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DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate G. Markets and Observatories

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DRAFT MINUTES

Meeting of the **"WORKING GROUP ON 'TOMATOES' OF THE CIVIL DIALOGUE GROUP ON "HORTICULTURE, OLIVES AND SPIRITS"**

Date: 22 June 2018

Chair: Commission (Mr GONZALEZ GARCIA)

Organisations present: All Organisations were present

1. Approval of the agenda (and of the minutes of previous meeting[1])

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

Balance winter campaign 2017-18

Productivity in Belgium and the Netherlands continued to increase steadily due to the installation of artificial lightening in glasshouses (90% in the latter Member State). The market situation was generally favourable until May. Prices dropped in June since the summer was the traditional export period to Russia. Production is more and more spread over the campaign.

Weak prices caused by low consumption were registered in France in April. Prices improved slightly in May as the weather became milder, but the market remained depressed.

The production area in Spain continued to decrease to 13 000 Ha. The summer heat delayed tomato plantations and harvest. This resulted in low supplies and high prices in autumn. Production recovered from January and prices dropped consequently. Spanish production overlapped with the Netherlands from the end of May. Slight production surpluses usually have a big impact on prices.

[1] If not adopted by written procedure (CIRCABC)

Hot temperatures in the summer affected production and triggered phytosanitary problems in Italy. There were low production volumes and favourable prices until December. Prices fell from January onwards as production increased. Competition from northern producer Member States is affecting the Italian market situation.

The start of the winter campaign was delayed in Morocco due to high summer temperatures. Cold weather in February affected product quality. Moroccan exports dropped to 488 000 tonnes. Russia is developing self-sufficiency and importing from Turkey again. The production area in Morocco decreased to 5 200 Ha. Round tomatoes are being replaced by berries in glasshouses (800 Ha in Agadir).

Forecast summer campaign 2018

A significant drop in the EU production of tomatoes for processing is forecasted for 2018, i.e. a 12.3% decrease compared to 2017. This is mainly due to a dramatic decline in the Spanish and Portuguese production by 22.4% and 19.6%, respectively. The Italian market remains stable and focuses on added-value products. Poland and Hungary have become important EU tomato processors.

The world production of tomatoes for processing is expected to decrease by 5.1%, compared to 2017. In particular, the Chinese production will drop sharply by 38.7%. On the other hand, a remarkable growth is forecasted for Ukraine (12%) and Russia (25%), which could hinder the competitiveness of EU tomato products.

It is likely that the production area of tomatoes for processing in the EU and worldwide will not increase in the coming years. This is due to the fact that the increase in world consumption of processed products is slowing down after several years of considerable growth. In addition, agricultural productivity has increased substantially and the world market tends towards tomato products with lower concentration of raw material.

Trade Analysis

Since 2014, EU imports of tomatoes have increased steadily while EU exports have decreased significantly. The internal market exchanges outnumber EU exports to third countries, i.e. 2.5 million tonnes and 135 000 tonnes in 2017, respectively. EU imports from Morocco are stabilised around 400 000 tonnes per year. Imports from Turkey increased dramatically to 100 000 tonnes in 2017.

Some experts expressed concern about the Brexit. In particular, the possible deduction of the UK share of the current EU tariff quotas was mentioned.

Within the Green Morocco Plan, a seawater desalination plant in Chtouka (South of Agadir) will irrigate 15 000 Ha of glasshouses, of which 5 000 Ha of tomatoes.

State of play of fruit and vegetable consumption in the EU

Consumption of fresh fruit and vegetables in the EU has declined in the last years and currently stands below the recommendations of the World Health Organisation of 400 gr per person per day. After a slight recovery observed in 2013 and 2014, the EU consumption stagnated in 2015 and 2016. The low consumption has a negative impact on human health, in particular on cardiovascular diseases, cancer and diabetes.

The main drivers of consumption were discussed. Household consumption is decreasing in the Netherlands while restaurants now account for 30% of total consumption. 56% of the expenditure is spent on miniature tomatoes. Quality, flavour, price and promotion were mentioned as key drivers. In this context, consumption decreased dramatically in Spain during the recent economic crisis.

A thematic network gathering different stakeholders has been launched to stimulate consumption. It will develop a joint statement on best practices and will act as a platform for sharing information to increase consumption.

4. Conclusions/recommendations/opinions

5. Next steps

6. Next meeting

The next meeting is scheduled for spring 2019 (date to be confirmed).

7. List of participants - Annex

(e-signed)

Jens SCHAPS

Director

List of participants– Minutes

FORECAST WORKING GROUP ON "TOMATOES"
Date: 22 June 2018

	MEMBER ORGANISATION	NAME OF REPRESENTATIVES
1	COPA/COGECA	APPELTANS Philippe
2	COPA/COGECA	FAULI Benjamin
3	COPA/COGECA	GONGORA BELMONTE Andrés
4	COPA/COGECA	ARETA Alvaro
5	COPA/COGECA	VAN DEN BERGH Wilco
6	Tomato Europe	BALDOLI Marco
7	Tomato Europe	CONFORTI Guido
8	SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations	BINARD Philippe
9	SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations	PATTE David
10	SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations	RIBES Henri
11	SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations	TRENTINI Luciano
12	SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations	VAN DER SYPT Veerle
13	EUCOFEL	RIDAO-BOULOUMIÉ Alba
14	FEPEX	POZANCOS JOSE MARIA
15	(EACCE) Etablissement Autonome de Contrôle et de Coordination des Exportations	CHAFAI Amine
16	(EACCE) Etablissement Autonome de Contrôle et de Coordination des Exportations	HARAKAT Hicham
	TOTAL	16