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## Greece

## Tree Nuts

## Annual

## 2000

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### Report Highlights:

#### **REVISED PS&D TABLES**

Favorable weather increased 1999 almond production 14% to 17,000 mt, but the 2000 harvest is expected to reach 15,200 mt. Greece is the largest per capita tree-nut consumer in the world eating 13,000 mt of almonds and 7,500 mt of pistachios. Greece imported \$4.85 million of U.S. almonds in 1998.

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Includes PSD changes: Yes

Includes Trade Matrix: Yes

Annual Report

Athens [GR1], GR

Almonds .....	1
General .....	1
Pistachios .....	3
General .....	3
Almonds, Shelled Basis, PS&D Table .....	5
Almonds, Shelled Basis, Import Trade Matrix .....	6
Almonds, Shelled Basis, Export Trade Matrix .....	7
Pistachios, In shell Basis, PS&D Table .....	8
Pistachio, In shell Basis, Import Trade Matrix .....	9
Pistachio, In shell Basis, Export Trade Matrix .....	10

## Almonds

### General

Almond production in 1999 reached 17,000 MT (shelled basis), a 14% increase from 1998, due to favorable weather conditions. The quality of the crops in 1998 and 1999, as well as the anticipated 2000 harvest, is reported to be very good to excellent. The outlook for almond production over the next 3 to 5 years is estimated to not exceed 15,000 MT of almonds annually (shelled basis), provided that weather conditions will be favorable. The output for 2000 is currently estimated to reach 15,200 MT. This output might have reached the 1999 output level, but hail storms in the area of Magnisia (eastern Thessaly) in early June, and some loss of orchards due to forest fires in July 2000, will keep production down.

Quantitative data reflecting the damage to tree crops from the recent fire is not yet available, but Ministry of Agriculture surveys are in progress and being carried out by the ELGA (GOG Organization for Agricultural Insurances and Compensation Plans). The fire compensation packages to farmers for all nut trees (pistachios, almonds, walnuts, hazelnuts) were announced in July, 22 and they are as follows:

For uprooting and replanting:	4,000 Drs./tree (\$11.4)
For loss of production on tree (additional support):	12,000 Drs./tree (\$33.4)
For trimming and pruning of burned branches:	1.200-1.800 Drs./tree according to the degree of damage (\$3.34-5.01)

The main areas for systematic almond growing in Greece are located in the prefectures of Magnesia, Larisa (Thessaly) and Serres & Kavala (E. Macedonia), where 70% of the national almond tree population is concentrated. Yields vary, with the best size and quality kernels being those of the Feragnes variety which are produced in central Greece and Macedonia. Actual planted area has decreased to approx. 40,000 Ha without a drop in yields, which is due to better growing methods and more trees per area unit. Old, non-yielding orchards and aged, scattered trees are either uprooted or not harvested at all.

New tree planting is very limited and does not significantly affect annual outputs. On the contrary, in 1999 a large number of trees were uprooted in Thessaly due to the fact that farmers were not satisfied with the prices offered for their product. Overproduction of almonds created commercialization problems for the product and traders buying from farmers have pressured them to sell at lower prices. Grower prices for 1999 have fluctuated between 700 - 900 Drs./kg (US\$ 2.28-2.94/kg), compared to 1,200-1,350 Drs./kg or \$3.9- 4.3 in 1998. US almond import prices in MY 99/00 were between US\$1.11-1.13/lb (\$ 2.31 - 2.35/kg) for shelled (but not blanched) product. According to farmers in Thessaly, they dropped their prices in 1999 and the beginning of

2000, when Greek buyers of almonds presented documents showing very competitive price levels for imported nuts.

Domestic annual consumption of almonds is roughly 14,500 MT and increasing slowly but steadily, with Greece being among the largest per capita tree-nut consumers in the world. Consumption has risen almost 25% since 1991 and is expected to continue growing parallel to an annual increase in tourism. Almond consumption represents 24% of total nut consumption in the country which is estimated at 60,000 MT of nuts (including pistachios, pea nuts, hazelnuts, walnuts, and various kinds of imported nuts). These consumption figures include, snack, confectionary, ice cream and bakery uses.

In general, the Greek market is very price sensitive. Traders consider grower prices in the 1999/00 marketing period to be satisfactory, but farmers complain that high input costs coupled with imports of cheap almonds (plentiful availability in the international markets), make production no longer economically viable. Due to a decreased supply this year and little holdover from last year's crop, farmers are expected to receive between 800-1,000 Drs./kg for the year 2000 product (US\$2.23-2.78/kg), a little over the price received in 1999. (Prices vary over the season, beginning with September prices that are expected to be around 800 Drs./kg and ending with December prices hovering around 1,000 Drs./kg.) Current almond retail prices are 2,145-2,310 Drs./kg or \$5.97- 6.10 (roasted) and 1,980-2,200 Drs. or \$5.51-6.13 (non-roasted).

In CY 1998 (most recent official trade data published), \$9.2 million of almonds were imported, mostly from the U.S. (55 % ) and Spain (31 %). Exports were only \$3.4 million, mostly to other EU states. Imports were primarily used by the confectionary and chocolate industries. Imports tend to decrease when there is enough carry over and normal production to satisfy domestic consumption. In recent years, due to higher domestic output coupled with average import levels, some stocks initially remained in the hands of farmers and merchants but these were usually absorbed at the end of the marketing season when demand is higher during the peak of the tourist season. Greece produces nuts mainly for its domestic market and only exports nuts that are in excess. In order to establish a more consistent market for imported nuts in Greece, promotional activities are necessary to alert importers to the high quality of U.S. products, and to increase the consumer perception of almonds and other varieties of nuts as "healthy." U.S. almonds are developing a market as a snack food as consumers like their quality and uniformity.

Support to farmers and packers is provided through EU and national legislation. Farmer groups specialized in almond production and handling have been established in Larisa and E. Macedonia. EU support is only paid to group farms, which are generally structured in groups of 10-50 local farms with the purpose of qualifying for (and distribution of) EU assistance for farm restructuring and product marketing. No tree nuts are covered under the EU Common Market Organization and therefore do not benefit from the grower price guarantee system. Almond and tree nut processors and packers can receive funding to establish or expand their industrial activity under the framework of Investment Laws No. 899 and 2601.

Shelled almonds purchased from the U.S. are imported at a very competitive price and the quality is good and consistent. The value of U.S. almonds imported in CY 1998 reached \$4.85 million, a significant increase compared to the CY 1997 figure of \$3.0 million.

## Pistachios

### General

Pistachio production in 1999 increased to 6,000 MT compared to 4,700 MT produced in 1998. This represents a further recovery from the bad year of 1997. In 2000, output is reported to be much higher and will probably reach 6,500 MT or more, due to the biennial nature of the harvest and favorable weather. Greek pistachio production usually targets the domestic market and exports are only made in years of good output and product quality.

In CY 1998, imports of pistachios totaled 1,714 MT valued at \$6.29 million compared to 2,794 MT in 1997, valued at \$11.0 million. Most imports were from the EU (1,078 MT of which a large proportion may originate in the US and Iran). 1998 exports were limited to 446 MT for the same period of a total value of \$1.9 million. Consumption of pistachios fluctuates between 7,000 and 7,500 MT a year, and is likely to increase in the next several years. Demand for pistachios as a snack food is growing, mostly from the confectionary and ice cream industries. Current retail prices are 1,980-2,310 Drs./kg (\$5.5- 6.43/kg), while grower prices this year, for the 1999 crop, were between 1,000-1,200 Drs./kg (\$2.78-3.3/kg) compared to 1,100-1,300 Drs./kg (\$3.59-4.25) from the 1998 crop. Import prices from Iran fluctuated between \$3,500-4,000/MT in MY 1999/2000, but imports into Greece dropped significantly due to strict controls instituted by the National Chemical Laboratory due to excessive aflatoxin content in Iranian pistachios.

Trade sources report that Iranian importers are getting prepared to improve the quality of their product and re-gain lost grounds in the European markets. Due to aflatoxin problems of imported pistachios, domestic consumers tend to prefer Greek pistachios, which has helped absorb the higher domestic output, and has also served as a boon to Greek pistachio producers. GOG customs randomly tests one out of every ten containers for Aflatoxin and require laboratory certificates for all shipments. Shipments of pistachio from Iran have been tested more frequently for the last 3-4 years.

The policy issues pertaining to the pistachio sector are similar to those in the almond sector. Greek policy makers seek to stimulate domestic production in order to meet the increasing consumer demand by means of investment laws, subsidized initial capital in establishing new orchards, and so forth.

Output of pistachios shows a geographical shift from the island of Egina to Northern regions. In particular, the area of Megara (on the National Road from Athens to Corinth) and the prefectures of Fthiotis (central Greece) and Halkidiki (central Macedonia), are developing as the two new poles of the Greek pistachio production, with the best quality produced in the prefecture of Fthiotis. The pistachio crop in the island of Egina, a traditional production region, shows a reduction in acreage and yields due to abandonment of the crop by owners selling the land for tourist uses.

This summer (2000) Greece experienced severe fire problems which destroyed forested areas as well as a significant numbers of almond and pistachio trees in the prefectures of

Fthiotis, Island of Samos, Ahaia in Peloponnese, and Eastern Macedonia. The fire compensation package described under the Almond Section also apply to losses in the Pistachio Section.

**Exchange Rate**

1998	\$ 1.00 = 294.30 Drachmas
1999	\$ 1.00 = 305.85 Drachmas
2000 Jan - July	\$1.00 = 349.44 Drachmas

**Almonds, Shelled Basis, PS&D Table**

PSD Table						
Country	Greece					
Commodity	Almonds, Shelled Basis				(HA)(1000 TREES)(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		09/1999		09/2000		09/2001
Area Planted	40100	40100	0	40000	0	4000
Area Harvested	40000	40000	0	39950	0	39952
Bearing Trees	14200	14200	0	14100	0	14102
Non-Bearing Trees	20	20	0	10	0	8
Total Trees	14220	14220	0	14110	0	14110
Beginning Stocks	3823	3623	4923	5123	0	5323
Production	14550	17000	0	15200	0	14800
Imports	2000	2000	0	2500	0	2600
TOTAL SUPPLY	20373	22623	4923	22823	0	22723
Exports	1600	2800	0	2500	0	2800
Domestic Consumption	13850	14700	0	15000	0	15500
Ending Stocks	4923	5123	0	5323	0	4423
TOTAL DISTRIBUTION	20373	22623	0	22823	0	22723

**Almonds, Shelled Basis, Import Trade Matrix**

Import Trade Matrix			
Country	Greece		
Commodity	Almonds, Shelled Basis		
Time period		Units:	
Imports for:	1997		1998
U.S.	2174	U.S.	1129
Others		Others	
>EU Total	839	>EU Total	883
Spain	654	Spain	693
Other EU	92	France	78
France	93	U.K.	52
Bulgaria	153	Other EU	60
Total for Others	992		883
Others not Listed			27
Grand Total	3166		2039

**Almonds, Shelled Basis, Export Trade Matrix**

Export Trade Matrix			
Country	Greece		
Commodity	Almonds, Shelled Basis		
Time period		Units:	
Exports for:	1997		1998
U.S.		U.S.	
Others		Others	
>EU Total	656	>EU Total	579
Sweden	216	Sweden	305
Germany	131	Italy	145
Italy	186	Other EU	129
Other EU	123	Cyprus	50
Cyprus	140	Bulgaria	40
Serbia	34	Serbia	34
Bulgaria	5		
Total for Others	835		703
Others not Listed	41		17
Grand Total	876		<b>720</b>

**Pistachios, In shell Basis, PS&D Table**

PSD Table						
Country	Greece					
Commodity	Pistachios, Inshell Basis				(HA)(1000 TREES)(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		09/1999		09/2000		09/2001
Area Planted	5238	5238	0	5258	0	5251
Area Harvested	5110	5110	0	5112	0	5110
Bearing Trees	1470	1470	0	1450	0	1470
Non-Bearing Trees	55	55	0	52	0	30
Total Trees	1525	1525	0	1502	0	1500
Beginning Stocks	439	439	739	739	0	1070
Production	6000	6000	0	6500	0	5800
Imports	2300	2300	0	2000	0	2000
TOTAL SUPPLY	8739	8739	739	9239	0	8870
Exports	650	650	0	800	0	500
Domestic Consumption	7350	7350	0	7369	0	7380
Ending Stocks	739	739	0	1070	0	990
TOTAL DISTRIBUTION	8739	8739	0	9239	0	8870

**Pistachio, In shell Basis, Import Trade Matrix**

Import Trade Matrix			
Country	Greece		
Commodity	Pistachios, In shell Basis		
Time period		Units:	
Imports for:	1997		1998
U.S.		U.S.	
Others		Others	
>EU Total	933	>EU Total	1078
Germany	786	Germany	841
U.K	93	Bel + Lux	105
Other EU	54	Other EU	132
Iran	1847	Iran	491
		India	90
Total for Others	2780		1659
Others not Listed	14		55
Grand Total	2794		1714

**Pistachio, In shell Basis, Export Trade Matrix**

Export Trade Matrix			
Country	Greece		
Commodity	Pistachios, In shell Basis		
Time period		Units:	
Exports for:	1997		1998
U.S.		U.S.	
Others		Others	
>EU Total	351	>EU Total	206
Italy	144	Italy	110
France	96	Germany	73
Other EU	111	Other EU	23
Israel	98	Serbia	108
Cyprus	71	Cyprus	76
Serbia	68		
Total for Others	588		390
Others not Listed	115		56
Grand Total	703		446