Market Outlook

Marijke van Schagen, DG Agriculture and Rural Development,
Unit C.2 – Analysis and Outlook

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Forecasts and projections

- Short term outlook
  - Published 3 x a year (early spring, early summer and early autumn) – tomatoes not always included
  - https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/markets/outlook/short-term_en
- Medium term outlook
  - Published 1 x a year
  - Trends agricultural markets are expected to follow until 2030 in a given macro-economic environment were policies remain unchanged
  - Based on assumptions regarding macro-economic conditions, agricultural and trade policy environment, international market developments and weather conditions
  - https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/markets/outlook/medium-term_en

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Publications

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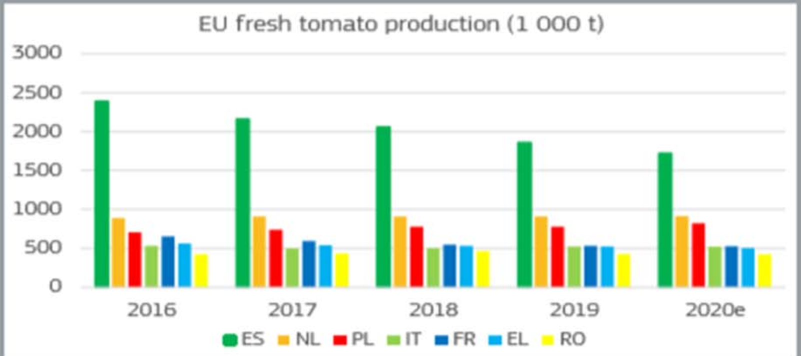
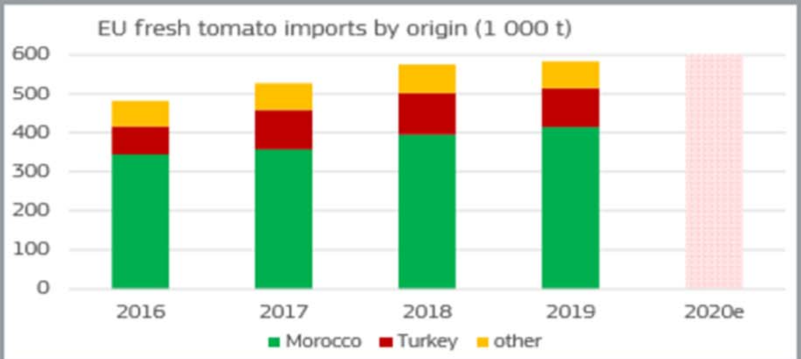
Short Term Outlook Summer 2020

Tomatoes



Source: DG Agriculture and Rural Development, based on Eurostat and Tomato Wolrd Processing Council.



Source: DG Agriculture and Rural Development, based on Eurostat

Steady decline in production of fresh tomato

- **EU production of fresh tomato** is expected to **decrease by 2%** in 2020 driven by a decline of production in ES (-7%), the largest producing country. ES tomato producers switch to the production of more profitable greenhouse vegetables.
- By contrast, production in PL is due to increase thanks to further investments in greenhouse production. Production in other EU countries should overall be stable: decreasing yields due to a further focus on the production on smaller-sized and high value-added tomatoes should be balanced out by the extension of the duration of the winter production.
- The **EU production of tomatoes for processing**, following a long-term cyclical trend, is expected to **increase by 1%** in 2020.
- This should result in an overall stable EU tomato production in 2020.

Turkey gaining share in fresh tomato imports

- **Covid-19 measures stopped the demand in foodservice,** affecting in particular the demand for round tomatoes; and pushing prices down. At the same time, home consumption in particular of small-sized tomatoes increased. On balance, the **EU consumption of fresh tomatoes** is expected to **slightly decline in 2020** (-1%/2019).
- **EU exports of fresh tomatoes** were down by almost 20% in January-April due to Covid-19 measures (logistical problems and increased transport costs) but have been dynamic since then. Overall, in 2020 a **decline of 7%** is expected (-13%/5-year average).
- **EU imports of fresh tomatoes** are expected to **continue to increase** in 2020 (+3%/2019,+11%/5-year average). Whereas Morocco accounts by far for the largest share of imports (71% in 2019), imports from Turkey (17% of EU imports) were in January-April 37% above imports in the same period last year. Imports from Morocco rose only by 3%, being more affected by Covid-19-related logistic difficulties.

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Tomato market balance sheet – Statistical Annex to Short Term Outlook

TOMATOES

Table 1.17 EU-27 tomato market balance sheets (1 000 t)

	EU-27					% variation			
	2016	2017	2018	2019	2020e	19/18	2019 vs 5-yr av*	20/19	2020 vs 5-yr av*
Production (total)	**17 491**	**17 565**	**15 935**	**16 524**	**16 299**	**3.7**	**-2.6**	**-1.4**	**-4.2**
Production (fresh)	**6 751**	**6 460**	**6 443**	**6 196**	**6 092**	**-3.8**	**-4.9**	**-1.7**	**-5.5**
Imports	481	528	576	583	621	1.3	17.5	6.5	14.7
Exports	522	492	482	459	430	-4.8	-15.9	-6.4	-12.1
Consumption (fresh)	6 710	6 496	6 536	6 320	6 283	-3.3	-2.2	-0.6	-3.6
per capita (fresh) EU (kg)	15	15	15	14	14	-3.5	-2.9	-0.6	-3.9
Production (processing)	**10 740**	**11 105**	**9 492**	**10 327**	**10 207**	**8.8**	**-1.2**	**-1.2**	**-2.0**
of which ES,IT, PT	9 728.4	10 104.0	8 648.0	9 411.0	9 250.0	8.8	-0.7	-1.7	-2.4
other EU countries	**1 012**	**1 001**	**844**	**916**	**957**	**8.6**	**-6.2**	**4.5**	**1.5**
Imports (fresh equivalent)	2 739	2 166	2 082	2 131	1 961	2.4	-7.9	-8.0	-14.0
Exports (fresh equivalent)	4 085	4 169	4 392	4 612	4 397	5.0	14.3	-4.7	1.9
Consumption (processing)	**9 395**	**9 102**	**7 182**	**7 846**	**7 771**	**9.3**	**-10.1**	**-1.0**	**-7.3**
per capita (processing) EU (kg)	21.1	20.4	16.0	17.5	17.3	9.1	-10.7	-1.0	-7.6
Self-sufficiency rate (processing) %	**114**	**122**	**132**	**132**	**131**				
Self-sufficiency rate (fresh) %	**101**	**99**	**99**	**98**	**97**				

** consumption also includes stock variation.*

Note: figures are in calendar year.

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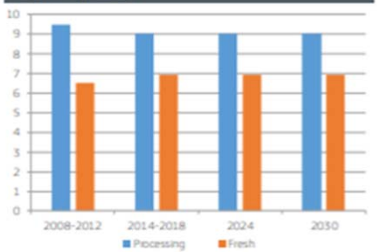
Medium Term Outlook 2019 -2030

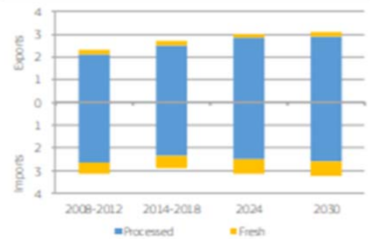
TOMATOES

GRAPH 6.13 EU production of tomatoes for fresh consumption and for processing (million t)



GRAPH 6.14 EU per capita consumption of fresh and processed tomatoes (kg fresh tomato equivalent)

GRAPH 6.15 EU trade of fresh and processed tomatoes, including inward processing (million t fresh equivalent)



EU tomato production stable but with more added value

By 2030, the EU's production of fresh tomatoes is expected to remain stable compared to the 2014-2018 trimmed average, at around 7 million t. The increasing yield driven by the extension of the production seasons is partly offset by an increasing share of small tomatoes and other varieties of higher added value with lower volumes produced (e.g. cherry and cocktail tomatoes).

By contrast, the EU's production of tomatoes for processing, which is a separate production stream, is expected to increase by 0.3% per year over the outlook period. The growth is expected to be mainly driven by increasing yields, particularly in the main traditional producing countries (Spain, Italy and Portugal) as well as in Poland.

Slightly increasing demand for processed tomatoes

The EU per capita consumption of fresh tomatoes is expected to remain stable in absolute value (around 14 kg), but with an increasing share of small tomatoes and other varieties with higher added value.

The apparent per capita consumption of processed tomatoes, is expected to slightly increase to 21 kg by 2030 (in fresh tomato equivalent; +0.3% per year). This growth is mainly driven by increasing demand for convenience food and processed foodstuffs such as prepared meals.

Improved quality driving EU export growth

EU exports of fresh tomatoes are expected to increase over the outlook period (+3.6% per year). Imports of fresh tomatoes have significantly increased over the last decade (+3% per year) and are due to continue to grow but at a slower pace (+1% per year). The growth will come in particular from Morocco, which already accounted for 80% of total EU imports in 2018. The significant out-of-quota imports shows that Morocco's potential to export more to the EU depends on their capacity to increase production and on the current competition between tomatoes and more lucrative products in Morocco (such as berries).

The EU has been a net exporter of processed tomatoes since 2017. Italy is projected to maintain this position, with expected growth of exports to be stronger (+0.9% per year) than the growth of imports (0.7% per year).

TABLE 9.40 EU tomatoes market balance (1 000 t fresh equivalent)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2025	2030
Production (total)	14 919	14 378	16 654	18 422	17 848	17 983	16 223	16 744	17 517	17 677	17 839
Production (fresh)	6 483	6 873	6 884	7 271	7 108	6 807	6 726	6 855	6 923	6 923	6 923
Apparent consumption (fresh)	6 663	6 950	7 071	7 550	7 474	7 246	7 237	7 365	7 435	7 403	7 363
per capita (kg)	13.2	13.7	14.0	14.9	14.7	14.2	14.2	14.4	14.5	14.4	14.3
Imports (fresh)	445	441	488	481	525	570	628	629	630	635	640
Exports (fresh)	265	364	301	202	159	131	117	118	118	155	200
Production (for processing)	8 436	7 505	9 770	11 151	10 740	11 177	9 497	9 890	10 594	10 754	10 916
Apparent consumption (processed)	8 860	7 199	9 807	11 295	11 071	10 863	8 997	8 750	10 178	10 396	10 616
per capita (kg)	17.5	14.2	19.4	22.3	21.8	21.3	17.6	17.1	19.9	20.2	20.7
Imports (processed)	2 621	2 171	2 280	2 537	2 966	2 245	2 178	2 413	2 430	2 515	2 600
Exports (processed)	2 198	2 477	2 243	2 393	2 636	2 559	2 678	3 553	2 845	2 873	2 900

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The 2020 EU Agricultural Outlook Conference

https://www.agri-outlook-conference.eu/

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Data sources used for market balances and outlook

- Production: World Processing Tomato Council
- Area: Eurostat (but...)
- Yield: Calculated
- Trade: Eurostat – Comext
- Apparent Consumption (including stock changes): calculated by production and trade data)
- Stock data: **very important** to improve tomato balances and projections!
- Prices: so far no data available
- **Further and timely market information would help us to extent and improve our work**.

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Thank you

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