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Greece

Fresh Deciduous Fruit

Annual

2003

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Report Highlights:

Greek fresh apple production is estimated to be 17% lower than last year, with larger reductions for red varieties than others. Pear production will be 34% lower than last year's harvest due to April frost.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Production

Fresh Apples and Pears

As a result of the unexpected frost, which prevailed mostly in west Macedonia (north of Greece) during the blooming stage, coupled with hail during the late part of the season, the fresh apple production in Greece for marketing year (MY) 2003/04 is expected to be 17% smaller compared to a year earlier. The damage is more apparent in red varieties and the poor production has led to higher prices in the fresh market.

In west Macedonia (the region most affected by frost), the unfavorable weather conditions are expected to cut red apple variety production by 50%. Production of Granny Smith and Golden varieties is expected to reach the same level as last year.

In Thessaly (central Greece), weather conditions were milder than in the region of Macedonia and until early August, apple production was estimated at the same level as 2002. The most important apple producing area, the Municipality of Zagora, was expected for 2003 to have the richest harvest of the last decade. Furthermore, it was expected to recover from multiple and extended damage caused by extremely low temperatures over last winter. Unfortunately an extreme hailstorm hit the region, damaging the 2003 harvest and based on recent estimates, reduced this year's crop by approximately 50%. This year the apple harvest in Greece is late by ten days.

The products of Zagora have their own EU-protected name "Zagorin" and denomination of origin, according to EU Regulation 1107/96. These apples make up such a high percentage of domestic consumption that they affect the price level of fresh apples in Greece. Furthermore, due to adverse weather conditions in Greece in recent years, consumer prices for fresh products have skyrocketed. A detailed description of these developments are given in GR 2021.

MY 2002/03 was unsatisfactory for farmers, traders and consumers. Farmer's and trader's expectations were higher earlier in the year, but due to low apple production in recent years and favorable developments that took place in the trade sector in MY 2001/2002, lower output led to higher farmer prices and correspondingly to higher consumer prices. All these developments resulted in higher consumption of imported apples in the Greek Market.

Recently, apples of Italian origin dramatically entered the Greek fresh apple market through an extensive advertising campaign in the Central Market of Athens and Thessaloniki. This caused anxiety to Greek traders who realize that the future of Greek apple sector should focus on crop restructuring, better certification of fresh products, improved quality, introduction of more popular varieties and lower production costs.

Greek apples kept in refrigeration until February 1 of each year by variety, are as follows:

Variety	2/1/2003	2/1/2002
Red Delicious	34653	18258
Golden	8781	7043
Granny Smith	15222	4611

Other varieties	3641	4834
Total	62297	34746

The quantity of these stocks has almost doubled in MY2002/03 relative to that of last year. This means that due to large quantities of imported quantities of fresh apples, Greek apples will enter the fresh market later, at the of the marketing period (July 2003) and some quantities may be left to be utilized in other ways. Some will probably be exported to Balkan countries at lower prices due to relatively lower quality. These amounts do not appear in the attached PS&D. They are part of the Fresh Consumption category. Withdrawals are within the 10% of the marketable amounts allowed by EU regulations.

Due to the same adverse weather conditions which affected the 2003 apple crop, pear production this year is estimated at 25,000 MT or 32.4% lower than that harvested a year earlier. The reduction is most apparent in the Greek variety named Kristalli. Due to frost that prevailed in April 2003, pears were hit hard by fire blight, known as *Erwinia amylo-vora*, which forced the farmers to uproot some trees, a factor which consequently led to a reduction of fresh pear output.

Due to labor intensive practices required by the pear crop, compared to other deciduous fruit crops, pear production is less competitive in the Greek Market and consequently the final market prices for pears are higher. The supply of fresh pears in the Greek Market depends on imports, mostly from Italy.

Fresh Table Grapes

Unlike apples and pears, table grapes have not been affected by extreme weather conditions this year. The volume of production is estimated to reach last year's levels, and the quality of grapes is excellent. The grape harvest began early due to high summer temperatures which prevailed in the Mediterranean basin.

The Sultana variety appeared to recover from damage caused by bad weather in recent years. In Crete, the most important sultana production area of Greece, for both dried and table use, the 2003 output is estimated at 30,000 MT. The region of Kavala (eastern Macedonia) is expected to give a rich harvest of table grapes mostly due to more plantings, which took place in recent years.

Reportedly, grape farmers applied modern cultivating techniques in order to produce better quality products compared to previous years. According to trade sources, introduction of new varieties in the sector of table grapes will prolong the marketing period and under this new plan Greek table grape exports to EU countries are expected to be enriched with better quality and better priced products.

Market/Competitor Statements

Fresh Apples and Pears

According to the Greek Ministry of Agriculture, as of July 2003, 25,930 MT of fresh apples were exported compared to 16,392 MT (of which 159 MT to EU countries), the same period of last year. Most of the exported quantity were destined to Bulgaria (12,155 MT) and Albania (10,849 MT).

Exports of fresh pears have been completed and from the beginning of MY 2002/03, 215 MT have been exported compared to 914 MT last year. The largest exported volume was destined mostly to Albania (126 MT).

In compliance with EU Reg.No. 1148/2001, which imposes compulsory inspections for the normal marketing activity in the sector of fresh fruits, the Greek Ministry of Agriculture in co-operation with other Ministries signed a Common Ministerial decision pertaining to special measures taken, in order to apply trade quality controls for fresh products in the market. Anyone who markets or delivers fresh fruit in the Greek Market should act in accordance to these rules.

In addition, marketing of fresh products should correspond to the EU legislation relating to food safety issues, in order to avoid nitrate or other agrochemical contamination of fresh produce. These regulations apply to exported or imported products sold on the domestic market. Sample controls are applied for exported and imported fresh products between EU member countries, but all imports of fresh fruit are inspected if they come from third countries. Inspections are also applied to products marketed domestically and to fresh fruit which are destined to the processing sector.

The Greek Ministry is about to apply a database, which will include all traders of fresh fruit. All fresh products should be packed according to their quality and their area of origin and the label must show all the items previously mentioned including the name of the producer and the trading firm.

All these developments in the sector of fresh fruit and vegetables are expected to lead to an improvement of the traditional grocery sector. Small grocery outlets are expected to be replaced by incorporated units operating in a super market form or attached to already operating super market chains. The perspective of this development finds a dissident voice from Greek consumers who are used to buying fresh fruits and vegetables in the popular open markets and/or in traditional groceries. Large chains of modern super markets, on the other hand, are offering a huge variety of fresh products packed according to their geographic origin and prices are displayed accordingly.

The Ministry of Development is about to make some amendments to the EU Reg.No 2323/95 pertaining the trade of fresh fruits and vegetables sold in the open market. The Greek Government will implement these measures to control extremely high consumer prices, which are noticed in the open market for fresh fruits and vegetables. In order for this plan to succeed, the GOG will obligate farmers to add their name and the area of origin of their fresh product on the packing. Also the packing must be marked with the wholesale price per kg as well as the number and the date of the invoice to certify the transaction between the trader and the farmer.

Traders and packers are finding this procedure difficult to apply and insist that it will negatively affect domestic production. On the other hand, imported products are sold in the Greek market without this kind of label but only accompanied with an indicator, which distinguishes them as imported products. According to traders, this measure may have a negative impact on the promotion of Greek products, as traders will turn to the imported ones in order to avoid the procedure described above.

According to the more efficient co-operatives, this measure does not negatively affect the fresh fruit market. In fact, they believe that this is a protective measure for the healthier operation of the Greek market. Reportedly, traders of fresh fruit take advantage of consumer preferences to sell fresh products under a fake label of their place of origin. This phenomenon was noticed often with "Zagorin" apples, which carry their own trade mark.

Table Grapes

The U.K imports most of the Greek sultana production, which is carried out in English pounds. The low exchange rate between the Euro and the pound creates anxiety to the trade sector and farmers because of the lower prices they are receiving for their products. In addition, the entrance of cheaper imported grapes from Egypt and Brazil in the U.K market will create a stiff competitive environment for Greece. According to trade sources the German market seems to be more profitable for Greek grapes.

Export activity of table grapes have just started. According to the Greek Ministry of Agriculture as of 8/8/2003, 554 MT have been exported (421 MT to EU countries).

Indicative grower prices are approximately 0.80 Euros/kg for the sultana variety and 0.25-0.30 Euros/kg for the Victoria variety of table grapes.

The National Vineyard Land Tenure program has been finalized. By utilizing EU funds, the Ministry of Agriculture provides that the right to grow grapes can be transferred from one generation of growers to another. This measure combined with the EU program for restructuring vineyards and the EU third Support Framework, which provides incentives for development and modernization of processing plants (wineries), contributes to the improvement of the country's grape cultivation during the same time the percentage of occupation in the viticulture sector is increasing.

PS&D Table, Fresh Apples

PSD Table**Country****Greece****Commodity****Fresh Apples**

(HA)(1000 TREES)(MT)

Market Year Begin	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
	07/2001	07/2001	07/2002	07/2002	07/2003	MM/YYYY	
Area Planted	15800	15800	15800	16230	15800	16236	(HA)
Area Harvested	15500	15500	15500	15800	15500	15940	(HA)
Bearing Trees	6030	6030	6030	6058	6050	6058	(1000 TREES)
Non-Bearing Trees	110	110	110	58	90	58	(1000 TREES)
Total Trees	6140	6140	6140	6116	6140	6116	(1000 TREES)
Commercial Production	251000	251000	211000	232000	261500	190000	(MT)
Non-Comm. Production	9000	9000	9000	3000	1500	3000	(MT)
TOTAL Production	260000	260000	220000	235000	263000	193000	(MT)
TOTAL Imports	18000	18000	15000	16000	16000	24000	(MT)
TOTAL SUPPLY	278000	278000	235000	251000	279000	217000	(MT)
Domestic Fresh Consum	237000	237000	200000	206000	239000	180000	(MT)
Exports, Fresh Only	20000	20000	16000	26000	19000	20000	(MT)
For Processing	1000	1000	1000	1000	1000	1200	(MT)
Withdrawal From Market	20000	20000	18000	18000	20000	15800	(MT)
TOTAL UTILIZATION	278000	278000	235000	251000	279000	217000	(MT)

Export Trade Matrix, Fresh Apples

Export Trade Matrix

Country Greece

Commodity Fresh Apples

Time Period Units:
 Exports for:
 U.S. U.S.
 Others Others

Italy	208	Italy	21
Portugal	587	Spain	57
Other EU	150	Other EU	37
>Sub Total EU	945	>Sub Total EU	115
Albania	18274	Albania	7635
Bulgaria	42716	Bulgaria	9280
Romania	1157	Romania	260
Total for Others	63092		17290
Others not Listed	<input type="text" value="3049"/>		<input type="text" value="883"/>
Grand Total	66141		18173

Import Trade Matrix, Fresh Apples

Import Trade Matrix

Country Greece

Commodity Fresh Apples

Time Period Units:
 Imports for:
 U.S. U.S.
 Others Others

Italy	11057	Italy	14446
Germany	960	Germany	2627
Holland	1035	Holland	803
France	120	Spain	3661
Other EU	1278	Other EU	1187
>Sub Total EU	14450	>Sub Total EU	22724
Chile	2989	Chile	1317
S. Africa	694	Argentina	507
Argentina	1825		

Total for Others 19958 24548
 Others not Listed
 Grand Total 20948 26486

PS&D Table, Fresh Table Grapes

PSD Table**Country****Greece****Commodity****Fresh Table Grapes**

(HA)(MT)

Market Year Begin	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA Official [	Estimate [D]	DA Official [	Estimate [D]	DA Official [	Estimate [New]	
	01/2002		01/2003		01/2004	MM/YYYY	
Area Planted	19000	19000	19500	19500	19500	19500	(HA)
Area Harvested	19000	19000	19500	19500	19500	19500	(HA)
Commercial Production	273000	300000	278000	278000	278000	278000	(MT)
Non-Comm. Production	37000	40000	36000	36000	36000	36000	(MT)
TOTAL Production	310000	340000	314000	314000	314000	314000	(MT)
TOTAL Imports	7957	1500	3000	3000	3000	2500	(MT)
TOTAL SUPPLY	317957	341500	317000	317000	317000	316500	(MT)
Domestic Fresh Consum	162957	183800	152000	152000	152000	149500	(MT)
Exports, Fresh Only	115000	117700	115000	115000	115000	117000	(MT)
For Processing	40000	40000	50000	50000	50000	50000	(MT)
Withdrawal From Market	0	0	0	0	0	0	(MT)
TOTAL UTILIZATION	317957	341500	317000	317000	317000	316500	(MT)

Export Trade Matrix, Fresh Table Grapes

Export Trade Matrix

Country Greece

Commodity Fresh Table Grapes

Time Period Units:
 Exports for:
 U.S. U.S.
 Others Others

Holland	12733	Holland	6447
Germany	35550	Germany	18706
U.K.	26611	U.K.	10278
Other EU	2908	Other EU	369
>Sub Total EU	77802	>Sub Total EU	35800
Poland	22278	Poland	8489
FYROM	3006	FYROM	2146
Czechia	2852	Czechia	3227
Romania	3039	Romania	1314
Albania	1702	Albania	1516
Total for Others	110679		52492
Others not Listed	<input type="text" value="6683"/>		<input type="text" value="4589"/>
Grand Total	117362		57081

Import Trade Matrix, Fresh Table Grapes

Import Trade Matrix

Country Greece

Commodity Fresh Table Grapes

Time Period Units:
 Imports for:
 U.S. U.S.
 Others Others

Italy	686	Italy	772
Germany	1220	Germany	43
U.K.	5824	Other EU	135
Other EU	75	>Sub Total EU	950
>Sub Total EU	7805	Argentina	13
Argentina	22	Chile	80
Chile	18	S. Africa	77
S. Africa	66		

Total for Others 7911 1120
 Others not Listed

PS&D Table, Fresh Pears

PSD Table**Country****Greece****Commodity****Fresh Pears**

(HA)(1000 TREES)(MT)

Market Year Begin	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA Official [	Estimate [D]	USDA Official [	Estimate [D]	USDA Official [	Estimate [New]	
	07/2001		07/2002		07/2003	MM/YYYY	
Area Planted	10600	10600	10500	9000	15800	7500	(HA)
Area Harvested	10600	10600	10500	9000	15500	7500	(HA)
Bearing Trees	3950	3950	3930	3930	6050	3830	(1000 TREES)
Non-Bearing Trees	0	0	0	0	90	0	(1000 TREES)
Total Trees	3950	3950	3930	3930	6140	3830	(1000 TREES)
Commercial Production	53300	53300	23800	35700	261500	24100	(MT)
Non-Comm. Production	1700	1700	1200	1300	1500	900	(MT)
TOTAL Production	55000	55000	25000	37000	263000	25000	(MT)
TOTAL Imports	15000	15000	29000	25000	16000	45000	(MT)
TOTAL SUPPLY	70000	70000	54000	62000	279000	70000	(MT)
Domestic Fresh Consump	60800	60800	44500	55449	239000	63985	(MT)
Exports, Fresh Only	1000	1000	650	215	19000	200	(MT)
For Processing	8000	8000	8500	6000	1000	5500	(MT)
Withdrawal From Market	200	200	350	336	20000	315	(MT)
TOTAL UTILIZATION	70000	70000	54000	62000	279000	70000	(MT)

Export Trade Matrix, Fresh Pears

Export Trade Matrix

Country Greece

Commodity Fresh Pears

Time Period Units:
 Exports for:
 U.S. U.S.
 Others Others

Spain	156	Germany	4
Other EU	98	Other EU	5
>Sub Total EU	254	>Sub Total EU	9
Albania	661	Albania	322
Bulgaria	328	Bulgaria	420

Total for Others 1243 751
 Others not Listed
 Grand Total 1580 1021

Import Trade Matrix, Fresh Pears

Import Trade Matrix

Country Greece

Commodity Fresh Pears

Time Period Units:
 Imports for:
 U.S. U.S.
 Others Others

Spain	7553	Germany	9814
Holland	267	Holland	447
Italy	1069	Italy	9264
Other EU	567	Other EU	556
>Sub Total EU	9456	>Sub Total EU	20081
S. Africa	1659	S. Africa	153
Argentina	1022	Argentina	417
Chile	95		

Total for Others 12232 20651
 Others not Listed
 Grand Total 13011 22142