



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Scheduled Report - public distribution

Date: 1/15/1999

GAIN Report #GR9001

Greece

Kiwifruit

1999

Prepared by:

Clay Hamilton

U.S. Embassy

Drafted by:

Stamatis Sekliziotis

Report Highlights: The 1998 kiwi crop is estimated at a low 38,000 mt due to severe spring freezes. Exports for MY 98/99 should be limited to 11,000 mt due to the short crop and good domestic prices.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Athens [GR1], GR

.....	<u>1</u>
Executive Summary	<u>2</u>
PRODUCTION	<u>3</u>
General	<u>3</u>
Crop Area	<u>3</u>
Inputs	<u>3</u>
Yields	<u>3</u>
Crop Quality	<u>4</u>
Production Policy	<u>4</u>
CONSUMPTION	<u>5</u>
STOCKS	<u>6</u>
.....	<u>6</u>
TRADE	<u>7</u>
MARKETING	<u>8</u>
POLICY	<u>8</u>
Kiwifruit PS&D Table	<u>10</u>
Kiwifruit Export Trade Matrix	<u>11</u>
Kiwifruit Import Trade Matrix	<u>12</u>

Executive Summary

Production of kiwifruit in 1997 has been revised downwards to 40,900 m.t. due to more extensive damage from a late spring frost than estimated. The 1998 crop was also severely damaged by March frosts and is presently forecast at no more than 38,000 m.t. The quality and size of the fruit this year is good due to the smaller number of fruit carried by the trees.

The reduced supply kept 1998 prices at satisfactory levels for the growers and ranged from 130 to 160 drs/kg (0.46-0.56 \$/kg), compared to 120 to 130 drs/kg (0.40-0.48 \$/kg) a year earlier in the principal producing district of Pieria. Exports from the 1998 crop are presently forecast at no more than 11,000 m.t. due to the short crop and favorable domestic prices from increased domestic demand. About 58 percent of Greek kiwifruit exports this season were channeled to EU destinations with the balance going mainly to Eastern European countries and Turkey. Through early December, about 9,600 m.t. of the 1998 crop have already been exported.

PRODUCTION

General

The total kiwifruit production figure for 1997 shown in our last year's report GR-8003 of Jan.16, 1998 has been revised downwards to 40,900 m.t. from 48,000 m.t. since the 1997 late spring frosts were more damaging than estimated at the time. The 1998 kiwifruit harvest was also severely affected by late March frosts and is presently estimated at no more than 38,000 m.t. Harvesting, in the major growing area of Pieria, began on Oct. 8 and was terminated by Nov. 5, 1998. Estimates and information included in this report are based on field travel observations and discussions with MOA and Ag Bank staff field personnel, as well as growers and shippers.

Crop Area

Although MOA has not officially revised acreage data, field indications, especially in the Western Greece region where about 20 percent of the kiwifruit acreage exists, point to the fact that a slow replacement of kiwifruit with Clementine (tangerines) is taking place since profits from kiwi cultivation are becoming marginal. A similar slow trend to replace kiwi cultivation is also starting to develop in Pieria.

Inputs

Details on inputs were covered in our report GR-6003 of Jan. 15, 1996 and no major changes have taken place since. It should be kept in mind however that production costs continue to increase from year to year. A recent cost of production study by the Ag Bank shows that the percentage share in the cost of production of labor, equipment and materials (fertilizers, pesticides etc.) for 1997 totaled 33.43, 0.10 and 18.48 percent respectively as compared to 32.02, 0.78 and 16.98 percent respectively shown in a similar study for 1995. In the same study the overall cost of production in 1997 for 1 kg. of kiwifruit is estimated at 136.85 drs (\$ 0.50) as compared to 109.93 drs (\$ 0.47) in 1995. Farm labor costs in 1998 are estimated to have increased by 5.4% of total cost of production.

Yields

The average yield of kiwifruit in 1997 is presently estimated at 10.57 m.t./ha, influenced by the unfavorable weather conditions that prevailed that year, compared to the 1996 yield of 14.09 m.t. /ha. Present indications are that the 1998 average yield will again be low, close to 10.00 m.t./ha.

Crop Quality

The quality of the fruit harvested in 1998 was good with a smaller percentage of deformed and flat fruit. The average size of the fruit was somewhat larger due to the fact that a smaller number of fruit was borne by each tree. The EU Reg. No 410/90 dated Feb. 16, 1990 setting the quality standards for kiwifruit (minimum Brix content of 6.2 for fruit to be kept under cold storage, minimum weight for the three fruit categories, size tolerances etc) continued in effect. Fruit that is to be marketed either in the domestic market or exported should have a minimum maturity level of 7.5 degrees Brix. No major attacks by pests and diseases were observed this year.

Production Policy

The MOA's average grower prices (mean weight) for kiwifruit for 1995, 1996 and 1997 are as follows:

Mean Weighted Average		Grower Price
Year	Drs/kg	\$/kg
1995	119.80	.52
1996	91.52	.38
1997	100.50	.37

In 1998, grower prices in the major producing district of Pieria were appreciably higher than those of a year earlier while those in the Arta region fluctuated close to last year's levels as shown in the following table:

Grower Prices				
Districts	1997		1998	
	Drs/kg	\$/kg	Drs/kg	\$/kg
Pieria	120-130	0.44-0.48	130-160	0.46-0.56
Arta	100-160	0.37-0.58	110-160	0.39-0.56

No price supports are available for kiwifruit and no subsidized credit is offered. Programs encouraging the cultivation of this fruit have been discontinued.

CONSUMPTION

An analysis of total domestic kiwifruit consumption during the last two years as compared to forecast figures for this year are given in the following table.

	1996/97	1997/98	1998/99
Metric Tons			
Fresh Consumption	14,115	19,408	20,150
Farm Use	560	410	380
Processed	neg.	neg.	neg.
Waste and Losses	11,000	10,200	8,500
Total Domestic Consumption	25,675	30,018	29,000

Larger tonnages of kiwifruit were absorbed in the domestic fresh market during the 1997 and 1998 crop years as prices in the domestic market were higher than prices in the export market. Based on the above analysis, per-capita annual fresh kiwifruit consumption is presently estimated between 1.4 and 2.0 kgs. Utilization of kiwifruit for industrial or other uses (i.e. canned frozen, juices and jams) continues to be very small with little prospect, if any, for increases in the near future. A total of 1,292 mt of kiwifruit was imported in the 1997 calendar year. Most imports came directly from Chile while fruit from New Zealand transits through Holland. The imported fruit, which is of very high quality, secures premium prices in the market. The 1997 (Jan.-Dec) CIF prices for imported fruit originating in New Zealand and Chile were as follows:

	Drs/kg	\$/kg
Chile	330.00	1.21
New Zealand (Holland)	382.20	1.40

The wholesale prices for domestic and imported kiwifruit in the Athens Central Market January through early December 1998 were as follows:

	Domestic		Imported	
	Drs/kg	\$/kg	Drs/kg	\$/kg
Jan. - June 98	280-470	1.03-1.72	520-650	1.91-2.38
June - Sept. 98	-	-	530-630	1.94-2.31
Oct. - Dec. 98	250-500	0.92-1.83	600-670	2.20-2.46

STOCKS

As of early December a total of about 23,000 m.t. of kiwifruit from this year's crop were available for export and for the domestic market. Of this total volume, less than 1,000 m.t. are in the hands of cooperatives, with the balance in the hands of shippers/exporters/merchants all held under cold storage. The government does not own any stocks. It is expected that about 2,000 m.t. of these stocks will be exported and the balance sold in the domestic market through June. Of the 23,000 mt held as stocks at present, about 5 percent will likely be lost due to moisture from cold storage.

TRADE

The total volume of kiwifruit exported during CY 1997 based on NSS temporary data totaled 29,705 m.t., almost identical to the 29,794 m.t. exported during CY 1996. Comparable 1997 and 1996 CY imports from the same source are 1,292 and 1,794 m.t. respectively. Export/import data for the nine month period Jan. through Sept. 1997 totaled 17,212 and 1,047 m.t. respectively. Exports of kiwifruit from the 1998 crop through early December total about 9,600 m.t., of which over 58 percent were exported to EU destinations. Based on data available through NSS, export FOB prices for kiwifruit for the 1997 CY as compared to those of the 1996 CY were as follows:

Country	1997		1996	
	Drs/kg	\$/kg	Drs/kg	\$/kg
U.S.	259.0	0.95	223.23	0.93
France	239.3	0.88	179.3	0.75
Holland	202.8	0.74	134.6	0.56
Germany	232.6	0.85	58.6	0.25
Spain	241.3	0.88	184.0	0.76
EU average	207.9	0.76	88.4	0.37
Canada	135.8	0.50	122.4	0.51
Poland	138.6	0.51	114.4	0.48
Czechia	145.2	0.53	150.8	0.63
Russia	170.4	0.62	151.4	0.63
Turkey	113.7	0.42	164.0	0.68
Third Countries ave.	142.3	0.52	142.6	0.59

The above indicative prices are based on the total FOB value divided by the total tonnage as carried by the NSS. No import duties are levied on trade within the EU countries. However, a value added tax (VAT) of 8 percent (on the CIF value) is levied on all imports including those originating from the EU countries. Import duties levied on imports from third countries are presently 9.5 percent ad valorem which represents a drop of 0.4 percent from those in effect the prior year, which were 9.9 percent. Prices of kiwifruit in the Munich market, which is considered a low price market, in early November were as follows:

	DM/tray	\$/tray
a) 23-27 kiwifruit	7.0	4.23
b) 30-36 kiwifruit	5.0-5.6	3.02-3.39
c) 39 kiwifruit	4.0	2.42

Conversion rate used \$ 1.00 = 1.6535 DM.

The above prices were considered satisfactory for the exporters/shippers and the export quality was very good.

MARKETING

During the summer and early fall when domestic supplies are non existent, imports fill the gap. The possibilities to introduce U.S. kiwifruit in the Greek market continue to be limited by competition from Chile and New Zealand.

POLICY

A phytosanitary inspection certificate is required on all arriving lots. This is the only non tariff barrier in existence. No product development work is presently being carried out and no export trade agreements/programs are in effect or are being considered by the GOG for kiwifruit.

Imports of U.S. kiwis into Greece can take place provided that arriving lots will be accompanied by phytosanitary certificates prepared according to the European Union regulations in effect. Greece is self sufficient but periodically some imports take place to cover seasonal demand.

Exchange Rates

1996	\$1.00 U.S.	=240.62
1997	\$1.00 U.S.	=272.74
1998	\$1.00 U.S.	=294.30

Data presented in the PS&D table are best estimates based on information cross-checked by official industry and trade sources. Data presented in the trade matrix are National Statistical Service (NSS) official temporary data subject to revision. The NSS is the only source that provides trade figures by country of origin/destination. However, this is not the most reliable source and Ag Office often revises NSS estimates.

Kiwifruit PS&D Table

PSD Table						
Country:	Greece					
Commodity:	Kiwifruit					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		10/1996		10/1997		10/1998
Bearing Area	4040	3950	4040	3870	0	3800
Non-Bearing Area	0	0	0	0	0	0
TOTAL Area Planted	4040	3950	4040	3870	0	3800
TOTAL Area Harvested	4040	3950	4040	3870	0	3800
TOTAL Production	55660	55660	48000	40900	0	38000
Imports	1800	1240	1800	1800	0	2000
TOTAL SUPPLY	57460	56900	49800	42700	0	40000
Exports	31255	31225	25000	12682	0	11000
Domestic Consumption	26205	25675	24800	30018	0	29000
TOTAL DISTRIBUTION	57460	56900	49800	42700	0	40000

Kiwifruit Export Trade Matrix

Export Trade Matrix		Units:	MT
Country:		Greece	
Commodity:		Kiwi	
Time period:			
Exports for	1996		1997
U.S.		U.S.	462
Others		Others	
		France	654
		Holland	1797
		Germany	2749
		Spain	1099
		Italy	1652
		Austria	680
		Other EU	331
		Sub Total EU	>8962
		Canada	415
Total for Others	0		9377
Others not listed			19866
Grand Total	0		29705

Kiwifruit Import Trade Matrix

Import Trade Matrix		Units:	MT
Country:		Greece	
Commodity:		Kiwi	
Time period:			
Imports for	1996		1997
U.S.		U.S.	
Others		Others	
		France	102
		Holland	386
		Italy	76
		Germany	27
		Bel.-Lux.	96
		Other EU	41
		Sub Total EU	>728
		Chile	516
		New Zealand	40
Total for Others	0		1284
Others not listed			8
Grand Total	0		1292