

3. Fertilizer Situation

Consumption of chemical fertilizers in Greek agriculture increased from 1.6 million tonnes in 1980 to 2.4 million tonnes in 1985 at an average annual increase of 7%. compared with consumption levels in the last decade, fertilizer use has risen by 60% in 1985. Consumption of nitrogen fertilizers grew by 80%, phosphoric fertilizers by 20%, and potassium by 14% in this 10 year period. However, Greek farmers still use less fertilizer than other EC farmers (194 kgs/ha versus 201-339 kgs/ha). Imported fertilizers (mainly ammonia and urea) cover only 10% of overall needs with local production providing the balance of around 2.2 million tonnes.

4. Import Mechanism

Since Greece's accession to the EC in January 1981, all grain trade has been handled by the state sector cooperative distribution agency KYDEP. To conform with EC policy of free trade in grains, the Government, since 1/1/86, has permitted the private sector to participate in this trade on a restricted basis. In view of a large carry over of both soft (180,000T) and durum (500,000T) wheat from the 1986 crop because of radioactivity contamination, particularly for durum, KYDEP is experiencing both disposal problems for the 1986 crop as well as pressing storage problems for the 1987 crop. The authorities are, therefore, pressuring traders to take more domestic wheat in order to obtain financing for imports of better quality EC soft wheat. About 380,000 tonnes of soft wheat were imported during M/Y 86/87, of which 318,000T were from France and 62,000T were from UK. Greece is actually self sufficient in grains.

5. Grain Industry Infrastructure

Grain handling, pooling, storage, imports and exports, previously a KYDEP monopoly, have now been liberalized to some extent, permitting the farmer to sell to YDAGEP (the EC Intervention Agency), KYDEP or private traders (millers and exporters). Intervention prices set by the EC are lower than those paid by KYDEP which, in turn, are below those received by farmers from the private trade.

6. Government Policies affecting Grain and Agriculture

Greece's grain and agricultural policies are being aligned to the EC/CAP. Greece is generally self-sufficient in wheat and corn and almost for barley. EC financial incentives are boosting durum wheat production at the expense of soft wheat. Durum can be cultivated on non-irrigated land in marginal mountainous areas. To compensate for the EC co-responsibility tariff to be levied on Community wheat producers, following a decision of the Council of Agriculture Ministers in June 1986, Greece's small wheat growers receive compensation. Greece produces 2.9% of the total Community wheat crop. Utilization of corn in the livestock industry is being replaced by cheaper feed grain supplement,