

Kick-off meeting summary

18 October 2019

- o The kick-off meeting of the Fruit and Vegetables Market Observatory (F&V MO), sub took place on 18 October 2019. It gathered representatives of the 12 members organisations of the F&V MO: AREFLH (Assemblée des Régions Européennes Fruitières, Légumières et Horticoles), CEJA (European Council of Young farmers), COGECA (General Confederation of Agricultural Cooperatives), COPA (Committee of Professional Agricultural Organisations), ECVC (European Coordination Via Campesina), EUCOFEL (FruitVegetablesEUROPE), Eurocommerce, FRESHFEL (European Fresh Produce Association), PROFEL (European Association of Fruit and Vegetable Processing Industries), TomatoEurope Processors Association), WAPA (World Apple and Pear Association), and WUWM (World Union of Wholesale Markets).
- o Director-General Plewa opened the kick-off meeting. He stressed the relevance of the F&V MO as a forum for discussion of market situation and developments, based on the recommendations of the Agri-Markets Task Force and the experience gained with the existing Observatories. Mr. Plewa also highlighted the importance of the F&F sector to supply the EU food markets and to contribute to the competitiveness of EU agricultural products worldwide.
- o Subsequently, the structure and functioning of the F&V MO was presented. The F&V MO includes an economic board and a dedicated website containing a large set of market that will be updated regularly. The economic board is formally a Commission expert group intended to give advice on economic factors affecting market developments, to provide market information and to assess the current market situation. The board is divided in sub-groups on tomatoes, citrus fruit, stone fruit and pip fruit. There was also a demonstration of the F&V MO website already online. Following that, the board adopted the rules of procedure.
- o The group exchanged views about available data sources and possible improvements, in particular a new application on trade in tomatoes and the current price monitoring at ex-packaging station. As regards prices, it was discussed whether to keep a "basket" of different varieties with a possible updating of their weights, or to set a single representative variety to monitor. Experts were asked to continue the reflection within their organisations.
- o For future meetings, experts were also requested to provide the F&V MO with information on harvest forecast and balance, assessment of the market situation, trade in main import platforms, market trends at retail or wholesale, and consumption.
- o The next item for discussion was the market situation for fresh and processing tomatoes. EU prices for fresh tomatoes were generally favourable in the summer of 2019, although with important differences according to the Member States. In this context, the lowest prices were recorded in Italy and the Netherlands. Prices dropped significantly in September. Recent floods in South-East Spain may have had an impact on the market situation.
- o As regards tomatoes for processing, the EU crop in 2019 increased by 8.1% compared to 2018. This was mainly due to the good production in Spain and Portugal. The world crop only grew by 5.6%. The trends seems to be towards stability of both EU and world production in line with the stabilisation of the global demand for raw materials for processing. This is related to the shift to less concentrated products, e.g. tomato paste with lower Brix, canned tomatoes, tomato sauces.
- o The mid-term outlook for 2030 reflects a slight decrease in the EU consumption of fresh tomatoes, mainly due to the shift towards small varieties, and a small increase of processed tomatoes, although at a lower pace than in recent years. EU trade projections for 2030 indicate increases in exports and imports of both fresh and processed tomatoes. Exports of fresh tomatoes will grow slightly compared with past years.
- o The next meetings of the F&V MO are scheduled for 13 November 2019 (citrus fruit), 17 December 2019 (pip fruit, date to be confirmed), and spring 2020 (stone fruit and tomatoes, dates to be confirmed).