 14,037 km² (50% of which is plains) which is equal to the 10.6% of the total area of Greece and Larissa is its administrative center. The UAA in Thessaly is 861,000 ha, or 15% of the national UAA. The 50% of the area, devoted to pasture (mainly rough grazing) are located mainly in the mountainous and semi-mountainous areas, with the plains being mainly devoted to intensive crop production (Gousios et al, 2014). The primary sector of Thessaly contributed with 14.22% to the country's primary production in 2009. On the other hand, the contribution of the primary sector in the total production of the region has fallen from 15.7% in 2000 to 8.75% in 2009 (SBTKE, 2013).

The research

Two focus groups with livestock farmers were held in the end of January of 2017, in order to get an insight from the perspective of sheep livestock farmers into the key issues of the sector. An additional focus group was held with cheese makers in order to gain a better understanding of the sector and the relationship among them. All of the focus groups and the workshop were organized and carried out in Karditsa, with the participation of sheep farmers from Karditsa and the villages surrounding Karditsa. The purpose of the workshop was to validate the information gathered from the three focus groups and to get a better insight on the conditions and the decision making process of the producers'.

The research questionnaire was addressed to sheep and goat farmers operating in the Regional Unit of Karditsa. For the purpose of the survey 152 interviews were conducted between December 2017 and March 2018. From the original sample 4 producers were eventually excluded because they didn't meet the criteria set by

the survey for various reasons, as for example the last finance year they didn't manage to sell their produce

Farm and farmer characteristics

The vast majority of the producers who took part in this survey (87.2%) were men and only 19 out of 148 (12.8%) were women while more than half of the respondents, specifically 80 respondents, which represent 54.1% of the total sample, are under 40 years old, whereas 46 (31.1%) fell in the 41 to 50 years old category. Regarding the education level of the participants, 81 are lower secondary education graduates, 61 are graduates of primary education, 6 have a higher secondary degree, while 16 stated that have an agricultural degree.

There is a significant difference between the smallest and the largest holdings in the survey sample, which range from 40 sheep to 480 animals. The majority of producers (75%) have up to 230 animals. Significant differences we can also observe between the smaller and the larger area that the holding owns or rents, with the smaller holding to declare an area of 2.36 ha while the biggest holding declare areas that reaches the 43.78 ha while the average total area was at 16.35 ha. The average total production was at 31,790.54 liters per year.

The production process

Genetic improvement and the role of animal breed in Feta PDO

The debate on the issue of which breeds should be used for the production of Feta PDO is an ongoing one, albeit been considered a sensitive issue due to the long dispute on the designation of feta as a PDO. On one hand, workshop experts and cheese makers from the 3rd focus group argued that only Greek animal breeds can guarantee that the PDO designation will not be challenged. On the other hand livestock farmers, participants in the focus groups and the workshop, argued that is not the origin of the animal that matters but the traditional way of farming.

Livestock producers argue that it is rather difficult to find Greek sheep breeds like Chios or Karagouniko with high milk yields. Thus, most of them prefer highly productive breeds like Lacaune from France or Assaf from Spain. Many livestock producers mistakenly consider the mere introduction of foreign breeds as genetical improvement, expecting to see significant increase in the milk yields without further ado.

Improvement of livestock facilities and infrastructure

An issue considered important for the overall sustainability of the livestock sector, by the stakeholders of the workshop, is the need for improvement of infrastructure, equipment as well as the facilities. Most of the infrastructure and equipment available to sheep farming holdings are not maintained and extremely outdated. Less than 200, out of the approximately 2,500 sheep farms (8%) in the area have milking units for their ewes.

Farmers observe that the currently prevailing trend seems to be extensive farming (grassfed, pastoral systems). Hence, they argue, investments in intensification of their holding are not the appropriate strategy. Due to the dysfunctional credit

market, farmers will not be able to take advantage of the possibilities offered by the new RDP, through mainly the investment aid.

Animal feed

The issue of animal feed has two aspects: the first is the effort to achieve a balanced animal diet and the second is the need to control production costs. Experts strongly argue that in the case of sheep farmers, there is a vast margin for improvement in the economic performance and, thus, viability of the holdings through cost reduction. Most sheep farmers do not provide a balanced diet to their animals, which according to experts, is in fact the main reason for their high production cost and low productivity.

Producers in the focus groups, being fully aware that animal feed is a cost factor of major importance, shifted their cost cutting strategies towards buying cheaper fodder. Farmers have an erroneous way of accounting for or are often unaware of their own actual production costs.

Strategies and drivers to farming

According to their answers in the survey, producers employ a series of wider strategies producers in their farming activities. The factors that producers seem to be influenced more by are the changes of farming regulations and changes in CAP, fluctuation of input prices, the severe drops in market prices. Changes in consumer behavior, adverse climate conditions and access to credit and loans are seemed to be less important.

The majority of the producers participating in this survey (60.1%,) stated that they plan to maintain the existing scale of operations, while 37.2% stated that they plan to expand the existing scale of operations and only 3 stated that they plan to downscale the existing scale of operations.

Markets and marketing

Dairy products (as a whole) are a staple food for Greek consumers since they are consumed on a daily basis and presenting a high demand and relatively low elasticity regarding the selling price and the disposable income. However, in recent years, consumers' choices are significantly influenced by the price of the various brand products available in the market. In addition, a key feature of cheeses demand is that the consumers' choices are based mainly on the type, category or geographical area of origin of cheese and less on a specific company brand, but nevertheless, the demand for dairy products is affected by the availability of competing and substitute products that are offered at a lower price (ICAP, 2014).

An important trend in the food market is the growing penetration of private label products, which is expected to grow further in the near future. The main attraction of private label products is the price, which is lower than of the brand-name products. This change of consumer's behavior is mostly attributed to their reduced purchasing power due to the economic crisis (Parpouna, 2015). The share of the total expenditure for dairy products and cheese in the food expenditure has remained almost stable between 2008 and 2014, ranging from 17% to 18%, fact

that is justified by the important position of dairy products and cheeses in the Greeks' dietary habits (Parpouna, 2015).

The size and the degree of organization of the industry determine the distribution of their products. The big production and importing companies distribute its dairy products mainly through its own distribution network and partly through dealers and wholesalers. Their own network usually covers the all country, while local representatives-distributors serve some areas that are geographically remote from their distribution centers and warehouses (ICAP, 2014).

The smaller companies cooperate with dealer networks, intermediaries and wholesalers, while several of them sell their products directly to their stores or the local market.

More specifically dairy products are available through:

- Small Selling Points channel: it concerns, small outlets (kiosks, convenience stores, dairies, bakeries, gas stations etc.) which elicit significant proportion of total sales of dairy, as they cover the "spontaneous" consumer desire for dairy products. Indeed, certain categories of products (such as chocolate milk) handled mainly through this channel.
- FOOD channel: this channel includes super - markets (S/M). Over the last two decades, there has been impressive growth in S/M chains, both in terms of geographical expansion of the branch network, as well as of broadening the range of products and services available.
- Professional: this channel includes the foodservice premises (restaurants, hotels, bakeries) and catering units. The volume of sales of dairy products marketed through this channel is not easy to determine, since the quantities marketed are not systematically counted.

According to the ICAP sectoral study on dairy production in 2013, most of the dairy products that channeled through the super markets and other retail shops such as kiosks, bakeries, convenience stores etc. was the 80-85%, while the through restaurants, fast foods', catering companies etc. was channeled the 15-20% of the dairy products in 2013.

The main raw material of dairy industries is milk, which is supplied by farms, since most of them do not have vertically integrated production. The big industries usually conclude trade agreements with many producers while, under these agreements there are providing for the control and the quality assurance of the milk, as well as for the transportation. In addition, in order to cover their needs in milk big dairy industries are importing milk from other EU countries. Producers' negotiating power over the price of milk is marginal, due to the fragmentation of production in a large number of small dairy farms and the absence of an integrated and solid organisation of the livestock sector.

On the other side of the chain, the size of the client in conjunction with the volume of the orders for dairy products is an important determinant of their bargaining

power. Therefore, supermarkets have a considerable negotiating power as buyers, the largest of which supply the products directly from the dairy industries. The 'power' of supermarkets stems from the high volume of quantities they supply as well as by their ability to contribute to the recognisability of the product. Furthermore, their negotiating power strengthens even more if they sell private label products. Smaller points of sales do not have considerable negotiating power because they are handling small orders. Finally, buyers from the HO.RE.CA. Sector (Hotel - Restaurant - Cafe) have, in general, much smaller negotiating power.

Despite the importance of agriculture for the Greek economy, the primary sector faces decreased competitiveness, intense structural problems and very low income sustainability. All these issues have been intensified by the economic crisis.

The absolute cost of inputs purchase in Greece is extremely higher than our competitors in terms of similar Mediterranean products as well as compared with countries engaged to typical north-European agriculture. Moreover, the diesel consumption is higher in Greek agriculture due to the fragmentation of the land, the landscape and the irrigation which is often carried out with diesel engines. The same applies with almost all the basic animal feedingstuffs used in free or stabled livestock breeding, the capital costs (capital and interest) and the rental costs of machinery which are presenting a highly upward trend (Speed, 2015). The need to survive in a difficult economic and market environment pushes farmers to follow different management practices which include cost reduction methods such as reduction of expensive feed and the use feed from other countries as well as optimum management practices of the herd. (Karelakis et al, 2014). But on the other hand, the SWOT analysis conducted for Rural Development Programme state in a more pessimistic manner that *"the high production cost of in Greek agriculture and livestock breeding weakens any comparative advantage and competitiveness and combined with the full decoupling, have made the decision not to crop the land quite attractive. At the same time it weakens the farmers' incomes and discourages the new entrants to farming. Finally, the high cost is marginalizing a large part of agricultural holdings which before the recession could function, although less competitive, hoping to improve their competitiveness"* (Speed, 2015).

One of the main issues concerning the market conditions that arose in the participatory exercises was price formation and the related price level fluctuation. Although the price of milk in Thessaly is one of the highest in Greece, almost all stakeholders in the focus groups shared the view that it is not satisfactory. They also agreed that in spite of low milk supply, price levels have been the lowest of the last few years and shared the fear that the trend of decreasing prices will continue. Fat content, the milk quality indicator determinant of the price at the farm gate is perceived as another tool used by cheese makers to control the price. Responsibility for lower prices is also attributed to uncontrolled sheep milk imports.

In order to further analyse the issue of price formation it was deemed necessary to expand on the issue of value chain dynamics. The prevailing form is the individual transaction with a single dairy whereas only a small percentage of farmers sell their

milk through the co-operative. Small family dairies establish more personal relationships with their collaborating farms. The agreements are mainly of an informal nature, resulting often in poor terms of collaboration regarding the price set for the milk.

All small farmers make verbal agreements, while some big farms may pursue a formal agreement. Co-operative and large dairy industries' prices to farmers are somewhat higher; however, they are paying a single flat price to all farmers, regardless of specific product characteristics. Farmers cooperating with large dairies do not receive the same personal relationship they have with the small dairies and the advantages stemming from this close relationship i.e. positive price differentiation according to milk quality, technical and financial assistance and advice.

Related to that are the problems encountered in the export markets of feta. The price of feta cheese in the international market is lower than that of the Greek market. Workshop stakeholders attribute the low level of export prices to big dairies and their policy to compete on the basis of low price instead of high quality. Small dairies cannot supply international markets with the sufficient quantities they require. The only path for small dairies to overcome this obstacle is to collaborate with other small dairies.

The role of collective organizations in the value chain and price formation.

A new specialized co-operative of livestock farmers has been created defying the generalized reluctance to co-operate. Among its aims are the marketing of milk in order to achieve better terms and conditions in the market e.g. higher and stable prices, improved frequency and reliability of payments etc. as well as the joint supply of animal feed in order to reduce the purchase cost for its members.

A single price for milk is offered to all its members regardless of the quantity or the quality delivered (i.e. fat content). The lack of advance payments is counterbalanced by other services provided, such as the credit offered, used by farmers for the purchase of animal feed and paid back by withholding installments from the payments for the milk delivered, which plays exactly the same role, that of advance payment.

It seems that the need and the benefits derived from the existence of a collective organisation are unanimously acknowledged. Nevertheless, when it comes to their daily practice most of the farmers, seem to be have individualistic behavior acting competitively against each other.

An obstacle often encountered is the - sometimes difficult to overcome - personal relationships and family ties, established with cheese makers. This inhibits farmers from making the step toward collective actions. Another important element is the mistrust towards cooperatives in general, due to the long history of mismanagement and ineffectiveness which appears an obstacle difficult to overcome. On the other side, young people seem to be more prepared and willing to be actively involved in a collective process but, still, it requires an effort by experts to motivate and get them engaged in the long run.



An attempt to shed more light on market dynamics and the importance of collective arrangements has been made through the producers' survey. According to the preliminary results, only 27 producers (18.2%) stated that are currently members of a cooperative while 5 out of those sold their production individually. None of the surveyed producers were members of PO or a farmers' union/association. The most important service that the cooperative provides to the producers is that it constitutes the exclusive buyer of its member's milk production. The majority of the producers (121) which is the 81.8% of producers surveyed, stated that they sell their milk directly to the feta cheese manufactures (113 producers) or a wholesaler (8 producers). All producers interviewed sold their production through a single channel regardless if that is performed individually or collectively.

The agreement with the cooperative is mainly a legal contract or oral agreement before or during the production phase, which can be legally enforced with an annual duration while it requires exclusivity. Other services provided by the cooperative are collection, storage, transport and handling, as stated by the majority of its members in this survey. Additional services the cooperative is providing to its members are stated to be technology and/or machinery while many producers stated that there is an automatic extension mechanism in the agreement. The average price received by the cooperative is 0.95€/l.

The sales agreement which occur directly between the producer and the individual business typically has also an annual duration with the exception of 21 producers (17.1%) that the agreement has duration more than 5 years and of 6 producers with duration between 1 and 2 years. Again, as with the cooperative, the services producers get are mainly collection, storage, transportation and handling, while 30.1% of those producers receive special assets such as technology and/or machinery and 21.1% receive price premiums for delivering higher quality products.

Most of the producers that sell their milk to the cooperative and most of the producers that sell individually (108 answers, 87.8%) state that they get paid on a regular basis (e.g. monthly). Regarding on how satisfied they are with their sale agreements, producers that sold their production to the cooperative tend to be more satisfied with this sale agreement than those who sold their production to an individual business or a wholesaler. More specifically, of the 25 producers who sold to the cooperative, 11 (44%) declared to be somewhat satisfied by this agreement. On the other hand, the responses of those producers who sold to individual businesses are more evenly distributed between completely unsatisfied and completely satisfied. In other words, although the responses 'somewhat satisfied' and 'neither unsatisfied nor satisfied' received the highest number of preference (34 producers, 27.6% each response), next response was the 'completely satisfied' with 21 preferences and the response 'somewhat unsatisfied' with 20 preferences.

Policy and regulatory conditions

Various policies seem to have a significant influence in the dairy sector. The main of course is the Common Agricultural Policy and its integral part the Rural

Development policy. In the second place one could state environmental policy measures.

It is important to mention the vast the vast inequality between the subsidies directed towards the livestock sector (of which sheep and goats constitute a very important segment) in comparison with the ones of the plant production through the first pillar of the CAP since the accession of Greece in the EU (EEC in 1981) up to the more recent CAP reform. It is indicative that, in 2003, when the single farm payment scheme was initiated, pastures although comprising 57% of the UAA, were receiving only a mere 4% of the subsidies through the milk and sheep and goats meat Common Market Organisations,

An attempt to lessen this disparate imbalance was made, when the adoption of the regional model became obligatory. The distribution of funds is a more balanced in the current situation, although the differences are vast and evident, since a hectare of pasture receives half the support of a hectare of arable land. The main problems seemed to be that an more equitable distribution of subsidies could result to a drastic shift of resources from crop, especially intensive crop producing farms, to livestock farms and consequently from areas and regions highly depending on crop production to areas and regions where livestock production systems are prevailing.

The main issue during the design of the single farm payment in Greece especially when livestock is concerned is that of the eligibility of pastures. The issue was crucial for sheep and goat farms and mainly in the mountainous and semi mountainous areas. A first concern had to do with pasture ownership, tenure and management patterns, existing in Greece. A large part, almost half, of the over 5 million hectares of pastures are public, belonging either to the state or to local authorities.

A fear expressed, was that when obtaining grazing land is going to become a prerequisite in order to get the support, clientelistic criteria are going to prevail at the local level. Secondly, was the fear expressed that, bearing in mind the lack of a cadastre or another legally binding system of land use registration, the, ever conflictual in Greece, issue of land use is going to arise again. A third problem that arose later; during the setting of the detailed eligibility criteria was that of the wooded pastures (EFNCP, 2014).

There are three features of the RDP that could be thought as affecting the sheep and goats sector in Greece. The first is compensatory allowances to farmers in Less Favoured Areas, since most of farms (80%) and the sheep and goats (85% of the total number of animals) are in mountainous and semi mountainous areas (MINAGRIC, 2015). In that sense, sheep and goat farms seemed to have benefited by this pillar 2 measure.

The second has been the focusing of RDP investment support measures to livestock farms especially the promotion of special investment plans for small and very small livestock farms mainly for the provision of infrastructure such as milking machines and milk conservation equipment, establishing a fast track procedure for applying

and funding of such projects. However, the level of acceptance by livestock farmers of this, specifically designed, has not been encouraging (MINAGRIC, 2015).

The third part of the second pillar support measures that could be of interest for sheep and goat farmers, apart from organic livestock production, could be the agrienvironmental scheme for the extensification of livestock farming launched within the Measure 214 framework of the 2007-2013 RD programming period. The scheme had two options. The first has been to expand the grazing area by renting more land in continental Greece and the second to lower the grazing load by reducing flock sizes in islands where pastures are scarce. Participation in this scheme has not been wide and in the case of the case study area there was no such scheme implemented, because of a prerequisite for a pasture management plan which was not fulfilled.

Organic livestock farming in Greece was significantly delayed, almost a decade later by other European countries, since for several years the national legislation for organic livestock farming hasn't been enacted until 2002. The increase in the number of animals under organic farming is significant since the number of animals have multiplied since the implementation of the program in 2002. During the period 2002 – 2006, the number of sheep under organic farming increased by 260%, corresponding to the 2.9% of the total sheep population in Greece and the 9% of the organically bred sheep in EU (Tzouramani et al, 2008) This is mainly due to the favorable conditions that already existed in the Greek livestock production, such as small size, extensive and family based holdings that formed the basis of organic farming (Miliadou et al, 2010).

Greece has a comparative advantage compared to other countries with regard to livestock farming, due to favourable soil and climate conditions and the implementation of extensive farming, which can easily be converted to organic. But, the conversion from conventional to organic of small ruminant production although it appears to be less complex in management than in other animals, farmers seems to face certain difficulties over this process (Nardone et al, 2004). According to the study by Tzouramani et al. in 2011, Greek animal farmers are facing insufficient technical support concerning organic methods, the feed management, the disease control, breeding strategies, the poorly organised markets, the limited number of certified slaughterhouses, the low educational level of farmer and the scarcity of skilled personnel, the small size of farms, as well as the scarcity of extension services and scientific activities. But as many studies indicate, the major problem is that the price for organic products is very small, and in many cases farmers sell their organically produced milk and meat as conventional, without getting any premium at all (Tzouramani et al, 2011).

Finally, another challenging issue is that there is a general consensus on the view that there is uncontrolled milk adulteration with imported milk in Feta production. This practice is incompatible with EU PDO regulations and the relevant national specifications for Feta cheese. Apart from that, it leads to consumers' fraud and market distortion, particularly, in price formation. The problem is rooted in the deficient control system, while fines are not high enough to prevent repetition.

Future prospects – Sustainability of sheep farming

Farmers on the focus groups expressed their despair and the feeling that the sector is in the end-of-life-stage, abandoned by the state. Contrary to this, experts in the workshop argued for a more optimistic view. According to them, a sheep farming enterprise can be profitable, but it can require up to 5 years of investments in order to reach the point of yielding profit.

Farmers were asked during the questionnaire survey to assess the effects of their marketing arrangements on sustainability. Farmers participating in the survey, by a large majority, don't feel that the sale agreement has any impact on the environmental aspects of sustainability. More specifically, most farmers strongly disagree that the sale agreement has any impact in biodiversity maintenance by 53.7% (66 answers out of 148), while only 6 farmers strongly agree with that statement. Similarly, 40.7% of the participants strongly disagree with the notion that this sale agreement supports animal welfare, maintain water quality (67.5%) or maintains soil organic matter (54.5%).

The same perception seems to exist about the impact of the sale agreement on the societal aspects of sustainability, regardless if that sale agreement is with a cooperative organization or not. Answers are different regarding the questions on the effect of the sale agreement in the economic sustainability. There are no negative answers from the producers selling in the cooperative in the question whether this sale agreement help them maintain profitability. The answers to this question are more evenly distributed in the case of producers selling to individual businesses. Although the majority of producers (42 answers) strongly agree and agree (31 answers) that this sale agreement helps them maintain profitability, there are producers that strongly disagree (5 answers), disagree (12 answers) and neutral (32 answers).

Awareness, training, advice and technical support

Training provided to farmers has never been substantial and sufficient. Advice of the private input provider or veterinarian who sells the vaccines and antibiotics is the only technical assistance provided to livestock farmers. Young farmers and/or new entrants are, in general, better educated but not trained in production issues. These people are seeking technical assistance to upgrade product quality.

Although the role of Universities, research institutions and experts is considered to be important, it was stated by workshop stakeholders that personalised technical assistance is more appropriate for livestock farmers.

