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Greece

Canned Deciduous Fruit

Semi-Annual

2003

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Report Highlights:
A hard April frost struck Greece’s peach orchards, reducing 2003 production by 80 percent compared to 2002. Prices for fresh peaches have gone beyond the budget of most Greek consumers. Only nine out of 15 processing plants have operated in the fruit canning sector. Canned fruit mixtures are down by 20% compared to 2002. Greek pear production was lower than the allowable EU quota eligible for subsidy. Apricot production has exceeded 2002 levels by about ten percent.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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[GR]

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Executive Summary

Peaches

Production

Greece's peach production (clingstone and freestone) 2003 harvest was seriously damaged by severe frost, which prevailed in April 2003 during the blooming stage (see also GR 3014). The reduction in the clingstone 2003 production is estimated at approximately 83% compared to a year earlier and 78% for the freestone production. According to farmers this is the worst damage, which has ever been reported in Greece. Reportedly, tree damage was mostly observed in the plains and less damage was noticed in orchards at higher altitudes. This explains the higher percentage of reduction in the clingstone production, which is harvested in orchards placed in the plains.

Based on these developments, peach production data for the 2002 and 2003 years is as follows.

	2002	2003
	Metric Tons	
Peaches		
Clingstone	400,000	70,000
Freestone	196,004	42,000
Total peaches	596,004	112,000

The total clingstone production reached only 70,000 MT. A part of this amount, approximately 20,000 MT was processed for other products (pure, diced, frozen) and 50,000 MT was delivered to processing plants for canned peaches.

The utilization of the 2002 and 2003 peach crops, based on recent available data, is as follows (2003 figures are preliminary data to be further revised).

	2002 (MT)	2003 (MT)
Processed for canned peaches	238,000	50,000
Processed for other products	20,000	20,000
Fresh Domestic Production	211,384	42,000
Fresh Exports	76,474	-
Total Marketed peaches	537,858	112,000
Withdrawals	5,551	-
Farm Use and Waste	52,595	-
Total	596,004	112,000

The prefectures of Imathia and Pella, in Central Macedonia, were among the most seriously affected areas in Greece. As discussed in GR 3014, the shortage of raw material has created a stiff competitive environment between processing companies. This shortage of fruit has led to extremely high farmer prices. Reportedly, producers have received the amount of 0.5 Euros/kg from processors.

Clingstone peach farmers who delivered fruit to processing plants for other products (juice or freezing) received the price of 0.3 Euros/kg.

Only 9 processing plants out of a total of 15 operating a year earlier have managed to operate this year, at under capacity. The average quantity of clingstone peaches processed by these plants was approximately at 4,000-5,000 MT and available fresh fruit was allocated among processors with the purpose of keeping some plants in operation in order to accomplish some exports and keep some of their labor force active.

Consumption

Due to extremely high prices in the fresh peach market and the relatively low quality, the fresh domestic consumption this year has fluctuated at low levels. The average price for freestone peaches in August 2003 was 53% higher than that a year earlier. Greek consumers who are not used to buying fresh fruits at high prices have changed their preference to other fresh, summer season fruit, such as bananas, melons and watermelons.

This year farmers decided not to proceed with the necessary cultivating task of thinning the peach trees because they have given priority to the quantity of fruit and not to the quality, in order to deliver more fruit in the fresh market. This resulted in a low quality of freestone peaches, an additional factor which has discouraged consumers from consuming fresh peaches.

The domestic consumption (domestically produced and imported) of canned peaches is stable at approximately 400,000 boxes per MY.

Trade

Presently, there is a remarkable rise of export prices due to the failure of the peach crop in 2003. These are reported to be at 17.00 euros/box for standard quality (24x1 kgr) and 18.00 euros/box for choice quality (ex factory prices), compared to 13.00 euros/box and 14.00 euros/box respectively a year earlier. Apart from the non-competitive export prices, the capacity of Greek industry is not enough to cover the European demand.
This year no exports are expected to the US market, due to the short production, extremely high export prices and the appreciation of the Euro against the US dollar.

Members of the Greek Canners Association who sell to the US market are aware about the BT ACT (Bioterrorism Act). Their suppliers in the USA have informed them and they are ready to proceed with registration procedures. Although they need much more to know and they are expecting all the required information from the FDA.

Stocks

Trade sources have reported that by the end of MY 2003/04 ending stocks will be at 18,700 MT, which corresponds to approximately 920,000 boxes (24x1 kg, net). The amount of stocks will be highly affected by the exported quantity this year. According to industry sources, due to high export prices and aggressive competition from Spain, sales for MY 2003/04 will be much lower than expected and the amount of stocks may exceed 20,000 MT, by the end of the MY 2003/04. This figure is half the stocks of the previous year.

This drastic reduction in the number of stocks causes anxiety to the processing sector and mostly for the MY 2004/05 when the industry, considering a good harvest, may have a problem to satisfy the international ma rket at a reasonable and competitive price.

Policy

According to new measures taken by the Greek Government of Greece for the Agricultural sector, recently announced by the Prime Minister, clingstone farmers will receive until the end of October 2003, the additional amount of 0.278 Euros/kg as a compensation payment for the damage caused by the frost. This payment decision has received very favorable response from the farming sector, while members of the opposition party have negatively criticized the Greek Government for taking such measures in order to achieve votes in view of the upcoming elections, which expected to take place in Spring 2004.

The support price granted by the EU directly to growers is still set at 0.048 Euros/kg so the total price paid to growers this year is going to reach the amount of 0.826 Euros/kg, which is considered to be the highest price ever received by peach farmers.

The compensation price paid to farmers for freestone peaches and nectarines, according to GOG measures discussed above, was set at 0.293 Euros/kg and 0.352 Euros/kg respectively.

This year no changes are reported on withdrawals, EU quota levels and EU support prices, but many developments at national scale took place in the sector of canned fruit and to the farming sector in general. As mentioned above, a compensation price of 0.278 euros/kg will be allocated to clingstone peach farmers who were severely affected by frost, which struck the crop in April 2003. This compensation is included in a package of measures taken by the GOG, to supplement farmer income.

The current situation in the prefectures of Macedonia, has affected mostly processors and related industries such as transportation, paper and plastic companies, and exporting firms. GOG measures have secured farmer's income this year, compared to others employed in relative sectors, mostly in West Macedonia, taking into consideration that in a normal year, processing plants used to operate at full capacity within the campaign. Especially packing plants operating in west Macedonia were forced to cut down their usual activities with fruits such as peaches, cherries, nectarines and apricots. This has resulted in a reduction of their staff, causing intense social problems in the area of west and central Macedonia.

Measures, taken by the Greek Government for the protection of the processing sector, which were discussed in detail in GR 3014, did not manage to deal with the crisis. According to industry sources, the future of the Greek peach-processing sector does not seem very promising mostly due to the frequency of adverse weather conditions, which have affected the sector in recent years. As a result, farmer prices are getting higher and the cost of production is constantly increasing. The Greek processing sector has lost traditional export markets such as USA, while other peach producing countries appear to become more competitive in exports both in volume and value.

Canned Mixtures

Production

Canned Mixtures production was reduced by 20% compared to MY 2002/03, affected mostly by the short peach crop and the lack of pears, mostly of the variety William. The production of canned mixtures this year reached the level of 1,200,000 boxes (24x 1 kg).
Imports of fresh pears from China and Argentina covered pear shortages for processing purposes and the farm price reached 0.33 Euros/kg for fresh pears channeled to processing plants.

Greece this year did not reach the quota level in pear crop production and according to the Ministry of Agriculture only 3,800 MT were channeled to the processing sector, mostly of the Williams and Rocha varieties.

Trade

The indicative ex factory prices per box, for good standard and choice quality canned fruit mixtures for the exporting season 2003/04 is as follows:

Grade	2002/03 (24x1 kg)	2003/04 (24x1 kg)
Standard	18.0 Euros	20.0 Euros
Choice	18.5 Euros	20.5 Euros

Exporting prices in the MY 2003/04 are considered to also be high, but trade activity of canned mixtures was relatively increased compared to that of canned peaches.

Policy

The EU subsidy to pear producers is still set at 0.16 Euros/kg for the MY 2003/04 pear crop and only for those pears delivered for processing. This year farmers received the full amount of subsidy because they have not exceeded the EU quota level.

Stocks

As in the case of canned peaches, there is a drastic reduction in the quantity of stocks for canned mixtures. Stocks expected by the end of the MY 2003/04 are estimated at approximately 95,000 boxes.

Canned Apricots

Production

Apricot fresh production was not affected too much by frost because of the larger percentage of apricot orchards located mostly in Southern Greece where weather conditions through spring 2003 were not too severe. Weather in the north was much colder.

For the 2003 crop, there is a slight increase in fresh apricot production, which is estimated at 60,000 MT, compared to 2002 crop, which was at 54,400 MT. Due to the shortage of peaches, a high percentage from this amount of 60,000 MT, approximately 42,400 MT, was delivered for processed canned apricots and juice.

The utilization of the 2002 and 2003 apricot crops, based on most recent data available, is as follows (2003 figures are preliminary data subject to a further revision).

	2002 (MT)	2003 (MT)
Processed for canned apricots	14,000	18,000
Processed for other products	26,400	25,446
Fresh Domestic Production	4,776	5,000
Fresh Exports	6,750	7,000
Total Marketed Apricots	51,926	55,446
Withdrawals	13	13
Farm Use and Waste	2,461	4,541
Total	54,400	60,000

According to industry sources, the shortage of clingstone peaches motivated processors to use apricots instead of peaches in order to keep a number of processing plants under operation even for a short period.
This has also led to high farmer prices for fresh apricots, which reached the amount of 0.62 Euros/kg. The canned apricot production available in MY 2003/04 is estimated at approximately 1,000,000 boxes.

The juice-processing sector, in an attempt to deal with the shortage of peaches, and to cover demand in the domestic and the international markets, has shown a special interest in apricots and mainly for the Bebekou variety, offering higher prices to farmers compared to those destined for fresh exports.

Trade

Exports of canned apricots in the MY 2003/04 are expected to increase by approximately 16.6% compared to a year earlier, mostly due to a slight increase in the fresh and consequently processed apricot production.

A current indicative export price for canned apricots in MY 2003/04 is at 19-20 Euros for 24x1 kgr pack for EU destinations.

PSD Table, Canned Peaches

PSD Table

Country Greece

Commodity Canned Peaches (MT)(MT, Net Weight)

	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		06/2001		06/2002		06/2003	MM/YYYY
Deliv. To Processors	330000	330000	238000	238000	70000	50000	(MT)
Beginning Stocks	121300	121300	57000	57000	50000	41000	(MT, Net Weight)
Production	407000	407000	285500	290000	52000	61700	(MT, Net Weight)
Imports	1000	1000	1500	1000	3000	3000	(MT, Net Weight)
TOTAL SUPPLY	529300	529300	344000	348000	105000	105700	(MT, Net Weight)
Exports	458300	458300	285000	295000	77000	80000	(MT, Net Weight)
Domestic Consumption	14000	14000	9000	12000	8000	7000	(MT, Net Weight)
Ending Stocks	57000	57000	50000	41000	20000	18700	(MT, Net Weight)
TOTAL DISTRIBUTION	529300	529300	344000	348000	105000	105700	(MT, Net Weight)

Export Trade Matrix, Canned Peaches

Country	Greece		
Commodit	Canned Peaches		
Time Period		Units:	MT
Exports for:	2002		**2003**
U.S.	15628	U.S.	4626
Others		Others	
France	12475	France	3524
Germany	86492	Germany	27716
U.K.	28827	U.K.	9939
Italy	20782	Italy	3550
Belg-Lux.	6991	Belg-Lux.	1690
Other EU	19710	Other EU	5697
>Sub Total EU	175277	>Sub Total EU	52116
Poland	24036	Poland	8199
Canada	16511	Canada	2734
Rusian Fed.	15119	Rusian Fed.	7390
Total for Others	230943		70439
Others not Liste	78300		21894
Grand Total	324871		96959

National Statistical Service carries preliminary data for CY 2003 for the period January to June 2003.

Import Trade Matrix, Canned Peaches

Import Trade Matrix

Country Greece

Commodit Canned Peaches

Time Period		Units:	MT
Imports for:	2002		**2003**
U.S.	459	U.S.	88
Others		Others	
Germany	1138	Germany	1083
Italy	222	Italy	123
Other EU	940	Other EU	839
>Sub Total EU	2300	>Sub Total EU	2045
South Africa	1143	South Africa	269
Egypt	55	Argentina	560
Total for Others	3498		2874
Others not Liste	0		0
Grand Total	3957		2962

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for the period January to June 2003.

PS&D Table, Canned Mixtures

PSD Table

Country Greece

Commodity Canned Mixtures (MT)(MT, Net Weight)

	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [	New]
Market Year Begin		06/2001		06/2002		06/2003	MM/YYYY
Deliv. To Processors	0	0	0	0	0	0	(MT)
Beginning Stocks	3843	3843	4343	4343	1643	4243	(MT, Net Weight)
Production	28000	28000	33600	30000	0	24000	(MT, Net Weight)
Imports	500	500	300	900	0	500	(MT, Net Weight)
TOTAL SUPPLY	32343	32343	38243	35243	1643	28743	(MT, Net Weight)
Exports	25000	25000	33500	28000	0	25000	(MT, Net Weight)
Domestic Consumption	3000	3000	3100	3000	0	1800	(MT, Net Weight)
Ending Stocks	4343	4343	1643	4243	0	1943	(MT, Net Weight)
TOTAL DISTRIBUTION	32343	32343	38243	35243	0	28743	(MT, Net Weight)

Export Trade Matrix, Canned Mixtures

Export Trade Matrix

Country	Greece		
Commodit	Canned Mixtures		
Time Period		Units:	MT
Exports for:	2002		**2003**
U.S.	1415	U.S.	529
Others		Others	
UK	3021	U.K.	659
Belgium-Lux.	1832	Belgium-Lux.	693
Germany	4094	Germany	1341
Other EU	2753	Other EU	860
>Sub Total EU	11700	>Sub Total EU	3553
Japan	1886	Japan	977
Canada	2997	Canada	1030
Egypt	596	Egypt	257
Russian	123	Russian	40
Total for Others	17302		5857
Others not Liste	1617		592
Grand Total	20334		6978

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Import Trade Matrix, Canned Mixtures

Import Trade Matrix

Country Greece

Commodit Canned Mixtures

Time Period		Units:	MT
Imports for:	2002		**2003**
U.S.	0	U.S.	0
Others		Others	
Germany	804	Germany	551
France	77	France	12
Belgium-Lux.	268	Belgium-Lux.	149
Italy	352	Italy	122
Other EU	262	Other EU	120
>Sub Total EU	1763	>Sub Total EU	954
Thailand	63	Thailand	64
Total for Others	1826		1018
Others not Liste	6		69
Grand Total	1832		1087

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PS&D Table, Canned Apricots

PSD Table

Country Greece

Commodity Canned Apricots (MT)(MT, Net Weight)

	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		06/2001		06/2002		06/2003	MM/YYYY
Deliv. To Processors	11500	11500	8500	14000	0	18000	(MT)
Beginning Stocks	1697	1697	247	247	2647	1147	(MT, Net Weight)
Production	14000	14000	17000	17000	0	21900	(MT, Net Weight)
Imports	350	350	400	400	0	320	(MT, Net Weight)
TOTAL SUPPLY	16047	16047	17647	17647	2647	23367	(MT, Net Weight)
Exports	15000	15000	13500	15000	0	18000	(MT, Net Weight)
Domestic Consumption	800	800	1500	1500	0	2500	(MT, Net Weight)
Ending Stocks	247	247	2647	1147	0	2867	(MT, Net Weight)
TOTAL DISTRIBUTION	16047	16047	17647	17647	0	23367	(MT, Net Weight)

Export Trade Matrix, Canned Apricots

Export Trade Matrix

Country Greece

Commodit Canned Apricots

Time Period		Units:	MT
Exports for:	2002		**2003**
U.S.	0	U.S.	0
Others		Others	
Germany	4702	Germany	1975
France	4991	France	2994
Italy	1028	Italy	245
UK	867	UK	251
Other EU	1896	Other EU	425
>Sub Total EU	13484	>Sub Total EU	5890
Russia	1556	Russia	591
Poland	598	Poland	73
Czechia	762	Czechia	331
Croatia	162	Croatia	38
Total for Others	16562		6923
Others not Liste	699		1134
Grand Total	17261		8057

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Import Trade Matrix, Canned Apricots

Import Trade Matrix

Country Greece

Commodit Canned Apricots

Time Period		Units:	MT
Imports for:	2002		**2003**
U.S.	0	U.S.	0
Others		Others	
Germany	317	Germany	24
UK	38	UK	38
Other EU	56	Other EU	69
>Sub Total EU	411	>Sub Total EU	131
Turkey	561	Turkey	132
Total for Others	972		263
Others not Liste	208		16
Grand Total	1180		279

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