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**Greece**

**Asparagus**

**Voluntary Report**

**2000**

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**Report Highlights:**

Greece has seen a steady increase of asparagus production since its introduction in the late 1980's, reaching an estimated 1999 production level of 34,250 mt on 7,400 hectares. Out of this production, approximately 25,000 mt is exported to Germany with smaller quantities to France, Holland, and Spain. Greek asparagus is harvested from February to mid May, allowing it to be marketed earlier than product grown elsewhere in Europe.

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Athens [GR1], GR

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## **Executive Summary**

Greece has seen a steady increase of asparagus production since its introduction in the late 1980's, reaching an estimated 1999 production level of 34,250 MT, according to the Ministry of Agriculture. This output corresponds to a total area of approximately 7,400 Hectares.

In the period 1980-1999, Greek asparagus production increased by almost 120 percent. Produce is of both white and violet asparagus and is harvested early, from February to mid May. The Greek Ministry of Agriculture has encouraged asparagus as an alternative crop. EU subsidies are available for the crop planting and maintenance and the purchase of machinery. Up to 50% of the cost of processing, freezing facilities and packing plants can also be paid by the EU in the framework of investment programs implemented by the Ministries of National Economy (Law No.2601) and of Agriculture (EU Reg.No. 866/90 and EU Reg. 2328/90).

The early harvest allows the Greeks to get a jump on the European market, especially in Germany. Greece normally markets at least 25,000 MT of fresh asparagus to Germany every year with an additional 5,000 MT going to France and Holland. Spain buys second quality product for canning.

## **PRODUCTION**

Asparagus production in Greece takes place in central and east Macedonia (prefectures of Imathia, Pella and Kavala). There are 10 Agricultural cooperatives in these regions who produce, process and trade asparagus (approx. 50 percent of the whole output). Their target for the year 2000 is to increase production by 10-15 percent. The asparagus crop has taken over land from peach tree crops, some kiwi orchards and sugar beets. Since 1996, some asparagus crop started to appear in the prefecture of Etoloacarnania (south western Greece), where farmers replaced some non marketable tobacco varieties with asparagus.

According to Min. Ag., Ag. Statistics Division, the area and output for the past five years are:

	1995	1996	1997	1998	1999
Area (Ha) 1/	7,030	7,130	7,000	7,200	7,400
Output (MT)	29,300	29,600	26,000	30,000	34,250

1/ Total planted acreage at National Scale

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The domestic production is comprised of white and violet asparagus. Quality is considered to be very good with a desirable taste. The asparagus are usually produced for 12 to 13 years before replanting. There are approximately 4,000 Ha planted with asparagus at the age to be gradually replaced with new plantings, most of this with green asparagus. The new asparagus development region of Etoloacarnania seems to be very promising for the early crop asparagus due to favorable local climatic conditions which allow a longer harvesting season, an extended market supply period for the Munich central vegetable market in Germany, and plenty of available acreage with suitable soil. Transportation to European markets from this region is faster by sea to Italy, allowing better product quality maintenance.

Yields are between 3,600 and 3,700 Kgs/Hectare. Yields have somewhat stabilized through the years. Output is largely impacted by the demand in Germany, the major buyer.

Greek asparagus is harvested early, from February up to mid May, depending on the year, location and prevailing weather conditions.

Farmers received approximately 700-750 Drs/kg (\$2.29 -2.45), for the 1999 harvest of white and violet asparagus. The best quality of the green asparagus was priced at 800-850 Drs/Kg (\$2.61 - 2.78).

In the area of Platy (Central Macedonia), an organic green asparagus is produced and farm prices are in the neighborhood of 900 Drs/kg (\$2.94) and over. Cost of production is estimated at 20-22 percent of the above prices.

A large portion of the production is done in the framework of the EU relevant Directives of "group farming." (Farmer groups are not cooperatives). A small number of farmers (30-35 farmers per group) are organized to produce the same type of product and operate in such a way that land is better utilized under consolidation and farmers achieve low cost mechanization, handling of inputs, packaging and trading. A group of farmers can produce up to 500 MT of asparagus with an average of 110 Ha.

The earlier harvest of the product, the better the price paid to the farmers. Germans do not harvest before May, creating a good market opportunity for Greek asparagus harvested in the three month period from February to April.

## **PRODUCTION POLICY**

The Ministry of Agriculture authorities at the prefecture level encourage and instruct farmers to grow green asparagus, as being more marketable and more in demand in central European markets (Munich).

Greek farmers use the EU Regulation No.2328/90, which provides subsidy supports (cultivation supports) for purchasing machinery and crop installation (soil improvements and genetics). These supports fluctuate according to geography 40-50 % of the total investment. Also EU Reg. No 866/90 provides funding for up to 45-50% for processing and packing plants.

Greek asparagus is highly labor intensive during harvest. Greek farmers benefit from cheap labor, employing foreigners (average payment per day: 6,000 Drs or \$18.2). All other field practices are mechanized. There are a number of problems in the packaging and marketing sectors of the product to be solved (including uniformity of product, size when packed, appearance, effective promotions, etc) in order for the product to gain market share in Europe.

## TRADE

Greece exports approximately 25,000 MT to Germany and small quantities to France, Holland and Spain. Spain buys second quality product, mainly for canning.

Export prices in 1999 fluctuated between 9-12 DM (\$4.92-6.57) (C+F Munich) in early season and between 6.5-8.0 DM (\$3.55-4.38) in late season. Freight cost by truck is calculated at 110 Drs/Kg (\$0.36) compared to 320-370 Drs/kg by air (\$1.05- 1.21). Greek asparagus is packed in carton boxes of 6KG net.

Domestic consumption in Greece is very limited, fluctuating between 6-7 percent of the annual output (2,000-2,200 MT only).

Germans buy more Greek asparagus, if it is available, when they are not having a good harvest. They prefer to utilize their own output, which quantitatively does not satisfy domestic demand, before they buy.

At present, Greece's main competitors in the European markets, are France, Spain and Holland. However, Greece produces a product with a different taste, and their early harvest allows them to take advantage of market niches and higher prices. Asparagus is considered to be among the best alternatives for Greek farmers who utilized land resources for less marketable crops under the CAP.

## Exchange Rates

1998	\$ 1.00 = 294.30 Drachmas
1999	\$ 1.00 = 305.85 Drachmas
2000 Jan - Feb.	\$1.00 = 332.03 Drachmas