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Market Brief - Sector

Greece: The Greek Tree Nut Sector - A Sprouting Market

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A Market of $214 Million and Growing

Total domestic consumption of nuts has shown a spectacular increase of almost 20% since 1991, when imports into Greece were liberalized. The size of the nut market in Greece is currently estimated at 65 billion Drachma (approximately $214 million). At present, 25% of consumed nuts are processed and packed in snack type packages, sales of which are expected to increase in the years to come. However, recent consumption trends show a gradual increase in tree nut use in the food and confectionery industries while the snack food sector remains stable. Total nut consumption figures are expected to trend upward through the upcoming Olympic Games in 2004.

Greece is one of the highest per capita tree nut consuming countries in the world. The consumption period for tree nuts starts in October with a peak in December and January. It declines in April and May with a second peak during the summer period, due to an increased number of tourists. Good quality domestic tree nuts are used mostly as snack food. Lower quality nuts (imported or domestic) are channeled to the food processing sector.

Adverse 1998 weather conditions are expected to cause a drop in almond output of approximately 10% (reaching only 13,100 MT), compared to 1997 output (14,500 MT), necessitating additional imports to cover market demands. Pistachio production in 1998 is doing very well at present, and is expected to reach approximately 5,000 MT in-shell, although output may be affected by poor weather conditions.

Consumption Trends

Domestic annual consumption of almond meat fluctuates between 12,200 and 12,600 MT, representing 24% of the total amount of all nuts consumed in Greece. Domestic consumption of pistachios fluctuates between 6,500 and 7,500 MT per year, showing prospects for further increases. Pistachios are used as a snack food, for which demand is growing.

A rising public interest for healthy tree nuts with low aflatoxin content must also be noted. The GOG applies EU standards for aflatoxin levels in tree nuts, sampling imported nuts for testing and requiring public health certificates citing the aflatoxin content (which may be issued from any recognized laboratory in the state or country of origin).

Marketing

Actions to increase the perception of U.S. nuts as “healthy” should include not only almonds but also pistachios, walnuts, pecans and others. Market development and promotion activity is necessary, together with trade servicing to educate importers to the high quality of U.S. products.

Prices

Grower prices are based on supply and demand: there is no common market organization in the EU for tree nuts. The grower prices in 1997 for good quality almonds and pistachios were 1,350-1,400 Drs/kg ($5.11-$5.30/kg) and 1,200-1250 Drs/kg ($4.55-$4.73/kg), respectively. For 1998 the prices are expected to be a little lower. Almond retail prices are 1,900-2,000 Drs/kg ($6.31-$6.65/kg; roasted meats) and 1,700-1,900 Drs ($5.65-$6.31; non roasted) all on a meat (shelled) basis. Retail prices this time of the year for pistachios fluctuate between 1,800-2,100 Drs/kg ($5.98-$6.98) according to quality.

Competition

In FY 1996/97, 1,100 MT of almonds were imported, mostly from the U.S. and Spain, for a total value of $6.4 million. Exports were only 250 MT with a total value of $1.5 million, of which the bulk was sold to EU member states. The imported nuts are primarily used in the confectionery and chocolate industries. Imports of U.S. almonds depend on domestic crop volumes and price. In CY 1996, imports of pistachios were 3,955 MT of which 2,569 MT were purchased directly from Iran (there are 1,285 MT imported from Germany and the U.K. probably of Iranian origin). The value of imports was estimated at $12.9 million. Exports were limited to 485 MT.

Distribution Channels

There are 10-15 processors and packers in the country who also are the major importers/exporters and cover 75-80% of the total amounts of marketed nuts. There are approximately 100 small and large units in Greece which crack, pack (wholesale and retail) and roast/salt almonds. For distribution purposes, there are 10-15 important packing units that supply the domestic market and are active in import/export trade activities. A number of individual food trading firms (not necessarily processors and/or packers), are also active in tree nut imports and exports. Traditionally, importers distribute the goods to wholesalers who operate with a profit margin of about 10 percent. Sometimes, however, importers food processors (ice cream, confectionary and bakery sectors) directly. Wholesalers in Athens and other major towns supply retailers who sell with a profit margin which fluctuates between 28 and 30 percent.

Import Regulations

The GOG requires public health certificates to accompany tree nut shipments imported into Greece, in compliance with relevant EU regulations regarding aflatoxin content levels. Usually, one out of ten containers is sampled and imported nuts are tested for aflatoxin. Phytosanitary Certificates for raw nuts imported into Greece from third countries are also required by the Ministry of Agriculture, in accordance with EU Phytosanitary Legislation.

Packaging Restrictions

There are no packaging restrictions on tree nuts. Periodically, and only for public health purposes, the National Chemical Laboratory and the Ministry of Public Order sample and test all kinds of food products, including processed and packed nuts, at various selling points (supermarkets, grocery stores, etc.). This is done in accordance with the national law established for consumer protection.

Exchange Rates

1996 $1.00 U.S. =240.62 Drachmas
1997 $1.00 U.S. =264.00 Drachmas
1998 (Jan-Jul) $1.00 U.S. =300.89 Drachmas