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Greece

Tomatoes and Products

Semi-Annual

2004

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Report Highlights:

Total 2004 Greek tomato production for both table and Industrial uses is estimated at 1,800,000 tons. Industrial tomato production in MY 04/05 is 40% above the 2003 level. Greece's production is under the EU mandated tomato quota.

Includes PSD Changes: Yes
Includes Trade Matrix: No
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Executive Summary

Total 2004 Greek tomato production for both table and industrial (processed) uses, is now estimated at 1,800,000 T, significantly more than last year's output of 1,340,000 T. Total industrial tomato production in MY 2004/05 is reported to be 1,050,000 T, a 40% increase over 2003 due to relatively favorable weather conditions. For the fifth consecutive year, Greece did not succeed in reaching the EU imposed national industrial tomato quota of 1,211,241 T.

The April 2003 frost was the main reason Greece did not reach its target tomato harvest that year and, as a result, in many regions, farmers were disinclined to plant more acreage in 2004. In 2004 most farmers did succeed in delivering the agreed amount of industrial tomato for processing, an amount fixed by signed contracts with the processors. Reportedly, this year, better weather has positively affected both the quantity and the quality of the tomato production (both fresh and industrial), leading to better processed products with higher Brix juice concentration levels (between 5.0 – 5.5 degrees, compared to 4.0 – 4.2 degrees a year earlier) and better color. Yields of tomato paste ranged from only 5.8 - 6.0 kg of tomato to produce 1 kg of tomato paste, which is considered normal.

The output figure reported by the Ministry of Agriculture at this time of year, for the 2004 crop output has to be considered as a rough preliminary estimate. The indications are that the total tomato output this year will be close to 1,050,000 T or more, significantly higher than the 2003 crop. According to the GOG Min. Ag. Processing Division, more reliable data on 2004 tomato deliveries for processing and processed output amounts will be available at the beginning of next year.

According to trade sources, Europe faces stiff competition from China in the industrial tomato sector. This will negatively affect Greece's processed tomato industry in the future. This subject is elaborated in more detail in the production and policy sections of the annual report GR 4009.

In 2004, prices of fresh table tomatoes at the Athens central market were between €1.47 – €1.80/kg. at the beginning of the season (spring 2004); much higher than usual as the wholesale profit margin continues to be extremely high and difficult for Market Police to control. While in some tomato producing regions in the south of Greece the farm price for table tomatoes is estimated at €0.33 per kg, the final consumer price has fluctuated between €1.80 - €2.35 per kg. in periods of shortage. Sometimes prices have spiked higher than this.

The Greek tomato industry, which has a good reputation in the international market due to the high quality and reliability of its processed tomato products, continues to be a significant asset for Greek Agriculture, although as described in previous reports, its future is unpredictable due to price competition from similar products available from outside the EU. In 2004, the industry paid Greek growers €0.05 - €0.06 per kg for tomatoes delivered to processing plants. Indicatively, ex-factory prices in MY 2004/05 for tomato paste of 28-30% TSS basis, destined for export, aseptically packed in drums, are expected to range from €640 - €690 per T and €700 - €720 per T for canned products. Prices will be slightly higher compared to the previous year, mostly due to better quality tomatoes harvested.

A 50 percent increase in domestic consumption of processed tomato products has been reported this year, mostly due to increased demand in summer 2004 during the Athens 2004 Olympics. Greek consumers show a preference for canned tomato products, particularly those products that contain whole or sliced tomatoes, which give the impression of greater freshness when compared to tomato paste.

According to industry sources, ending stocks of tomato paste and canned tomatoes in 2003/04 were at 2,000 T and almost 4,800 T respectively. Normally, stocks are exhausted late in the calendar year. However, in 2004/05, ending stocks are forecast to increase, but not substantially.

Although overall exports of processed tomato products declined in MY 2003/04, Greece continued to export large quantities of tomato paste and canned products to the United Kingdom and the Netherlands. Exports in 2004/05 are projected to rebound due to greater exportable supplies, roughly estimated at this time at 135-140,000 T for tomato paste and another 25-30,000 T for canned tomatoes. Competition in international markets has reduced export values of products sold from Greece and other European countries. Greece has already lost many traditional export markets in Eastern Europe, i.e. Estonia, Hungary and Bulgaria. The most recent available GOG official trade statistics were for CY2003, reported in GR 4009. CY2004 trade statistics are expected to be available in spring 2005.

Commission Regulation No 444/2004 of 10 March 2004 amending EU Regulation No. 1535/2003 is in effect for all EU Member States including Greece, laying down detailed rules for applying Council Regulation No. 2201/1996 as regards the aid scheme for products processed from fruits and vegetables. Regulation No. 444/2004, specifies a number of improvements in the contracts between producers and processors, as a means of helping to ensure that both parties abide by the provisions. Since contracts between tomato producers and processors for the 2004/05 marketing year have already been signed before EU Reg. No. 444 became effective, the application of certain provisions have been postponed until the 2005/06 marketing year.

Conversion rate: US \$ 1 = € 0.747

PS&D Table, Tomatoes, Canned

PSD Table

Country	Greece						UOM
	Tomatoes, Canned						
Commodity	2002		2003	Estimate	2004	Forecast	(MT)(MT, Net Weight)
	USDA Official	Revised Estimate	DA Official	Estimate	DA Official	Estimate [New]	
Market Year Begin	07/2002		07/2003		07/2004		MM/YYYY
Deliv. To Processors	25500	25500	40000	40000	60000	65000	(MT)
Beginning Stocks	8083	8083	4247	4247	4747	4747	(MT, Net Weight)
Production	21664	21664	33000	33000	50000	54200	(MT, Net Weight)
Imports	13000	13000	11000	11000	12000	11000	(MT, Net Weight)
TOTAL SUPPLY	42747	42747	48247	48247	66747	69947	(MT, Net Weight)
Exports	21000	21000	21500	21500	23500	26000	(MT, Net Weight)
Domestic Consumption	17500	17500	22000	22000	32000	32000	(MT, Net Weight)
Ending Stocks	4247	4247	4747	4747	11247	11947	(MT, Net Weight)
TOTAL DISTRIBUTION	42747	42747	48247	48247	66747	69947	(MT, Net Weight)

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

PSD Table

Country	Greece						UOM
	Tomato Paste,28-30% TSS B (MT)(MT, Net Weight)						
Commodity	2002	Revised	2003	Estimate	2004	Forecast	
	USDA Official	Estimate [A]	DA Official	Estimate [A]	DA Official	Estimate [New]	
Market Year Begin	07/2002		07/2003		07/2004		MM/YYYY
Deliv. To Processors	789500	789500	700000	700000	900000	985000	(MT)
Beginning Stocks	15500	15500	9500	9500	2000	2000	(MT, Net Weight)
Production	125000	125000	98000	98000	150000	164000	(MT, Net Weight)
Imports	2000	2000	2500	2500	1100	1100	(MT, Net Weight)
TOTAL SUPPLY	142500	142500	110000	110000	153100	167100	(MT, Net Weight)
Exports	123000	123000	98000	98000	130000	138000	(MT, Net Weight)
Domestic Consumption	10000	10000	10000	10000	15000	15000	(MT, Net Weight)
Ending Stocks	9500	9500	2000	2000	8100	14100	(MT, Net Weight)
TOTAL DISTRIBUTION	142500	142500	110000	110000	153100	167100	(MT, Net Weight)

PS&D Table, Fresh Tomatoes

PSD Table

Country	Greece						UOM
	Fresh Tomatoes (HA)(MT)						
Commodity	2002	Revised	2003	Estimate	2004	Forecast	
	USDA Official [Estimate [D]	DA Official [Estimate [D]	DA Official [Estimate [New]	
Market Year Begin	01/2002		01/2003		01/2004		MM/YYYY
Plnt For Fresh Consump	0	16500	0	18500	0	18500	(HA)
Plnt For Processing	0	17000	0	18000	0	18000	(HA)
TOTAL Area Planted	0	33500	0	36500	0	36500	(HA)
Harv. For Fresh Cons.	0	16500	0	17000	0	18500	(HA)
Harv. For Processing	0	17000	0	17000	0	18000	(HA)
TOTAL Area Harvested	0	33500	0	34000	0	36500	(HA)
Fresh Sale Production	0	640000	0	600000	0	750000	(MT)
Processing Production	0	860000	0	740000	0	1050000	(MT)
TOTAL Production	0	1500000	0	1340000	0	1800000	(MT)
TOTAL SUPPLY	0	1500000	0	1340000	0	1800000	(MT)