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Greece

Citrus

Annual

2003

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Report Highlights:
After a very good harvesting period (2002/03), Greek citrus production is expected to decrease in 2003/04. Weather conditions during the Spring and Fall of 2003 are expected to have an adverse effect on yields. Nevertheless, increasing competition of imports from Spain and Turkey should alleviate upward pressure on citrus prices.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Production

2002/03 orange production is reported to be 1,176,000 MT and, as expected from earlier estimates, this production is considered to be one of the highest in recent years. In this season some problems to the Valencia variety were noticed, due to increased rainfall especially in the summer period. However, rain mostly hindered packing activity. Later in the winter, the Merilyn variety was hit by adverse weather conditions and a relatively large percentage of fruit dropped.

Based on estimates, in MY 2003/04 orange production is expected to be reduced by approximately 26%, due to very low temperatures during spring 2003 and high temperatures during October 2003.

According to Ministry of Agriculture sources, Indicative farm gate prices for oranges of the 2002/03 output were approximately as follows:

Variety	Marketing season	Price (Euro/kg)
Navalina	November-February	0.18-0.20
Merilyn	November-March	0.15-0.17
Valencia	March-May	0.20-0.30

In 2002/03, 330,000 MT fresh oranges were delivered to processors and the final single strength production was reported to be at 16,000 MT (which is equivalent to 17,333 MT of 65^0 Brix basis). Yields of OJC in Southern Greece were reported to fluctuate between 19-20 kgr of fresh oranges needed to produce 1 kgr of juice (SSB), while in some areas of Northern of Greece, the average yield was at 21-23 kgr of fresh fruit to produce 1 kgr of orange juice (SSB). Figures on attached PSD's are expressed on concentrate basis (65 Brix).

According to early estimates, in MY 2003/04 the quantity of fresh oranges to be delivered to processors will be lower, due to the reduced fresh orange production and lower yields expected. The farmers ask for higher prices but processors, due to increased competitiveness mostly from Spain, are forced to reduce input costs and are not willing to pay higher prices to farmers. The final quantity of fresh oranges to be delivered to processors and farmer prices will be defined by contracts signed in early November 2003.

Fresh lemon production for the MY 2002/03 was approximately at the same level as a year earlier and reached the amount of 108,700 MT. Lemon production continues to decline due to uprootings which have been taking place in various locations around Greece. Lemon trees are being replaced mainly by apricots and/or grapes. According to trade and packaging contacts, export activity of Greek lemons is highly dependent on Turkish lemon production, which dominates the international markets. Turkish lemons are produced at much lower cost due to cheap labor. Due to above developments, lemon acreage in Greece could decline.

Indicative farm gate prices for lemons for the 2002/03 marketing period were approximately as follows: (source: Ministry of Agriculture)

Variety	Marketing season	Price (Euro/kg)
Ordinary season	October-May	0.25-0.40
Off season	May-September	0.15-0.45

Tangerine production in MY 2002/03 was relatively less affected by bad weather during the past winter and finally reached 100,000 MT, 25% higher than a year earlier. According to field sources, tangerines are considered to have a highly potential. Recently new tangerine varieties, such as Nova and Page, have been introduced in some orchards, mostly in Southern Greece, which are expected to lengthen the trade period of tangerines in the fresh market, mainly January, February and March. Reportedly, Ortanic and Klementine varieties remain very popular in the Greek market and offer high yields.

Indicative farm gate prices for tangerines for the 2002/03 season was approximately as follows: (source: Ministry of Agriculture)

Variety	Marketing season	Price (Euro/kg)
Klementines	November-February	0.35-0.40
Ortanic	December-February	0.30-0.35

In MY 2002/03 lemon juice production was 800 MT. The average yield for lemon juice is reported at 16-17 kg fresh lemons, needed to produce 1 kg of lemon juice. For next season the processed quantity is estimated to be much lower due to the reduced fresh lemon production.

Trade

Fresh orange export activity in MY 2002/03 started at a higher pace and a 16.6% increase has been reported, compared to a year earlier. According to the Greek Ministry of Agriculture, as of 8/29/2003, 337,205 MT have been exported (of which 68,554 MT went to EU countries) compared to 280,969 MT (of which 56,851 MT went to EU countries) last year.

A large percentage of exports are destined mostly to central EU countries and to Eastern Europe. Eastern European markets are expected to be more profitable, as some of those countries are going to become full EU member states. The Russian market for Greek citrus imports is very unstable, due mostly to financial difficulties and the structure of the Russian economy.

Exports in fresh lemons are in progress and as of 8/29/2003, a quantity of 22,941 MT has been exported (of which 1,220 MT went to EU countries) in comparison to 7,014 MT (of which 333 MT went to EU countries) a year earlier. Greek exports of fresh lemons depend on Turkish production, which in MY 2002/03 was reported relatively lower than a year earlier. Turkish lemons enter foreign markets at much lower prices and larger quantities in a good year, with Greek product less and less competitive.

In MY 2002/03 exports of fresh tangerines have concluded and a 20% increase is reported for total exports compared to a year earlier. This year 337,205 MT were exported (68,554 MT to EU countries) compared to 280,969 MT (of which 56,851 MT went to EU countries) last year.

Reportedly, there is an upward trend in exporting activity of fresh tangerines to EU countries, mostly to Germany and central EU.

Currently farmers are getting prepared for the coming season (MY 2003/04). At this time they report their output forecasts to processors, for the amounts they are planning to deliver for juices. These reports are required by manufacturers in order to prepare their own campaign and plant operations, as well as determine EU subsidy payments. This procedure is directed by relevant regulations.

Total packing facilities in the country, are reported to be 20-30 facilities (mostly Cooperative operations). Export trade activity is carried out mostly by independent firms, which handle 10,000-20,000 MT/year of citrus products. Packers are also involved in export trade, but they handle much smaller quantities of approximately 3,000-5,000 MT/annum. Packing facilities were drastically improved in recent years, taking advantage of National Investment Legislation, which supports modernization of production lines and packing practices.

Reportedly, the introduction of the Euro, the simplification of procedures for receiving EU subsidies and the secure of sales from export companies are among the factors which have contributed to a general improvement in the citrus packing sector

The most important issue in the citrus trade sector of citrus is the restructuring of land with new varieties which are going to lengthen the export period for fresh citrus and on the other hand will give a boost to the processing and packing industries.

The following table highlights the future potential usage of citrus varieties in Greece and the timing of exports, after the restructuring of land with these new varieties (a number of these varieties are already in use).

	Timing of citrus exports		**Peak export shipments**
Oranges	**Begin**	**End**	
Washington Navel	November	March	December-February
Newhall	October	January	November-December
Navalina	October	January	October-December
Navel late	January	April	February-April
Navel Ricalate	January	May	March-May
Navel lane late	January	May	March-May
Saloustiana	December	March	January-April
Kasteliana	November	March	December-February
Valencia late	April	June	May-June
Sangouinelli	January	April	March-April
Navel powel	January	June	March-May
Barberina	March	May	April
Tangerines	**Begin**	**End**	**Peak shipments**
Page	January	April	February-March
Nova	January	April	February-March

The Greek citrus industry, which is currently facing keen competition from other Mediterranean countries, is forced to reduce production costs in order to be competitive in international markets. These developments can be expected under the provision that restructuring will take place in the near future.

The current ex-factory price for Greek OJC (60 Brix) is reported to be fluctuating between 1,150 –1,250 Euros/MT.

There are only 5 or 6 processing plants in Greece, which produce only single strength orange juice to supply food industry. These plants are considered agricultural industries.

Greece imports Brazilian orange juice concentrate (OJC) (66 Brix) in significant quantities, which is mixed with domestic OJC in a ratio of 2:1 (1/3 Greek OJC) or 3:1 (1/4 Greek OJC).
A number of food industries use only Brazilian OJC, in order to supply the domestic retail

market.

Policy

The EU subsidy paid to growers for oranges delivered to processors is the same as last year. It is paid and it is set at 0.11 Euros/kg, as there was no excess of the national quota for the quantity of fresh oranges delivered to processing (set by the EU at 320,000 MT). The price paid to growers in the same period ranged between 0.025 -0.03 Euros/kg (according to EU Reg. No 2202/96).

A alternative channel for fresh citrus of lower quality is the EU Reg. 2702/99 (EU Food Aid program), which provides subsidies for agricultural products allocated to certain third countries.

The general view is that policies should be implemented in a way that citrus crop be further enriched and supported with more varieties, in order to be more and more competitive in the international markets. Until 2012, farmers have secured a relatively stable income from citrus crops based on an effective EU subsidy system and stability in the processing sector, which absorbs a substantial quantity of their products.

Consumption

Domestic fresh consumption data shown in the attached PS&D tables include on farm use, losses (waste) as well as withdrawal amounts, in addition to fresh sales. The analysis of these figures for oranges, tangerines and lemons for MY 2002/03 and the forecast for 2003/04 is as follows:

Fresh Citrus Domestic Utilization

	2002/03	**2003/04**
Orange (MT)		
Fresh exports	337,398	250,000
Processing	320,000	280,000
Losses and withdrawals	298,602	216,200
Fresh market	221,000	125,000
Tangerines (MT)		
Fresh exports	37,000	30,000
Processing	1,000	1,000
Losses and withdrawals	22,000	24,000
Fresh market	40,000	30,000
Lemons (MT)		
Fresh exports	23,788	18,000
Processing	12,000	12,000
Losses and withdrawals	19,278	33,640
Fresh market	63,634	50,000

PS&D Table, Fresh Lemons

PSD Table

Country Greece

Commodity Fresh Lemons (HECTARES)(1000 TREES)(1000 MT)

	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		09/2001		09/2002		09/2003	MM/YYYY
Area Planted	12000	12000	11800	11800	0	11800	(HECTARES)
Area Harvested	12000	12000	11800	11800	0	11800	(HECTARES)
Bearing Trees	4200	4200	4150	4150	0	4150	(1000 TREES)
Non-Bearing Trees	35	35	30	30	0	30	(1000 TREES)
TOTAL No. Of Trees	4235	4235	4180	4180	0	4180	(1000 TREES)
Production	108	118	110	109	0	102	(1000 MT)
Imports	10	10	10	10	0	12	(1000 MT)
TOTAL SUPPLY	118	128	120	119	0	114	(1000 MT)
Exports	8	9	18	24	0	18	(1000 MT)
Fresh Dom. Consumptior	99	107	90	83	0	84	(1000 MT)
Processing	11	12	12	12	0	12	(1000 MT)
TOTAL DISTRIBUTION	118	128	120	119	0	114	(1000 MT)

PS&D Table, Fresh Tangerines

PSD Table

Country Greece

Commodity Fresh Tangerines (HECTARES)(1000 TREES)(1000 MT)

	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		09/2001		09/2002		09/2003	MM/YYYY
Area Planted	7000	7000	7500	7500	0	7500	(HECTARES)
Area Harvested	6800	6800	7000	7000	0	7000	(HECTARES)
Bearing Trees	3170	3170	3300	3300	0	3300	(1000 TREES)
Non-Bearing Trees	90	90	50	50	0	50	(1000 TREES)
TOTAL No. Of Trees	3260	3260	3350	3350	0	3350	(1000 TREES)
Production	67	75	87	100	0	85	(1000 MT)
Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	67	75	87	100	0	85	(1000 MT)
Exports	27	29	37	37	0	30	(1000 MT)
Fresh Dom. Consumptior	39	45	48	62	0	54	(1000 MT)
Processing	1	1	2	1	0	1	(1000 MT)
TOTAL DISTRIBUTION	67	75	87	100	0	85	(1000 MT)

Import Trade Matrix, Fresh Lemons

Import Trade Matrix

Country Greece

Commoditi Fresh Lemons

Time Period		Units:	MT
Imports for:	2001		**2002**
U.S.		U.S.	
Others		Others	
Italy	496	Italy	143
Germany	123	Germany	699
Holland	97	Holland	107
Other EU	72	Other EU	403
>Sub Total EU	788	>Sub Total EU	1352
Argentina	5264	Argentina	16733
S. Africa	127	S. Africa	156
Turkey	3098	Turkey	6371
Total for Others	9277		24612
Others not Liste	86		3
Grand Total	9363		24615

Export Trade Matrix, Fresh Lemons

Export Trade Matrix

Country Greece

Commodit Fresh Lemons

Time Period		Units:	MT
Exports for:	2001		**2002**
U.S.		U.S.	
Others		Others	
Germany	310	Germany	628
Austria	20	Italy	114
Other EU	3	Other EU	284
>Sub Total EU	333	>Sub Total EU	1026
Bulgaria	1993	Bulgaria	2220
Romania	874	Romania	729
Serbia	2520	Yugoslavia	2597
Total for Others	5720		6572
Others not Liste	2526		4878
Grand Total	8246		11450

Import Trade Matrix, Fresh Oranges

Import Trade Matrix

Country Greece

Commodit Fresh Oranges

Time Period		Units:	MT
Imports for:	2001		**2002**
U.S.		U.S.	
Others		Others	
Italy	295	Italy	276
UK	407	Austria	190
Germany	2127	Germany	442
Other EU	504	Other EU	143
>Sub Total EU	3333	>Sub Total EU	1051
Argentina	4144	Argentina	998
Uruguay	201	Uruguay	213
S. Africa	1745	S. Africa	1471
Brazil	1701	Turkey	370
	11124		
Total for Others	11124		4103
Others not Liste	472		31
Grand Total	11596		4134

Export Trade Matrix, Fresh Oranges

Export Trade Matrix

Country Greece

Commodit Fresh Oranges

Time Period		Units:	MT
Exports for:	2001		**2002**
U.S.		U.S.	
Others		Others	
Netherlands	3018	Netherlands	8501
Germany	35152	Germany	15369
Austria	6033	Austria	2057
Sweden	5493	Sweden	1052
UK	1980	UK	1611
Other EU	11185	Other EU	26684
>Sub Total EU	62861	>Sub Total EU	55274
Hungary	33357	Hungary	34715
Romania	27765	Romania	33063
Russia	21970	Russia	21671
Total for Others	145953		144723
Others not Liste	136017		129992
Grand Total	281970		274715

Import Trade Matrix, Juice Oranges

Import Trade Matrix

Country Greece

Commodit Juice, Orange

Time Period		Units:	MT
Imports for:	2001		**2002**
U.S.	1431	U.S.	1008
Others		Others	
Holland	3465	Holland	3236
Germany	5621	Germany	6249
Spain	843	Spain	356
France	1739	France	983
Other EU	816	Other EU	3169
>Sub Total EU	12484	>Sub Total EU	13993
Bulgaria	1589	Bulgaria	2045
Cyprus	1206	Cyprus	1959
Brazil	48		
Total for Others	15327		17997
Others not Liste	3562		29
Grand Total	20320		19034

Export Trade Matrix, Juice Oranges

Export Trade Matrix

Country Greece

Commodit Juice, Orange

Time Period		Units:	MT
Exports for:	2001		**2002**
U.S.		U.S.	2
Others		Others	
Holland	2383	Holland	55
Germany	179	Germany	229
Spain	338	Spain	534
UK	571	UK	17
Other EU	105	Other EU	132
>Sub Total EU	3576	>Sub Total EU	967
Bulgaria	216	Bulgaria	172
FYROM	148	FYROM	419
Albania	339	Albania	166
Total for Others	4279		1724
Others not Listed			726
Grand Total	4279		2452

Import Trade Matrix, Fresh Tangerines

Import Trade Matrix

Country Greece

Commodit Fresh Tangerines

Time Period		Units:	MT
Imports for:	2001		**2002**
U.S.		U.S.	
Others		Others	
Italy	30	Italy	33
Germany	232	Germany	61
Holland	33	Spain	92
Other EU	2	Other EU	171
>Sub Total EU	297	>Sub Total EU	357
Argentina	4	Uruguay	48
Turkey	226	Turkey	731
Total for Others	527		1136
Others not Liste	18		31
Grand Total	545		1167

Export Trade Matrix, Fresh Tangerines

Export Trade Matrix

Country Greece

Commodit Fresh Tangerines

Time Period		Units:	MT
Exports for:	2001		**2002**
U.S.		U.S.	
Others		Others	
Austria	282	Italy	956
Germany	7126	Germany	5223
Holland	936	Holland	1327
Other EU	215	Other EU	301
>Sub Total EU	8559	>Sub Total EU	7807
Bulgaria	2217	Bulgaria	3880
Fyrom	244	Fyrom	2338
Albania	3426	Albania	4546
Serbia	3078	Hungary	3526
Poland	4012	Poland	5047
Total for Others	21536		27144
Others not Liste	5157		6356
Grand Total	26693		33500

PS&D Table Juice Lemons

PSD Table

Country	Greece						
Commodity	Juice, Lemon			(MT)			
	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		09/2001		09/2002		09/2003	MM/YYYY
Deliv. To Processors	10000	10000	12000	12000	0	10000	(MT)
Beginning Stocks	278	278	77	77	85	85	(MT)
Production	600	600	800	800	0	665	(MT)
Imports	300	300	320	320	0	320	(MT)
TOTAL SUPPLY	1178	1178	1197	1197	85	1070	(MT)
Exports	1	1	2	2	0	1	(MT)
Domestic Consumption	1100	1100	1110	1110	0	1000	(MT)
Ending Stocks	77	77	85	85	0	69	(MT)
TOTAL DISTRIBUTION	1178	1178	1197	1197	0	1070	(MT)

PS&D Table, Fresh Oranges

PSD Table

Country Greece

Commodity Fresh Oranges

(HECTARES)(1000 TREES)(1000 MT)

	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		09/2001		09/2002		09/2003	MM/YYYY
Area Planted	39650	39650	39650	39650	0	39650	(HECTARES)
Area Harvested	39000	39000	39000	39000	0	39000	(HECTARES)
Bearing Trees	17200	17200	17200	17200	0	17200	(1000 TREES)
Non-Bearing Trees	260	260	260	260	0	260	(1000 TREES)
TOTAL No. Of Trees	17460	17460	17460	17460	0	17460	(1000 TREES)
Production	1076	1076	1200	1176	0	870	(1000 MT)
Imports	1	1	1	1	0	1	(1000 MT)
TOTAL SUPPLY	1077	1077	1201	1177	0	871	(1000 MT)
Exports	282	282	375	338	0	250	(1000 MT)
Fresh Dom. Consumptior	503	503	496	519	0	341	(1000 MT)
Processing	292	292	330	320	0	280	(1000 MT)
TOTAL DISTRIBUTION	1077	1077	1201	1177	0	871	(1000 MT)

PS&D Table, Juice Oranges

PSD Table

Country	**Greece**		65	Degrees Brix			
Commodity	**Juice, Orange**			(MT)			
	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		09/2001		09/2002		09/2003	MM/YYYY
Deliv. To Processors	292	292	330	330	0	376	(MT)
Beginning Stocks	1044	1044	4544	4544	3655	3177	(MT)
Production	14500	14500	19411	17333	0	16300	(MT)
Imports	18000	18000	8500	10000	0	13000	(MT)
TOTAL SUPPLY	33544	33544	32455	31877	3655	32477	(MT)
Exports	9500	9500	9800	9700	0	9500	(MT)
Domestic Consumption	19500	19500	19000	19000	0	19000	(MT)
Ending Stocks	4544	4544	3655	3177	0	3977	(MT)
TOTAL DISTRIBUTION	33544	33544	32455	31877	0	32477	(MT)