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## Greece

### Fresh Deciduous Fruit

# Greek Consumers Pay High Prices for Fruits and Vegetables 2002

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#### **Report Highlights:**

Spreads between producer prices and wholesale/retail levels in Athens have sparked consumer groups to boycott fresh fruit and vegetable markets in October. The inflationary nature of this price gouging has the attention of the Ministries of Development and Agriculture. The Ministry of Commerce is authorized to enforce complicity within maximum price spreads, but no arrests or fines are reported. The Ministry of Agriculture proposed that Greek farmers show invoices to account for producer prices, but farmers have refused to take on any new tasks of accounting.

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
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## **GREEK CONSUMERS PAY HIGH PRICES FOR FRUITS AND VEGETABLES**

According to the Greek press, based on Ministries of Development and Agriculture official sources, high price spreads between producers and both wholesale and retail levels have been observed during the month of August 2002 in the fresh fruit and vegetable sector.

During that period, the wholesale profit margin for fresh fruits and vegetables has fluctuated from 100 to 194% over producer prices. This margin reached a record of 362.86% in the first fortnight of August. Retail profit margins appeared to be 100% over wholesale prices. These price gaps are unjustified and not allowed in the Greek market, which must operate with much lower profit margins set and policed by the GOG Ministry of Commerce.

In mid September the two ministries published the price survey. The information, which had been kept out of the public press, reported on sampled prices of fresh produce. The disparities between wholesale and retail and between wholesale and producer levels are significant and have fueled a recent spike in inflation. Consumer Organizations backed by government approval have lead consumers to boycott fresh fruit markets over several days. Producers, wholesalers and retailers claimed they were justified based on cost increases brought on by extreme weather conditions this year, which have affected outputs of almost all crops and those of fresh fruit and vegetables, in particular.

The Ministries of the National Economy and Development are considering measures against such unjustified price increases including restructuring the current farmer taxation system. They are considering new legislation which would impose a compulsory and uniform invoicing system for products sold and delivered to wholesalers. Farmers have already opposed this idea, arguing that they maintain small family size businesses and do not have the capacity and the necessary financial resources to implement a more complicated accounting system (keeping record books, purchasing accounting equipment, employing accountants, etc.).

## Sampling of Fresh Fruit prices from 8/1/02 to 8/15/02 (in euros)

<b>Fresh Products</b>	<b>Producer's price (a 15 day average)</b>	<b>Average wholesale prices (Central Market of Athens &amp; Thessaloniki)</b>	<b>Average retail prices (Super Markets and Groceries)</b>
<b>Pears (Kristali var.)</b>	<b>0.77</b>	<b>1.32</b>	<b>1.55</b>
<b>Apricots (Bebekou var.)</b>	<b>-</b>	<b>1.03</b>	<b>1.78</b>
<b>Apples (Starkin var.)</b>	<b>-</b>	<b>0.91</b>	<b>-</b>
<b>Apples (Granny Smith var.)</b>	<b>-</b>	<b>0.79</b>	<b>-</b>
<b>Apples (Golden var.)</b>	<b>-</b>	<b>0.82</b>	<b>-</b>
<b>Table grapes (Soultanina var.)</b>	<b>0.35</b>	<b>1.62</b>	<b>2.07</b>
<b>Table grapes (Victoria)</b>	<b>0.35</b>	<b>1.03</b>	<b>1.48</b>
<b>Table peaches</b>	<b>0.31</b>	<b>0.74</b>	<b>1.17</b>
<b>Table tomatoes</b>	<b>0.33</b>	<b>0.75</b>	<b>0.97</b>
<b>Nectarines</b>	<b>0.34</b>	<b>0.96</b>	<b>1.23</b>
<b>Potatoes</b>	<b>0.12</b>	<b>0.25</b>	<b>0.38</b>
<b>Lemons</b>	<b>0.41</b>	<b>0.67</b>	<b>1.06</b>

Source: Market Surveys carried out by the Ministries of Development and Agriculture.

## Profit Margins from 8/1/02 to 8/15/02

		Super Markets		Groceries	
Fresh Products	% Wholesale profit margin over producer's price	% Retail profit margin over wholesale price	% Retail margin over producer's price	% Retail profit margin over wholesale price	% Retail margin over producer's price
Pears (Kristali var.)	71.43	-	-	-	-
Apricots (Bebekou var.)	-	69.90	-	110.99	-
Apples (Starkin var.)	-	75.82	-	107.59	-
Apples (Granny Smith var.)	-	96.20	-	110.98	-
Apples (Golden var.)	-	89.02	-	-	-
Table grapes (Soultanina var.)	362.86	18.52	448.57	34.57	522.86
Table grapes (Victoria)	194.29	14.56	237.14	40.78	314.29
Table peaches	138.71	32.43	216.13	72.97	312.90
Table tomatoes	127.27	22.67	178.79	37.33	212.12
Nectarines	158.82	29.55	235.29	46.59	279.41
Potatoes	100.00	37.50	175.00	58.33	216.67
Lemons	70.73	31.43	124.39	42.86	143.90

Source: Market Surveys carried out by the Ministries of Development and Agriculture.

It should be noted that in normal periods, the legal profit margin from producer to wholesaler is 8 percent, while that of the retailer should not exceed 27 percent over the wholesale price (see also recent GAIN Fresh Fruit Report, No GR2016)

Exchange Rate , Jan.- Sept.2002:     \$1 = 0.082 euro