

# OVERVIEW GLOBAL TOMATO MARKET

The mood on the European market is bleak. Traders in the Netherlands and Belgium are pessimistic about the pricing situation, although this is also not uncommon for the first weeks of a New Year. According to a Belgian trader, there is simply too much supply because all countries have had a good harvest, even though Spanish growers in Almeria have been dealing with various diseases. Italian growers are pleased with the start of the season. The mood is also positive in Morocco. In the US, the demand is limited due to the winter conditions, but the market is in balance. South African traders are looking forward to the end of the holiday season. The market is a "nightmare."

Tomatoes are in the ranking of the most consumed vegetables worldwide. 177 million tonnes of tomatoes were grown globally in 2016. This meant that production was almost 30% higher than ten years earlier. Approximately 5 million hectares of tomatoes have been planted all over the Earth. On average, 3.7 kilos per square metre are harvested from that acreage. The largest producers are China and India, although the yield in India is low and stands below 2.5 kg per square metre. This contrasts sharply with the yields that growers achieve in the US (9.03 kg/m<sup>2</sup>), Spain (8.62 kg/m<sup>2</sup>) and Morocco (8.08 kg/m<sup>2</sup>). The Dutch yield stands head and shoulders above the rest of the world, with an average of 50.7 kg/m<sup>2</sup>.

**[Traduction : Hortitecnews]**

## ***Maroc : les exportations des tomates ont augmenté grâce au soutien du gouvernement***

*Au cours des dernières décennies, le secteur de la tomate s'est énormément développé grâce à la modernisation des techniques et des matériaux utilisés. Les tomates sont l'une des cultures les plus importantes au Maroc. La superficie est de 18 642 hectares, avec une production de plus de 1,2 million de tonnes en 2016. Cela signifie que le secteur génère des milliers d'emplois dans ce pays d'Afrique du Nord, et grâce à l'exportation du produit, la tomate est un pilier important de l'économie du pays.*

*Le secteur de la tomate est divisé en trois parties. La production de serre précoce est principalement concentrée dans les régions de Souss-Massa. Ces tomates sont largement exportées vers l'UE, la Russie et le Canada. Les tomates de saison cultivées en plein champs dans les régions de Moulouya, Temara-Skhirat et Casablanca trouvent principalement leur place sur le marché local. La superficie des tomates plein champs a augmenté de 14% à 20% au cours des dix dernières années (depuis le début du Plan Maroc Vert). Le rendement est cependant resté stable.*

*La production saisonnière est beaucoup plus faible et les cultures sont principalement situées dans les régions côtières. Les ventes sont principalement concentrées sur le marché local. La production est restée stable depuis la campagne 2008-2009. Les tomates sont également cultivées pour la transformation industrielle. Ces cultures peuvent être trouvées dans les régions de Mèknes, Marrakech et Beni Mellal. Bien que la superficie ait fortement diminué ces dernières années, passant de 4 503 hectares à seulement 420 hectares, le rendement s'est considérablement amélioré.*

*Depuis l'annonce du Plan Maroc Vert, les exportations ont augmenté de 56%. En une décennie, les exportations sont passées de 344 000 tonnes à 537 000 tonnes. Le chiffre d'affaires en monnaie marocaine a augmenté de 139%, passant de 2,03 milliards de dirhams à 4,8 milliards de dirhams.*

### **Morocco: tomato exports increased thanks to government support**

In the past decades, the tomato sector has grown enormously thanks to the modernization of the techniques and materials used. Tomatoes are one of the most important crops in Morocco. The acreage stands at 18,642 hectares, with a production of more than 1.2 million tonnes in 2016. This means that the sector generates thousands of jobs in the North African country, and thanks to the product's export, tomato cultivation is an important pillar of the economy.

The tomato sector is divided into three parts. The early greenhouse production is mainly concentrated in the Souss-Massa and Doukkala-Abda regions. These tomatoes are widely exported to the EU, Russia and Canada. The early open-ground tomatoes from the regions of Moulouya, Temara-Skhirat and Casablanca mainly find their way to the domestic market. The acreage of the early tomatoes has expanded by between 14% and 20% in the past ten years (since the start of the Maroc Vert Plan). The yield, however, has remained stable.

The seasonal production is much smaller and the crops are mostly located in the coastal regions. Sales are mainly focused on the domestic market. Production has remained stable since the 2008-2009 campaign. Tomatoes are also grown for industrial processing. These crops can be found in the regions of Mèknes, Marrakech and Beni Mellal. Although the acreage has fallen sharply in recent years, from 4,503 hectares down to just 420 hectares, the yield has improved considerably.

Since the Plan Maroc Vert was announced, exports have increased by 56%. In a decade, exports have grown from 344,000 tonnes to 537,000 tonnes. Turnover in the Moroccan currency has increased by 139%, from 2.03 billion dirhams to 4.8 billion dirhams.

### **Turkey is considering opening its borders**

The rising prices in Turkey could lead to the country opening up its borders to imports. The government said last month that this option was on the table. In previous years, tomatoes have been imported from Turkish Cyprus, Romania and Ukraine. Following the boycott, Russia reopened the door. This year, Turkey will be able to export 50,000 tonnes to what was once its most important export destination. In 2016, the Turkish production stood at 12.6 million tonnes. Turkish consumers are not only concerned about prices, but also about quality. Due to the strict requirements that Russia sets, only the premium tomatoes can be shipped to that market. Due to the lack of a good control system for the domestic market, poor quality tomatoes can easily be sold on the Turkish market.

### **EU: Decreasing acreage, higher yield**

Despite the investments made to extend the season, the EU expects tomato production to remain stable. Thanks to segmentation, the value of the production is actually increasing. The EU produced around 18 million tonnes of tomatoes in the 2016/2017 campaign, 40% of which were sold on the fresh market. The remaining volume is processed by the industry. Together, Spain, Italy, the Netherlands, Poland and France account for 75% of the tomato production for fresh consumption. This distribution is different for the processing industry, with the Spanish, Italian and Portuguese productions being the most predominant. These countries supply 94% of the tomatoes for processing.

The production volume has not shown any real growth figures in recent years; in fact, an estimate reveals that the EU expects a 1.4% drop by 2030, although more money is being made in tomato cultivation. Thanks to the introduction of new varieties, especially in the snack and cocktail segment, the product's value in the chain has improved. In fact, it has grown by nearly 20% in France, Germany, Italy and Spain in the period from 2006 to 2016. And although the acreage is under pressure, the yield is improving thanks to the investments made to extend the season. The traditional summer campaign in the northern countries is being extended until the winter months, and the traditional winter season in the southern countries continues into the summer months.

On average, Europeans consume 15 kilos of tomatoes per year. That figure has not changed in recent years, but will be under pressure in the coming years. According to the estimates, consumption in 2030 will amount to 14.4 kilos per year per capita.

### **The Netherlands: unstable market**

In the Netherlands, the year started with the aftermath of Christmas, which was fine in itself, but prices fell immediately after the start of the year, and that decline has continued, so the prices are not good at the moment. The Dutch hail damage and the Spanish tornado have had little effect on this.

The tomato market in the Netherlands is currently very unstable. According to importers, suppliers want more money than the market allows at the moment. The price of Moroccan tomatoes has dropped in recent days and a further decline is expected. The demand for tomatoes is moderate, but that is not uncommon for the first weeks of the year. The prospect is for more kilos to arrive from Spain in the short term. As a result, the pressure on the plum tomato market will only increase. The market is also difficult for Spanish on the vine tomatoes due to the expanding acreage of lit on the vine tomatoes in the Netherlands and Belgium.

#### **Belgium: low prices**

According to a Belgian trader, there are "still a lot" of on the vine tomatoes on the market. Due to the mild winter weather, harvests are good everywhere in Europe and most countries have plenty of tomatoes from their own production. As a result, there is little demand for the Belgian products. Because of this, the on the vine tomatoes are far too cheap for the time of the year, with prices oscillating between € 1.15 and € 1.20 per kilo.

#### **France**

The country currently has little domestic production. The season usually runs from March to November. Imports are usually made in the other months.

#### **Germany welcomes transition to Spanish season**

The supply from Spain, Turkey and Morocco is slowly but surely dominating the German market. In contrast, Dutch imports are slowly declining. Due to the warm weather, the Dutch production is indeed great, but the quality decreases as the season develops, according to the German traders. Traders confirm that the prices of Spanish on the vine tomatoes are still a few percent below Dutch prices. The same applies to the cherry tomatoes. Furthermore, Spanish prices are also slightly lower compared to last year. According to the traders, however, these prices are still about above-average. This is due to the relatively cold period recorded last month in important growing areas, such as Murcia and Almeria. It is worth mentioning that the quality of Spanish tomatoes was very high last year.

In both Germany and Switzerland, retailers are still reluctant to sell loose tomatoes. Although trials have been carried out with the so-called Pick and Mix principle (mixing snack tomatoes themselves), which were especially well received in the big cities, the turnover is mainly determined by packaged items. Also, the amount of discards is also quite high, because the tomatoes are unprotected on the shelves.

### **UK: Largest tomato grower expands**

The largest British tomato grower has announced an expansion. The company is investing in a new greenhouse on the Isle of Wight, where more room will also be reserved for organic cultivation.

### **Polish tomato market likes pink**

The Polish consumer has a preference for regional products. Thanks to the advent of modern techniques and artificial light cultivation, this is now possible in Poland. Growers are committed to expanding the acreage. In addition to producing for the domestic market, Polish growers are looking to the west, where the German market beckons. However, it will take a month or two before the Polish season really kicks off. Until then, traders have been relying on imports from Spain, Turkey and Morocco to fill the gaps in the market. "The market is unstable at the moment, but that is often the case in January," explains a trader. With the problems in Spain, the market will not improve in the short term.

Traditionally, Polish consumers have cared about sizes and prices. Large tomatoes sold for low prices have usually enjoyed great popularity, but in recent years, the demand for specialties has also increased and taste is becoming more important. Pink tomatoes are doing especially well in the Polish market. A grower affirms that this year they expect to produce 25% more of this variety. The Polish consumer has more to spend thanks to economic growth, which explains this shift.

### **Sicily starts season with optimistic prospects**

The Sicilian season had a good start in November, with the prices for the red varieties, such as the cherry, datterino and piccadilly, being particularly good. The start of the season after the planting in September was delayed by 20 days. As a result, the season started with an empty market, which was reflected in good prices. The performance of green tomatoes, such as the costolute, is not as good. The supply from the island will peak next month, after which the season will continue with declining volumes until June.

A trader says that the competition from North Africa has not been strong this year, as these countries are facing their own problems. The Dutch season ends in November. The Spanish production is a "sword of Damocles, but we are used to that."

The prices in November and December oscillated between 1.80 and 2.20 Euro per kilo for the cherry tomatoes; the datterino reached a record 2.00-2.50 Euro per kilo and a peak of 3 Euro. The piccadilly stood at 1.20 to 1.80 Euro per kg. According to a grower, the supermarkets prefer the local produce

and, in general, the demand for specialties is on the rise. Internationally, Sicilian growers have devised a new approach that is particularly successful in Germany.

#### **China: rising production makes prices fall**

In 2017, prices in Shandong, the largest tomato-growing region in the country, were low. Prices fell due to increasing production and a limited supply of transport options. These transport restrictions are the result of stricter environmental requirements in the province. Moreover, the average temperature was higher in the whole country, which meant that production everywhere was greater.

#### **Spain: Disease pressure high in Almeria**

The growers in Almeria have suffered the impact of a lot of diseases this year, especially the whitefly and Tuta absoluta. According to some traders, this is the result of an ever faster growth of the organic acreage and climate change.

The growers with a small acreage (2-3 hectares), who account for about 80% of the sector in Almeria, decided to plant the tomatoes late to reduce disease pressure. Furthermore, it was colder than usual in October and November, which resulted in a late start of the season. "The few growers who were able to supply between September and November received good prices, but everything changed around Christmas, when the temperature rose to unusual levels, causing the production volume to peak," says a trader. Due to the reduction of the acreage, the situation will change again in the coming weeks. Growers are choosing to cultivate peppers rather than tomatoes. Also, Spanish exporters benefit from the gap left on the European market by the fact that Turkey and Morocco are focusing more on exporting to Russia. "It will be a good tomato year in terms of price," predicts a trader. The growers are planting more plum tomatoes with a high yield, long shelf life and a good taste.

#### **US: Good supply and stable market**

According to a trader, the supply is currently plentiful. There is domestic production available from Florida and Texas, as well as imports from Mexico. The demand is stable. "The supply and the demand are in balance in most cases. People don't go for salads with the cold and snow at this time of year," says a trader. The prices are under pressure because the supply from Mexico is arriving at a good pace. The Florida season was slightly delayed by the hurricanes in the autumn of 2017. Logistics costs are considerable for the traders. The rates for trucks usually rises in the run-up to Christmas, but unlike previous years, the tariffs have not really dropped afterwards.

### **South African market "a nightmare"**

The market is currently difficult, according to a trader. Due to the holiday season, the demand has fallen, although it is expected to pick up again with the end of the school holidays. The weather conditions have been ideal for growing, with not too much rain and a high temperature, which means there is some oversupply in the market. Last week was referred to as "a nightmare". The price for a 6 kilo box dropped as low as R10-R15 (0.60-1 Euro). Now it has gone up a little, but the huge supply has kept all prices under pressure anyway. Ripe tomatoes now yield 1 to 1.30 Euro and the greener tomatoes go for 1.30 to 2 Euro per 6 kilos.

### **Nigeria is the largest tomato grower in Africa**

With a production of 2.4 million tonnes per year, Nigeria may well be the largest tomato producer south of the Sahara. The West African country ranks thirteenth on a global scale. However, the sector faces great challenges in distribution, storage and cultivation.

### **Russia continues to build**

In Russia, the cultivation of greenhouse vegetables is growing steadily, especially that of tomatoes. In the past year, 150 hectares of high-tech horticultural greenhouses have already been launched and a similar figure is expected for the coming year. The Russian company Agrokultura has started expanding with a 27 hectare greenhouse that will be used for the propagation of young plants and the cultivation of cucumbers and tomatoes.

### **Central Asia is a growth market for greenhouse builders**

Although horticulture in these countries is still in its infancy and there is ample room for improvement, there is plenty of investment in new greenhouse complexes. Greenhouse builders are developing various projects in, among other countries, Georgia and Kazakhstan. The greenhouses are mainly used to grow tomatoes and cucumbers.

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