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Canada

Tomatoes and Products

Canadian Greenhouse Tomatoes

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Report Highlights:

In recent years, the Canadian greenhouse tomato industry has grown at a rate of more than 20 percent per year. Production is concentrated in Ontario, British Columbia and Quebec. The low value of the Canadian dollar has resulted in increased exports to the United States where market returns to Canadian growers exceed domestic market returns.

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Canadian Greenhouse Tomatoes

Canadian greenhouse tomato production is concentrated in Ontario, British Columbia and Quebec. Due to climatic conditions, the Canadian greenhouse industry is well developed and total greenhouse area in Canada is more than double that in the United States, according to industry sources.

Production

According to Statistics Canada, Canada produced 78,101 metric tons of greenhouse tomatoes from 241 hectares (595 acres) during 1997. This compared with field tomato production of 510,069 metric tons from 9,347 hectares (23,097 acres). In recent years, The Canadian greenhouse tomato industry has grown at a rate of more than 20 percent per year. According to Agriculture and Agri-Food Canada, both the Canadian and U.S. greenhouse tomato industries have made it a priority to promote the difference in quality between field grown and greenhouse tomatoes to obtain a higher price. Generally, consumers show preference for the superior flavor characteristics of greenhouse tomatoes.

Canada: Greenhouse Tomato Production, 1997		
Area in hectares		
Production in metric tons		
Province	Area	Production
Newfoundland	-	11
P.E.I.	*	*
Nova Scotia	3	870
New Brunswick	2	436
Quebec	57	11,762
Ontario	133	46,929
Manitoba	*	*
Saskatchewan	-	56
Alberta	5	1,497
British Columbia	38	16,298
	0	0
Canada Totals	241	78,101
* unpublished, incl. in totals		
Source: Statistics Canada; catalogue number 22-003-XIB, June 1998		

Technology and Investment

Canada's greenhouse tomato industry benefits from the expertise and the investment by immigrant Dutch farmers and through the transfer of modern greenhouse technologies from Holland. The Leamington region of Ontario, where the greenhouse industry is concentrated, is locally referred to as "Holland in North America". In turn, the area has attracted a sophisticated and competitive technical support and supply industry. The advanced development of the greenhouse industry in Canada has also been spurred by existing Canadian climatic conditions where the natural growing season is short and by increased exports to the United States given the elimination of U.S. tariffs under the FTA/NAFTA.

Research

Canada's greenhouse vegetable growers are supported by the largest greenhouse research center in North America at Harrow, Ontario. The research facility reportedly devotes half of its \$4.5 million annual budget to greenhouse research. There are 16 double polyethylene greenhouses and four glass greenhouses reflecting the trend to double polyethylene buildings in the industry in the past several years. According to the Ontario Greenhouse Vegetable Growers' Association, tomato and cucumber growers have reportedly contributed \$650,000 over the last 15 years through a research checkoff.

Availability

According to Agriculture and Agri-Food Canada, Canadian greenhouse tomatoes are available from March to December with peak production in May.

Prices

Much of the price advantage held by Canadian greenhouse tomatoes in U.S. markets is contributed by the prevailing exchange rate. Currently, the Canadian dollar is trading at about US65.00 cents. A Canadian shipper selling into the United States effectively receives about \$1.55 in Canadian funds for every dollar of U.S. market sales. As a further illustration of the advantage of the low Canadian dollar, if the price per carton on wholesale markets in Canada is \$C10.00, the same carton can be offered on a U.S. wholesale market for about \$US6.50 netting the Canadian exporter the same \$C10.00 obtained on the domestic market.

U.S./Canada wholesale market price comparisons are available on the Internet (see list at end of report). During the first week of October, 1998 the USDA's Agricultural Marketing Service reported that terminal prices at Boston for offerings of Ontario greenhouse tomatoes in 15 pound flats were \$US12.00 (equivalent to about \$C18.60 at current exchanges rates). Agriculture and Agri-Food Canada's Markets Information Service reported the Toronto wholesale market price for similar Xlarge, 15 lb. cartons at \$C14.00-16.00. This suggests that the current value of the Canadian currency (about \$US0.65) advances a market premium for Canadian exporters of Ontario greenhouse tomatoes of at least \$C2.60 per 15 lb. carton above their domestic market price.

U.S. Market Penetration

Official Canadian trade statistics do not differentiate between field-grown and greenhouse-grown tomatoes, but it is estimated that about 50 percent of total Canadian greenhouse tomato production is exported to the United States. Post estimates that the total U.S. fresh tomato market (production -exports +imports) is about 2.1 million metric tons. If Canada exports 50 percent of its greenhouse tomato production (50% X 78,000 mt), or about 39,000 metric tons, sales of Canadian greenhouse tomato exports to the United States represent

approximately 1.9 percent of total U.S. consumption. In contrast, fresh tomato imports from Mexico represent more than 30 percent of total U.S. consumption of fresh tomatoes according to the USITC.

U.S./Canada Tomato Trade

In total U.S./Canada fresh tomato (field and greenhouse) trade, Canada is net importer. During calendar year 1997, Canadian imports of fresh tomatoes from the United States reached 128,745 metric tons, valued at \$98.3 million. Canadian exports of fresh tomatoes to the United States in 1997 totaled 37,513 metric tons worth \$61.1 million.

Import Monitoring by the USITC

The U.S. International Trade Commission (ITC) issues reports on data it collects concerning imports of certain tomatoes. The ITC, is required by the North American Free Trade Agreement (NAFTA) Implementation Act to monitor imports of "fresh or chilled tomatoes" until January 1, 2009, so that it can be prepared to expedite a request for provisional relief under section 202 of the Trade Act of 1974 or section 302 of the NAFTA Implementation Act should a petition be filed that alleges that increased imports are causing serious injury to the U.S. tomato industry. The reports, which cover tomatoes for fresh-market use and for processing, include current conditions in the U.S. industry in such areas as production, imports, exports, and prices.

Copies of Monitoring of U.S. Imports of Tomatoes (Investigation 332-350, USITC Publication 3130, September 1998) are available on the ITC's Internet server at <http://www.usitc.gov>.

Web Sites:

USITC: <http://www.usitc.gov>

Agricultural Marketing Service: <http://www.ams.usda.gov>

Agriculture and Agri-Food Canada (infohort): http://www.agr.ca/misb/infohort/infohort_e.html

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