



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.08

Required Report - public distribution

Date: 10/1/2004

GAIN Report Number: GR4025

Greece

Dried Fruit

Semi-Annual

2004

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Report Highlights:

Greek raisin production in 2004 reached 30,000 tons thanks to the first exceptional period of crop weather in several years. By contrast, 2003 production figures are revised to 9,000 tons. This year's quality is excellent with 65% of the crop graded at No. 2. Exports are expected to reach 25,000 tons, mostly to EU partners.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Semi-Annual Report
Rome [IT1]
[GR]

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Executive Summary

Sultana Cooperative Organizations in Crete and Peloponnese report that in 2004, raisin production has reached 30,000 MT due to favorable weather conditions characterized by a mild summer. This output is the highest after many consecutive years of short output. Final output in 2003 is reported at 9,000 MT (figure revises that reported in GR-4005), a crop that was badly affected by extremely high temperatures and disastrous rainstorms in the summer of 2003.

Of 24,000 hectares planted in Greece, the reported acreage cultivated with sultanas in Crete is 12-13,000 Ha, and the remaining acreage lies in North Peloponnese and the Ionian Islands. In this acreage, some production of fresh sultanas is also included because sultanas are marketed as both dried and fresh, produced even in the same farm. In the early 90s, sultana acreage alone on the island of Crete exceeded 20,000 hectares. After the phylloxera disease, which hit the island in those years, vineyards were reduced significantly and abandoned vine orchards were planted mostly with olive trees.

The quality of product is excellent this year with almost 65% graded No. 2, 10% as No.1, 20% as No 4 and 5% No. 5. For dried sultanas (grade No. 2) delivered to packers this year, farmers received 0.33 €/Kg but farmer prices fluctuate between 0.30 – 0.41 €/Kg according to the season of delivery and quality. There are 7 private sultana manufacturers and packers in Greece of which 4 are in Peloponnese and 3 are in Crete. The seven packers have formed a Confederation of Sultana Packers and agreed to follow a common farmer price policy, which differs from that of Sultana Cooperative packers who are not members of the Confederation. Traditionally, Cooperative organizations offer higher prices to farmers and manage to absorb 50 percent of delivered raisins. Sultana Cooperatives (KSOS) can pack over 13,000 MT of raisins annually and deliver the best quality.

Those farmers who are registered by name, acreage and output are eligible for income support payments, imposed by the CAP reform regulations on sultanas, implemented since 1990. Until this year, farmer support was paid under the stipulation that yields per hectare were equal or higher than 3,050 kg per hectare. This yield threshold was achieved only by a small number of farms and not from all registered as sultana growers. Due to the age of orchards and unfavorable soil conditions in most parts of Crete, for many years Sultana Farmer Organizations were continuously protesting this requirement, and asked the Government of Greece to reduce the yield quota, so more farmers would become eligible for the income support payments. This year, starting with the 2004 crop, the Minister of Agriculture has signed a Decision for a reduction of the yield quota from 3,050 Kg/Ha down to 2,100 Kg/Ha. This decision can be taken by the EU member state and must be approved by the EU. This is the minimum quantity required for the EU support payment and only for farmers registered by acreage of cultivation.

Reportedly, Greek sultana exports this year are expected to reach 25,000 MT, mainly destined to EU (old and new) member states. Greek products face stiff competition from Turkish sultanas, which for the MY 2004-2005 have entered the European markets (mainly sold to UK) at \$ 750/MT (FOB Basis), compared to \$ 850/MT for Greek sultanas (FOB Basis Crete). The Turkish product sold to the EU markets is grade No.9 (equivalent to the Greek No.2), of different type, good quality but better cleaned. The best Greek markets today are Germany followed by France and Italy and the Czech Republic and Poland among the new EU members. The European market segment for Greek sultanas is very limited, taking into consideration that EU-25 demand is approximately 400,000 MT. Turkey's annual market share in the EU is 250-260,000 MT, followed by Iran with about 80-90,000, while California, Australia and Greece cover the remaining imported amounts. Greece's product, however, is a

different product. It is well packed and usually of good quality but comparatively highly priced.

In the annual report, GR-4005, CY 2003 Export Import matrices are reported. National Statistical Service (NSS) data for 2004 are not yet available. There are no significant stocks reported.

After a recent GOG Ministry of Agriculture political decision, old debts of individual farmers and/or farmer groups and cooperatives owed to the Agricultural Bank of Greece, can be rescheduled up to the end of October 2004 and paid back in up to 60 monthly installment payments. This political decision affects all farmers in Greece. This provision was made by the new GOG (elected March 2004) and is valid for all loans taken for various reasons (purchase of equipment, irrigation systems, farm buildings, etc). Under this decision, the total loan pay off must not exceed a quantity two times the initial capital borrowed by farmers. Farmers of less favored areas around the country were favored the most, with Crete being one of them.

PS&D Table, Raisins

PSD Table

Country Commodity	Greece		(HA)(MT)				UOM
	2002	Revised	2003	Estimate	2004	Forecast	
Market Year Begin	USDA Official [Estimate [DA	Official [Estimate [DA	Official [Estimate [New]	MM/YYYY
	09/2002		09/2003		09/2004		
Area Planted	26000	26000	26000	26000	26000	24000	(HA)
Area Harvested	26000	26000	26000	26000	26000	24000	(HA)
Beginning Stocks	10730	10730	3580	3580	2580	580	(MT)
Production	10000	10000	15000	9000	26000	30000	(MT)
Imports	850	850	3000	3000	1200	500	(MT)
TOTAL SUPPLY	21580	21580	21580	15580	29780	31080	(MT)
Exports	13000	13000	13500	11000	20280	25000	(MT)
Domestic Consumption	5000	5000	5500	4000	6500	4800	(MT)
Ending Stocks	3580	3580	2580	580	3000	1280	(MT)
TOTAL DISTRIBUTION	21580	21580	21580	15580	29780	31080	(MT)