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Italy

Tomatoes and Products

Tomato Semi-Annual

2000

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Report Highlights: Total Italian tomato production in 1999 is preliminarily set at 6.7 million tons, or 8.5% more than in 1998, due to favorable weather conditions and increased acreage. Total production delivered to processors is set at 4.9 million tons or 12% above 1998 level. The large supplies and low prices led many processors to boost their production with MY 1999 stocks expected to increase 14% for tomato paste, and nearly three-fold for canned tomatoes over MY 1998 levels. The large stocks and low prices can be expected to support a 5-6% increase in exports of all tomato products.

Includes PSD changes: Yes
Includes Trade Matrix: No
Semi-Annual Report
, IT0004

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SECTION I. SITUATION AND OUTLOOK

Total Italian tomato production in 1999 is preliminarily set at 6.7 million tons or 8.5% more than in 1998. The increase is due both to an increased planted area and favorable weather conditions. Lacking a good mechanism to coordinate production and acreage within the sector, the Italian farmers over-anticipated an expected EU tomato quota increase and planted even more acres than forecast in our annual report (IT9024). Forecasts for total production for fresh consumption remain unchanged at 1.8 million tons, whereas tomatoes delivered to processors amounted to 4.9 million tons or 12% above 1998 level.

As a result, Italian production of tomato products for 1999/2000 is estimated as follows:

Tomato paste:	370,000 tons
Canned tomatoes:	1,984,000 tons
Tomato sauce:	47,000 tons

The large supply of tomatoes for processing resulted in a drop of prices with processors able to buy a large share of tomatoes on the free market at lower prices, which are estimated at least 20% (and possibly up to 40%) lower than the minimum price. The minimum price for San Marzano variety is about 9 cent/Kg and for Roma variety is about 6 cent/Kg. The minimum price is granted when a trade agreement is set between processors and producers.

The current price and quantity situation is favorable for the processing industry but is extremely negative for growers, who can be expected to cut back planted acres to previous levels. However, processors will also be affected by the large amount of stocks that will remain unsold. In addition to purchasing the tonnage of tomatoes obligated under the processor/producer agreements, many processors took advantage of the low-priced tomatoes and boosted their production. As a result, MY 1999 stocks are expected to increase 14% for tomato paste, and 282% for canned tomatoes over MY 1998. The large stocks and low prices can be expected to support a 5-6% increase in exports of all tomato products.

SECTION II. STATISTICAL TABLES

PS&D FRESH TOMATOES

PSD Table						
Country:	Italy					
Commodity:	Fresh Tomatoes					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		07/97		07/98		07/99
Plnt For Fresh Consump	40000	40000	40000	40000	40000	41000
Plnt For Processing	80000	80000	85000	85000	85000	89000
TOTAL Area Planted	120000	120000	125000	125000	125000	130000
Harv. For Fresh Cons.	38000	38000	38000	38000	38000	39000
Harv. For Processing	75000	75000	80000	80000	80000	84000
TOTAL Area Harvested	113000	113000	118000	118000	118000	123000
Fresh Sale Production	1800000	1800000	1800000	1800000	1800000	1800000
Processing Production	3520000	3520000	4372000	4372000	4400000	4900000
TOTAL Production	5320000	5320000	6172000	6172000	6200000	6700000
TOTAL SUPPLY	5320000	5320000	6172000	6172000	6200000	6700000

PS&D TOMATO PASTE

PSD Table						
Country:	Italy					
Commodity:	Tom. Paste,28-30% TSS Basis					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		07/97		07/98		07/99
Deliv. To Processors	1750000	1750000	2168000	2168000	2200000	2347000
Beginning Stocks	79000	79000	99000	99000	115000	115000
Production	280000	280000	330000	330000	335000	370000
Imports	84000	84000	60000	60000	50000	40000
TOTAL SUPPLY	443000	443000	489000	489000	500000	525000
Exports	270000	270000	300000	300000	310000	320000
Domestic Consumption	74000	74000	74000	74000	74000	74000
Ending Stocks	99000	99000	115000	115000	116000	131000
TOTAL DISTRIBUTION	443000	443000	489000	489000	500000	525000

PS&D CANNED TOMATOES

	Italy					
	Canned Tomatoes				(MT)(MT, Net Weight)	
		1997				
Deliv. To Processors	1770000	1770000	2000000	2204000	220000	2561000
Beginning Stocks	233000	254000	48000	86000	105000	113000
Production	1350000	1350000	1650000	1620000	1700000	1984000
Imports	5000	8000	7000	7000	6000	5000
TOTAL SUPPLY	1588000	1612000	1705000	1713000	1811000	2102000
Exports	700000	676000	730000	730000	740000	780000
Domestic Consumption	840000	850000	870000	870000	890000	890000
Ending Stocks	48000	86000	105000	113000	181000	432000
TOTAL DISTRIBUTION	1588000	1612000	1705000	1713000	1811000	2102000

Note: Due to the protected cells in the PS&D table, beginning stocks could not be updated in the "old" columns. As a result, ending stocks have changed in comparison to previously submitted reports.

TOMATO SAUCE

PSD Table						
Country:	Italy					
Commodity:	Tomato Sauce					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		07/97		07/98		07/99
Deliv. To Processors	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	45000	45000	47000	47000	49000	49000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	45000	45000	47000	47000	49000	49000
Exports	18000	18000	18000	18000	19000	19000
Domestic Consumption	27000	27000	29000	29000	30000	30000
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	45000	45000	47000	47000	49000	49000