



#EU
AgriFood
Days

AGRICULTURAL OUTLOOK

Sowing the Future of EU Agriculture



Medium term outlook of DG AGRI
Tomato Market Observatory

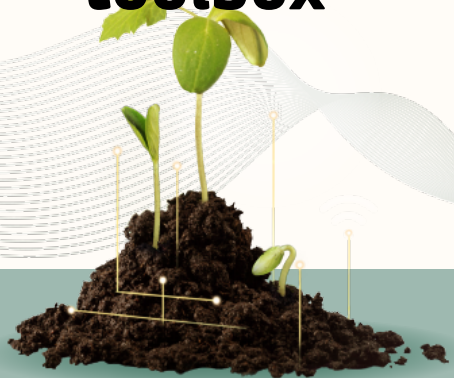
21 June 2024



European
Commission

Short-Term Outlook

- **WHAT?** Short-term and up-to-date analysis of EU agricultural markets
- **HOW?** In-house markets' expertise from different units ("outlook groups")
- **WHY?** Contribution to **more transparency** in market developments worldwide; part of the **EU market crisis preparedness toolbox**



Medium-Term Outlook

- **WHAT?** Assessment of the likely developments in the current policy framework and under alternative scenarios
- **HOW?** In-house markets' expertise from different units ("outlook groups") + co-operation with JRC & ADMEMOD
- **WHY?** Support to **an evidence-based policy-making**; used for **impact assessments**

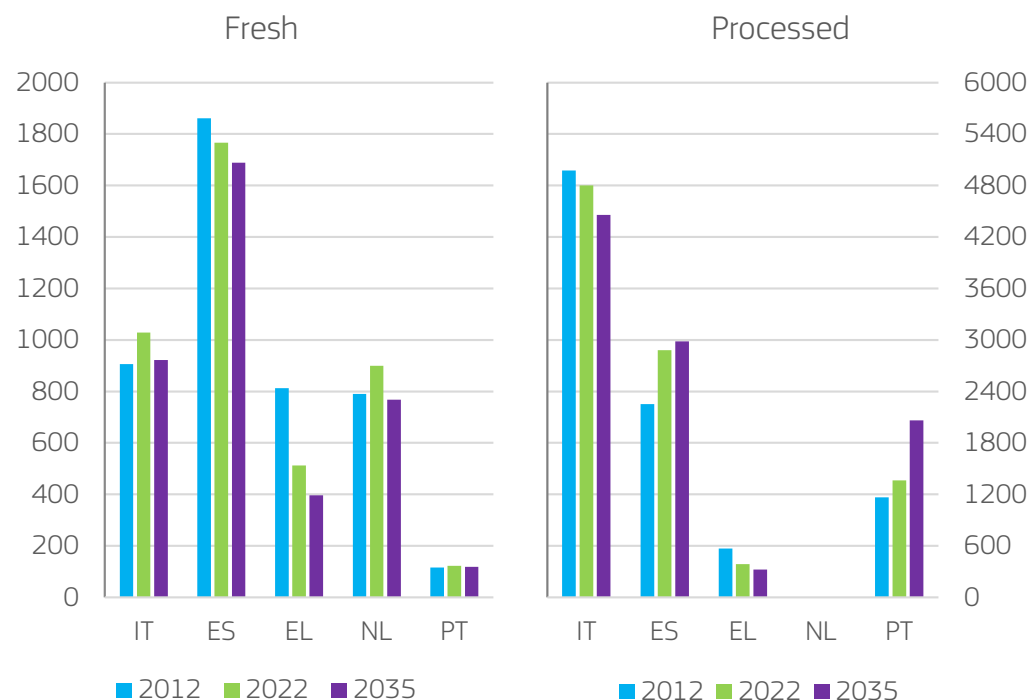
Medium-Term Outlook

- **Tomatoes included since 2016** (then just 1 paragraph)
- **Now part of F&V chapter** (together with apples, oranges, peaches and nectarines)
- Done in collaboration with **AGMEMOD** team for a closer look at the supply and use developments for **individual EU Member States**, focus on tomatoes in 2020 and 2023



MTO 2023: Supply side - Mixed picture

GRAPH 5.13 Production of tomatoes (1 000 t) in the main EU producing countries

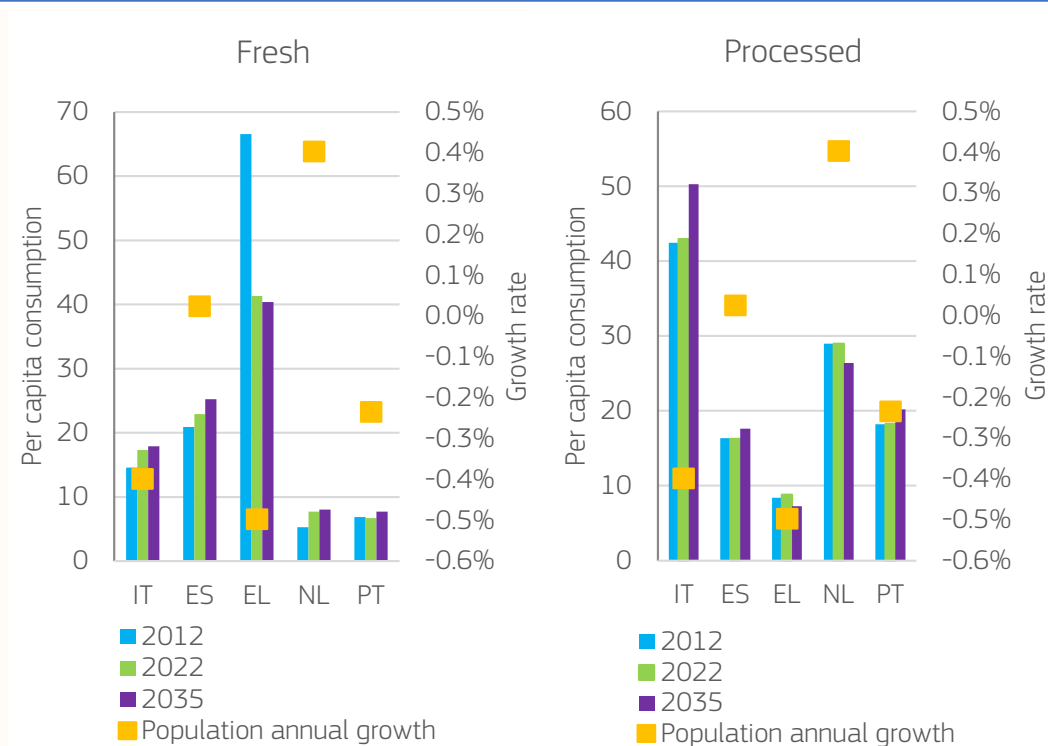


- **Tomato production for fresh consumption** in the main EU producing countries is expected to **decline**.
- Declines are **driven by climate change, water shortages, high energy costs, and pesticide use limitations**; pest outbreaks could further reduce yields and increase production costs.
- **High energy costs** are a short-term factor in the decline, though costs have been falling recently.
- Long-term declines are likely due to **climate change reducing cultivated areas**.
- **Production of tomatoes for processing** is expected to **increase** in Portugal and Spain, driven by higher yields and expanded cultivation areas due to significant investments.



MTO 2023: Demand side is changing

GRAPH 5.14 Per capita consumption of tomatoes (kg) and population growth (%) in the main EU producing countries

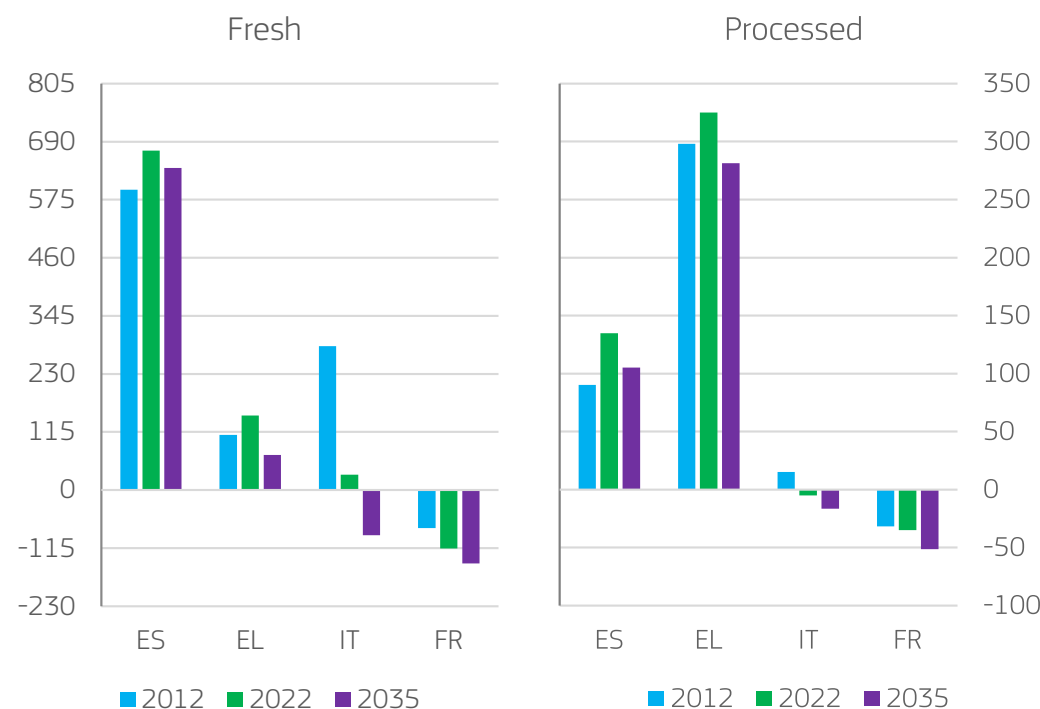


- **Fresh tomato consumption** is shifting towards **small-sized varieties**, which have lower yields.
- From 2022-2035, per capita **fresh tomato consumption** is expected to **rise in Spain, Italy, the Netherlands, and Portugal** by 0.2%-1.1% annually.
- Per capita **consumption of processed tomato products** is projected to **decline in Greece and the Netherlands** by -1.4% and -0.7% per year, respectively.
- **Tomato paste consumption is increasing** in some countries due to the demand for prepared meals like pizza.



MTO 2023: Trade developments

GRAPH 5.15 Net trade (exports-imports) development of processed tomatoes (1 000 t) in the main EU producing countries



- **The EU is expected to remain a net importer of fresh tomatoes.**
- Increasing global competition might lead some EU tomato growers **to switch to other crops.**
- Non-EU tomato producers will face similar challenges such as pests and climate change.
- **The EU is expected to remain a strong net exporter of processed tomatoes**, particularly high-value products like peeled tomato sauces.
- **Spain and Portugal** will continue to be **key players** in the export of processed tomatoes.



MTO Questionnaire

- **Key tool** to gather market knowledge
- Individual replies are **confidential** and not shared anywhere, the results of the questionnaires are **aggregated** and analyzed
- **Timing:**
 - June-July: questionnaire launched / replies by end August
 - September/October: results used as an input for MTO exercise
 - October/November: tomato balance sheet shared for comments
 - December: MTO report published



MTO Questionnaire: examples of questions

- How would the EU **area** and **yields** of the tomatoes change in the next 10 years?
- What is your opinion on **production** level of tomatoes in the EU in the next 10 years?
- How would the EU **consumption** of tomatoes change in the next 10 years?
- How is the EU **trade** of tomatoes expected to change in the next 10 years?

Reply: *Significant decrease / Moderate decrease / Stable / Moderate increase / Significant increase*

- Which **factors** will drive this change?

Reply:



Useful links

- MTO reports: https://agriculture.ec.europa.eu/data-and-analysis/markets/outlook/medium-term_en
- STO reports: https://agriculture.ec.europa.eu/data-and-analysis/markets/outlook/short-term_en
- STO interactive balance sheets: <https://agridata.ec.europa.eu/extensions/DataPortal/short-term-outlook.html>
- Estimated MS balance sheets: https://datam.jrc.ec.europa.eu/datam/mashup/PROD_TRADE_USE/
- Food supply and security dashboard: <https://agridata.ec.europa.eu/extensions/DataPortal/food-supply-security.html>

