

THE WINTER CAMPAIGN FOR TOMATOES IN SPAIN

IMPACT OF THE CALCULATION METHOD FOR THE IMPORT VALUE FOR MOROCCAN TOMATOES

24 JUNIO 2020

SPAIN TOMATO CAMPAIGN BALANCE 2019/2020

- Less volume and lower prices, especially for round tomatoes.
- Higher production costs due to COVID-19 and labour.
- Increasing competition from Morocco.
- Average campaign prices below the farm profitability threshold of the holdings and the effective cost of production limit (effective cost of production = current costs)

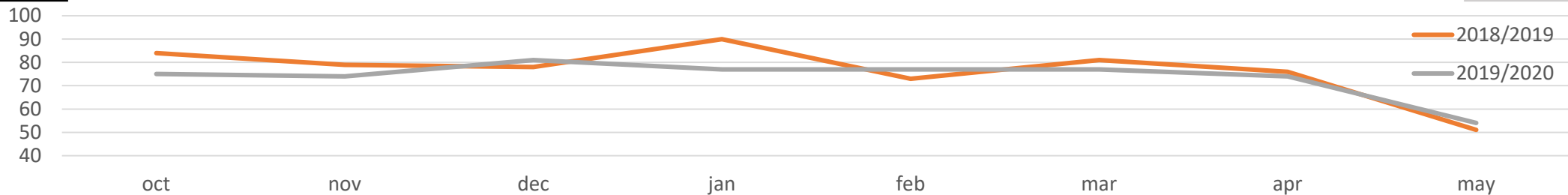
COMMUNITY IMPORTS OF TOMATO FROM SPAIN BY CAMPAIGNS AND MONTHS - TONS

	OCT	NOV	DEC	JAN	FEB	MAR	APRIL	MAY	TOTAL	TOTAL until april	%Dif
2017/2018	29.986	54.003	84.238	117.634	108.969	108.166	91.873	64.546	659.415	594.869	
2018/2019	36.893	54.904	80.723	103.197	110.068	112.725	90.092	52.640	641.241	588.602	-1,05
2019/2020	31.067	58.339	85.143	97.474	82.924	98.405	65.168			518.520	-11,91

Source: Eurostat (marzo y abril, Aduanas por estar incompleto en Eurostat)

SPANISH TOMATOES Prices (Source: Commission Tomato report) €/100 kgs

	OCT	NOV	DEC	JAN	FEB	MAR	APRIL	MAY	MEDIA
2018/2019	84	79	78	90	73	81	76	51	77
2019/2020	75	74	81	77	77	77	74	54	74



COMMUNITY IMPORTS OF MOROCCO'S TOMATO BY CAMPAIGNS AND MONTHS - TONS

	OCT	NOV	DEC	JAN	FEB	MAR	APRIL	MAY	TOTAL	TOTAL until april	%Dif
2017/2018	25.347	49.698	54.310	61.168	56.703	68.569	41.312	29.036	386.143	357.107	
2018/2019	39.410	50.132	63.746	65.741	66.559	64.658	54.522	21.325	426.095	404.768	13,35
2019/2020	35.540	61.523	67.224	70.913	69.224	57.829	48.189	21.832		432.274	6,80

Provisional
May 2

EVOLUTION of the tomato sector

- There are three major operators on the EU Community import market: Spain, the Netherlands, which are following a declining and stable trend, respectively and Morocco which is growing.

EXPORTS TO THE EU - TONNES

COUNTRY/YEAR	Year 2011	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	%2011/ 2019.
The Netherlands	971.931	973.988	1.038.168	1.015.092	1.006.969	942.133	956.357	959.836	949.501	-2
Spain	834.200	804.773	861.040	768.899	801.374	808.118	736.694	773.342	737.484	-12
Morocco	335.354	347.353	365.695	388.305	383.004	393.937	406.263	449.965	481.706	44

- Spain suffers from increasing competition from Morocco throughout the campaign, causing its shipments to the EU to continue a declining trend, as imports on the domestic market grow.
- Spain is importing tomato from Morocco in periods with very low prices. The only explanation is that Morocco's prices are even lower, 68,346 tonnes, imported directly in 2019 +10,089 tn origin Perpignan.
- All EU producers suffer from increasing competition from Morocco, which has extended its calendar to the full year.

EVOLUTION OF EU IMPORTS OF TOMATO FROM MOROCCO - TONNES

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2011	43.964	47.667	43.835	46.842	19.321	4.253	3.307	2.270	2.946	22.297	46.441	51.794	334.935
2012	55.317	51.786	53.977	35.839	21.660	5.687	3.233	2.367	2.222	17.543	49.229	42.484	341.342
2013	48.510	42.256	61.687	46.043	29.456	6.940	5.178	4.463	3.660	14.829	42.559	60.116	365.695
2014	54.917	51.462	70.426	48.225	15.760	5.591	5.331	3.480	4.476	22.973	54.951	50.308	387.899
2015	46.506	50.757	58.529	41.980	24.009	6.720	5.164	4.268	4.984	32.656	52.749	54.655	382.975
2016	58.694	53.786	65.573	39.399	21.091	8.609	7.421	6.554	5.582	18.886	48.114	60.044	393.753
2017	53.038	57.575	65.509	51.590	20.876	8.900	7.104	6.137	6.179	25.290	49.484	54.216	405.897
2018	61.168	56.449	68.569	41.312	29.036	11.867	9.514	7.633	10.874	39.410	50.132	63.746	449.711
2019	65.741	66.559	64.658	54.522	21.325	12.064	10.885	9.740	11.925	35.540	61.523	67.224	481.706
2020	70.913	78.873	68.249	48.189									266.225
%Dif 2019/2011.	50	40	48	16	10	184	229	329	305	59	32	30	44

INSUFFICIENT INFORMATION ON MOROCCO'S TOMATO PRICES

- The Commission monitors the Community prices for round and cherry tomatoes in all Member States, while reliable monitoring of Morocco's round and cherry tomato prices is lacking.
- The standard import value does not differentiate between round and cherry tomatoes, with the sector lacking reliable information on the quotes of these products from Morocco.
- Available sources reflect a large disparity in Moroccan tomato quotes. For example, according to the data used for the calculation of the import value on 4 March Perpignan transmitted a value of EUR 114.03 to 100 kgs. Paris-Rungis 69.38 and Madrid 27.25.

ARTICLE 4 OF PROTOCOL I TO THE ASSOCIATION AGREEMENT BETWEEN THE EUROPEAN UNION AND MOROCCO

- According to Article 4 of Protocol I to the Agreement, concessions on ad valorem and specific duties under Articles 2 and 3 are intended to maintain the level of traditional Moroccan exports to the European Union and to avoid disruptions of Community markets.
- Since the entry into force of the Agreement, Moroccan tomato exports to the EU have continued to trend 44%, and growth continued in 2020.
- One of the causes is the modification of the method of calculating the flat-rate import value, including cherry tomato, without considering that the conventional entry price was set, taking as a reference exclusively the price of the round tomato.

SPAIN IMPORTS OF TOMATE FROM MOROCCO - TONS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total	& Dif.
2.017	6.439	5.890	7.655	5.620	1.818	1.182	1.122	600	1.228	3.836	6.432	6.603	48.425	
2.018	7.014	7.207	8.407	4.921	3.817	1.365	1.054	899	2.690	7.092	8.890	9.981	63.337	31
2.019	10.042	8.205	8.747	6.247	2.454	1.256	969	1.109	2.026	6.632	10.647	10.013	68.346	8
2.020	11.184	12.345	10.861	8.338									42.728	29

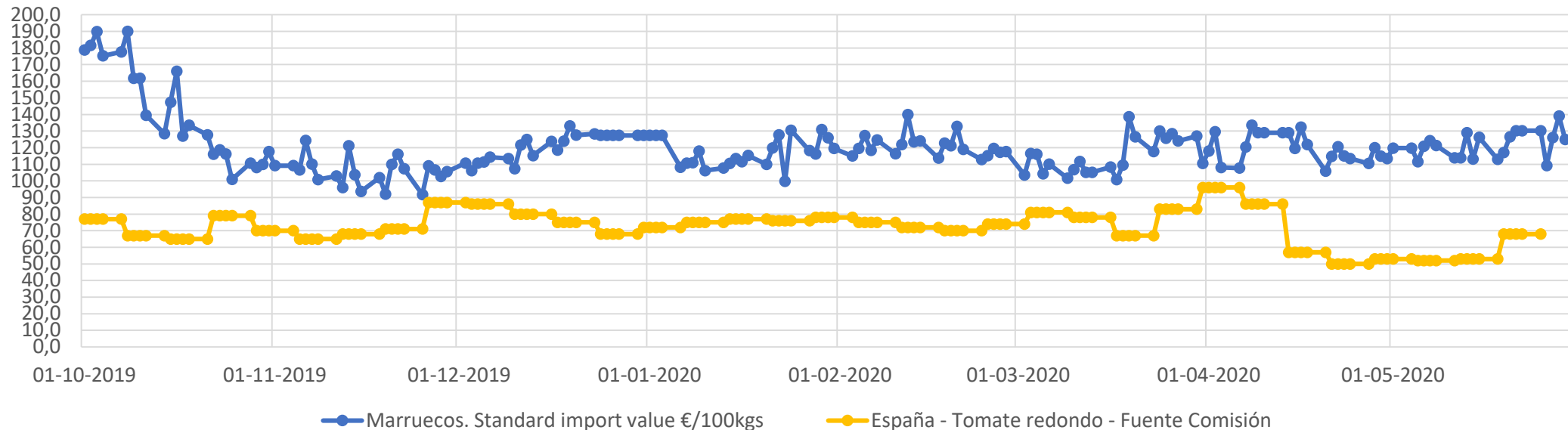
CONCLUSION

- Morocco's flat-rate tomato import values do not reflect the reality of the markets

EVOLUTION OF THE VALUE OF THE HIGH-RISE IMPORT VALUE TOMATO FROM MOROCCO AND AVERAGE PRICES OF ROUND TOMATO SPAIN - CAMPAIGN 2019/2020

100kgs

Source: COMMISSION MARKET REPORT TOMATO



PROPOSALS

- It is necessary to modify the method of calculating the flat-rate import value of Moroccan tomatoes, taking only the prices of round tomato
- It is necessary to establish a pricing method that reflects the reality of Community markets