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Meeting summary

29 June 2022

A meeting of the tomatoes sub-group of the F&V Market Observatory took place on 29 June 2022.

In 2021, the EU tomato market accounted for about 7,5 million tonnes, of which about 7,2 million tonnes of estimated (and provisional) internal EU production, about 0,7 million tonnes of imports from third countries and about 0,38 million tonnes of exports towards third countries. Morocco was the first importer in the EU, with a share of 67,29% of total imports and 6,33% of tomatoes marketed within the EU. From 10/21 to 05/22 (period of Moroccan tariff quota imports), wholesale prices for EU origin had been higher than Moroccan origin which have been higher than the entry price.

In Spain, the volume of the last 2021-22 winter campaign (1,1 million tonnes) decreased compared to 2020-21 season (1,3 million tonnes). Planted surface also saw a decreasing trend: 11.450 ha in the last season 2021-22 against 12.050 ha in the season 2020-21. Round tomatoes were the most produced ones and represented 30% of the volume, again with a decreasing tendency. The winter campaign faced some difficulties with low prices at the beginning and a recovery in the first months of 2022.

In the Netherlands, at producer-level the winter season (10/21-04/22) saw half of volumes produced (80 thousand tonnes) compared to the previous one (160 thousand tonnes) mainly due to the ongoing energy crisis. Among all varieties, vine tomatoes were the most produced ones (about 90% of the total). The share of the organic production was stable (2%) and was not expected to increase in the future. Due to the electricity co-generation system in the country, farmers chose to use no or half of the light or to sell the electricity instead of using it for greenhouse cultivation. The reduction in the use of light and of planted greenhouses (600 ha vs 800 ha the previous season), the increase in inputs costs and the predilection for small varieties (less yield per hectare), explained the decrease of production. Due to this, prices were slightly higher, however in a context of severe increase of costs. The sector also saw an increase of operative costs and a labour shortage. At retail level, following two exceptional turnovers in 2020 and 2021, 2022 prices are expected to go back to normal (-15%), with low competition (the Dutch production accounts for 90% of the market), increase of costs, high inflation, reduction of sold volumes and decrease of consumption. In Q1/22, nevertheless, retail prices were 25% higher than last season.

In France, the situation of the summer campaign was characterised by less crops in heated greenhouses, globally with a lower production from March to May compared to previous years. The co-generation system was a mean to compensate the increase of gas cost, even if insufficient. The French law banning plastic packaging had an impact on the increase of input costs. Organic products saw a surplus and regression of the market, since supermarkets not able to sell them tended to do it as conventional products. So far forecasts for the season saw a good commercial development, also thanks to the ban of French organic tomatoes from heated greenhouses before the 1st of May at production stage on the French market.

The 2021 EU production of tomatoes for processing exceeded the forecasts, with an extremely favourable season particularly in Italy, Iberian Peninsula and France (11,8 million tonnes in total, +18% compared to 2020). Forecasts for the current 2022 season are lower at 10,1 million tonnes (-14% than last year, -6,4% than the average 2016-21) due to lack of water for irrigation and to the planting of competitive crops with good prices for producers. A further possible revision downwards is expected in the next months. Despite the conflict in Ukraine lowered its production capacity, the world production was expected to be almost stable thanks to China's return to full production. There was still uncertainty as to whether the market would be able to absorb increases of costs once products that had incorporated 2022 production ones would be available on the market in Q3/22. The levels of stocks are estimated almost at zero. The organic production was stable compared to the decreasing rest of production.

Regarding sales at retail level, the average food inflation in the EU was at about 7,4% (April 2022). In France, the inflation is at 4,7% for fresh vegetables and at 3,6% for fresh fruits, with retailers trying to absorb the increase in prices. Despite a decrease of fresh food sales compared to 2021, tomatoes ones have been stable in the recent period favoured by weather conditions. In Italy in 2021, F&V expenses decreased of 1,8% and tomato-based products of 5,1% compared to 2020 (when they increased respectively by 9% and 13% compared to 2019). In Spain, from March to June 2022 the consumption of F&V was almost stable (decrease of 0,5%) with an increase in prices of around 5%. In general, volumes, values and prices of organic products saw a decrease, but without a common overall trend across the EU.

The next meeting of the tomatoes sub-group of the F&V Market Observatory is foreseen for 21 October 2022.