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Kiwifruit

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Report Highlights:

The 2002 the Greek kiwi crop suffered a 37.5 percent reduction from 2001 levels due to frost and snow, particularly in central Macedonia's Pieria region. Weather was severe and may affect crops for one or two more seasons. In 2002 exports of 22,000 tons were about 10,000 tons below 2001 levels. Greek farmers in certain districts continue to plant more acreage to kiwis, and the Greek government sees kiwi as potentially a viable alternative crop in the uncertain future of EU agricultural support.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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I. Situation and Outlook

a) Production

Total Kiwi fruit production for 2002 is estimated at 25,000 MT which is a 37.5% reduction compared to last year. This drastic reduction is due to frost, which prevailed through January mostly in the north of Greece, particularly in the kiwi production area. Damage to kiwi vines may affect output for 1-2 years to come. Another reason for this reduction is because kiwis are currently a supplementary crop. Kiwis do not bring big profit margins for farmers as long as competition from imports from the southern hemisphere countries (New Zealand and Chile) shows an upward trend. Imports from these countries supply the Greek domestic market outside of the normal production season, and their quality is considered to be very competitive in the international market. According to various sources, the 2001 kiwi harvest is reported to be further reduced for the reasons already cited in GR2002.

According to agricultural cooperatives and fruit exporters, grower prices in 2002 crop were lower than those of last year especially in districts where serious damage has been observed due to adverse weather through January. The district more affected by frost and snowfall was central Macedonia and the prefecture of Pieria, the major kiwi producing area in Greece, where production is estimated to be 25,000 MT lower than in 2001. The crop was reported at 35,000 MT last year.

Contrary to Pieria, in the prefecture of Arta and Preveza (western Greece) there were fewer damages in the quality of fruit and the production for 2002 is reported to be approximately 12,000 MT compared to 8,000 MT in 2001. In Arta the cultivation of kiwis is more advantageous for farmers, as 300 more hectares came into production. Arta has better climatic conditions, higher yields, and better quality fruit.

According to farmer groups and local co-operatives, grower prices for the three major producing prefectures in Greece ranged within the following levels.

Grower Prices		
Prefecture	2001	2002
	Euro/kg	Euro/kg
Pieria	0.38-0.46	0.37-0.44
Preveza-Arta	0.38-0.52	0.44-0.58

No price supports or subsidies are available because kiwi fruit is not supported by the Common Agricultural Policy of the EU.

Kiwi production in Greece started in 1973 and is considered to be the key subtropical crop with future growth potential in view of the EU-25 followed by the EU-27 expansion. In Ferrara, Italy during the 20th IKO's conference, in September 2001, Greece has announced that kiwi vine acreage has increased by 7-8% since 1999

b) Consumption

Kiwis in Greece are consumed as fresh fruit, in confectionary products, and in green marmalades. Kiwi marmalades are prepared with black sugar, sold in jars (440-450 grams) at prices that fluctuate between 60-70 Euros a piece. These specialty products are made by local women's cooperatives in Northern Greece, are mostly sold locally, and are supported by agrotourism programs (see also: Policy section).

c) Stocks

As of late December, a total of about 13,000 MT of kiwi fruit were available for export and for the domestic market. Of this total, about 1,000 MT are in the hands of cooperatives, while the balance is in the hands of exporters and shippers, held in cold storage.

d) Trade

Exports of kiwi fruit for the MY 2002/03, based on Ministry of Agriculture data, have continued normally. Until 12/13/02 a total of 7,329 MT were exported which includes 4,435 MT sold to EU countries. Last year the corresponding figures were 10,861 MT in total, of which 5,258 MT was shipped to EU countries.

There is a reduction by almost 32.5% in exports compared to that of a year earlier, due to heavy snowfalls and frost damage as described above.

An indicative export FOB price for MY 2002/03, according to agricultural cooperatives, is 1,027 Euro/MT which is considered satisfactory by exporters.

A total of 1,897 MT was imported in CY 2001 according to the National Statistics Service, which is the only source in Greece that carries official trade data. Most imports originate in Chile or New Zealand, but the NSS shows Holland as the country of origin since they are transhipped from Dutch ports.

The CY 2001 average CIF prices for imported kiwi fruit were as follows:

Country	Euro/kg
Chile	1.03
Holland	1.04
Germany	0.9

The wholesale prices for domestic and imported kiwi fruit in the Athens Central Market from January through mid December 2002 were as follows:

	Domestic	Imported
	Euro/kgr	Euro/kgr
Jan-May	1.03	1.61
June-Oct	1.03-1.17	1.61-2.50
Nov-Dec	1.12	2.35

Export FOB prices for kiwi fruit for the CY 2001 based on NS data are given in the following table:

Country	Euro/kgr
US	0.7
France	0.8
Holland	0.6
Germany	0.9
U.K.	0.7
EU Average	0.75
Canada	0.67
Poland	0.54
Russia	0.5
Bulgaria	0.37
FYROM	0.37
Hungary	0.45
Third Country Average	0.5
Grand Total Average	0.6

Exports to US from January 2002 to October 2002 are reported to be approximately 449 MT.

e) Marketing

Very recently the establishment of an agency based in Thessaloniki, Hellenic Agroexports S.A., was announced. This organization will promote agricultural products in foreign markets, once it is organized and implemented in 2003. Hellenic agroexports will operate under partial support of the Ministry of Agriculture, and be exclusively for the promotion of agricultural products (bulk commodities, processed and fresh products).

Previously market promotions were carried out by the National Export Promotion Organization of Greece (OPE), but for all exports agricultural products were only part of OPE'S activity and some will continue to be promoted by OPE.

The Hellenic Agroexports S.A will promote agricultural export and will be funded partly by the GOG (Ministry of Agriculture) and partly by the Association of Exporters of Northern Greece. It will assist exporters of agricultural products to begin commercial operations in new foreign markets.

However, it has to be noted here that individual cooperatives, farm groups, packer associations and the Panhellenic Confederation of Agricultural Cooperatives (PASEGES) are also involved in market promotion activities in an attempt to help their members to penetrate foreign markets. PASEGES in particular, has recently been active in reaching trade agreements with Balkan countries and new EU entrants using its own funds for these purposes.

According to recent announcements by PASEGES's Secretary General Mr D. Gaitanidis, Spanish, German and Italian Coop's are actively engaged in Eastern European countries and the Balkans in an attempt to proceed with agricultural trade agreements and they have gone one step further, by investing within those new markets in the fields of food and fresh fruit processing and packing.

Kiwis, among other Greek products, have potential to increase market penetration. They are regarded as a crop which promises to emerge from supplementary status to one which can sustain farmers as a sole cultivation, or at least to become a viable alternative crop for the future.

f) Policy

According to EU Regulation No. 2066/2002 which was published in the official gazette of the European community, the kiwi of Pieria (Aktinidio Pierias) was registered as a protected product, under protected Geographical Indication (GI). In the case of GIs, which is a system created by the European Union to promote and protect food products, the geographical link must occur in at least one of the stages of production and processing/packaging. Furthermore the product can benefit from being associated with a specific location.

As mentioned in GR2002 the EU Reg.No 410/90 of February 16, 1990, set the quality standards for kiwi fruits and is still in effect.

According to the Ministry of Agriculture, more than 5 farms in Greece produce organic kiwi fruit, according to EU Regulations 2092/91 and 1804/99 pertaining to organic agricultural activities within the EU.

Organically produced kiwis in Greece can be preserved in cold storage up to 12 months under certain controlled environmental conditions. Organic product certification (kiwis included) is carried out by private organizations and /or companies which are accredited to do so by the Greek Ministry of Agriculture and the Quasi-Governmental Certification Organization of Greece (AGROCEPT). AGROCEPT was established a few years ago and operates under a private business charter, although it is funded by the Greek Government.

With the exception of one organic farm in Crete, all others are located in northern regions of Greece (Central and East Macedonia), already certified as organic. Total organic kiwi output is currently estimated at approximately 700-800 MT/year, showing an upward trend.

In view of the EU-27 expansion trade in fresh Mediterranean products is expected to benefit. Demand for Kiwi fruit and other fresh products is expected to increase as the market expands with new EU members. EU produced kiwi should have an advantage over similar imported ones, taking into consideration that EU mediterranean products will be offered at competitive prices and the purchasing power of new EU consumers will strengthen over time. Transportation costs in an expanded EU favor intra-EU fresh fruit trade and make final prices to the consumer more attractive.

The agricultural trade balance of the new EU members is negative. Fresh fruit and vegetables are supplied mostly from Mediterranean states. Because of reforms to the CAP, by the year 2007 agriculture is expected to undergo reductions in support due to budgetary reasons. This will affect the structure of EU agriculture significantly and farmers are expected to abandon some subsidized crops, some of them to be partly replaced and a number of others (specialty crops like fresh fruits) to be developed further, quantitatively and qualitatively.

As cited above, kiwis, among other crops, are not part of the Common Market Organization scheme of EU support. Improvements in areas such as quality control, grading and standards, and packaging are likely to improve consumer appeal and widen the prospects of marketing kiwis effectively, especially to high-end markets. In addition, kiwis present marketing potential to newly-acceded EU countries which lack domestic kiwi production.

In November 2002, the GOG's Ministry of Agriculture instructed the agricultural insurance fund (ELGA) to proceed with compensation payments to those kiwi farmers who lost production and experienced damages to planted material (kiwi vines), due to snowstorms, extremely low temperatures and frost, which prevailed in January 2002.

Payments were calculated by ELGA's field agronomists, according to the magnitude of crop damage. For kiwis (fruits and vines) no compensations were paid if damage is less than or equal to 30% of the farmer's total crop. An 88% of the damage, which exceeds the 33% threshold, is compensated only.

Damage compensations are supposed to be paid 7-8 months after ELGA's field estimates are completed on farm. This year due to extensive crop damages, payments were delayed and farmers were paid almost 12 months later.

In some areas of the Greek countryside certain products are produced and processed as a craft or in an artisanal manner. Fruits can be processed and preserved in jars and/or dried in small "village scale" farmer groups and mostly women cooperatives. These activities can take place within the framework of programs supported by the EU, (i.e Leader II and local integrated programs) in order to develop these areas through agrotourism and keep the population in the regions, offering opportunities for alternative sources of income. This is a support by the EU which indirectly benefits crops, otherwise not supported by producer or canner subsidies.

Recent Deputy Minister of Agriculture Mr E. Argiris has signed Ministerial Decision No 306512/11.11.02 which pertains to "The minimum national criteria for the recognition and pro-recognition of Farming Groups for Fruits and vegetables". This defines a minimum value of marketable production of fruit or the minimum volume of marketable production needed to qualify as a "farmer's group", based on Article 11 paragraph 1 subparagraph (a) of the EU Regulation No. 2200/96, as well as the minimum number of farmers in compliance with Appendices I, II, III and IV of the same EU Regulation.

Fully accredited farmer groups must meet a minimum enrollment of 150 members, with a capital at 1.5 million Euros. For a "semi-qualified" or less than fully accredited group, the minimum membership is 5 farmers with capital of 0.1 million euros. The accreditation process prioritizes groups with preference for larger membership.

Greece is not a member of the International Kiwi Organization (I.K.O). Greece participates in I.K.O's conferences as an observer.

P&D Tables, Kiwi fruit

PSD Table						
Country	Greece					
Commodity	Kiwifruit				(HA)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Bearing Area	3575	3940	3575	4330	0	4405
Non-Bearing Area	50	60	75	70	0	75
TOTAL Area Planted	3625	4000	3650	4400	0	4480
TOTAL Area Harvested	3575	3600	3575	3300	0	3000
TOTAL Production	73600	73600	45000	40000	0	25000
Imports	779	779	2000	2500	0	3000
TOTAL SUPPLY	74379	74379	47000	42500	0	28000
Exports	33254	33254	25000	22000	0	16250
Domestic Consumption	41125	41125	22000	20500	0	11750
TOTAL DISTRIBUTION	74379	74379	47000	42500	0	28000

Export Trade Matrix, Kiwi fruit

Export Trade Matrix			
Country	Greece		
Commodity	Kiwifruit		
Time period		Units:	MT
Exports for:	2000		2001
U.S.	568	U.S.	791
Others		Others	
France	1761	France	285
Holland	523	Holland	379
Germany	5374	Germany	2391
Spain	464	Spain	249
Italy	265	Italy	755
Other EU	1663	Other EU	531
>Sub Total EU	10050	>Sub Total EU	4590
Poland	4276	Turkey	1168
Russia	1947	Poland	3829
Fyrom	1712	Russia	4601
Total for Others	17985	Total for others	14188
Others not Listed	9043	Others not listed	14625
Grand Total	27596	Grand Total	29604

Import Trade Matrix, Kiwi fruit

Import Trade Matrix			
Country	Greece		
Commodity	Kiwifruit		
Time period		Units:	MT
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Belgium-Lux	23	Belgium-Lux	362
Holland	447	Holland	427
Germany	70	Germany	358
Italy	100	Italy	55
Other Eu	15	Other EU	10
>Sub Total EU	655	>Sub Total EU	1212
Chile	85	Chile	665
Total for Others	740	Total for Others	1877
Others not Listed	39	Others not Listed	20
Grand Total	779	Grand Total	1897