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Canned Deciduous Fruit

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Report Highlights:

Favorable weather conditions in 2000 resulted in increased output, compared to the 1999 harvest. However, due to the relatively large stocks on hand from the previous season and lower prices on the international market, total peaches processed in 2000 were 48,000 MT lower than the quantity processed in 1999. Exports of canned peaches during CY2000 totaled 267,500 MT, a 3% increase relative to 1999 exports (figure subject to revision). Peach withdrawals in 2000 totaled 204,000 MT, a slight increase over the 1999 level.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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SECTION I: SITUATION AND OUTLOOK – NARRATIVE**CANNED PEACHES****Production**

Weather conditions through June of 2000 were about normal with somewhat lower than normal precipitation. Because of the heavy set, fruit size was relatively small. High July and August temperatures resulted in ripening a week earlier than expected and adversely affected the early varieties of cling peaches, which were either left on the tree or taken to the withdrawal pools. Later varieties were of good quality with high Brix and good color (these varieties represent approximately 60% of total clingstone production). A number of plants started processing in mid July but, as of early August, they had not gone into full production. Processing was terminated by mid September in most plants. Total tonnage of cling stone peaches processed for canned peaches for the year 2000 is presently estimated at 308,000 MT as compared to 356,000 MT the prior year. This lower tonnage processed in the 2000 year is due to the relatively larger stocks on hand from the previous season and the lower prices offered on the international market. The stocks level for 1999/2000 was unusually high (102,000 MT) because the volume of peaches delivered to processors in 1999 totaled 356,000 MT. Present revised peach crop production estimates for the 1999 and 2000 years are as follows:

2000	1999	
	Metric Tons	
Peaches		
Clingstone	615,000	650,000
Freestone	275,000	325,000
Total Peaches	890,000	975,000
Nectarines	122,000	125,000

Peach production was greater in 2000 than in 1999, but less fruit was canned. The lower processed volume in 2000 was due to the large stocks carry over from the prior year and the low international prices of canned peaches. The volume of exports, domestic fresh consumption and waste were all higher in 2000 than in 1999 because of increased availability. As usual, exports and domestic consumption are freestone peaches while canned peaches are exclusively of the clingstone variety.

The utilization of the 1999 and 2000 peach crops based on more recent available data are revised as follows:

	1 999	2000
	Metric	Tons
Processed for Canned Peaches	356,000	308,000
Processed for Other Products (puree, diced, frozen)	70,000	100,000
Fresh Domestic Consumption	150,000	171,000
Fresh Exports	65,000	91,000
Total Marketed Peaches	641,000	670,000
Withdrawals*	203,000	204,000
Weather Damaged (estimate)	30,000	76,000
Farm use & waste	16,000	25,000
Total	890,000	975,000

*The maximum total allowable withdrawal quantity of peaches within the EU countries was not to exceed 40 percent of the total marketed tonnage in 1999 and this was further reduced to 30 percent for the 2000 season. This is in line with EU Reg. No2200/96 of Oct. 28, 1996, which established the gradual reduction of quantities to be withdrawn.

The quality of packed products this past season was good. A total of 26 factories canned peaches in the 2000 season, as against 27 in the prior season. The minimum price to growers in 2000 based on EU Reg. 1237/2000 of June 14, 2000 was set at 28.368 EURO/100 kgs net the same as in 1999 (about \$0.25 /kg). The rate of exchange during the processing period, July through September, averaged about 337 drachmas per 1 EURO. The processing aid to canners (under the same regulation) was 4.134 EURO/100 kgs net (fruit plus syrup), resulting in a final cost to processors of about 76 drachmas/kg (\$ 0.20/kg). The comparable price for the previous season was about 65 drachmas (\$0.21/kg).

Consumption

The annual domestic consumption of canned peaches, excluding quantities used in the production of canned fruit mixtures, confection and other purposes is estimated at close to 6,000 MT. It should be noted that, in the case of canned peaches, the domestic consumption figures shown in the PS & D table include quantities of diced peaches used in the production of canned mixtures. Over 80 percent of the domestic consumption of canned peaches is offered in retail sizes and the balance marketed in institutional can sizes of 3 kgs (A9 and A10) and 5 kgs (A12) cans.

Stocks

Industry sources report that stocks of canned peaches on June 30, 2000 totaled about 100,000 MT (5 million cases) due to the larger 1999 pack. Of this total amount about 67,000 MT (3.5 million cases) were sold but not shipped, and the balance was unsold. It is believed that all 1999 crop stocks of canned peaches had been sold by Dec. 31, 2000. It is further indicated that over 50 percent of the 2000 canned peach crop, which amounted to about 397,000 MT (19.5 million cases), had been sold or committed by Dec. 31, 2000. Processors were able to move this volume relatively quickly by setting for narrow profit margins.

Trade

Export / import data for the 2000 CY are not yet available from the NSS. As of early March, industry sources indicate that the entire tonnage of 1999 crop stock has been sold and that 75 to 85 percent of the 2000 production has been shipped or committed. As shown in the following table the actual ex-factory prices for canned peaches started at very depressed levels, barely covering production costs. The situation improved slightly as the season progressed, but still remained at low levels leaving only marginal profits.

Canned Peaches	Aug - Sept 2000	Oct - Dec 2000	Jan - Feb 2001
In 24/1kg case	Dollars per case		
Choice	8.80-9.20	8.90-9.40	9.60-10.00
Good Std.	7.80-8.30	8.00-8.50	9.20-9.60
Standard	6.90-7.40	7.10-7.60	8.70-9.10

At present, processors are not eager to sell their stocks on hand, anticipating some price increases later in the season.

The sale prices of canned peaches ex-factory in mid January 2001 to the U.S. in A9 and A10 cans (drained weight of 1.8 and 2.0 kgs respectively) were quoted at \$14.5 and \$16.5 per 6 can/case.

Policy

With respect to peaches, the GOG continues to implement policies based on EU guidelines. The EU issued Reg. No 2699/2000 dated Dec. 4, 2000 by which it revises a) Reg. No 2000/96 for the common organization of marketing of fruits and vegetables, b) Reg. No 2201/96 for the common organization of marketing for the processed fruits and vegetables and c) Reg. No 2202/96 for the support of certain citrus growers. This new regulation establishes a national quota (ceiling) for each member country as opposed to a community quota as was used up to 2000. In addition, this quota is established for fresh fruit only and not for processed product (fruit plus syrup/juice). In cases where a country exceeds the quota ceiling, the price support for the growers will be reduced by the percentage of over-production in the following year.

Community and National Quotas Established

Community		National Quotas as of 2001 and on					
Through 2000	Quotas	Greece	Italy	Spain	Portugal	France	TOTAL
F r e s h f r u i t o n l y							
Fruit plus syrup	M e t r i c T o n s						
Peaches	582,000	300,000	42,309	180,794	218	15,685	539,006
Pears	102,805	5,155	45,708	35,199	600	17,703	104,617

The price support as of this year is granted directly to the growers, who negotiate through a growers association or directly with the processors for the establishment of the market price. The processing aid that used to be granted through the 2000 season to the processors is abolished as of the 2001 year. The price support to growers for peaches to be canned as of 2001 season is set by the same regulation at 47.70 Euro per Metric Ton. At the present rate of exchange (340.75 drachmas per 1 Euro) the actual grower support price is 16,254 drs/kg. Prerequisite for this payment is a signed contract with a processor. According to peach sector contacts, the processors signed one year contracts with the growers prior to the beginning of the MY. The price is negotiated annually and does not include the support price. Supplemental contracts may be signed, specifically for peaches, not later than August 15. The EU announces the support price for peaches every year by April 30.

As of Jan. 1, 2001 the quantities of peaches and nectarines withdrawn were set at no more than 20 percent of the fruit marketed by the groups of growers. This percentage will be further lowered to 10 percent as of Jan. 1, 2002. The total quantity of fruit marketed is calculated for this regulation as total fruit sold on the domestic market (fresh or for processing) plus total fruit exported.

The withdrawal price for 2001 is set at 11.72 Euro per 100 kgs net, which corresponds to 39.94 drs/kg at the present rate of exchange compared to 43.00 the prior year. The quantity of peaches withdrawn during the 2000 season totaled 204,000 MT as compared to 203,000 MT in 1999.

Interest rates quoted at present by the Agricultural Bank of Greece for short and medium term loans to processors/exporters are 7.5 and 8.5 percent respectively. These rates became effective in early January 2001 and may be further lowered by up to 2 percentage points depending on the customer's rating. The present rate of inflation runs at about 3.5 percent as compared to about 2.7 percent last year.

There are no direct export subsidies for canned peaches. The custom tariff rates for imports from third countries, including the U.S., have remained the same as those shown on page 5 of our GR-0023 of Oct. 2, 2000, and the value-added tax continues to be levied at the 8 percent rate.

No changes in import regulations have taken place in recent years. The special rebate to cover part of the cost of sugar in the case of exports to third countries, established by EU Reg. No 426/86, continues to be in effect. This special rebate is continuously adjusted. The special rebate is paid irrespective of the cost of sugar based on the amount used in the canned product. As of early January 2001 the rebate stands at 40.59 Euro per 100 kgs of sugar, provided the sugar is imported. This corresponds to 138.31 drs/kg (\$0.384/kg).

CANNED FRUIT MIXTURES

Production

Early indications are that the 2000/01 production of canned fruit mixtures will be close to 14,000 MT. The considerably larger tonnage produced this year is mainly due to demand from U.S. market (resulting from the closure of the Tri-valley facility in California) as well as to increased demand from the Japanese market. The 1999/2000 production is presently estimated at 9,100 MT.

This year, over 50 percent of canned fruit mixtures are packed in institutional 3 kgs cans (A9 and A10) with the balance in consumer size packs of ½ kg and 1 kg cans. The U.S. market absorbs mostly canned fruit mixtures in A10 cans. The volume of canned diced peaches utilized by processors in the 2000/01 season for the production of fruit mixtures is estimated at about 7,500 MT (basis half fruit plus syrup). The corresponding volume of fresh pears was about 6,900 MT. There were basically five plants that processed fruit mixtures in 2000/01 season, of which three processed over 90 percent of the total pack. The minimum price to growers for Williams and Rocha pears used in processing (set by EU Reg. No1285/2000 of June 19,2000) remained the same as last year at 35.552 Euro per 100 kgs net. (about \$0.32/kg).

Trade

As was the case for canned peaches export/import data for the 2000 CY are not yet available. At present (early March), industry sources indicate that the entire 2000/01 production is already committed and there will be only negligible stocks by the end of the marketing year. The total ex-factory export prices for good standard and standard quality canned fruit mixtures this season for 2000/01 product were as follows per 24/1kg case:

	Sept.- Oct.2000		Nov.-Dec.2000		Jan.-Feb.2001	
Quality Grade	DM	\$	DM	\$	DM	\$
Good Standard	32-34	14.1-15	34-36	15.5-16.0	36-38	17.0-18.0
Standard	-	-	26-30	11.6-13.4	-	-

As regards the ex-factory price of a case of 6-A10cans of good standard quality for the U.S. market ranged in Jan.-Feb. 2001 between \$14.5 and \$16.5.

Policy

The peach and pear portions of canned fruit mixtures, which account for about 80 percent of the pack content (peaches 45% and pears 35%) are covered by the new EU policies. With regard to peaches, this information is covered in detail in the canned peach section of this report. Grower support prices for Williams and Rocha pears are set by EU Reg. No 2699/2000 of Dec. 4, 2000 at 161.70 Euro per MT net weight, which corresponds to 55.10 drs/kg. As in the case of canned peaches, as of the 2001/02 year, there will be no processing aid to pear packers. The EU quota for total EU production of canned William and Rocha pears as of the 2001/02 season was set at 104,617 MT of fresh pears (net wt.). At the same time, a specific national quota was set for each member country, which in the case of Greece is set at 5,155 MT. In case that the national quota is exceeded, the support price will be lowered by the percentage that the quota was exceeded by the following year.

The 2000/01 withdrawal price (July 2000 through August 2001) for pears, as set by EU Reg. No. 2200/96 of Oct. 28, 1996, was 9.10 Euro per 100 kgs net. This price is further lowered to 8.75 Euros per 100 kgs net for the 2001/02 season by the same regulation. The amount of pears withdrawn during the 2000/01 year was negligible. The custom tariffs for canned mixtures imported from third countries, including the US, have remained the same as those shown on page 15 of our report GR-0023 of October 2, 2000, while the value added tax continues to be levied at the 8 percent rate. Import regulations as well as sugar rebates for exported canned mixtures to third countries, are identical to those covered in the canned peaches section of this report.

The exchange rate of Euros to drachmas for 2000 averaged 336.640 drachmas per 1 Euro while as of

January 1, 2001 the rate of exchange was set at 340.75 drachmas per 1 Euro.

CANNED APRICOTS

Production

The 2000 apricot production has been revised from the earlier estimate of 80,000 MT to 75,000 MT, while the 1999 apricot crop is estimated at 80,000 MT (final). Apricot production and exports are returning to normal levels as the fruit quality was better in 1999 and 2000, which brought more fruit to processors for canning. The 2000 deliveries of apricots to processors for canned apricots reached 17,300 MT and the overall quality was satisfactory. Yields of canned apricots obtained in 2000 averaged 17.56 kgs of fresh apricots per 24/1 kg can/case compared to 16.88 kgs in 1999 due to smaller size fruit. There were only 7 plants that processed apricots in syrup/juice or water in 2000 as against 5 the prior year. The average price that the processors paid to growers during the 2000 season ranged between 50 and 80 drs/kg (\$0.18 to \$0.23/kg). An additional 20drs/kg (\$0.06/kg) to cover costs of transportation, loading and unloading had to be paid by processors since the processing plants are located in Northern Greece, while apricot production is centered basically in Peloponnesus (Southern Greece). The final price that the processors paid in 1999, including cost of fruit transportation and handling, ranged between 90 and 110 drs/kg (\$0.29 and \$0.36/kg).

Trade

As was the case for canned peaches and canned fruit mixtures, export/import data for canned apricots for the 2000 CY are not yet available. At present, there are very small stocks on hand and these are committed. Ex-factory prices of canned peeled apricots this past season were provided in our report GR-0023 of Oct.2, 2000.

Policy

Canned apricots, as mentioned in past reports, were not covered by EU policies (minimum price to growers and processing aid to packers up to the 2000 season). Only withdrawal prices are established by EU. Based on EU Reg. No 2200/96 of Oct. 28, 1996 the 2000 apricot withdrawal price was set at 16.06 Euros per 100 kgs net that the corresponds to 53 drs/kg (\$0.145/kg), while for the 2001 year it is set at 15.12 Euro per 100 kgs net, which corresponds to 51.50 drs/kg (\$0.141/kg). The quantities withdrawn during the 2000 season totaled 2,120 MT as against 9,200 MT the prior year.

The custom tariff rates for canned apricots imported from third countries, including the U.S. which have been lowered as of July 1, 2000 and which are in effect at present are as follows:

Custom Tariff	Custom Rate
Code	Percent ad Valorem

20085061	19.2
20085069	17.6
20085071	20.8
20085079	19.2
20085092	13.6
20085094	17.0
20085099	18.4

Import regulations as well as sugar rebate for canned apricots exported to third countries are identical to those covered under “Canned Peaches”

Exchange Rates

1999	\$ 1.00 U.S. = 305.85
2000	\$ 1.00 U.S. = 365.28
Jan-Mar. 2001	\$ 1.00 U.S. = 368.95

PS&D Table, Canned Peaches

PSD Table						
Country	Greece					
Commodity	Canned Peaches				(MT)(MT, Net Weight)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		06/1999		06/2000		06/2001
Deliv. To Processors	356000	356000	250000	308000	0	300000
Beginning Stocks	5506	5506	120000	102000	0	87000
Production	441000	441000	320000	397000	0	385000
Imports	1500	1500	1000	1000	0	1000
TOTAL SUPPLY	448006	448006	441000	500000	0	473000
Exports	317500	335500	300000	400000	0	370000
Domestic Consumption	10506	10506	11000	13000	0	13000
Ending Stocks	120000	102000	130000	87000	0	90000
TOTAL DISTRIBUTION	448006	448006	441000	500000	0	473000

PS&D Table, Canned Mixtures

PSD Table						
Country	Greece					
Commodity	Canned Mixtures				(MT)(MT, Net Weight)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		06/1999		06/2000		06/2001
Deliv. To Processors	0	0	0	0	0	0
Beginning Stocks	1443	1443	1143	1143	643	343
Production	9100	9100	8000	13700	0	13000
Imports	1300	1300	1200	1200	0	1000
TOTAL SUPPLY	11843	11843	10343	16043	643	14343
Exports	9500	9500	8500	14500	0	12500
Domestic Consumption	1200	1200	1200	1200	0	1200
Ending Stocks	1143	1143	643	343	0	643
TOTAL DISTRIBUTION	11843	11843	10343	16043	0	14343

PS&D Table, Canned Apricots

PSD Table						
Country	Greece					
Commodity	Canned Apricots				(MT)(MT, Net Weight)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		06/1999		06/2000		06/2001
Deliv. To Processors	12000	12000	15000	17300	0	16000
Beginning Stocks	204	204	704	704	1704	804
Production	14500	14500	18000	20100	0	18500
Imports	200	200	200	200	0	200
TOTAL SUPPLY	14904	14904	18904	21004	1704	19504
Exports	13000	13000	16000	19000	0	18000
Domestic Consumption	1200	1200	1200	1200	0	1200
Ending Stocks	704	704	1704	804	0	304
TOTAL DISTRIBUTION	14904	14904	18904	21004	0	19504

Export Trade Matrix, Canned Peaches

Export Trade Matrix			
Country	Greece		
Commodity	Canned Peaches		
Time period	CY	Units:	MT
Exports for:	1999		2000
U.S.	2505	U.S.	2500
Others		Others	
France	14024	France	15000
Germany	87608	Germany	90000
U.K.	26516	U.K.	30000
Other EU	22078	Other EU	50000
Holland	9051	>Sub Total EU	185000
Italy	21185		
>Sub Total EU	180462		
Canada	11668		
Mexico	6617		
Brazil	11488		
Total for Others	210235		185000
Others not Listed	46882		80000
Grand Total	259622		267500

Note: There are no official trade statistics for CY 2000. Figures are preliminary Agoffice estimates, subject to further change.

Import Trade Matrix, Canned Peaches

Import Trade Matrix			
Country	Greece		
Commodity	Canned Peaches		
Time period	CY	Units:	MT
Imports for:	1999		2000
U.S.	8	U.S.	
Others		Others	
>Sub Total EU	1369	EU Total	1200
Germany	309		
Italy	163		
Other EU	426		
France	471		
Brazil	91		
Total for Others	1460		1200
Others not Listed	77		100
Grand Total	1545		1300

Export Trade Matrix, Canned Mixtures

Export Trade Matrix			
Country	Greece		
Commodity	Canned Mixtures		
Time period	CY	Units:	MT
Exports for:	1999		2000
U.S.	8	U.S.	
Others		Others	
Germany	623	Total EU	7500
U.K.	3103		
Belgium-Luxem.	1181		
Other EU	1612		
>Sub Total EU	6519		
Japan	1187		
Egypt	422		
Total for Others	8128		7500
Others not Listed	793		2500
Grand Total	8929		10000

Import Trade Matrix, Canned Mixtures

Import Trade Matrix			
Country	Greece		
Commodity	Canned Mixtures		
Time period	CY	Units:	MT
Imports for:	1999		2000
U.S.	2	U.S.	
Others		Others	
Germany	662	Total EU	1200
U.K.	227		
Other EU	394		
>Sub Total EU	1283		
Total for Others	1283		1200
Others not Listed	27		50
Grand Total	1312		1250

Export Trade Matrix, Canned Apricots

Export Trade Matrix			
Country	Greece		
Commodity	Canned Apricots		
Time period	CY	Units:	MT
Exports for:	1999		2000
U.S.		U.S.	
Others		Others	
France	3305	Total EU	10000
Germany	4173		
U.K.	1035		
Other EU	1092		
>Sub Total EU	9605		
Poland	233		
Czechia	343		
Total for Others	10181		10000
Others not Listed	472		1500
Grand Total	10653		11500

Import Trade Matrix, Canned Apricots

Import Trade Matrix			
Country	Greece		
Commodity	Canned Apricots		
Time period	CY	Units:	MT
Imports for:	1999		2000
U.S.		U.S.	
Others		Others	
France	82	Total EU	150
Spain	36		
Other EU	37		
>Sub Total EU	155		
Total for Others	155		150
Others not Listed	39		50
Grand Total	194		200