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Greece

Tomatoes and Products

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Report Highlights:

In 2002 industrial and table tomatoes are reported by industry to have declined about 8 percent from last year's levels, to 1.6 million MT. This continues a decreasing trend from 2000 due to lower subsidies from the EU but also from extremely rainy weather during the production period. Preliminary estimates are that 800,000 MT will be processed to tomato paste and 40,000 MT will be processed for canned tomatoes.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Semi-Annual Report
Rome [IT1], GR

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SECTION I. SITUATION AND OUTLOOK

While official forecasts for the 2002 tomato crop are still not available, present preliminary estimates (both table and industrial) according to industry sources, are close to 1,600,000 MT compared to **1,738,000** MT a year earlier and 1,920,000 MT in 2000. This significant drop is attributed mostly to adverse weather conditions which occurred in August and secondly to import competition. Low prices of canned tomato products which dominate in the international market, have discouraged plantings. About 800,000 MT will be processed to tomato paste and 40,000 MT will be processed for canned tomatoes (based on preliminary estimates, subject to further revision).

During the period of August and September continuous rainfall prevented planting and harvesting, which resulted in bad quality and low yields for tomatoes. Downgraded quality was apparent by color and the Howart Mould Count (HMC index), which was extremely high. In most of the industrial tomato producing regions over the 90 days of the production period, 45 days were rainy and **14** days were under rainstorms.

As mentioned to GR 2011 competitive countries like China and Israel entered the market with extremely low prices. GR 2011 also cited that the reduction of the support price paid to growers (from 0.08 Euros/kg to 0.034 Euros/kg) is still considered to be unsatisfactory to growers, which makes them shift to other irrigated crops.

The gradual withdrawal of CAP support to growers is a measure which is worrisome to both farmers and tomato processor interests. In view of subsidy reductions expected to be implemented after 2006, farmers will receive lower EU support which will force them either to increase prices of raw material or shift to other irrigated crops (corn, alfalfa, other forage crops, irrigated durum wheat, field vegetables for fresh consumption, etc.). These developments will also impact the processing industry which will have to operate at reduced capacity, while exports will be also affected. Under a system without subsidies, farmers will lose their current ability to pass on a low priced input to processors.

There is not any clear scenario yet about what will happen, but according to industry it seems certain that in the long term there will be a shortage of raw material in the Greek market. Farmers are uncertain about shifting to other crops.

Wholesale prices at the Athens central market for fresh tomatoes were as follows:

Period	Domestically Grown	Imported	Industrial
Jan-June	0.53	0.67-0.73	-
July-August	0.53	1.03	0.38
Sept- October	0.88	0.79-1.32	-

The industrial tomato tonnage quota allocated to Greece and to the European Union as well as the support price paid to growers is cited in GR 2011. It is unchanged. For the second year in a row, Greek production was under the quota for the category of industrial tomatoes. The reasons are mainly the adverse weather and some acreage reduction due to slight shifts to other irrigated crops.

SECTION II. NARRATIVE ON SUPPLY AND DEMAND, POLICY AND MARKETING PRODUCTION

Production

Yields of tomato paste (28-30% TSS basis) in 2002 are estimated at below 5 kgr of fresh tomatoes per 1 kgr of tomato paste, compared to 5.9 the prior year, due to the bad quality of fresh tomatoes.

There were approximately 20 plants that processed tomato paste during the 2002 season compared to 32 a year earlier. This drastic reduction depicts the stiff competitive environment which dominates in the tomato industry.

This year the production of tomato paste appears to be unusually low. This caused changes in contracts already signed with importing countries due to a shortage of processed product. The industry is obligated to sell the remaining contracted quantity next season. Low production this season also caused a drastic reduction of stocks. According to processors, due to shortage of tomato products in Europe, some of their clients have requested them to proceed with MY 2003-2004 contracts, starting now.

Consumption

There are no changes in consumption patterns of both fresh and canned products from those reported in GR 2011.

Stocks

The reduction of tomato paste production in the 2002 season due to reasons cited above caused a drastic reduction of stocks. Ending stocks for the 2002/03 MY are presently estimated at 5,500 MT causing anxiety to the tomato industry about their exporting activity and fulfillment of contracts they have signed with their clients. Ending stocks are certainly subject to revision but are not expected to deviate much from this figure.

Trade

Shortage of canned tomato products this year has pushed prices upwards. Greek processors sell tomato paste at 650-670 Euro/MT (20/30 Brix) in aseptic bags, at 810 Euro/MT (for 36/38 Brix) and 700 Euro/MT (28/30 Brix 5/1 tin), FOB. These prices are higher by approximately 20 percent over those export prices a year earlier.

For canned tomatoes, export prices have also increased, reaching much higher levels over those recorded in MY 2001/2002. Trade sources report that current FOB price for a 24x1 kgr box is at 7.90 Euros compared to 5.30-5.40

Euros last year.

In the attached trade matrix official trade data from the National Statistical Service are provided for calendar year 2001 (12 month period). These revise those reported in GR 2011, the annual tomato report.

The total value of Greek exports by category in CY 2001 was:

Tomato paste: 79,288,715 USD\$

Canned tomatoes: 8,994,480 USD\$

Policy

The EU sets the basic guidelines of tomato policy as covered on detail in GR 2011.

PS&D Tables, Fresh Tomatoes

PSD Table						
Country	Greece					
Commodity	Fresh Tomatoes				(HA)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/1999		01/1999
Plnt For Fresh Consump	0	17000	0	15500	0	17200
Plnt For Processing	0	21000	0	20915	0	16170
TOTAL Area Planted	0	38000	0	36415	0	33370
Harv. For Fresh Cons.	0	17000	0	15500	0	17200
Harv. For Processing	0	21000	0	20915	0	16170
TOTAL Area Harvested	0	38000	0	36415	0	33370
Fresh Sale Production	0	770000	0	788000	0	750000
Processing Production	0	1150000	0	950000	0	850000
TOTAL Production	0	1920000	0	1738000	0	1600000
TOTAL SUPPLY	0	1920000	0	1738000	0	1600000

PS&D Tables, Canned Tomatoes

PSD Table						
Country	Greece					
Commodity	Canned Tomatoes			(MT)(MT, Net Weight)		
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin	07/2000		07/2001		07/2002	
Deliv. To Processors	43550	43550	37000	48420	39000	40000
Beginning Stocks	1799	1799	2199	2199	5555	8083
Production	36900	36900	31356	41384	28400	34400
Imports	14000	14000	19000	17000	16000	15000
TOTAL SUPPLY	52699	52699	52555	60583	49955	57483
Exports	18000	18000	14500	17500	14000	18000
Domestic Consumption	32500	32500	32500	35000	32750	37000
Ending Stocks	2199	2199	5555	8083	3205	2483
TOTAL DISTRIBUTION	52699	52699	52555	60583	49955	57483

Export Trade Matrix, Canned Tomatoes

Export Trade Matrix			
Country	Greece		
Commodity	Canned Tomatoes		
Time period		Units:	MT
Exports for:	2000		2001
U.S.	80	U.S.	4
Others		Others	
France	671	France	2783
Holland	1907	Holland	3242
Belgium-Lux	623	UK	11621
UK	10255	Other EU	1999
Other EU	850	>Sub Total EU	19645
>Sub Total EU	14306	Poland	93
Poland	167	Cyprus	208
Cyprus	196		
Lebanon	146		
Total for Others	14815		19946
Others not Listed	420		532
Grand Total	15315		20482

Import Trade Matrix, Canned Tomatoes

Import Trade Matrix			
Country	Greece		
Commodity	Canned Tomatoes		
Time period		Units:	MT
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Italy	8615	Italy	11306
Spain	262	Spain	249
Germany	395	Germany	450
Other EU	277	Other EU	158
>Sub Total EU	9549	>Sub Total EU	12163
Total for Others	9549		12163
Others not Listed	7		137
Grand Total	9556		12300

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

PSD Table						
Country	Greece					
Commodity	Tom. Paste,28-30% TSS Basis				(MT)(MT, Net Weight)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
	Market Year Begin					
		07/2000		07/2001		07/2002
Deliv. To Processors	1019000	1019000	85400	870000	790000	800000
Beginning Stocks	43000	43000	21000	21000	25500	15500
Production	180000	180000	145000	147500	134000	138000
Imports	3500	3500	12000	10000	14000	10000
TOTAL SUPPLY	226500	226500	178000	178500	173500	163500
Exports	190000	190000	135000	145000	135000	140000
Domestic Consumption	15500	15500	17500	18000	17500	18000
Ending Stocks	21000	21000	25500	15500	21000	5500
TOTAL DISTRIBUTION	226500	226500	178000	178500	173500	163500

Export Trade Matrix, Tomato Paste, 28-30% TSS Basis

Export Trade Matrix			
Country	Greece		
Commodity	Tom. Paste,28-30 % TSS Basis		
Time period		Units:	MT
Exports for:	2000		2001
U.S.		U.S.	78
Others		Others	
Holland	14709	Holland	29000
Germany	12076	Germany	10352
Italy	23611	Italy	17000
UK	36142	UK	40000
Other Eu	9055	Other Eu	13524
>Sub Total EU	95593	>Sub Total EU	109876
Poland	1629	Poland	940
Romania	1381	Romania	3052
Latvia	1272	Latvia	510

Libya	11772	Libya	11092
Total for Others	111647	Total for Others	125470
Others not Listed	7839	Others not Listed	14979
Grand Total	119486	Grand Total	140527

Import Trade Matrix, Tomato Paste, 28-30% TSS Basis

Import Trade Matrix			
Country	Greece		
Commodity	Tom. Paste, 28-30 % TSS Basis		
Time period		Units:	MT
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Italy	2014	Italy	20000
Uk	192	Germany	183
Germany	450	Other EU	878
Other EU	213	>Sub Total EU	21061

>Sub Total EU	2869		
		Hungary	19
Total for Others	2869		21080
Others not Listed	214		27
Grand Total	3083		21107

Exchange Rate, Jan - Nov 2002: \$1 = 1.068 euro