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Greece Planting Seeds Annual 1999

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Report Highlights:

U.S. seed exports to Greece accounted for approximately \$15 million (\$10 million field crops and \$5 million vegetable seeds) out of the total \$86 million market for imported seeds. The U.S. accounts for 75% of the imported seed corn market. Greek farmers prefer U.S. wheat seed but this potential \$ 4.0 million market is blocked since no imports from the United States are currently allowed due to concerns over Karnal bunt. Field trials of GMO seeds were discontinued in 1999 for political reasons, despite favorable results in 1998.

Includes PSD changes: No

Includes Trade Matrix: No

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TRADE**General**

There are no significant changes reported since last year. Total imported amount of seed is reported in the table below based on Trade, Ag. Cooperative and Ag Office estimates (there are no GOG reliable seed trade data available).

TABLE 1			
Import and usage of seeds (MT)			
FIELD CROPS 1998			
	Usage	Imports	
Crop	(Total)	(Total)	From U.S.
Corn	3,600	3,500	3,000
Cotton	11,500	7,500	7,000
Wheat Soft	45,000	2,000 1/	-
Wheat Durum	130,000	25,000 1/	
Barley	35,000	-	-
Alfalfa	1,300	580	-
Rice	300	300	-
Other 2/	-	-	-

Source: Private Trade, MinAg, Coops.

1/ Wheat pro-basic seed imports do not take place every year. Seed is renewed every 4-5 years with new imports. Seed amounts reproduced on farm or by cooperatives are certified by local MinAg authorities before planting (where possible).

2/ Other seeds: Barley, Sugar, Tobacco, (all varieties) are not imported. Pro-basic seed is purchased when needed for basic seed production domestically.

TABLE 2		
Use of main vegetable seeds in Greece		
1998		
	Usage	Value of market
Vegetable	(Total)	(Mil \$)
Cabbage	160 Mil. Seeds	1.3
Openfield Tomato	135 Mil. Seeds	6.0
Lettuce	105 Mil. Seeds	0.3
Watermelons	66 Mil. Seeds	1.1
Green (Lg) Tomato	62 Mil. Seeds	6.2
Melons	36 Mil. Seeds	1.5
Green (Lg) Cucumbers	29 Mil. Seeds	6.8
Squash	16 Mil. Seeds	0.9
Eggplant	13 Mil. Seeds	0.5
Peppers	43 Mil. Seeds	0.7
Beans, Green	82 MT	1.4
Carrots	47 MT	1.2
Industrial tomato	12.8 MT	2.2
Onions	0.6 MT	1.1
TOTAL		31.2

Source: MinAg, Private Trade

The total amount of field crop seeds utilized does not vary much, due to predetermined areas for planting under the EU crop area quota system. There are some variations based on variety from year to year. Some increase in demand is reported for vegetable seeds, connected to increased vegetable consumption demand, and for grass seed blends. Most imports of vegetable seed are from Europe. The value of the vegetable seeds imported into Greece in MY 1998-1999 is estimated to be in the neighborhood of \$30-31 million, compared to approx. \$55 million of field crop seeds (these are rough estimates). The U.S. share of the total seed market is approx. \$15 million for the same period, made up of \$5 million for vegetable seeds, floricultural and grass seeds, and \$10 million field crop seeds. Due to karnal bunt quarantine concerns, imports of U.S. wheat seed are not allowed. In 1999, an amount of 5,000-6,000 MT (\$4.0 million) of certified U.S. wheat seed could easily have entered the Greek market if conditions permitted.

Wheat seed from the US is preferred by a number of importers, but there is no wheat seed imported from the US due to Karnal bunt quarantine restrictions imposed by the GOG. Sampling and testing of imported wheat seed is required by the MinAg and importers do not want to risk false positives on imported wheat. According to various sources, there is a demand of 60,000 MT of certified durum wheat seed this fall. The Ministry of Agriculture requires that 50 percent of the seed used be certified (100 kgs out of 180-200 kgs used per hectare planted with durum wheat).

No GMO seed corn hybrids (including BT varieties) were approved in 1999 for field trials in Greece. Applications for GMO cotton seeds for experimentation were also rejected this year. Field trials for both cotton and BT-corn did take place in 1998. The results from the field were promising and alerted farmers to the benefits of GMO's (see ATHENS STATE CABLE 04361 dtd 7/12/99). GMO cotton seed trials in 1998 proved that there is an alternative to serious insect damage in Greece, where attacks of bollworm are reported to be at the level of 30-33 percent in cotton producing areas. It was also found, that there is a high potential for BT-Corn to be grown in Greece because of serious insect problems.

Some prefectures around the country are discussing plans to increase the demand of their local seed for field crops, corn in particular. Some prefectures are also considering becoming GMO free areas (i.e. the prefecture of Xanthi in Thrace, Northern Greece where high quality corn is produced for domestic food consumption and export, to be processed in Italy and Belgium for starch and corn sweeteners production).

MARKET SHARE

A slight increase of demand is reported for grass seeds. German and Dutch grass seed suppliers have taken the lead in the Greek market, but there is great potential for further developments and enough room for new suppliers due to increasing activity in landscaping. Certified seed for all crops which do not use hybrid seeds continues to be required for the farmers who receive EU subsidies and income supports (mainly wheat, rice, tobacco & sugar beets).

Field crop seeds, especially cotton and corn, are imported mainly from the United States. Little change for 1999 is observed, compared to 1998.

For cotton seed, domestic seed production was reduced dramatically after the SJ2 Acala varieties entered the Greek market. The US share in cotton seed covers an estimated 75 percent of the market with potential for further increase of market share. Total seed use will not increase since it is directly connected to the production quota of cotton set by the EU. Approx. 7,000 MT of cotton seed is imported from the US with another 3,000-3,500 MT of cotton seed is produced domestically (mainly the SINDOS variety) which is produced by the Cotton Research Institute in Thessaloniki in cooperation with the Hellenic Cotton Board. In the 1980s, approx. 10,000 MT of cotton seed was produced domestically and supplied to farmers with subsidized prices from the GOG. Since the National Subsidy system was phased out, in compliance with the EU legislation, imports have increased sharply. In 1999, growers paid between 1,500-2,000 Drs/kg (\$4.83-\$6.45/kg) to buy cotton seed for planting. This price level is set for two years (1998 and 1999) based on an agreement by the seed companies to not increase prices, responding to GOG's request (Ministry of Commerce), as a measure to keep inflation down. This policy pertains to all seeds (both domestic and imported) and ag. inputs.

The size of the corn seed market is 3,500-3,700 MT annually. Of this amount, 2,900-3,000 MT are of US origin (of which 58 percent are PIONEER hybrids) and 600 MT from European suppliers. Very recently, most of US hybrids began to be supplied through Europe (mainly Italy). This way Greek traders, can avoid the complicated Greek import process by transshipping the product through other EU countries whose system is more flexible and less costly. In 1999 farmers paid 45,000-50,000 drs (\$145.2-\$161.3) per 75,000 seed kernels, fluctuating according to variety. Corn seed demand and prices are stable.

Wheat seed domestic production is estimated at 25,000 MT. The demand is for 120,000-130,000 Mt of durum and 45,000 mt of soft. About 25 percent is imported (no seed from the US) and 50 percent is seed which is non certified seed, kept from the previous seed harvest and re-planted. Farmers rotate the use of new wheat seed every 3-4 years which reduces the level of imports and sales of GOG certified seed, produced domestically.

Domestic production of certain seeds is improving especially for sugarbeet seed, tobacco seeds and alfalfa. For alfalfa seed there is a well established production of certified seed which has gradually replaced imported varieties due to its lower price. Prices for farmers have been stable for some time and pay approx. 600 Drs./kg (\$1.93) for the locally produced LAMIA variety, compared to 2,800-3,000 Drs./Kg (\$9.03 - \$9.67) for any imported alfalfa seed. The share of foreign seed is presently estimated at only 40 percent for alfalfa. Californian and French alfalfa seeds have lost ground in recent years and will continue to do so, even though they are qualitatively and genetically superior to that produced and certified domestically. Alfalfa is considered to be a profitable crop and covers (with a slightly increasing trend) much of the irrigated acreage left over from other crops or obtained from the reclamation projects carried out by the Ministry of Agriculture. The total need for alfalfa seed is reported to be at 1,300 MT annually. The total alfalfa crop acreage in 1999 is reported to be at 190,000 Ha corresponding to an output of 2,000,000 MT (dry matter basis). The domestic animal feed market shows an increasing demand for dry alfalfa, in pellets which is offered at competitive price compared to grain feeds.

1999 Rate: \$ 1.00 US = 311.00 drachmas (September-October 1999)