

# Speech by Commissioner Phil Hogan at Greek Parliament

**6<sup>th</sup> October 2016, Athens, Greece.**

- Check Against Delivery –

- Minister Apostolou, Ministers, Members of Parliament,
- Thank you for inviting me here today. I am delighted to make my first visit to Greece as Commissioner. My aim during this mission is to develop a deeper understanding of the agri-food sector in this country, and outline how the CAP can support its growth.
- Greece is a country with ancient and proud agricultural traditions. Your products, ranging from olive oil to feta to the finest fruits and vegetables, are known throughout the world.

- As European Commissioner for Agriculture and Rural Development, this is something I want to support and invest in, so that your traditions will continue to flourish in the 21<sup>st</sup> Century. I will make this point strongly to your Prime Minister when I meet him tomorrow.
- Before I tell you about the work the Commission is doing to support Greek farmers and agri-businesses, let me dedicate a few words to the Commission's plans for 2017.
- In his State of the Union speech in September, President Juncker spelled out a blueprint for how Europe can move beyond this time of uncertainty to find renewed purpose and vision.
- Above all, he reinforced the need to demonstrate to our citizens that European cooperation is the best bet for our future prosperity and security. We must show that we can continue to deliver improvements in their daily lives.
- The President notably called for the expansion of the Investment Plan for Europe, which has already begun to deliver real benefits for many national economies by reviving investment in strategic projects around Europe.

- Over 200,000 small firms and start-ups across Europe got loans. And over 100,000 people got new jobs.
- To give just one example, right here in Greece, the European Investment Bank in March 2016 signed a €15 Million financing agreement with Creta Farms.
- This Greek company, founded in 1970 in Crete, is a leading processed meat and dairy food manufacturer and the biggest pork producer in the country. It is a leading Greek exporter in the food industry with two large production facilities and high-quality livestock farms.
- The EIB investment is designed to maintain the company's competitive advantage, which is based on the innovation it has brought into the food sector. Since 2001, Creta Farms has registered 17 patents producing innovative, high dietary value products.
- Creta Farms aims to lead in the global trend towards healthy nutrition, producing innovative products that reinforce the profile of Greek businesses worldwide. Annual turnover exceeds EUR 100 million, while its efforts are supported by more than 700 employees.

- The EIB investment highlights this Commission's commitment to deliver value for money for European taxpayers, by prioritising job creation above all. And President Juncker has proposed to **double the duration** of the Fund and **double its financial capacity**.
- Returning to my own portfolio of Agriculture and Rural Development, today I want to tell you what the Common Agricultural Policy is doing to boost the creation of jobs and economic growth for your rural areas.
- The CAP is the policy framework which Greek farmers share with their counterparts in the 27 other EU Member States, and it is already doing a great deal to support the agri-food sector in this country.
- In the 2014-2020 period, Greek farmers will receive almost 15 billion Euro in direct payments, boosting their farm income and remunerating their work in producing numerous public goods.
- In the area of Rural Development, I believe there is huge potential to do more.

- Of course, I understand that Greece has faced a very difficult economic and social situation for the last number of years. But the agriculture sector has done comparatively well.
- Indeed, there are strong indicators of indigenous innovation and creativity happening throughout the sector. We see in Greece the emergence of new and dynamic operators producing better **quality products**, which are more environmentally-friendly, more innovative and with a strong export orientation.
- Our challenge is to underpin that home-grown ambition and innovation with strong and targeted policy support and investment.
- If I look at the example of the country I know best, Ireland, we can see that an ambitious agri-food sector can make a real and decisive contribution to economic recovery, if its potential is harnessed in a smart and sustainable way.
- I am convinced that your Rural Development Programme can play a central role in this process.

- It was approved in late 2015 and has entered into the implementation phase. I am aware that the competent Greek authorities have been working to prepare the legal and institutional framework. **The Commission urges Greece to proceed with its implementation without delay.**
- For the 2014-2020 period, Greece will receive almost 5 Billion Euro for measures benefiting your agriculture and rural areas. **If this is spent in accordance with well-defined priorities, it can play a crucial part in re-launching the agricultural economy.**
- Of this amount, approximately 25% is dedicated to physical investments, including farm restructuring and modernisation as well as for the processing and marketing sector.
- Meanwhile, approximately 8% is to be used for farm and business development, including support for young farmers, for diversification and the development of non-agricultural activities.
- In addition, the new Greek Rural Development Programme introduces a new approach to innovation, knowledge transfer and advisory services, with the relevant measures making up more than 6% of the total budget.

- SO what does this mean in concrete terms?
- It means 7,500 agricultural holdings will receive support for investments in restructuring and modernisation, for a total expenditure of over EUR 560 million;
- It means 14,000 beneficiaries will receive start-up aid for young farmers with a total investment of EUR 300 million;
- And it means that approximately EUR 1 billion will be invested in physical assets.
- **But I must remind you that this will not happen automatically. I therefore call on all relevant actors in Greece to work effectively on successful and timely implementation.**
- I know the regions have an important role to play and I encourage you in your constituencies to support the authorities in completing this vital task.
- I would also like to take this opportunity to talk about one of my key priorities, which is the smart use of financial instruments to ensure the accessible investment funding.

- Through the targeted and efficient use of financial instruments, farmers and agri-businesses in Greece can begin to invest and innovate in a serious way. A successful financial instrument is essentially a magnet designed to pull in private money.
- So, with the right mechanism, one euro of public money can be transformed into two euros, three euros and more to create the businesses and jobs of tomorrow.
- I would therefore like to encourage the Greek authorities to seriously consider the use of financial instruments and correct the shortcomings faced in the previous period when it came to designing and using financial instruments.
- I know that you are in contact with the EIB in order to conduct a thorough ex-ante assessment of the situation, and I am advised that this process is on the right track.
- This is a crucial pre-condition for improving access to capital for potential beneficiaries, and in so doing, boosting the impact of the Rural Development Programme.
- I also want to help your producers to find new markets for their high-quality food and drink.

- As I mentioned earlier, Greek products are world-class, with a long-standing commitment to quality. This is precisely what gives you a competitive advantage, and where further potential lies.
- **New food consumption trends** should favour Mediterranean agricultural products, which are often delivered by small-sized structures focused on quality rather than quantity.
- **Your world-renowned origin products are particularly well placed to become even greater global success stories.** Conscientious consumers throughout the world recognise the quality and value of our European food traditions and the fact that they form such an integral part of our identities.
- For example, right here in Greece you have over 20 different cheeses, 27 olive oils, and 23 vegetable and pulse varieties with protected status. These are high-quality European GIs with a story to tell: a story about where they come from, which skills are vital for their production and why they enjoy such a reputation.
- Later this afternoon, I will present the certificate for your latest Greek GI product – a fava bean product.

- All this matters, because globally, EU quality products are already a **success story**.
- In terms of sales, products covered by geographical indications represent around 6 % of EU food and drink production while the share in EU food and drinks exports is 15 %.
- This can only be an incentive to go further on this path, because consumers are asking for more quality and more information. We need new alliances - involving the food chain from farm to fork, and involving urban and rural populations - if we are to build on our strengths.
- To spread this good news, we are promoting our products harder than ever. The Commission took strong action by more than tripling the Agri-food Promotion Budget from €60m to €200m over the next four years.
- **Furthermore, in 2016 I'm also undertaking a Diplomatic Offensive to intensify and create new trade relationships with third countries.**

- I have already visited Mexico, Colombia, Japan and China – each time bringing a delegation of EU agri-businesses with me, including from Greece.
- I believe these trade missions will go a long way towards finding new openings for our exporters. **And let me repeat the fact that EU standards will be upheld at every step of this journey.**
- In conclusion, ladies and gentlemen, I hope I have demonstrated to you some of the many ways that the European Commission is supporting the ability of your agri-food to boost economic recovery.
- I would like to conclude by reminding you of our commitment to our farmers, in good times and bad.
- Over the past 12 months, the Commission has succeeded in freeing up €1 Billion of new resources to support European farmers hit by the current crisis. This is on top of the €56 Billion that we spend every year. This must be viewed as a hugely significant achievement in an era of massively competing budgetary demands.

- Furthermore, in recent days €440 Million from the Crisis Reserve Fund has made its way back to European farmers – during my mandate this has happened in each of the past 3 years.
- While signs of recovery are already evident, particularly in certain commodity prices, we will not rest until this improving market sentiment is translated into higher farm-gate prices to the benefit of producers.
- The impact of the Russian ban was sharp for many sectors – for example, the impact on the Greek fruit and vegetables sector was significant.
- Again, I am satisfied that the Commission's actions were timely and decisive for this sector. Safety net measures were first introduced in 2014 in response to the Russian ban and were extended one year ago.
- Since the beginning of the Russian ban, the total aid requested amounts to €291 million, corresponding to 1.16 million tons of fruit and vegetables.

- In July, we formally extended the measures for a further year, as well as boosting withdrawal prices for the sector.
- I am happy to hear any questions or comments you may have.  
Thank you for inviting me here today.