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Greece

Fresh Deciduous Fruit

Annual Report

1999

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Report Highlights:

Favorable weather conditions are expected to boost Greek apple, pear, and table grape production to 320,000 mt, 65,000 mt, and 300,000 mt respectively. Apple and table grape exports in MY 1998/99 increased to 13,000 mt due to increased supplies. Direct shipments of U.S. apples are small (671 mt) but some U.S. apples and pears are also transhipped to Greece through Holland.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Annual Report

Athens [GR1], GR

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Executive Summary

The weather conditions that prevailed this season were favorable with ample precipitation. The late March frosts did not adversely affect the crops and the warm spring and early summer weather allowed most crops to mature about a week early. Recent revisions of the 1998 crop estimates are 305,500 m.t. for apples, 63,200 m.t. for pears and 305,000 m.t. for table grapes. Present indications are that the 1999 crops will be close to 320,000 m.t., 65,000 m.t. and 300,000 m.t. respectively for these three crops. The increase in production for apples and pears over the past several years (1991-1999) is mainly due to lower production from adverse weather conditions in previous years and higher yields in 1999 due to good weather conditions. Production of both table grapes, and especially apples continue to be at levels that leave supplies to be withdrawn. Under the EU common agricultural policy the withdrawal ceiling for apples for the 1998/99 season has been increased to 491,300 m.t. from the prior year's ceiling of 387,300 m.t. The withdrawal ceiling for table grapes for the 1999/2000 season was set at 165,300 m.t. as against the previous ceiling of 158,700 m.t. The table grape ceiling is of limited interest to Greek farmers since most of their excess tonnage is diverted to must/wine production. Keep in mind that all the above ceilings are for the entire EU production. Despite the larger available withdrawal levels, Greek apple withdrawals decreased in 1998 due to increased domestic consumption and exports.

Exports of apples during the 1998/99 year were about 13,900 m.t. as compared to 11,000 m.t. of a year earlier. Pear exports continue at the same low levels of about 1,000 m.t. Albania and other Eastern European countries are the principal customers for Greek apples and pears. Table grape exports during CY 1998 totaled 115,236 m.t. as compared to 102,577 m.t. of the prior year. Most of the table grape exports go to EU destinations. Imports of both apples and pears are expected to continue at relatively high levels to cover shortages as domestic supplies run short as the season progresses and to cover a demand for higher quality fruit. This presents a market opportunity for US fruit.

GENERAL

Fresh Apples and Pears

The Min. of Agr. revised downwards its 1998 apple crop estimate to 305,500 MT and slightly upwards its 1998 pear crop estimate to 63,200 MT. Growing conditions during the first six months of 1999 were in general favorable with ample precipitation. The low temperatures during the second half of March followed with frosts, especially in the northern sections of the country, did not affect either the apple or pear crops. Present forecasts indicate that the 1999 apple crop will be close to 320,000 MT while the pear crop will be close to 65,000 MT.

Fresh Table Grapes

Total fresh table grape production for 1998 has been revised downwards to 305,000 MT from an earlier estimate shown in our GR-8039 of Dec. 31, 98. The production percentage share of the four most important table grape varieties for the past two years, 1997 and 1998, are shown in the following table. Present forecasts for the 1999 table grape crop stands at about 300,000 MT. It is indicated that about 10,000 MT of sultanina grapes that used to be marketed for fresh from the Iraklion district in Crete will most likely be diverted for drying.

Table Grape Varieties	1997	1998	1997	1998
	Metric	Tons	Percentage	
Rozaki	66,400	73,000	21.7	24.6
Sultanina	91,500	97,700	30.0	32.6
Victoria	70,500	57,000	23.1	19.0
Muscat of Hamburg	33,000	33,300	10.8	11.1

CROP AREA

Fresh Apples and Pears

As shown in the PS & D tables the area cultivated to apples shows a slight upward adjustment resulting from small scale new plantings of new varieties in hilly and semi-mountainous areas, while the limited uprooting in the plains continues. As regards the pear acreage it has stabilized and possible future reduction will be attributed basically to the fire blight disease.

Fresh Table Grapes

The area planted to table grape varieties with the exception of Sultanina and Thompson varieties declined somewhat in 1998 and 1999 as shown in the PS&D table. Part of the Sultanina acreage in the Iraklion district of Crete is expected to shift to the production of dried sultanina since this is a dual purpose variety.

INPUTS

No changes in the use and application of chemicals (fertilizers / pesticides / herbicides / fungicides and growth regulators) have been reported for apples, pears and table grapes during the past year and their use is continuing on a widespread basis. Hydrofertilization continues to expand. Precipitation thus far this year was within normal levels and no water shortages are anticipated. No special problems with labor availability were encountered this past season and none are expected at present. Labor costs since our annual report GR-8024 of Sept 11, 98 have gone up by about 2.6 percent following the decline of the inflation rate that runs at present close to 2.5 percent.

YIELDS

The average yield of apples during 1998 was 22.3 MT/ha compared to 21.5 MT/ha a year earlier. The average pear yield in 1998 was 5.5 MT/ha as compared to 5.0 MT/ha in 1997. In the case of table grapes the average yield in 1998 was 16.0 MT/ha as compared to 15.3 MT/ha a year earlier. Sultanina grapes in irrigated vineyards yield as high as 55 to 60 MT/ha while an average yield ranges from 25 to 35 MT/ha. The Thompson variety yield even higher than sultanina by as high as 10 to 20 percent.

CROP QUALITY

The 1998 crop quality of both apples and pears this past season was good. The extended heat wave during July and August 1998 adversely affected the table grape varieties and especially the Sultanina variety but only to a limited extent.

PRODUCTION POLICY

Indicative wholesale prices for apples, pears and table grapes at the Athens Central market during 1998 fluctuated within the following ranges:

	Domestically Produced		Imported	
	Drs/Kg	\$/Kg	Drs/Kg	\$/Kg
Apples	150-280	0.51-0.95	220-380	0.75-1.29
Pears	260-900	0.88-3.06	250-450	0.85-1.53
Table grapes	180-800	0.61-2.72	-	
(294.30 Drs/\$1.00)				

Comparable wholesale prices for 1999 through mid August fluctuated within the following levels:

Domestically Produced			Imported	
	Drs/Kg	\$/Kg	Drs/Kg	\$/Kg
Apples	180-320	0.58-1.03	220-360	0.71-1.16
Pears	270-1000	0.87-3.23	250-420	0.81-1.35
Table grapes	150-500	0.48-1.61	-	-
(310 Drs/\$1.00)				

It should be noted that the high prices in the above ranges reflect either a very desirable variety (i.e. Sultanina and Thompson for table grapes and Kondula for pears), or very early or very late arrivals. With regard to imported fruits, the highest prices are paid for U.S. and Argentina origin apples and pears. Indicative table grape wholesale prices at the Munich, Germany, Central Market during 1998 and corresponding prices for 1997 are shown in the following table. Bear in mind that the Munich market is the principal outlet point of the German market for Greek fresh fruits and vegetables.

Table Grape Variety	1997	1998	1997	1998
	DM per Kg		\$ per Kg	
Victoria	0.40-1.50	1.10-1.20	0.23-0.85	0.61-0.67
Rozaki	0.80-1.10	1.20-1.80	0.45-0.62	0.67-1.00
Sultanina (Crete's)	1.75-2.80	1.70-2.10	0.99-1.58	0.94-1.17
Thompson (Corinthia's)	3.40-5.60	1.60-6.00	1.92-3.15	1.07-3.33

The exchange rates fluctuate but as an indication in 1998 \$ 1.00 US = about 1.75 to 1.85 DM while 1 DM = about 165 to 170 drachmas. The indicative 1997 exchange rates were \$1.00 US = 1.75 to 1.80 DM while 1 DM = about 160 to 165 drachmas.

Interest rates quoted at present by the Agricultural Bank of Greece for short and medium term loans to packers/exporters are 17% and 16% respectively. The short term rate may be further lowered by up to 3 percentage points for good rate customers. The present rate of inflation is close to 2.5 percent as compared to 5 percent in 1998.

The exchange rate of ECU to drachmas of 338,319 reported in our last annual report GR-8027 of Sept. 11, 98 was in effect through December 31, 1998. As of January 1, 1999 the EURO was introduced (the monetary unit

that replaced the ECU) and the exchange rate was set at 327.15 drachmas per EURO which resulted to a 3.3 percent reduction of the rate. The EURO fluctuates on a daily basis and in mid August it was close to 325 drachmas. The withdrawal prices for apples, table grapes and pears for 1998 were given in detail in our report GR-7029 of Sept. 10, 97 since these were set by EU Reg. No 2200/96 dated Oct. 28, 1996 and covered the period from 1997 through 2002 and on. During the past 1998/99 season a total of about 41,000 MT of apples were withdrawn as against 52,000 MT withdrawn a year earlier. Pear withdrawals during 1998/99 amounted to only 700 MT as against 170 MT the prior year. Table grape withdrawals during 1997, which were earlier forecasted by MOA to be close to 5,000 MT eventually totaled only 286 M.T. There were no table grape withdrawals during the 1998 year. The low quality table grapes are as usual sold to wineries.

CONSUMPTION

The domestic per capita consumption of apples as indicated in past reports, fluctuates annually between 23 and 25 kgs, while that of table grapes from 13 to 15 kgs and 6 to 7 kgs for pears. Utilization of pears for processing fluctuates annually depending primarily with the production of canned fruit mixtures (fruit cocktail). Utilization of apples for processing, mainly for apple juice concentrate, (AJC) is sporadic and utilizes only very small tonnages. However this past season the Vermion-Naoussa plant, located in Naoussa, Western Macedonia, processed only 3,000 MT of apples as against 5,000 MT of apples the prior year. The price paid to growers for apples sold to this plant in 1998 for AJC production was 15 drs/kg the same as in 1997. The AJC production of 70 Brix in 1998 totaled 290 MT all sold in the domestic market at the price of 335 drs/kg (1.14\$/kg). About 55,000 to 70,000 MT of table grapes are utilized annually for must/wine production.

TRADE

Exports of apples during the 1998/99 year based on MOA data totaled 13,900 MT compared to 11,000 MT exported during the 1997/98 year. Most apple exports continue to be shipped to Albania and other neighboring countries as well as to Israel. Pear exports continue to be very limited and only 1,000 MT were exported during the 1998/99 year compared to 1,256 MT exported during the prior year. Again Albania commanded the largest portion of pear exports with Bulgaria and Cyprus following. There are only very small tonnages of apples exported to EU destinations and no pears. Imports of these two fruits continue at sizable tonnages.

As shown in the respective matrices a total of 11,284 MT of apples were imported during CY 1998, of which 671 MT came from the U.S. Most of the apple imports come from EU countries, largely from Italy and Spain and considerable tonnage from Holland. This tonnage from Holland may partly originate in the U.S.

Pear imports during the 1998 CY totaled 14,747 MT of which none were imported from the U.S. Spain is the principal supplier sharing close to 85 percent of total imports. Considerable tonnage comes also from Holland part of which may also originate in the U.S.

Table grapes exported during the 1998 CY totaled 115,236 MT, based on preliminary data from the National Statistical Service, as against 102,577 MT exported in 1997. Sultanina and Thompson exports continue to

comprise about 35 to 40 percent of the total table grape exports. The EU continues to share about 77 percent of total exports with the balance going mainly to Poland as well as other East European and neighboring countries. Imports of table grapes continue to be very limited coming basically from EU countries. It is still too early to anticipate the level of the 1999 apple, pear and table grape exports but indications are that these will be close to 15,000 MT, 1,000 MT and 115,000 MT respectively.

POLICY

With regard to apples, pears and table grapes, the GOG continues to implement policies based on EU guidelines. Basic EU Reg. No 2200/96 (for the common organization of the markets of fruits and vegetables) dated Oct. 28, 1996, as indicated in past reports, established the gradual reduction of the quantities withdrawn. As of Jan. 1, 1998 the quantity of apples and pears withdrawn was set at no more than 45 percent of the total quantity of fruit marketed by the groups of growers. Total quantity of fruit marketed means fruit exported or sold in the domestic market, either fresh or for further processing. For 1999, the third year of its application, this percentage is reduced to 40 percent and will eventually be lowered to 8.5 percent by the 6th year of its application.

The ceiling for total quantities of apples withdrawn for the entire community and for the marketing year 1998/99 based on EU Reg. No 1547/98 dated July 17, 1998 was increased to 491,300 MT from the prior level of 387,300 MT. This ceiling has not been changed for this 1999/2000 year. As regards table grapes EU Reg. No 1068/98 of May 26, 1998 provided for a ceiling of 158,700 MT. This ceiling has been increased to 165,300 MT based on EU Reg. No 1097/99 of May 27, 1999.

The Common Custom Tariff codes applicable to fresh apples, pears and table grapes have been regrouped as of January, 1998 and are at present as follows:

08081020 Fresh apples of the Golden Delicious variety
08081050 Fresh apples of the Granny Smith variety
08081090 Fresh apples, other varieties
08082050 Fresh pears not for pear juice
08061010 Fresh grapes, for table use

Actually the numbers eliminated indicated trade at particular periods of the year. Tariff rate levied on imports of these products from non-EU member countries are revised every six months. These are based on ECU exchange rates in 1998 and were changed to EURO's as of Jan. 1, 1999. No changes have taken place with respect to import regulations, import quotas, or other quantitative or qualitative restrictions, minimum prices or variable levies or any other special charges or deposits.

MARKETING

Sizeable tonnages of pears and apples continue to be imported in recent years. Opportunities exist for a larger

share of this market for U.S. fruit. The semi-governmental entity “Export Promotion Organization” along with the Min of Ag. and “Incofruit Hellas” (Greek Fruit Vegetable and Juice Export Association) have adopted a promotion program especially in the Western European countries. The budget of 200,000,000 drachmas (about \$ 650,000) of GOG and EU funds will cover up to 75 percent of marketing expenses with the balance to be covered by private exporters.

Exchange Rates

1997	\$1.00 U.S. =	272.74 Drachmas
1998	\$1.00 U.S.=	294.30 Drachmas
1999	\$1.00 U.S.=	300.44 Drachmas

PS&D Table, Fresh Apples

PSD Table						
Country	Greece					
Commodity	Fresh Apples				(HA)(1000 TREES)(MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		07/1997		07/1998		07/1999
Area Planted	13600	13600	13500	13700	0	13900
Area Harvested	13600	13600	13500	13600	0	13600
Bearing Trees	5170	5170	5130	5170	0	5170
Non-Bearing Trees	0	0	0	30	0	130
Total Trees	5170	5170	5130	5200	0	5300
Commercial Production	280700	280700	297600	293300	0	307000
Non-Comm. Production	11700	11700	12400	12200	0	13000
TOTAL Production	292400	292400	310000	305500	0	320000
TOTAL Imports	10000	10000	7000	8000	0	7000
TOTAL SUPPLY	302400	302400	317000	313500	0	327000
Domestic Fresh Consump	228900	233400	235500	254600	0	265000
Exports, Fresh Only	15000	11000	20000	13900	0	15000
For Processing	6500	6000	4500	4000	0	7000
Withdrawal From Market	52000	52000	57000	41000	0	40000
TOTAL UTILIZATION	302400	302400	317000	313500	0	327000

Export Trade Matrix, Fresh Apples

Export Trade Matrix			
Country	Greece		
Commodity	Fresh Apples		
Time period		Units:	MT
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
Holland	85		
Italy	469		
Portugal	392		
Other EU	8		
>Sub Total EU	954		
Albania	8817		
Bulgaria	2034		
Russia	748		
Israel	579		
Cyprus	497		
Total for Others	13629		0
Others not Listed	625		
Grand Total	14254		0

Import Trade Matrix, Fresh Apples

Import Trade Matrix			
Country	Greece		
Commodity	Fresh Apples		
Time period		Units:	MT
Imports for:	1998		1999
U.S.	671	U.S.	
Others		Others	
France	574		
Holland	1076		
Germany	354		
Italy	2983		
Spain	1012		
Other EU	714		
>Sub Total EU	6713		
Chile	3570		
S. Africa	212		
Total for Others	10495		0
Others not Listed	118		
Grand Total	11284		0

PS&D Table, Fresh Table Grapes

PSD Table						
Country	Greece					
Commodity	Fresh Table Grapes				(HA)(MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1997		01/1998		01/1999
Area Planted	20000	20000	20000	19000	0	18500
Area Harvested	19800	19800	19800	19000	0	18500
Commercial Production	284000	284000	285000	283000	0	279000
Non-Comm. Production	22000	22000	25000	22000	0	21000
TOTAL Production	306000	306000	310000	305000	0	300000
TOTAL Imports	608	608	1000	703	0	1000
TOTAL SUPPLY	306608	306608	311000	305703	0	301000
Domestic Fresh Consump	140031	133745	137000	133467	0	131000
Exports, Fresh Only	102577	102577	111000	115236	0	115000
For Processing	60000	70000	60000	57000	0	55000
Withdrawal From Market	4000	286	3000	0	0	0
TOTAL UTILIZATION	306608	306608	311000	305703	0	301000

Export Trade Matrix, Fresh Table Grapes

Export Trade Matrix			
Country	Greece		
Commodity	Fresh Table Grapes		
Time period		Units:	MT
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
Holland	9640		
Germany	50645		
U.K.	25846		
Other EU	2082		
>Sub Total EU	88213		
Poland	12943		
Czechia	2365		
Romania	2373		
Albania	2092		
FYROM	1947		
Total for Others	109933		0
Others not Listed	5303		
Grand Total	115236		0

Import Trade Matrix, Fresh Table Grapes

Import Trade Matrix			
Country	Greece		
Commodity	Fresh Table Grapes		
Time period		Units:	MT
Imports for:	1998		1999
U.S.		U.S.	
Others		Others	
Holland	342		
Germany	77		
Italy	172		
Other EU	4		
>Sub Total EU	595		
Chile	72		
Total for Others	667		0
Others not Listed	36		
Grand Total	703		0

PS&D Table, Fresh Pears

PSD Table						
Country	Greece					
Commodity	Fresh Pears				(HA)(1000 TREES)(MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		07/1997		07/1998		07/1999
Area Planted	11600	11600	11400	11400	0	11400
Area Harvested	11600	11600	11400	11400	0	11400
Bearing Trees	4180	4180	4100	4100	0	4100
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	4180	4180	4100	4100	0	4100
Commercial Production	56250	56250	58200	61300	0	63000
Non-Comm. Production	1750	1750	1800	1900	0	2000
TOTAL Production	58000	58000	60000	63200	0	65000
TOTAL Imports	15000	15000	15000	15000	0	13000
TOTAL SUPPLY	73000	73000	75000	78200	0	78000
Domestic Fresh Consump	65774	66974	68700	67500	0	68500
Exports, Fresh Only	1256	1256	1000	1000	0	1000
For Processing	5800	4600	5000	9000	0	8000
Withdrawal From Market	170	170	300	700	0	500
TOTAL UTILIZATION	73000	73000	75000	78200	0	78000

Export Trade Matrix, Fresh Pears

Export Trade Matrix			
Country	Greece		
Commodity	Fresh Pears		
Time period		Units:	MT
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
EU	26		
>Sub Total EU	26		
Albania	987		
Bulgaria	186		
Cyprus	140		
Total for Others	1339		0
Others not Listed	96		
Grand Total	1435		0

Import Trade Matrix, Fresh Pears

Import Trade Matrix			
Country	Greece		
Commodity	Fresh Pears		
Time period		Units:	MT
Imports for:	1998		1999
U.S.		U.S.	
Others		Others	
Spain	12474		
Holland	605		
France	232		
Italy	332		
Other EU	20		
>Sub Total EU	13663		
Chile	551		
Nigeria	463		
Total for Others	14677		0
Others not Listed	70		
Grand Total	14747		0