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Greece

Fresh Deciduous Fruit

Annual

2002

Approved by:

Ann Murphy

U.S. Embassy Rome

Prepared by:

Stamatis Sekliziotis

Report Highlights:

An extremely cold winter and August storms have reduced apple production by 28% and pear production by 55% compared to 2001 levels. Table grapes were likewise negatively affected, especially due to hail damage, reducing production by 6 percent. Imports, usually supplied mostly by EU partners, are expected to reach 14,000 MT for apples, 28,000 MT for pears, and nearly 8,000 MT for table grapes. A new program registering land planted to table grapes and wine grapes is underway.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Production

Fresh Apples and Pears

Heavy snowstorms with extremely low temperatures during January & February 2002 and strong winds and rainstorms which prevailed in early August, have affected tree crops in central Greece and especially Magnisia, a major apple producing region. Adverse weather has caused serious damage to the apple tree crop which will affect total harvest in quantity and quality. It is presently estimated that extreme weather conditions have adversely affected the 2002 volume of the apple crop which is expected to be 28% lower than that harvested in 2001. Fruit lost during recent rainstorms with hail, was on trees due to be harvested after mid-September. These same weather conditions affected the 2002 pear crop and consequently its volume dropped by about 55% compared to the 2001 crop.

The Municipality of Zagora's apple and pear crops (in Magnisia) were affected the most. This is also where farmers' main income is from fresh fruit production. Farmers complained to the Ministry of Agriculture asking for immediate damage surveys and compensation payments from ELGA (a governmental agricultural insurance organization). In addition, farmers asked GOG for an immediate income support to take them through the coming winter season. Total apple production in the area represents approximately 25-30% of the national output. The magnitude of actual damage is expected to be officially announced by the Ministry of Agriculture in October, but farmer compensations will not be paid before December 2002.

Reportedly, weather damage of certain deciduous tree orchards will probably affect their output in the years to come. Tree recovery will require more than a year for full recovery, provided that intensive maintenance will take place.

ELGA this year was financially supported by both the National Budget and EU Funding with an approximate amount of 12 million euros, in order to cover weather damage compensations in various sectors of Greek agriculture (including tree, field crops and livestock).

Fresh Table Grapes

Heavy rainstorms in early August have adversely affected the quantity and the quality of the 2002 fresh table grapes crop. Presently, the drop in production is estimated at 6% as shown in the attached PS&D Table. The Prefectures of Heraklion in Crete and Halkidiki of central Macedonia are reported among the most damaged regions in Greece. The fresh table grapes crop is considered to be a stable crop, according to our sources, without remarkable fluctuations in yield. Wine grape acreage and output, however, show an upward trend in recent years.

Modernization and expansion of investments in wineries are included in the EU Third Support Framework Agricultural Restructuring Plans, for the EU's Countryside Development Program 2000-2006 (Ref.: EU Reg. No.1257/1999, where wineries are listed among other supported activities in the field of agriculture). However, according to industry sources, pre-conditions are not easily fulfilled, in order to qualify for such a subsidy; and discourage many applicants due to multiple criteria used by the authorities when applications are assessed. Total tonnage already produced by prefecture, should not be exceeded with a new subsidized investment. Investments must be related strictly to operational improvements of existing processing units and introduction of any production line modernization and methods, provided that these actions will not result in any increase in capacity. Actions for introducing and/or improving software and hardware and application of HACCP, ISO -

9000 and ISO -14001 systems are fully supported and funded by the program. Under the geographical criterion, wineries located in saturated areas, where there is already sufficient capacity in a given prefecture, which still desire to increase their capacity, are not qualified for a subsidy. On the contrary, less favored areas producing wine grapes and characterized by a limited or non-existent wine grape processing capacity, are among the most likely to be subsidized, in an attempt to maintain the crops in remote areas, improve farmers' incomes, provide jobs and opportunities to these disadvantaged producers to market their products more competitively.

Under the Common Agricultural Policy, the fresh table grape crop, is subsidized for planting new varieties, uprooting of old and grafting activity. The subsidy starts from 105.6 euros/ha in less favored areas around the community and 88 euros/ha for the remaining areas where grapes are cultivated. This subsidy covers 75% of the total grower's expenses. 25% must be the capital share from the producer.

New table grape varieties such as Grimpson and Superior show an upward trend in the fresh market and tend to replace other, such as Victoria and Cardinal. There are approximately 350 grape varieties cultivated in Greece for all uses. About 150 of them are certified and registered in the national variety catalog. Among them there are single purpose table grape varieties and varieties for double and triple uses (table, raisins and wine).

According to EU Reg.No 847/2001, dated April 30, 2001 the maximum withdrawal level for table grapes for the entire community was set at 160,900 MT, but in the case of Greece no withdrawal amounts have been mentioned since 1997 when 5,000 MT of table grapes were withdrawn in the prefecture of Kavala, E. Macedonia. According to various sources, some downgraded table grape amounts instead of being channeled to withdrawals, are taken to local wineries to be processed. According to sources in the winery sector, this amount fluctuates between 1.5 - 2.5 % over the total table grape production with a tendency to be further reduced due to strict GOG and EU controls. An additional amount of downgraded table grapes, characterized unsuitable for human consumption, are processed for vinegar and alcohol, not always complying with effective EU Regulations. There are some limited processing supports to wineries for certain distillation procedures, which are expected to end by the year 2006. After this date, EU penalties will be imposed.

There are areas cultivated in grapes and scattered all over the main grape producing regions of Greece, which are not legally registered and not declared for this purpose to the local authorities. Farmers are obligated to declare their precise acreage to the local agricultural authority at the prefecture level. Currently, a large percentage of illegal vineyard acreage is not yet recorded by local authorities. However, there is a land registry program under way, funded by the EU and the national budget office, targeting the legalization of such land resources. The program is the National Vineyard Land Tenure Program, carried out in compliance with relevant EU Legislation in the framework of Common Market Organization and EU Reg.No.1493/99. Photointerpretation of recent aerial photographs and geographical information systems (G.I.S) are used in line with the Land Tenure Program in depicting and recording all areas in Greece cultivated in grapes.

According to EU Regulations on the books, in order for grape-producing acreage to be legal it should have been in cultivation before 1998. Grape orchards planted after this year must be uprooted. This measure is not yet being implemented for sociopolitical reasons.

According to the Greek Ministry of Agriculture, the percentage of area cultivated with grapes, by variety, in 2002 is the following:

Viniculture area (all wine varieties)	71,334 Ha
Soultana variety	26,000 Ha
Korinthian variety (black currants)	19,464 Ha
Table Grape varieties	13,494
Grand Total area	130,292 Ha

Acreage in the table above, pending completion of the land registry project, is considered by all sources to be a rough estimate, based on prefecture reports sent to the Ministry of Agriculture's central Horticultural Division. This being the only accurate and available figure, has been reported to the EU Commission by GOG and is agreed to be the official acreage for Greece, necessary to implement EU policies under the Common Market Organization Regulations in effect, regarding grape production for all uses.

Market/Competitor Statements

Fresh Apples and Pears

Total imports in MY 2002 are estimated at 14,000 MT for fresh apples and 28,000 MT for fresh pears. The main imported varieties are: Granny Smith (Chile-Italy), Stark (Chile-U.S.A) and Golden Delicious. Imports supplement demand for domestic consumption and also satisfy local fresh markets with better quality products. US apples are considered of high quality but highly priced (1.40 – 1.50 euros/Kg at retail level). A trade source, who exclusively deal with commercialization of locally produced apples contends that US apples, although they are impressively packed with excellent appearance, are characterized by a peculiar odor, which discourages the consumer. US exporters might want to investigate this issue. Certain central Athens grocery stores and main super market chains sell US apples.

A total of 24 apple varieties are cultivated in Greece, broken down as follows:

Starking delicious	48%
Stark Crimson	14%
Golden Delicious	8%
Imperial Dark Red Delicious	8%
Granny Smith	7%
Other	15%

Exports of apples are estimated at 17,000 MT for MY 2002. They are destined mostly to neighboring Balkan countries, which have lower quality standards and are low-priced markets.

Pear imports cover shortages in supplies when domestic production cannot satisfy demand. Due to the drop in 2002 pear output, after the extreme weather conditions, imports of fresh pears are projected to dramatically increase in the MY 2002- 2003. A preliminary forecast is for an increase of nearly 80% in total pear imports, to supplement domestic demand in the Greek fresh market. Pear suppliers to the Greek market will be mainly Spanish firms. Exports of fresh pears from Greece continue to be negligible.

In line with other EU member states, Greece conforms to EC Commission Regulation 2251/95 on Third Country Quality Inspection Services for Fruits and Vegetables. According to this regulation, all shipments of fresh apples and pears originating in third countries must be accompanied by phytosanitary certifications.

The average grower's price for fresh apples is estimated at 0.41 euros/kg for the 2002 crop and 0.20 euros/kg for the 2001 crop.

Indicative wholesale prices for apples and pears for the Athens Central Market during June -August 2002, were as follows:

Apples

Domestically produced	(euros/kg) June-August	(euros/kg) January	Imported	(euros/kg) June-August	(euros/kg) January
Golden Delicious	1.17	0.73	Granny Smith (Chile)	1.06-1.32	1.03
Starking Zagoras	1.03	1.03	Golden Delicious	1.03-1.17	NA
Granny Smith	0.73	0.73	Starking and Red Delicious (U.S.A)	1.17	NA
			Starking (Chile)	1.23-1.32	NA

Pears

Domestically produced	(euros/kg) June-August	(euros/kg) January	Imported	(euros/kg) June-August	(euros/kg) January
Kristalli	1.32	1.03	Pacams	1.03-1.06	NA
Santa Maria	1.17	1.17	Abate	1.61	1.61
Kossia	1.17	NA			

Table Grapes

Present imports of table grapes continue to be small, under 8,000 MT, but they are reported relatively increased in comparison to the same period in 2001, due to adverse weather conditions which prevailed this year in most table grape producing areas in Greece. The majority of imports come from EU countries while smaller quantities originate in Chile and Argentina. The indicative grower's price for Soultana grapes delivered to packers for fresh consumption is estimated at 1.00-1.03 euros/kg.

Indicative wholesale prices for table grapes for the Athens Central Market during June -August 2002, were as follows:

Table Grapes

Domestically produced	(euros/kg)
	June-August
Red Moschato	2.28
Cardinal	1.03-2.49
Victoria	1.03
Soultana	1.17-3.03

Retail price profit margins for all fresh produce, at the grocery or open market level (prices paid by end consumers), are set at 27% over the wholesale price. During times of tight supply, if retail prices suddenly spike, this can be enforced. Wholesalers' profit margins should not exceed 8% over the producer price. These margins are set by GOG Ministry of Commerce with Market Orders issued and controlled by the market police and the newly established Organization for Food Control (EFET), under the GOG Ministry of Development.

Exchange Rates:

Jan -Aug 2002 \$1.00=1.090 Euros

PS&D Table, Fresh Apples

PSD Table						
Country	Greece					
Commodity	Fresh Apples				(HA)(1000 TREES)(MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		07/2001		07/2002		07/2003
Area Planted	15700	15700	0	15800	0	15800
Area Harvested	15400	15400	0	15500	0	15500
Bearing Trees	6000	6000	0	6030	0	6050
Non-Bearing Trees	120	120	0	110	0	90
Total Trees	6120	6120	0	6140	0	6140
Commercial Production	251000	251000	0	223000	0	261500
Non-Comm. Production	9000	9000	0	7000	0	1500
TOTAL Production	260000	260000	0	230000	0	263000
TOTAL Imports	18000	18000	0	14000	0	16000
TOTAL SUPPLY	278000	278000	0	244000	0	279000
Domestic Fresh Consump	237000	237000	0	208000	0	239000
Exports, Fresh Only	20000	20000	0	17000	0	19000
For Processing	1000	1000	0	1000	0	1000
Withdrawal From Market	20000	20000	0	18000	0	20000
TOTAL UTILIZATION	278000	278000	0	244000	0	279000

Export Trade Matrix, Fresh Apples

Export Trade Matrix			
Country	Greece		
Commodity	Fresh Apples		
Time period		Units:	MT
Exports for:	2000		2001
U.S.		U.S.	
Others		Others	
Italy	524	Italy	208
Portugal	362	Portugal	587
Other EU	769	Other EU	150
>Sub Total EU	1655	>Sub Total EU	945
Albania	10255	Albania	18274
Bulgaria	10413	Bulgaria	42716
Romania	724	Romania	1157
Total for Others	23047		63092
Others not Listed	1344		3049
Grand Total	24391		66141

Import Trade Matrix, Fresh Apples

Import Trade Matrix			
Country	Greece		
Commodity	Fresh Apples		
Time period		Units:	MT
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Italy	7711	Italy	11057
Germany	815	Germany	960
Holland	344	Holland	1035
France	521	France	120
Other EU	494	Other EU	1278
>Sub Total EU	9885	>Sub Total EU	14450
Chile	1210	Chile	2989
S. Africa	826	S. Africa	694
Argentina	705	Argentina	1825
Total for Others	12626		19958
Others not Listed	870		990
Grand Total	13496		20948

PS&D Table, Fresh Pears

PSD Table						
Country	Greece					
Commodity	Fresh Pears				(HA)(1000 TREES)(MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		07/2001		07/2002		07/2003
Area Planted	10600	10600	0	10500	0	10500
Area Harvested	10600	10600	0	10500	0	10500
Bearing Trees	3950	3950	0	3930	0	3930
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	3950	3950	0	3930	0	3930
Commercial Production	53300	53300	0	23700	0	40000
Non-Comm. Production	1700	1700	0	800	0	2000
TOTAL Production	55000	55000	0	24500	0	42000
TOTAL Imports	15000	15000	0	28000	0	40000
TOTAL SUPPLY	70000	70000	0	52500	0	82000
Domestic Fresh Consump	60800	60800	0	44685	0	73000
Exports, Fresh Only	1000	1000	0	600	0	800
For Processing	8000	8000	0	7000	0	7500
Withdrawal From Market	200	200	0	215	0	700
TOTAL UTILIZATION	70000	70000	0	52500	0	82000

Export Trade Matrix, Fresh Pears

Export Trade Matrix			
Country	Greece		
Commodity	Fresh Pears		
Time period		Units:	MT
Exports for:	2000		2001
U.S.		U.S.	
Others		Others	
Spain	100	Spain	156
Italy	577	Other EU	98
>Sub Total EU	677	>Sub Total EU	254
Albania	410	Albania	661
Bulgaria	538	Bulgaria	328
Total for Others	1625		1243
Others not Listed	276		337
Grand Total	1901		1580

Import Trade Matrix, Fresh Pears

Import Trade Matrix			
Country	Greece		
Commodity	Fresh Pears		
Time period		Units:	MT
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Spain	4314	Spain	7553
Holland	245	Holland	267
Italy	932	Italy	1069
Other EU	509	Other EU	567
>Sub Total EU	6000	>Sub Total EU	9456
S. Africa	732	S. Africa	1659
Argentina	538	Argentina	1022
Chile	215	Chile	95
Total for Others	7485		12232
Others not Listed	193		779
Grand Total	7678		13011

PS&D Table, Fresh Table Grapes

PSD Table						
Country	Greece					
Commodity	Fresh Table Grapes				(HA)(MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Area Planted	19000	19000	0	19000	0	19500
Area Harvested	19000	19000	0	19000	0	19500
Commercial Production	280000	293412	0	273000	0	278000
Non-Comm. Production	30000	35000	0	37000	0	36000
TOTAL Production	310000	328412	0	310000	0	314000
TOTAL Imports	1500	1500	0	7957	0	3000
TOTAL SUPPLY	311500	329912	0	317957	0	317000
Domestic Fresh Consump	151500	167912	0	162957	0	152000
Exports, Fresh Only	110000	117000	0	115000	0	115000
For Processing	50000	45000	0	40000	0	50000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	311500	329912	0	317957	0	317000

Export Trade Matrix, Fresh Table Grapes

Export Trade Matrix			
Country	Greece		
Commodity	Fresh Table Grapes		
Time period		Units:	MT
Exports for:	2000		2001
U.S.		U.S.	
Others		Others	
Holland	3791	Holland	12733
Germany	25283	Germany	35550
U.K.	19784	U.K.	26611
Other EU	802	Other EU	2908
>Sub Total EU	49660	>Sub Total EU	77802
Poland	14619	Poland	22278
FYROM	3686	FYROM	3006
Czechia	2356	Czechia	2852
Romania	2314	Romania	3039
Albania	2257	Albania	1702
Total for Others	74892		110679
Others not Listed	6337		6683
Grand Total	81229		117362

Import Trade Matrix, Fresh Table Grapes

Import Trade Matrix			
Country	Greece		
Commodity	Fresh Table Grapes		
Time period		Units:	MT
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Italy	128	Italy	686
Germany	1079	Germany	1220
Other EU	123	U.K.	5824
>Sub Total EU	1330	Other EU	75
Chile	60	>Sub Total EU	7805
Argentina	57	Argentina	22
		Chile	18
		S. Africa	66
Total for Others	1447		7911
Others not Listed	81		46
Grand Total	1528		7957

