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Greece

Dried Fruit

Semi-Annual

2003

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Report Highlights:

For the second successive year the production of raisins has been adversely affected by weather holding the harvest to 10,000 MT. Consequently, ending stocks are very low and Greece is expected to import about 5,000 tons of raisins, probably from Iran.

Includes PSD Changes: No
Includes Trade Matrix: No
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Executive Summary

Sultana Cooperatives in Peloponnese and Crete report that the 2003 output was dramatically down for a second year, after the disastrous summer rainstorms with flooding which prevailed in 2002 on both the Island of Crete and the area of Peloponnese. According to the Sultana Producer Associations in Crete, last year's adverse weather has affected orchards for a second successive year and production of raisins did not exceed the 10,000 MT (dried fruit basis), keeping the harvest the same as in 2002. Adverse weather conditions in 2002 have affected all types of grapes, including sultanas. This 2003 raisin production is finally reported at only 10,000 MT (Dried fruit basis) but of excellent quality, mostly of grade No.2 and a much smaller amount of grades No.1 and No.4. For all grades of dried sultanas delivered to packers this year, farmers received 0.41- 0.53 euros/Kg, according to quality, compared to 0.30-0.41 euros/Kg for last year (2002). For a few amounts of very good quality, Grade No.2, prices paid were up to 0.59 euros/Kg. These are prices received by farmers without adding any EU income support they receive per area unit. This year, an increase of EU subsidy is reported which was set at 0.058 euros/Kg. The income support paid by the EU is finally set at 3,2286 euros/Ha in compliance with EU Reg. No. 1621.

The KSOS (Greek Confederation of Sultana Cooperatives) reports that the final production of 10,000 MT for the 2003 crop is broken down to 8,000 MT for the island of Crete and 2,000 MT for Peloponnese.

Weather damage has adversely affected trade and farmer incomes for a second year. Under normal conditions, Greek raisin production reaches 25-30,000 MT (dried fruit basis). This year again, farmers are requesting compensation through ELGA (Agricultural Insurance Fund). Most compensation payments for last year's crop loss took place earlier this year, based on field evaluations of damage per farm. For the current year crop loss, no field evaluations have yet taken place.

MY 2002-2003 ending stocks (in the hands of packers, wholesalers, and retailers) are estimated at 3,580 MT of relatively good quality raisins of mostly Grade No. 4 and significant quantities of Grade No.2, which will help to facilitate some trade activity and satisfy domestic consumption, although not enough. Imports in CY 2002 (12 months) reached 418 MT of which 80 MT were imported from US. According to trade sources and due to low domestic supply of raisins, Greece is expected to import an amount of 5,000 MT in MY 2003-2004 only from Iran. Iranian raisins are priced at approximately US \$ 750 /MT (FOB basis). This amount will be destined to a few Greek packing facilities in the main land (not to Crete), in an attempt to keep them at operational level, after the short harvest. These packers operate not exclusively with sultanas but they also pack black currants. The value of total imports in CY 2002 was at US\$ 428,000. Imports of raisins are from many origins: from third countries such as Turkey, Iran, and the US and also from EU member states. Some dried US fruit enters Greece after initial import through another EU country. Trade sources report that this marketing year, Turkey has entered the markets with prices which fluctuate between US \$ 1,080 – 1,100 /MT for their packed product, up to 1,150 US \$/MT for their best quality product. Turkey's production is also reported to be lower, compared to a year earlier. Currently, Greeks sell at approximately US\$ 950/MT (FOB Basis – Heraklion Crete).

Although it is too early, sources in the field report that if weather conditions permit, a better harvest is expected for 2004, provided that vines will somehow recover and weather permitting. According to farmer group sources in Crete, and after all these problems (diseases, adverse weather, competition from other producing countries with lower labor costs, etc), a large number of Greek farmers are discouraged from continuing with raisins and they show an increasing preference to produce Sultanas for the fresh, domestic and/or European markets, selling their product at much higher prices compared to that of dried fruit. Farmer group

leaders in Crete and Peloponnesos, are prepared to discuss all the problems faced by the sector, with the GOG Ministry of Agriculture in the framework of the CAP mid term review and ask for the raisins to be treated in a much favorable way for the Greek farmers. This attempt is expected to take place in the beginning of next year, taking into consideration that Parliamentarian Elections will take place in April 2004.

Exchange Rates:

Jan- Oct 2003 \$1.00 = 0.896 euros

PS&D Table, Raisins

PSD Table

Country Commodity	Greece		(HA)(MT)				UOM
	2001	Revised	2002	Estimate	2003	Forecast	
Market Year Begin	USDA Official [Estimate [D]	USDA Official [Estimate [D]	USDA Official [Estimate [New]	MM/YYYY
	09/2001		09/2002		09/2003		
Area Planted	26000	26000	26000	26000	26000	26000	(HA)
Area Harvested	26000	26000	26000	26000	26000	26000	(HA)
Beginning Stocks	6430	6430	10730	10730	2580	3580	(MT)
Production	28500	28500	10000	10000	28000	10000	(MT)
Imports	800	800	850	850	500	5500	(MT)
TOTAL SUPPLY	35730	35730	21580	21580	31080	19080	(MT)
Exports	19000	19000	14000	13000	23000	12000	(MT)
Domestic Consumption	6000	6000	5000	5000	6000	5500	(MT)
Ending Stocks	10730	10730	2580	3580	2080	1580	(MT)
TOTAL DISTRIBUTION	35730	35730	21580	21580	31080	19080	(MT)