



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 11/19/2002

GAIN Report #GR2022

Greece

Planting Seeds

Annual

2002

Approved by:

Ann Murphy

U.S. Embassy Rome

Prepared by:

Stamatis Sekliziotis

Report Highlights:

In 2001, Greece imported an estimated total of \$87 million in seeds of which \$40 million was from U.S. field crop, vegetable, and other seeds. Traditional Greek imports include seeds for cotton, corn, alfalfa, and field or covered vegetables but markets are also growing for wheat seed, bedding and ornamental plants and grasses, in particular, in mixture packs. The U.S. market share and volume of cotton seed exports has been negatively affected by an ambiguous import policy on adventitious presence of GMOs in conventional seed. Consequently, locally produced cotton seed is increasing, but it is of poor quality. New GOG regulations in compliance with EU legislation require all wheat seed to be 100% certified.

Includes PSD changes: No

Includes Trade Matrix: No

Annual Report

Rome [IT], GR

Section I: Situation and Outlook - Narrative	.....	1
PRODUCTION	.....	1
PLANT HEALTH REGULATIONS	.....	3
SEED CERTIFICATION	.....	4
INTELLECTUAL PROPERTY RIGHTS (PLANT VARIETY PROTECTION/PLANT PATENTS AND VARIETY APPROVAL)	.....	4
MARKET DEVELOPMENT OPPORTUNITIES	.....	4
TRADE	.....	5

Section I: Situation and Outlook - Narrative

PRODUCTION

Seed is produced in Greece primarily by private companies and secondly by quasi-government organizations. Tobacco seed is produced and distributed by the Tobacco Institute (part of the National Network of Institutes for Agricultural Research under the Ministry of Agriculture - NAGREF), while sugar beet seed is produced and distributed by the Hellenic Sugar industry. Local varieties of cotton seed are produced by the Cotton Institute, also part of NAGREF. Domestic cotton seed was produced for many years in cooperation with the Hellenic Cotton Board but both the Hellenic Cotton Board and Hellenic Tobacco Board were abolished this year after the GOG's Decision to integrate their activities and responsibilities into the Field Crops Division of the Ministry of Agriculture.

Some domestically produced field crop and vegetable seeds are distributed to farmers by KESPY (Central Cooperative Union for Supplying Agricultural Inputs) at relatively low prices, and to a larger extent by private companies. The majority of farmers prefer to use seed offered by private companies due to better quality and consistent supplies. In 2002 approximately 20,000 hectares were planted for the domestic production of cotton seed, compared to 12,435 hectares planted in 2001 which produced approximately 10,000 MT of cotton seed. This seed is produced by 7 private companies (G.SPYROU S.A., VETERIN, BIOS, AGRIS, GEOCHIM, KLAROUDA & DIAMORFOTIKI). Due to adverse weather conditions prevailing in the summer of 2002, with heavy rainstorms and extensive flooding, cotton seed output is expected to be in the neighborhood of only 4-5,000 MT of very bad quality, not expected to be sold completely.

Those private companies which produce domestic seed by licence use local varieties and/or imported genetics for their production needs. Cooperatives use domestic varieties of cotton and wheat, in particular. U.S. genetics account for 60% of the total planted seed in 2002, for all crops. Some sugar beet seed, less than one ton, is imported by the Hellenic Sugar Industry for propagation and genetic regeneration for locally produced seed distributed to farmers.

The bulk of seeds used in Greece for field crops, vegetables, grasses and forage plants is imported from the EU, the United States and, to a lesser extent, from third countries (S.Africa, Turkey, etc). Domestic production covers only part of the local demand for some products such as tobacco, sugar beets, alfalfa, wheat and some cotton. Corn seed is no longer produced domestically, so imports account for 100% of the crop.

In 2002, growers paid between 2.4- 4.1 euro/kg for cotton seed for planting. This price was increased by 7-8% relative to 2001.

The size of the corn seed market is 3,500 - 3,600 MT annually. Of this amount, 2,500 MT are of US origin and 1,000 MT from other suppliers (US companies in Europe such as Syngenta and Novartis included). Essentially, US genetics utilized in Greece cover a higher percentage from that cited in official statistics, due to transactions taking place elsewhere in Europe and also from third countries where the seed produced is based on US genetics and exported to Greece. In 2002, farmers paid 162- 173 euros per 75,000 seed kernels, with prices fluctuating according to variety. Both corn seed demand and prices have slightly increased since 2001. Corn became a popular Greek crop again when farmers replaced a significant cotton acreage with corn, because their record 2001 cotton crop brought low prices and they were penalized for exceeding output thresholds set by the EU.

Total wheat seed demand in Greece is 125,000-130,000 MT. Of this, annual domestic production of durum wheat seed is estimated to be 25,000 - 30,000 MT and soft wheat seed production is 48,000 MT. The main durum wheat seeds domestically produced are the FLAVIO, VAVAROS and MEXA varieties with 13.5-13.9 protein content in produced grain, yielding up to 4,700 Kg/Ha in a good year. There are another 5-6 local durum wheat varieties well adapted and used in certain regions. Durum seed usage fluctuates between 150-180 kgs per hectare. Soft wheat varieties domestically produced are the YECORA, VERGINA SIETE and MYRTOS. Soft wheat seed yield reaches 250-270 Kgs/Ha.

Starting in 2001, all durum wheat seed must be certified. Farmers customarily rotated the use of new wheat seed every 4-5 years which reduced the level of imports and sales of GOG certified seed produced domestically. In September 2002, GOG Ministry of Agriculture announced that in compliance with relevant EU Regulations (1251/1999 - EEL160/99 and 2316/1999 -EEL280/99), durum wheat farmers from that point forward must reduce seed usage per area unit from 150-180Kgs/Ha down to 100Kg/Ha of certified seed. This regulation prohibits the use of seed kept on farm, from previous harvests and for all durum wheat varieties grown, starting with the 2002 planting season. Only those farmers who satisfy this EU requirement will be eligible to receive the EU income support (grain subsidy per area unit cultivated with durum wheat).The purpose of applying these regulations is to increase durum wheat output and improve quality. The new system applies from the current planting season forward and was published in the Official Greek Government Gazette, on September 12, 2002 in the form of a Ministerial Decision.

This decision was not well accepted by farmers and seed traders in particular. In order to comply, farmers are obliged to pay more for durum wheat seed and to use 100% certified seed. The volume of seedtrade is expected to decline by almost 30-35% as a result. Soft wheat seed usage is not affected by the above regulations.

Domestic production of other field crop seeds is improving, especially for sugarbeet seed, tobacco seeds and alfalfa. The latter is becoming an important crop in Greece utilizing acreage left over from partly abandoned irrigated fields (i.e. cotton fields). Extensive analysis of the situation, including usage of other imported seed, was given in last years Planting Seeds annual report (GR1020). Prices in 2002 paid by farmers were increased by a weighted average of 7 percent over those paid in 2001 for all seeds.

The Government of Greece has developed a National Catalog (or seed registry) for food, tobacco, and fiber (cotton) seeds which requires that all varieties planted commercially be listed. The average time it takes to register a seed variety is two years. Foreign and national companies apply for seed registration and they agree that their seed will be tested by the Greek Agricultural Research Foundation. If testing proves that new varieties are suitable for Greek conditions and they fulfill all the required criteria, then registration is completed.

PLANT HEALTH REGULATIONS

Greece follows the EU Phytosanitary regulations complying fully with EU Reg. No. 2204/1999 which amended EU Reg. No. 2658/87. In GR0026 (2000 Annual Planting Seeds report) a full description is given of the phytosanitary regulations in effect (Pages 4-9). There are no changes reported since then. US Traders attempting and/or willing to sell US durum wheat seed to Greece, must seriously consider the karnal bunt issue well in advance. All wheat (both grain and seed) will be subject to laboratory testing upon arrival.

Due to karnal bunt quarantine concerns, imports of U.S. wheat seeds are not allowed. In 2001 and 2002, perhaps 2,000 MT (over \$2.5 million) of certified U.S. wheat seed sales were lost due to these restrictions. Although wheat seed from the US remains highly preferred by a number of importers, US exports have been hindered since 1996 due to karnal bunt quarantine restrictions imposed by the GOG.

SEED CERTIFICATION

The general structure of the Greek seed certification system is extensively described in GR0026 (2000 annual). There are no changes since then. Last year (for seed imports to be planted in 2001) proved to be extremely difficult for Greek Authorities to test 100% of all the seed types imported into the country. In the case of cotton seed, testing was problematic because of GOG's testing for GMO content. This was costly, and it caused delays in seed distribution and lack of enough laboratory time and expertise. On the other hand, by the end of May 2002 the Hellenic Cotton Board (HCB) was closed down and its agencies and staff were absorbed by the Ministry of Agriculture. For many years, the HCB was the key agency involved in the cotton seed certification process in cooperation with the regional Ministry of Agriculture certification centers (KEPYELs) helping in field inspections and in certification, according to relevant legislation pertaining to seed production. Judging by these developments, the Ministry of Agriculture does not yet have the capacity fully to undertake all these responsibilities and incur 100% sampling and testing for all the imported seed lots.

Currently, sampling and testing of imported cotton seed takes place on a random basis (1 out of 10 seed lots are sampled and tested). The tolerance level for corn seed approved events is set at 0.5% content of transgenic material, while for cotton seed, the "non presense" requirement is still in effect.

INTELLECTUAL PROPERTY RIGHTS (PLANT VARIETY PROTECTION/PLANT PATENTS AND VARIETY APPROVAL)

Intellectual property rights are covered in the framework of EU Regulation No. 2100/94. Registration procedures of new varieties to either the EU or National variety catalogs are described in GR0026 (2000 annual report).

MARKET DEVELOPMENT OPPORTUNITIES

Greece has significant potential for the marketing of foreign planting seeds and other plant propagation material. Special seed categories like grass seeds (bermudas, zoysias, tall fescues, ornamental plant seeds) need further market development and promotion activities in view of the 2004 Athens Olympics and in the framework of large landscape projects expected to be implemented or now underway. Grass seeds imported into Greece are estimated at 500MT/annum mostly from the Netherlands and US, showing an upward trend. Ready available grass seed mixtures are in demand with high traffic, sunny, sun and shade, shady, and low water demand as characteristics. Import permit procedures for potential importers of seed into Greece, profit margins and other factors to be taken into consideration by the trade willing to penetrate the local market, were also reported in GR0026 (2000 annual report).

The GMO issue has negatively effected imports of field crops from the U.S., a market which has been dominated by U.S. product for many years. Importers have encouraged the GOG to establish a policy and/or procedure to provide acceptance for adventitious presence of GM material, to establish acceptable detection methods and specific thresholds compatible with sound science and feasible seed production practices. This month, based on announcements by the

Minister of Agriculture, Greece has fully understood that the "non presence" status for cotton seed must be reconsidered in the framework of a totally changing policy on biotechnology, under the umbrella of the Traceability and Labeling issue and the upcoming ending of the moratorium on approvals which has lasted for almost four years. It is widely accepted that a 1% tolerance for cotton seed must be the target for the next few months.

TRADE

The total volume of imported seed is reported in the table below based on official data provided by the National Statistical Service. There are no reliable GOG seed trade data available (in the table below, only the main seed imports are cited. There are more seed imports, vegetable seeds in particular, which are cited under the other category).

The total amount of field crop seeds utilized from year to year 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 and some fluctuations in land use. Some increase in demand is reported for vegetable seeds, connected to increased vegetable consumption, and for grass seed blends, due to an increased demand for landscaping projects. Most vegetable seed imports come from Europe. The value of vegetable seeds imported and domestically produced in Greece in CY 2001 is estimated in total to be in the neighborhood of \$35 million, compared to approximately \$75 million in field crop seeds from all origins, plus domestic. These are rough estimates based on various sources in the market. The U.S. share of the total seed market is approximately 45 percent for the same period, made up of 7 percent for vegetable seeds, floricultural and grass seeds, and 39 percent of field crop seeds. It should be noted that U.S. seed can either be imported straight from the U.S. or through other European countries.

No GMO seed cotton and corn hybrids have been approved for field trials in Greece since the 1999 EU-wide moratorium began. Nevertheless, Bt corn, Roundup-Ready corn and Bt cotton seed varieties were assessed by the EU Scientific Committees and found not to pose a danger to the environment or to human health. In view of lifting the moratorium, procedures may restart and trials could be discussed between GOG and US seed companies, for both corn and cotton bioengineered varieties.

A slight but steady increase in demand is reported for all 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 (mainly including seed mixtures for sowing and/or sod production). 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. There is a decrease observed in 2001 and 2002 imports from the U.S., compared to those imported in previous years. For cotton seed in particular, this is due to the Ministerial Decision in effect which requires a "non presence" of GMOs in the imported seed. Despite this threat, no shipments of U.S. cotton seed this year (approximately 4,500 MT) have been turned back due to the presence of GMO material, although testing was lengthy. Samples of both imported and domestically produced cottonseed were taken for routine testing for quality and purity. Testing for the presence of GMO material took place on a random basis and no GMO contaminated seed lots were found.

TRADE DATA

Total Imports of Seeds to Greece By Type (CY 2001)

	Type of Seed	Combined Nomenclature	Quantity (kg)	Value (USD)
	Sugar beet	12091100	941	675,665
	Alfalfa	12092100	1,422,148	1,018,246
Ornamental grasses				
	Trifolium spp	120922	4,806,874	617,159
	Fescue	120923	295,008	440,390
	Kentucky blue grass	12092400	89,584	148,208
	Rye grass	120925	60,050	47,219
	Vetch seed, seeds of the genus Poa palustris L. and Poa trivialis L., seeds of cocksfoot grass Dactylis glomerata L. and seeds of bent grass "Agrostis"	12092910	1,539,734	612,482
Vegetable seeds		120991	2,146,997	9,684,742
	Potatoes seeds	07011000	15,502,106	6,193,977
	Onion seeds	07011000	96,357	88,622
	Cotton seeds	12072010	6,654,557	14,308,010
	Sunflower seeds	12060010	3,675	20,217
	Common wheat and meslin seed	10019091	11,683,809	1,653,140
	Barley seed	10030010	103,658	38,260
	Maize seed	100510	3,650,000	21,000,000
	Rice in husk	10061010	762,170	367,563
	Dried sweet corn	07129011	637,151	407,335

	Dried shelled kidney beans "Phaseolus vulgaris"	07133310	132,208	300,296
	Dried shelled leguminous vegetables	07139010	52,475	26,840
	Other seeds			20,000,000
	Total value of imported seeds:			77,648,371

Exchange Rate, Jan.- Sept.2002: \$1 = 0.082 euro