CBI MARKET SURVEY

THE (ORGANIC) COFFEE, TEA AND COCOA MARKET IN GREECE

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Introduction
This CBI market survey gives exporters in developing countries information on some main developments in the (organic) coffee, tea and cocoa market in Greece. The information is complementary to the information provided in the CBI market survey 'The(organic) coffee, tea and cocoa market in the EU', which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from http://www.cbi.eu/marketinfo.

1. Market description: consumption and production

Consumption
Due to the interesting perspectives offered developing country exporters in organic and other certified markets for coffee, tea and cocoa these are given a particular focus in this survey. These markets grow faster, offer a premium, and traded volumes are smaller than in the conventional market. However, in Greece, the organic market is still very limited in size.

Coffee
- Greece is a medium-sized coffee consumer at 2% of total EU consumption (ICO, 2006).
- ICO statistics (2006) show an upward trend in total Greek coffee consumption, with an annual average increase of 12% over the years 2001-2005, amounting to 911 thousand bags (60 kilogram) in 2005.
- Per capita consumption shows the strongest increase in the EU, with an annual average growth of 12% for the period 2001-2005 amounting to 4.9 kg in 2005.

Tea
- Greece is a relatively small tea consumer in the EU, but the market is growing strongly, showing the biggest increase in tea consumption in the EU. The average annual increase was 21% between 2001 and 2005, amounting to a total tea consumption of 1,150 tonnes in 2005 (ITC, 2006). Per capita consumption remains limited at 0.23 kilo.

Cocoa
- The cocoa market in Greece is negligible, with an EU market share of 0.4%. However, ICCO statistics (2006) show a growing market with an annual average growth rate of 6.4% between 2001 and 2005, amounting to about 5.0 thousand tonnes for the cocoa year 2005/2006.
- Per capita consumption of chocolate confectionery in Greece is quite small at 2.5 kg on an annual basis.

Production
- Because of climatic conditions, no production of coffee, tea and cocoa beans takes place within the EU. Greece is fully dependent on imports of these products from other countries.
- Greece does have limited grinding activities as the country does not import cocoa beans. For information about grindings, please refer to the section consumption. Tea and coffee processing predominately takes place in the EU, and Greece itself has several (foreign) processors.

Trends

- Popular coffee products in Greece are the 'Greek' and instant coffee varieties. Drinking these types of coffee is part of traditional Greek culture.
- Organic is not mainstream in Greece. Organised marketing of organic products is just starting with marketing organisations emerging and expanding within the last few years.
- Organic food shops have opened during recent years in the large cities of Greece (Athens, Thessaloniki). Even some smaller cities now have organic shops.

Opportunities and threats

- Coffee is very popular in Greece, since it is part of Greek culture. Developing country exporters could find opportunities in this segment.

Useful sources

- International Trade Centre's coffee guide http://www.thecoffeeguide.org
- International Coffee Organization's Coffee Market Reports, online available at http://www.ico.org/show_doc_category.asp?id=2
- International Tea Committee's Annual Bulletin of Statistics 2006, which can be purchased at http://www.inttea.com/publications.asp
- An interesting source for information for cocoa is http://r0.unctad.org/infocomm/anglais/cocoa/sitemap.htm
- International Cocoa Organization at http://www.icco.org
- Fairtrade Labelling Organizations International coffee, tea and cocoa information at http://www.fairtrade.net/coffee.html or tea.html or cocoa.html

→ For more useful sources on consumption and production of coffee, tea and cocoa, please refer to the EU survey, Chapters 4 and 5.

2. Trade: imports and exports

Imports

- Greece is a small to medium importer of coffee, taking the 14th place in the EU and accounting for 1.3% of total EU imports. Imports amounted to € 68 million / 33 thousand tonnes in 2005, signifying an annual increase of 8.8% in value and of 2.2% in volume between 2001 and 2005. Roasted and unroasted coffee together account for around half of total coffee imports. However, whereas unroasted coffee is showing little growth, imports of roasted coffee have increased by more than 20% annually.
- Because roasted coffee is becoming more prominent in Greek imports, and roasted coffee is largely sourced in EU countries, the share of developing countries in Greek imports decreased from 64% in 2001 to 47% in 2005.
- According to ICO, Greece is a relatively small importer of organic coffee, with import volume amounting to 96 tonnes in 2005. The only developing country supplier was Brazil, accounting for all organic coffee imported.
- Considering its size, Greece is a really small importer of tea, only accounting for 0.6% of EU tea imports. However, imports increased strongly by 10% amounting to € 4.3 million / 1.2 thousand tonnes in 2005. Especially green tea imports increased strongly by 21% annually in the review period, amounting to € 481 thousand / 150 tonnes.
- Developing countries account for an import market share of 22%, which is below the EU average. Greece mainly imports its tea from Germany (37%). Imports from France, now accounting for a market share of 21%, increased strongly by 116% annually between 2001 and 2005. The main developing country supplier is Sri Lanka (11%), from which imports increased by 27% annually.
- Greece is a small importer of cocoa products, occupying between the 13th and the 14th place in the EU. Imports of coca beans amounted to € 7.6 million / 5.3 thousand tonnes, of cocoa paste to € 3.7 million / 1.9 thousand tonnes, and of cocoa powder to € 6.5 million / 4.1 thousand tonnes.

- Between 2001 and 2005, imports of cocoa beans increased in value (+7%), but imports in volume decreased fast (-28%). Powder (-5% value/-44% volume) showed a much less favourable image. Only imports of paste (+6%) performed well.
- In contrast to other EU countries, developing countries play a more limited role in the supply of beans (24% of imports). Developing countries play a more important role for paste (52%), but are of very limited importance for powder (2%).

Exports
- Greek exports of coffee are very limited, amounting to € 4.0 million / 2.3 thousand tonnes, and mostly directed towards surrounding countries.
- Tea exports are negligible and decreased by 27.6% annually between 2001 and 2005, totalling € 195 thousand / 30 tonnes in 2005.
- Greece does not export cocoa beans, and exports of cocoa paste are negligible. Exports of cocoa powder are very limited, amounting to € 0.5 million, mainly to Balkan countries.

Opportunities and threats
- Greece does not seem to be an interesting market for developing country suppliers as imports of the three commodities are limited and developing countries hold a small share in Greek imports.

Useful sources
- EU Expanding Exports Helpdesk - http://export-help.cec.eu.int/
- Eurostat – official statistical office of the EU - http://epp.eurostat.cec.eu.int

3. Trade structure

- The three product groups discussed are each distributed in a different manner. The trade structures for coffee and tea share important characteristics, but also differ in, for example, the role of warehouses and auctions. Particularly the cocoa trade, with its three main products of cocoa beans, paste and powder and its industrial focus, has an entirely different trade structure.
- In general, traders are the most important trade channel for all three products for developing country producers, but in certain cases local agents of EU buyers, or EU processors can also be an interesting channel. For organic products, the main organic traders, mostly located in Germany and The Netherlands are, probably the most important trade channel.
- With respect to organic products, a lot of the big supermarkets chains in Greece have installed an "organic corner", usually together with health products. Most of the products, however, are imported. Therefore, the price of organic products in supermarkets is usually very high (about double the conventional price). Supermarkets with organic sections are mainly located in large cities, where purchasing power tends to be higher and where trends are first unfolding.
- Key players in the coffee, tea and cocoa market in Greece are:
- Nestlé Hellas AS (http://www.nestle.gr)
- Kraft Foods Hellas (http://www.kraftfoods.gr)
- *On-line company databases* for finding companies working in the coffee, tea and cocoa markets are: Food world: http://www.thefoodworld.com, and Europages: http://www.europages.com.
- *Business-to-business sources* include Agronetwork: http://www.agronetwork.com/global Organic Trade Services: http://www.organicts.com and IngridNet: http://www.ingridnet.com
- For additional sources please refer to the EU survey.

4. Prices

- As the prices for coffee, tea and cocoa are world market prices, Greek prices should show limited deviation from those prices (except in case of extra transport/re-export costs for example). However, prices of coffee, tea and cocoa (products) provided in the market survey covering the EU should be used as a reference point only, because prices are to a large degree dependent on origin, buyer preferences regarding quality, order size etc. established during contract negotiations.
- Prices for coffee, tea and cocoa are volatile, but where for cocoa and coffee a (more) favourable market price is predicted, tea prices have declined in real terms and the outlook is not as favourable.
- Premiums for organic coffee, tea and cocoa beans and cocoa products are still well above the conventional price. However, for coffee and tea they have been decreasing due to increasing supply. Furthermore, for tea, due to changes in tea consumption and trends, organic production is not always compatible with current demand.
- Fair Trade, with additional premiums above minimum prices for conventional and organic coffee, tea and cocoa also plays a role, especially for coffee.
- Important sources for price information are firstly the international commodity organisations such as the International Coffee Organisation (http://www.ico.org), the International Tea Committee (http://www.inttea.com), and the International Cocoa Organisation (http://www.icco.org).
- Furthermore, publications such as Public Ledger, International Coffee Report, and World Tea Markets Monthly (http://www.agra-net.com) are of importance.
- Lastly, the future markets LIFFE (http://www.liffecommodities.com) and New York Board of Trade (NYBT) (http://www.csce.com/) provide real-time future quotes.

5. Market access requirements

- Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country's government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns.
- For more information, go to 'Search CBI database' at http://www.cbi.eu/marketinfo
- Information on import tariffs, please refer to the Taric Homepage at http://europa.eu.int/comm/taxation_customs/dds/en/tarhome.htm
- For more information on VAT rates please refer to the Directorate General XXI at http://europa.eu.int/comm/taxation_customs/common/publications/info_docs/taxation/index_en.htm

6. Business practices

For information on business practices in Greece, please refer to the following sources.

Trade Associations

- The Federation of Hellenic Food Industry (SEVT): http://www.sevt.gr
- Union of Hellenic Chambers of Commerce and Industry: http://www.hellenic-swedishcc.gr provides a range of other sources.
- Hellenic Association of Chocolate Industries: mailto:choc@hol.gr
- Bio-Hellas, organic certification body: http://www.bio-hellas.gr
- DIO, organic certification body: http://www.dionet.gr

Trade press

- Gefsi: http://www.gefsi.gr/
- Market Zoom: http://www.marketzoom.gr/
- Trofima & Pota: http://www.triaina.com/EN/TandP/subscriptions/subscribe.htm

Trade fairs

- Detrop (Food, beverages, machinery and equipment):
- http://www.helexpo.gr/portal/default.aspx?lang=en-US&loc=gr&page=312
- Trofima & Pota – Greece's largest food sector trade fair http://www.cma-greece.gr

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