Meeting summary

24 June 2020

The second meeting of the tomatoes sub-group of the Fruit and Vegetables Market Observatory (F&V MO) took place on 24 June 2020.

Experts presented the key numbers for the fresh tomatoes market in 2019: total production of 6,5M tonnes, 0,7M tonnes imported and 0,1M tonnes exported, giving a total internal market of 7M tonnes. Tomatoes from Morocco account for three quarters of the total imports and represent less than 7% of the consumption in the EU: some experts highlighted increasing competition with Morocco its exports to the EU increasing by 44% between 2011 and 2019 (and extending the marketing campaign to cover the whole year) while for example Spain had decreased by 12% over the same period.

The winter campaign for Spain was characterized by lower volume and lower prices, especially for round tomatoes and higher production costs due to the COVID-19 crisis. This resulted into average campaign prices below profitability thresholds for farmers. As a result, some producers in Spain are moving away from tomatoes in favour of peppers and cucumbers, while others are extending their production into the spring and summer months.

Concerning the Netherlands, the year 2019 was stable in terms of production (around 0,9M tonnes of which almost 0,8M during the summer campaign) and has been stabilizing since 2013 after a period of strong growth observed between 1998 and 2013. The consolidation trend is continuing with fewer and larger companies/growers: 90% of companies have an average size of 9 hectares or more. In terms of production there is a wider range of tomatoes (classic cherry tomatoes now representing only 10%) which is also linked to an increasing consumer trend for "tomatoes snack" in the Netherlands.

Experts then presented the processed tomatoes forecast for year 2020 which should be in line with 2019 at 10,3M tonnes i.e. 5.5% lower than the 2019-2015 average of 11M tonnes. This is in contrast with an increasing trend at global level with a forecast for 2020 of around 39M tonnes (4.2% increase from 2019) with the EU losing market share going down from 29% (average 2019-2015) to 27% (2020).

The Commission also presented its short term outlook which foresees for 2020 a stable total (fresh and processed) production at 16.5 M tonnes with expected decline of exports due to logistics problems and, for the processed tomatoes, due to a lower level of stocks.

The final point of discussion was the impact of the COVID-19 crises. In the Netherlands, the main consequence was the closure of the out-of-home market which represented 10% of the market in the Netherlands and between 15% and 20% in Germany and UK and hence a decrease in exports (-8% in total and -23% to the UK over week1 to week20). The other notable change in the Netherlands (and above all in Italy) was the request by retailers for prepacked products given consumer preference for these for sanitary reason and retailers for speeding the shopping process, in addition to additional costs at farms and packing stations for distancing measures, lowering the overall efficiency. Experts also noted that border checks intra-EU appear to have become more stringent, resulting recently in some blocks for vegetable shipments to Bulgaria due to excessive pesticide residues.

In France instead, very high prices for fresh tomatoes were reported during the peak of the COVID-19 crisis due to i) the invitation of French Agriculture Ministry to consume French products, ii) the difficulties in importing tomatoes and iii) national production/supply not being able to match an increasing demand.

Finally, with regards the processed tomatoes sector, the drop in Horeca sector is being compensated by the retail sector. Hence, barring some logistical problems, the sector was reported to be on track despite the COVID-19 crisis.