

# POLICY BRIEF

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## Outlook on sheep and goats breeding in Greece: Restrained optimism

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The latest developments within the Greek cheese industry permit a certain degree of optimism. The value of cheese exports increased by 60% during the 2010 – 2015 period, which, paradoxically coincided with the financial crisis. Cheese exports also demonstrated a relatively steady positive annual rate during the period 2014–2017. Equally optimistic, the quantity of cheese exports has shown an overall increase for the 2014–2017 of 34%. In this light, the 543 cheese making businesses within Greece have demonstrated competitiveness in both internal and external markets. They seem to base their competitiveness 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 were 35–45% lower than the average export price. It is worth noting that feta, the main processed product of sheep and goat milk, accounted for 80% of the value of these exports in 2017.

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 throughout the last decades have been varying. Farms with bovine animals (around 15.000 or 6% of the farms 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 rear sheep and/or goats, 61–65% of the total farms with livestock. Similar downward trends are observed during the same period, but 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 originating in decisions made during the 1980's CAP implementation, by assigning 25% of the total annual support to pastures. Also bearing in mind the problem of unclear definitions 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 research conducted, it seems that policy choices made by the Greek Ministry of Rural Development and Food to include sheep and goat farms as eligible to receive special coupled payments has been correct, since the sector on the one hand seems to have potential for exports but on the other hand, the numbers of farms and animals are declining.

- A second choice, 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 above-mentioned 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 relevant measures could be beneficial for an effective implementation of policy initiatives.

Finally, great expectations seem to have been invested, both at the local and the national level, on policy measures related to 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.