EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate G. Markets and Observatories
G.2. Wine, spirits and horticultural products

Brussels,
DDG3/G2 JG/pmc (2017) 6495134

DRAFT MINUTES

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

Date: 16/10/2017

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 summer campaign 2017

Slight production increase of around 1% was registered in Belgium and the Netherlands. Diversification of production continues with more small varieties in NL. Prices were low between May and July, which was the traditional period of exports to Russia. Producers are trying to grow tomatoes all year-round by planting at earlier dates and by extending the summer campaign through the winter.

Production decreased by 3% in France. Low temperatures in June and July affected both demand and prices. The trend is towards valuable varieties such as traditional and organic specialities. There are strong investments in glasshouses and electrical cogeneration.

The winter campaign in Spain was delayed and extended through the summer. Although the cultivation area was reduced, production increased by 18% due to mild winter temperatures. High production in May prompted a decrease in prices. Experts found it

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

difficult to ensure supplies throughout the year in Spain and mentioned the negative impact of the recent drought.

Italy registered a decrease in production by 3%. Hot temperatures in the summer advanced production and prompted virus diseases. Prices were generally good during the campaign.

The production of tomatoes for processing in the EU reached 11.0 million tonnes i.e. an increase by 2.9% compared with the previous season. This growth was mainly driven by Spain and Portugal, which account for 44.1% of the EU production. The EU's share of world production is steadily increasing and now amounts to 29.6%. The challenge is to create added value while keeping similar volumes of production. World production declined by 2%, in particular by 16% in California due to severe drought and adjustment of production. Significant growth was registered in Russia and Ukraine driven by strong investments. Representatives of the EU processing industry were in favour of the mandatory indication of EU / Non-EU origin of raw tomato in processed products.

Forecast winter campaign 2017-18

Higher winter production is forecasted in the Netherlands (8%) and in Belgium. This is partly due to the extension of the summer campaign. Cherry and organic varieties are on the increase, although some experts pointed out problems of interpretation of the legislation on organic products in the Netherlands. Mild weather facilitated consumption and prices improved in September.

A 5% decrease in production is expected in Spain. Plantations were delayed due to heat waves in the summer. Supplies were low in October with good prices. Some experts warned of the possible overlapping of Spanish production with other Member States, which could result in concentration of supplies in January and February. A certain recovery in production areas has been observed. Producers who abandoned tomato cultivation last season are returning and now focus on vine and organic varieties. Yet they are reluctant to grow cherry tomatoes due to high labour costs.

Production in Italy is expected to drop significantly by 20%. The season started with limited production volumes and favourable prices. Plantations were rather delayed because of hot temperatures. Production is expected to reach normal levels in November. There is an increasing share of vine and cherry tomatoes. Competition from Northern Member States and Eastern European countries is growing.

Very hot summer and severe drought delayed plantations in Morocco and will affect production. There is a slight increase in production areas, i.e. from 5 000 to 5 200 Ha. Production is expected to remain relatively stable this season (1% decrease expected). The trend towards cultivation of berries (raspberries, blueberries) for export to the EU is confirmed.

Trade analysis - Possible impact of the Brexit on the EU fruit and vegetable sector

The UK is the second destination of intra-EU trade of tomatoes with 330 000 tonnes. It accounts for 13% of intra-EU imports. The Netherlands and Spain export to the UK 15% of their intra-EU exports, i.e. 162 000 and 138 000 tonnes, respectively.

Some experts explained that the Brexit could further saturate the EU market, increase administrative burden, create TBT and phytosanitary barriers, and raise customs duties.

All this creates considerable uncertainty for the EU sector. In addition, there could be a possible negative impact of the exchange rate of the Sterling Pound on UK consumption.

4. CONCLUSIONS/RECOMMENDATIONS/OPINIONS

5. NEXT STEPS

6. NEXT MEETING

The next meeting is scheduled for spring 2018 (date to be confirmed).

7. LIST OF PARTICIPANTS - ANNEX

e-signed
João ONOFRE
Head of Unit

List of participants – Minutes

FORECAST WORKING GROUP ON "TOMATOES"
Date: 16/10/2017

	MEMBER ORGANISATION	NAME OF REPRESENTATIVES
1	PRODUCTEURS	APPELTANS PHILIPPE
2	COMMERCE	BINARD PHILIPPE
3	INDUSTRIES	CONFORTI GUIDO
4	PRODUCTEURS	CORBALAN JUAN
5	PRODUCTEURS	GONGORA ANDRÈS
6	PRODUCTEURS	KLAASSEN AD
7	INDUSTRIES	RUTSAERT ALINE
8	COMMERCE	TRANTINI LUCIANO
9	PRODUCTEURS	VILA BRUNO
10	COMMERCE	RIDAO ALBA
11	COMMERCE	HARAKAT HICHAM
12	COMMERCE	CHAFAI AMINE
13	IND.	BALDOLI MARCO
14		
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	TOTAL	13