

POLICY BRIEF

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Outlook on sheep and goats breeding in Greece: Restrained optimism

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The latest developments concerning the Greek cheese industry permit optimism. The value of cheese exported has increased by 60% during the 2010 – 2015 period, coinciding with the financial crisis in Greece (paradoxically?), with a steady annual positive rate i.e. 12%, 7% and 6% for the period 2014-2017. Equally positive was the trend concerning the quantities of cheese exports, since the overall increase for the 2014-2017 period was 34%, at a relatively small price fluctuation. Hence, it seems that the 543 cheese making businesses are quite competitive in both the internal and external markets. They seem to base their competitiveness rather on the quality they achieve for their products since the average price of cheese exports, for 2014-17 was well over 5.5 (5.67 €/kg) while the average price of imports at the same period has been around 35-45% lower than the average export price. It is worth to note that feta, the main processed product of sheep and goat milk, accounted in 2017 for 80% of the value of these exports

Nevertheless, the optimistic picture presented above is not supported by the latest data available for farms and animals. As far as livestock farms are concerned, the trend for the last decades has been varying. Farms with bovine animals (around 15.000 or 6% of the farms raising livestock) have declined in number during the 2009-2016 period, as well as the number of animals but in a lower rate, resulting to fewer and bigger farms. Farms breeding sheep and/or goats prevail in the Greek livestock sector, since more than 150.000 farms raise sheep and/or goats, 61-65% of the total farms with livestock. The same downward trends are observed during the same period, but in that case the number of animals is declining faster than that of the farms, with both trends more pronounced in the case of goat farming, implying abandonment of the sheep and goat sector.

A choice made in 2014 by the national administration to use agronomic criteria for the regionalization of direct payments, maintained the chronically unequal distribution of CAP support between crop and livestock production. The area eligible for CAP support has been classified to annual crops, permanent crops and grazing areas.



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The latter received the lower per ha amount. There was an attempt to mitigate this inequality the origin of which should be sought at the initial CAP implementation decisions back in the 1980's, by assigning 25% of the total annual support to pastures. Bearing also in mind the problem of unclear definition of eligible grazing areas due to a rather vague regime for the management of pastures and the fact that special entitlements for animals have been abolished, one can understand that the situation looked rather bleak for sheep and goat farmers, especially in the mountainous areas (where most of farms are located).

Key messages

Considering the above mentioned facts it seems that the policy choice made by the Greek Ministry of Rural Development and Food to include sheep and goat farms within the eligible ones to receive special coupled payments has been correct, since the sector on the one hand seems to have a potential for exports but on the other hand the numbers of farms and animals are declining.

- A second choice made, to offer increased aid to farmers in mountainous zones as well as to include farmers that move their flocks to mountainous pastures during the summer, could have an additional positive environmental impact since it supports extensive grazing in areas of HNV farming.
- Furthermore, connecting eligibility for the abovementioned coupled payments with the delivery of minimum milk quantities to processors and the imposition of a quality threshold, reinforced the linkages of the specific payments with the market.

Focusing on other policy aspects, sheep and goat farmers as well as the rest of the stakeholders involved during the course of SUFISA, stated access to reasonably priced inputs and the achievement of a fair price for their product as important problems they face.

- For both problems mentioned, collective strategies have been selected as possible solutions by stakeholders. More specifically, co-operation among farmers and co-ordination with cheese-makers have been suggested. In both cases, the orientation of existing policies is rather favourable since there are measures within the Rural Development Policy framework that could play an important role in supporting local initiatives.
- A more intense engagement of the regional and local policy network with the relevant measures could be beneficial for an effective implementation of the policy measures.

Finally, great expectations seem to have been invested, both at the local and the national level, on policy measures related with co-operation, innovation and advice. A lot of interest has been expressed by research centers, Universities, co-operatives, unions of co-operatives and other actors, locally regionally and at the national level, in order to achieve synergies and promote innovative technologies as well as novel forms of organization. The importance of an efficient provision of advice has been stressed by more than one participant in all participatory events organized during the course of SUFISA.