



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Scheduled Report - public distribution

Date:

12/15/1999

GAIN Report

#GR9035

Greece

Tomatoes and Products

Semi-Annual

1999

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Report Highlights: Greek tomato production in 1999 is estimated to have fallen over 6% to 1.95 mmt due to unusually hot summer temperatures. The heat also reduced overall quality, which resulted in a production shift with crushed/chopped/diced production increasing 20%, in conjunction with a 25% decrease in production of canned whole tomatoes. Grower prices in 1999 are also lower than in 1998 due to reduced minimum grower prices and retail prices, especially for paste, which fell due to large world supplies. Imports of fresh tomatoes in 1999 are estimated to reach 8,000 mt due to the poor domestic crop.

Includes PSD changes: Yes

Includes Trade Matrix: No

Report Semi-Annual
 Athens [GR1], GR

..... [1](#)
Executive Summary [2](#)
TOMATO PRODUCTION [3](#)
TOMATO PASTE [4](#)
CANNED TOMATOES [5](#)
PS&D Table, Fresh Tomatoes [7](#)
PS&D Table, Canned Tomatoes [8](#)
PS&D Table, Tom. Paste, 28-30% TSS Basis [9](#)

Executive Summary

Official forecasts for the 1999 tomato crop are not yet available but Ag. Office estimates project production at 1.95 mmt, down from last year's revised production of about 2.085 mmt. Yields would have been higher but last summer's heat wave reduced the tomato crop by over 15 per cent. The overall quality this year was poor. Total industrial tomato production is estimated at 1.25 mmt, of which about 93 percent is for use as tomato paste, passata and juice. Tomato paste quality was fair to average. Canned whole peeled tomato production was down while crushed/chopped and diced tomato production was up due largely to the poor quality of the tomatoes delivered to processors. The total combined figure was 34,000 m.t. as compared to 32,600 m.t. of year earlier.

The minimum grower prices for 1999 were approximately 3 percent lower than in 1998, while the processing aid to packers both in the case of tomato paste and canned tomatoes, was reduced by 11 percent as compared to 1998. Prices for tomato paste were considerably lower than a year earlier and fluctuated from \$600 to \$650/MT due to ample world supplies. About 40 percent of the 1999 production is still unsold and remains in the hands of processors. There is practically no demand for the product at present.

TOMATO PRODUCTION

Preliminary forecasts for the 1999 tomato crop based on data gathered from Min. of Agr. and industry sources, are shown in the PS&D tables. The overall conditions for field grown tomatoes, both for table and industrial use, were not too favorable due to high temperatures recorded during both July and August. This adversely affected both the quality (color) and the yield (low Brix), making 1999 one of the worst seasons in terms of quality in the last few years.

Table tomatoes grown under cover were not affected as they were harvested before July. The Brix content of the fruit, although detailed data are not yet available, is believed to have dropped about 10 percent on average compared to the 1998 season's readings. In the 1999 season, it is estimated that about 30,000 to 40,000 MT of industrial tomatoes were diverted to the fresh market to partly cover seasonal shortages in supply of table tomatoes damaged by this summer's heat waves.

The average quarterly prices received by growers for fresh table tomatoes, field grown and under cover (greenhouse) for 1998 as well as the mean average prices received by growers for tomatoes for table and industrial use for the same year have not as yet been released by the Min. of Agriculture.

Wholesale prices for fresh greenhouse produced table tomatoes in the Athens central market from January through June 1999 ranged from 150 to 360 drs/kg (0.48 to 1.16\$/kg) compared to 130 to 350 drs/kg (0.45 to 1.21\$/kg) of a year earlier. Imported fresh table tomato prices during the same period ranged from 250 to 500 drs/kg (0.81 to 1.61 \$/kg) as compared to 250 to 380 drs/kg (0.86 to 1.31 \$/kg) a year earlier. Field grown fresh table tomato prices from July through mid November fluctuated from 100 to 350 drs/kg (0.32 to 1.11 \$/kg) as compared to 120 to 350 drs/kg (0.41 to 1.21 \$/kg) a year earlier. Prices for industrial tomatoes sold for fresh consumption from mid July to mid October ranged from 70 to 150 drs/kg (0.23 to 0.48\$/kg) as compared to 80 to 150 drs/kg (0.27 to 0.52 \$/kg) a year earlier.

It should be pointed out that during the 1998 CY, a total of about 6,607 MT of fresh table tomatoes were imported while 5,641 MT were exported. It is believed that the 1999 imports, for which no data are presently available, may have reached 8,000 MT while exports were quite limited, due to the relative poor quality of the summer grown table tomatoes, which were affected by the high temperatures of July and August.

TOMATO PASTE

Total industrial tomato production in 1999 is presently forecast at 1,250,000 MT of which 1,140,000 MT is for tomato paste above (12% TSS), and 22,000 MT is for both passata (7-12% TSS) and tomato juice (5-7% TSS). Although the MOA has not as yet released a forecast for 1999, tomato paste production is estimated at about 182,400 MT (converted to 28-30% TSS basis). Another 3,600 MT of juice and passata, converted to the same concentration, was also produced. Tomato juice and passata production figures are included in the total tomato paste production number since the National Statistical Service reports foreign trade data of tomato paste in three groups of products a) below 12% TSS concentration, b) between 12 and 30% TSS concentration and c) above 30% TSS concentration. The 1998 final production figures for tomato paste passata and juice, all converted to 28-30% TSS basis are: 210,900 MT, 2,446 MT and 1,470 MT respectively. Comparable 1997 figures were 202,770 MT, 680 MT and 550 MT respectively. The 1999 processing season for tomato paste in Peloponnesos started on July 12 and ended on Sept. 25, 1999. In Magnesia it started on July 28 and ended on Sept. 30, 1999, while in Macedonia it started on July 28 and ended on Sept. 20, 1999. It should be noted that in all regions the processing season was appreciably shorter than normal, which usually ends in early to mid October.

Yields of tomato paste this year are presently indicated to be much lower than normal and range from about 7.0 to 6.0 kgs of tomatoes per 1 kg of tomato paste (28-30% TSS basis) depending on the region. In the region of Macedonia (Imathia) the range was from 6.5 to 6.1 kgs of tomatoes per 1 kg of tomato paste (28-30% TSS basis) with an average of 6.25. Tomato paste quality was average to good. Based on EU Reg. No 1513/99 of July 9, 1999 the MOA issued Circular No 372368 of July 14, 1999 establishing the minimum grower prices and processing aid to growers and processors during 1999 for tomatoes and products. The price to growers was set at 8.805 EURO/100 kg net based on a total solids content in tomatoes of 4.8 to 5.4 percent. This price is slightly lower than the 1998 price that was set at 9.077 ECU/100 kgs net. In the event that the total solids content differs from these levels, prices are adjusted as follows: by -5% when total solids content is between 4.8 to 4.0% and by +5% when total solids content exceeds 5.4%. The processing aid to processors for tomato paste 28-30% TSS basis was further reduced in 1999 to 21.619 EURO/100 kgs net, compared to 24.601 ECU/100kgs net for the prior year 1998. The EU Reg. No 1368/99 of June 25, 1999 gave an additional supplemental processing aid for last year's production amounting to 0.189 EURO/100kgs net, which is included in the 1998 processing aid indicated above. The exchange rate of EURO (the monetary unit that replaced the ECU as of Jan. 1, 1999) to drachmas in the first four months of this year reflected about a 4 percent lower exchange rate as compared to the ECU, which is an additional factor that will affect EU aids. Thus both growers and packers will be receiving lower prices this year.

A sizable portion, approximately 60 percent, of the 1999 production has been sold/committed at present at prices

ranging from 185,000 to 205,000 drs/MT (\$600 to \$ 650/MT) (ex-factory, good quality product, 28-30% TSS basis, packed aseptically in drums). Comparable prices for 36-38% TSS basis product were about 235,000 to 260,000 drs/MT (\$745 to \$825/MT). These prices are appreciably lower than the comparable prices of 1998 as shown in our report GR-3087 of Dec. 15, 1998. This drop in prices is attributed to the oversupply situation in the world market. As regards the unsold portion of the 1999 pack, there is practically no interest at present by foreign buyers who anticipate a further drop in prices as the season progresses. Based on EU Reg. No 865/99 of April 26, 1999, Greece's allocation of industrial tomatoes to be processed during 1999 was increased to 1,110,954 MT from the prior year's allocation of 1,048,931 MT. The breakdown of the new allocation is 1,064,832 MT for tomato paste, 15,619 MT for canned whole peeled tomatoes and 30,503 MT for all other tomato products (crushed tomatoes, juices, flakes, etc).

CANNED TOMATOES

Data for canned tomatoes presented in the PS & D table include whole tomatoes. The following table shows the breakdown of the quantities of tomatoes delivered to processors as well as the product produced for whole, crushed, chopped and diced tomatoes during 1999 (preliminary estimates) as compared to 1998.

	Fresh Tomatoes (Delivered)		Canned Products (Net Weight)	
	Metric Tons			
	1998	1999	1998	1999
- Whole peeled	15,800	12,000	11,900	9,000
- Crushed/Chopped/Diced	23,200	28,000	20,700	25,000
Total	39,000	40,000	32,600	34,000

The EU minimum grower prices and processing aid to canners for canned whole tomatoes, peeled and unpeeled, as well as crushed, chopped and diced tomatoes for the 1999 campaign on a net weight basis as set by EU Reg.No1513/99 of July 9, 1999 and MOA Circular No 372368 of July 14, 1999 were as follows:

Grower Prices		Processing Aid	
EURO per 100 kgs Net			
- Whole tomatoes in juice/water			
a) San Merzano type	14.575	8.215 1/	
b) Roma type & similar	11.212	5.794 1/	4.925 2/
- Crushed tomatoes	8.805	4.056	

1/ When packed in juice...

2/ When packed in water...

These prices are lower than comparable 1998 prices shown in our report GR-8037 of Dec.15,1998. The conversion exchange rates of EURO to drachmas fluctuates on a daily basis and since Jan.1, 1999 it ranged from 325 to 335 drachmas per EURO.

Exchange Rates

1997	\$1.00 = 272.74 Drachmas
1998	\$1.00 = 294.30 Drachmas
1999 (Jan-Nov)	\$1.00 = 304.04 Drachmas

PS&D Table, Fresh Tomatoes

PSD Table						
Country	Greece					
Commodity	Fresh Tomatoes					(HA)(MT)
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1997		01/1998		01/1999
Plnt For Fresh Consump	0	16820	0	17500	0	18000
Plnt For Processing	0	20980	0	21250	0	21500
TOTAL Area Planted	0	37800	0	38750	0	39500
Harv. For Fresh Cons.	0	16820	0	17500	0	18000
Harv. For Processing	0	20980	0	21250	0	21500
TOTAL Area Harvested	0	37800	0	38750	0	39500
Fresh Sale Production	0	732000	0	760000	0	700000
Processing Production	0	1245000	0	1325000	0	1250000
TOTAL Production	0	1977000	0	2085000	0	1950000
TOTAL SUPPLY	0	1977000	0	2085000	0	1950000

PS&D Table, Canned Tomatoes

PSD Table						
Country	Greece					
Commodity	Canned Tomatoes				(MT)(MT, Net Weight)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		07/1997		07/1998		07/1999
Deliv. To Processors	41820	41820	39000	39000	40000	40000
Beginning Stocks	1089	1089	4899	4899	1999	1999
Production	31810	31810	32600	32600	33400	34000
Imports	15000	15000	14000	14000	15000	15000
TOTAL SUPPLY	47899	47899	51499	51499	50399	50999
Exports	11500	11500	18000	18000	17000	17000
Domestic Consumption	31500	31500	31500	31500	31500	31500
Ending Stocks	4899	4899	1999	1999	1899	2499
TOTAL DISTRIBUTION	47899	47899	51499	51499	50399	50999

PS&D Table, Tom. Paste, 28-30% TSS Basis

PSD Table						
Country	Greece					
Commodity	Tom. Paste,28-30% TSS Basis				(MT)(MT, Net Weight)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		07/1997		07/1998		07/1999
Deliv. To Processors	1132200	1132200	1217000	1217000	1200000	1162000
Beginning Stocks	32807	9000	2500	2500	4000	4000
Production	204000	204000	215000	215000	212000	186000
Imports	4000	4000	4500	4500	4000	4000
TOTAL SUPPLY	240807	217000	222000	222000	220000	194000
Exports	223807	200000	203000	203000	200000	175000
Domestic Consumption	14500	14500	15000	15000	15000	15000
Ending Stocks	2500	2500	4000	4000	5000	4000
TOTAL DISTRIBUTION	240807	217000	222000	222000	220000	194000