Meeting summary

9 October 2020

The third meeting of the tomatoes sub-group of the Fruit and Vegetables Market Observatory (F&V MO) took place on 9 October 2020.

The meeting started with a discussion on processed tomatoes with the experts presenting the 2020 productions forecasts estimated at 9.9M tonnes (revised downwards from 10.4M tonnes due to recent bad weather events in the Iberian peninsula). This would represent a decrease of 4% from 2019 (Italy + 6% with both Spain and Portugal at around – 15%) and around - 8% from the average of previous 5 years. With world production estimated at 38.3M tonnes (+2% YoY) the EU market share will decline from 28% to 26%. The experts indicated that the decrease in the EU for this year is mainly imputable to bad weather events and not to structural problems in the sector and hence they foresee a stable production in the future.

Moreover, the current low level of stocks of finished products (estimated for June at around one third of the average of previous 5 years) indicates an equilibrium in the market for this year. The Commission welcomes the industry efforts to have precise stock levels as more precise data will eventually allow the industry to better calibrate production in a given year and avoid extreme situations of surplus or deficit production. This is expected in turn to benefit both the farmers and the industry.

With regards to fresh tomatoes, the experts presented the data concerning the 2020 Spanish fresh tomatoes production split in different periods: summer (June-September), 1st winter period (October-December) and 2nd winter period (January-May) signalling that the timing of production is changing and this is due not so much to a changing climate but mainly due to moving the production to periods that are more profitable. Also it was noted that while the surface for the summer harvest is on the rise, the trend of surface reduction in both winter periods is confirmed given increasing competition from Morocco and the choice to move to other (more profitable) vegetables.

The discussion moved to consumer prices where previously observed trends as a result of the sanitary crisis are being confirmed: i) high prices and volumes for F&V in Europe; ii) preference for pre-packed products and iii) channel substitution with retail compensating the loss in HORECA. Experts also mentioned that the increase in prices was not only due to increase in demand but also to higher logistical costs along the supply chain due to new sanitary measures.

The Commission then presented an update on the state of play of implementation of the transparency Regulation which will require, inter-alia, the notification by MS of farm gate and retail buying prices as from 1 January 2021. The experts welcomed this important exercise warning however that hiccups and delays are to be expected.

The Commission also presented the idea with the experts of changing the way to calculate the average EU price for the fresh tomatoes for reporting purposes only. As a matter of fact the current weights of the different varieties (round, vine and cherry) used in the calculation don’t reflect the reality of the market which has evolved towards more vine and cherry and less round tomatoes.

As last point on the agenda, an external consultant, was invited to present their preliminary work on long-term outlook (2030) for both fresh and processed tomatoes at Member State level to which the experts were invited to provide feedback.

Finally, the Commission invited the experts to participate to an online questionnaire on unfair trading practices (UTPs) with deadline end of January 2021. The responses and the feedback will allow the Commission to build on a robust baseline in view of the evaluation of UTP Directive.