Tomato market profile

1. Introduction

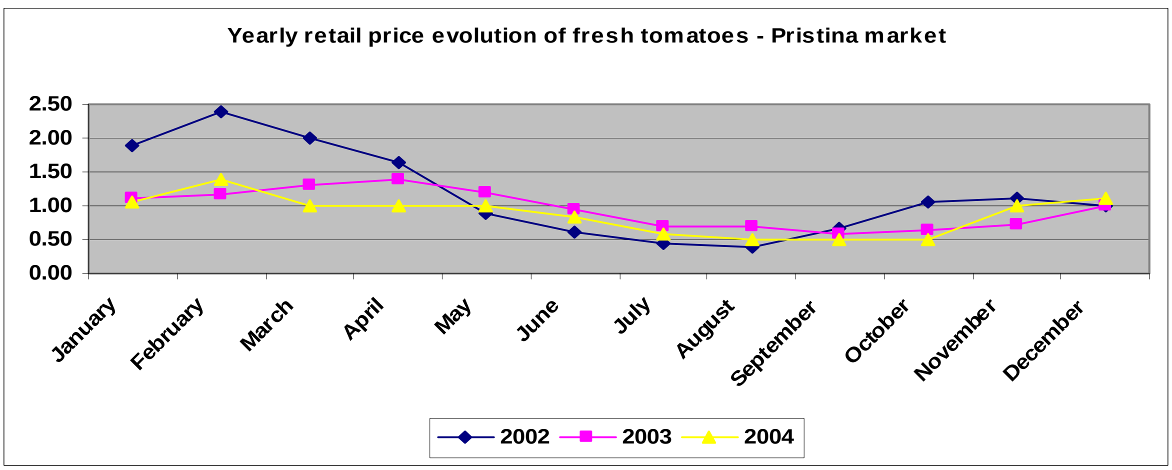
Tomato is the second most important vegetable crop in Kosovo - both in terms of production and consumption. It represented 15.9 %[1] of the total vegetable production in 2004 by weight. A consumption survey in 2001 indicated that it made up 16.7% of the average household consumption of fresh vegetables – at 3.7 kg/week.

2. Market volume

Market volume is difficult to estimate[2]. Household surveys in 2001[3] indicated a total consumption in Kosovo per year of 50,235 tonnes of fresh tomatoes (at 3.7 kg/wk/household) and 2,715 tonnes of processed tomatoes (at 0.2 kg/wk/household). The total market size is estimated at 52,950 tonnes[4].

Daily volumes of fresh tomatoes in Pristina wholesale[5] market during the off-season is approximately 50 tonnes. It then increases rapidly to a maximum of 80-100 t during the local harvest season. Pristina market represents 70% [6] of the total Kosovo market volume for fresh fruits and vegetables during the year.

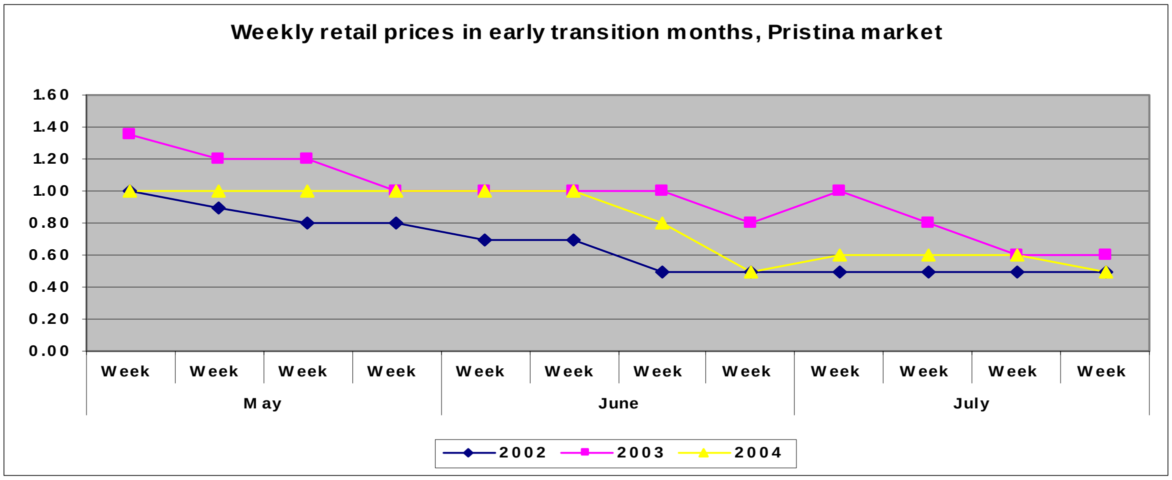
3. Retail prices of tomatoes - Pristina market

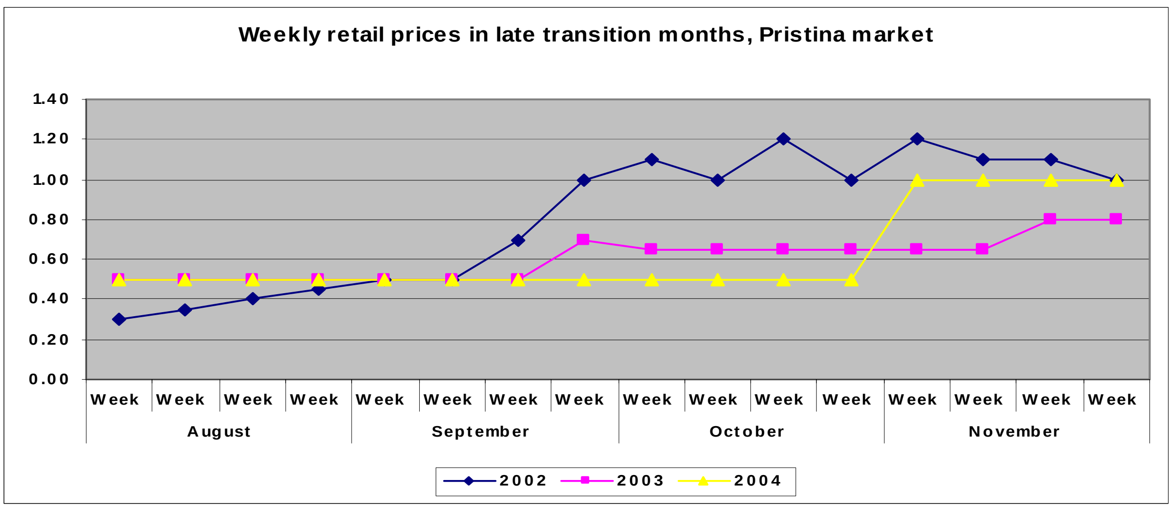


[1] MAFRD
[2] Large inconsistencies exist in this document regarding production and market volumes due to the different sources utilised.
[3] Consumption habits and purchasing behaviours of fruits and vegetables in Kosovo, September 2001, Intercooperation/SPHPK
[4] Calculation (consumption of fresh and processed tomatoes)
[5] Pristina wholesale market (rough estimation of traders)
[6] Pristina wholesale market (rough estimation of traders)

Source: "Monitorimi"- weekly price monitoring, SPHPK/Intercooperation

Retail prices tend to hover between €1.0 – 1.50/kg in the off-season (November to April) and descend to their minimum of around €0.50 in the full Kosovo production season (July to September). The transition months of May and June (with prices falling from €1.00 to 0.50) and October (with prices either at the minimum or the maximum level) appear to be periods that have potential for local producers to make maximum profits.





4. Origin of tomatoes offered in Kosova market by months

Turkey and Macedonia are the main sources of imports. Their relative importance throughout the year is indicated in the following table that also sheds light on the monthly evolution of prices and volumes.

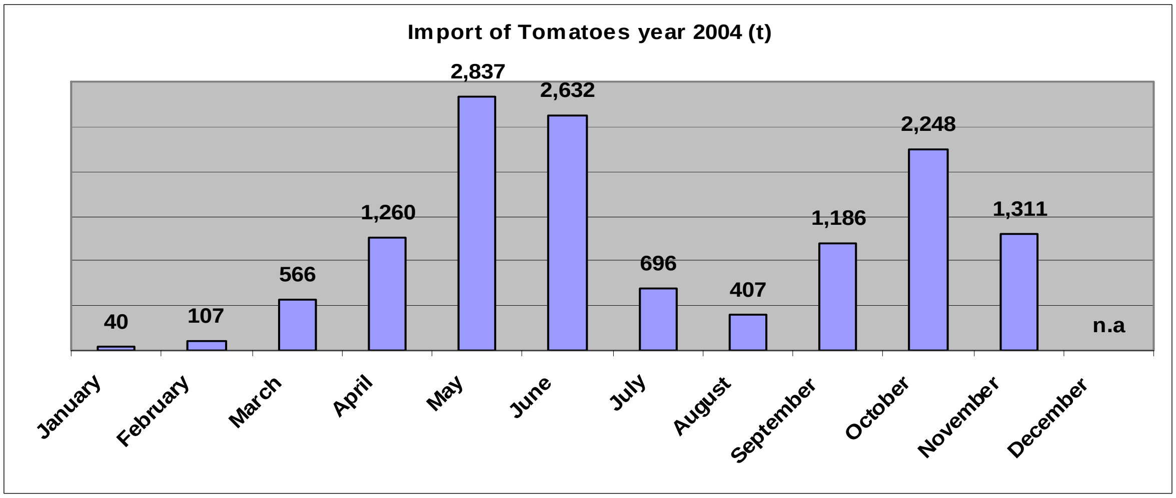
Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec
Tr	*Tr*	*Tr*	*Tr*	*Tr/Mc*	*Tr/Mc/Ks*	*Ks/Mc*	*Ks*	*Ks*	*Tr*	*Tr*	*Tr*

Abbreviations: Tr-Turkey**, Mc-**Macedonia**, Ks-**Kosova

Volumes tend to be low and prices high from *October to February* since produce is sourced from greenhouse production in Turkey although it has a reputation for tastelessness. Volumes start to increase, but with prices remaining constant, during *March and April* with the arrival of good-tasting tomatoes from Turkish open-field production. *May and June* are dominated by open-field production from Turkey and Macedonia – but with increasing competition from poly-house production in Kosovo. July to September is dominated by local open-field production during which prices are at a minimum but volumes greatly increased and much of the production not being sold through the main markets.

5. Import

Relatively reliable import data has only been available from January 2004[7]. The latest figures indicate that 13,290 tonnes[8] were imported in 2004 in the first 11 months with a declared cash value of €3,019,424.



Source: MAFRD-Office of Agricultural Statistics
Note: Figures for December are still not available

The main source countries are described below.

Turkey –Tomatoes are grown throughout Turkey but the bulk of production is concentrated in the regions of Marmara (western Turkey) and Aegean (south-western Turkey) where climatic conditions are nearly ideal. Recent trends in tomato production include increased use of greenhouses in the southern regions of Antalya and Hatay (Atakya) - the main sources of supply to Kosovo.

Macedonia – The main regions of protected cultivation of tomatoes are situated in the south, south-east and north-east. Of particular importance are Gevgelija (South) and the valleys of Strumica, Valandovo, and Bogdanci (South East).

Albania – The supply of tomatoes from Albania is relatively marginal compared to Turkey and Macedonia - mainly coming from the cities of Lushnje, Berat, Durres, Fier and Elbasan where protected cropping is concentrated.

6. Local production

According to MAFRD, more than 30,000 of tonnes of tomatoes[9] are produced annually in Kosovo – of which about 26,000 tonnes are for the fresh market and the rest for processing.

Fresh market tomatoes are produced by farmers all over Kosovo but concentrated pockets of early and normal season production exist in the southwest (Rahovec, Prizren and Gjakova mu-

[7] With the introduction of new custom codes.
[8] No distinction between tomatoes for fresh market and processing.
[9] MAFRD-Office of Agricultural Statistics

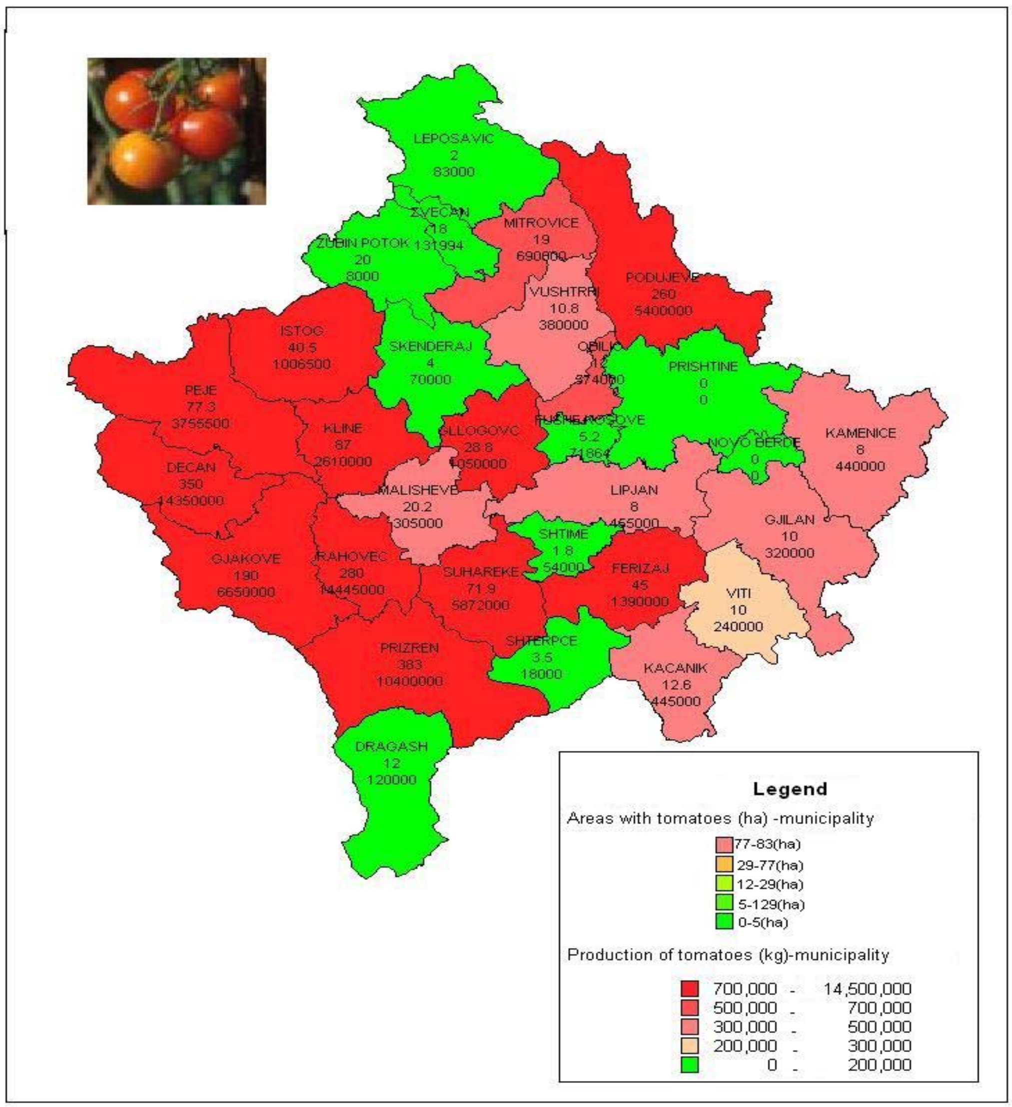
nicipalities); and normal and late season production in the southeast (Gjilan region) and northwest (Mitrovica and Pristina region). The earliest tomatoes are produced under plastic tunnels mainly in Prizren and Rahovec municipalities and marketed during the first week of June.

Tomatoes for processing were primarily grown in the southwest (Rahovec, Prizren and Gjakova municipalities) during 2004.

Description of seasonality of production in Kosovo is shown in the table below.

Month	June				July				August				September				October	
Week	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II
Seasonality	Early				Normal								Late					

Areas with tomatoes and production by municipalities



Source: MAFRD-Office of Agricultural Statistics

8. Product differentiation

Tomatoes are mainly sold in Kosovo by type rather than by variety due to the lack of consumers' awareness of different varieties. Consumers' preference is largely based on the high value they place on the old traditional variety called "Jabuchar"[10] – a beefsteak type - that is no longer produced. Consumers consider that post-war tomatoes are not nearly as flavourful as they were in the past – although this response came from a survey carried out during the off-season.

Fresh market tomatoes

Three types of tomatoes are available in the fresh market in Kosovo:

Truss – the tomatoes from Turkey - known also as the 'standard type' are imported between November and May. These have been bred to withstand transport over long distances and have a long shelf life but the flavour is considered poor.

Beefsteak – the type most preferred by the consumer. They are large, bright red, slightly elliptical and sweet. This is by far the most common type produced locally with the most popular being Amati F1 hybrid. In terms of colour, ripeness and taste the locally-grown tomatoes during the season from July up to mid September are far superior to those imported during the off-season.

Cherry tomatoes are about the size of large cherries and are mainly red – but sometimes yellow. They have been appearing in some supermarkets and retail shops in recent years and are mostly used by internationals and restaurants – the latter using it mainly in salads. Normal Kosovo households, however, rarely consume them. SPHPK carried out trials in both 2002 & 2003 but market acceptance was very low.

Tomatoes for processing

The local production of varieties bred specifically for processing or 'plum' varieties (e.g. Roma) is almost inexistent compared to the demand for this type by the processors. Local producers provide processors only those tomatoes produced for, but not sold to, the fresh market. These tomatoes are collected by the processing factories in Prizren. The tomato processing industry is primarily oriented to the production of tomato ketchup and canned tomato products. The raw material is mainly imported from neighbouring countries because of the low quantity and quality of local production.

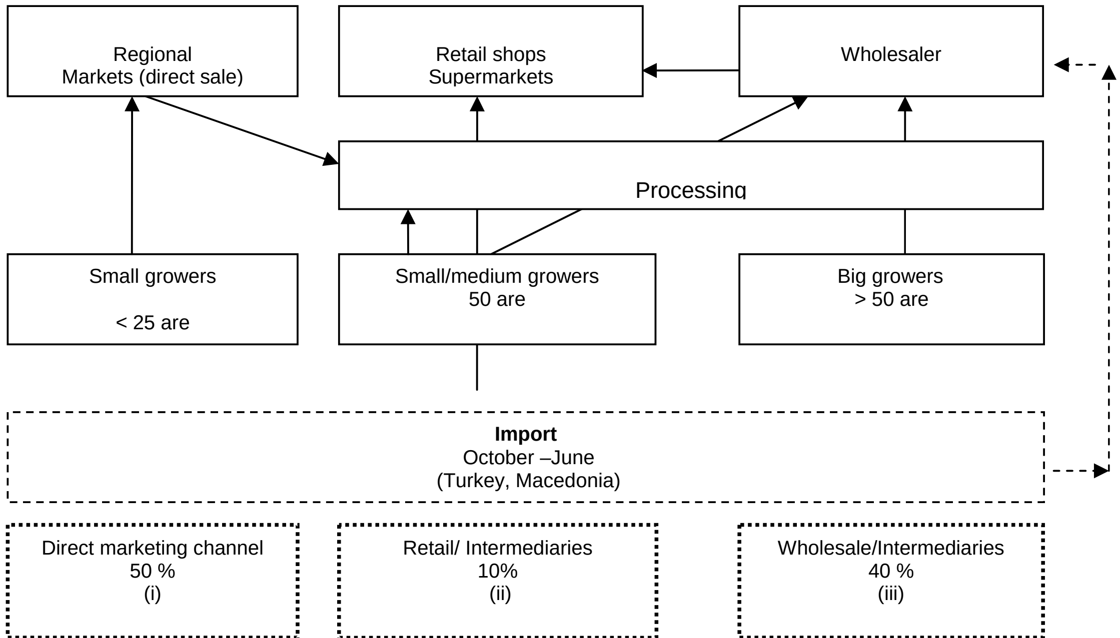
The largest processing factory in Kosovo is Abi-Elif 19 (former Progress), Prizren. The collection price of the tomatoes offered by the factory during the season is approximately 0.05€/kg. No contract growing occurs.

9. Fresh market preferences

Price/kg	Type	Colour	Shape	Size	Taste	Shelf life	Packaging
> €0.80	Truss	Shiny-Red	Round Slightly elliptical	70-150 gr	Sweet	Medium-long	5-8 kg/box Wooden or Carton
> €0.80	Beefsteak	Bright Red	Round slightly elliptical	200-300 gr	Sweet	Medium	5-8 kg/box Wooden or Carton
> €2.00	Cherry	Slightly red or Yellow	Cherry		Very sweet	Medium	

[10] Common knowledge

10. Tomato marketing channels



The three marketing channels utilised by local producers are presented in the above diagram, ie (i) direct marketing, (ii) retail marketing, and (iii) wholesale. The main characteristics of these channels are described below:

1: Direct marketing channel - marketing directly to consumers – including through local farmers' markets (Krusha e madhe, Rogove), roadside markets (Xerxe), regional markets (e.g Gjakova and Prizren). It tends to be the favoured channel of small growers – especially in the peak season - whose aim is to obtain the highest margin for their product. It requires considerable time and more post-harvest activities (grading, packaging). This channel covers around 50% of the supply of fresh tomatoes in Kosovo[11]. In the south-west the produce that cannot be disposed of in the fresh market within two days is disposed of to processing factories (especially Abi-Elif in Prizren)

2: Retail channel – a form of indirect marketing in which the farmer deals directly to a retailer such as a retail shop, restaurant and supermarket. This channel requires less of the individual grower's time but more post-harvest care in order to ensure product quality and uniformity. Some supermarkets and retail shops require attractive packaging - but for restaurants the priority is quality and uniformity of product. This channel is used by small and medium growers – frequently those who have the capacity for off-season (indoor) production. The channel covers around 10 % of supply of fresh tomatoes in Kosovo.

3: Wholesale channel – 40% of fresh market sales during the peak season are made through wholesalers. Many of them directly visit the production sites or local markets with their transport. These buyers often have specific and demanding requirements for product uniformity and product quality. Product quality – grading and packaging - is an important issue for wholesalers for produce that is sold on to retail outlets. These channels supply 100% of fresh tomatoes during the off-season from October to end of May.

[11] Rough estimation IC -SPHPK

11. Description of market actors

Retailers – Retailers purchase goods from wholesalers and also from farmers and sell on to the final consumers. Their task is focused on providing a wide variety of products at a single location, trying to fulfil the required consumers demand for different products.

The retailers include:

- Supermarkets (new retail structures developed in Kosovo – copied from Western Europe),
- Retail shops - known in Kosovo as *Mini-markets* - which are offering different products including fresh fruits and vegetables,
- Green groceries - specialized shops selling fresh fruits and vegetables – but decreasing rapidly in recent years.
- Restaurants – that provide, not only the produce for consumers, but also the service of preparing fresh meals.

Wholesalers – are traders that sell goods to those who buy for resale to the final consumer. They are located in the big cities e.g. Pristina, Prizren & Peja. They mostly deal with wide range of goods.

The wholesalers can be divided into two groups:

- Those who deal only with imported fresh fruit and vegetables throughout the year – and who tend to be those with the highest turnovers. They deal with a wide range of the products - mainly importing goods from Turkey and Greece[12] in trucks that might themselves transport a range of produce. Some of them have a storage facility but very often use trucks with cooling facilities for storing.

- Those who deal with imported goods during the off-season and locally-produced goods when the latter are available and who tend to be those with the lower turnovers. The local produce is often bought in the production areas directly from farmers and shipped to the larger cities e.g Pristina, Prizren, and subsequently sold to retailers. In some cases farmers deliver produce directly to the wholesaler. The majority of small wholesalers do not have storage facilities but mainly sell produce directly from their trucks.

Wholesalers normally operate with immediate cash payment – but some offer some form of credit – e.g. "payment on next delivery".

References and resources

- *Consumption habits and purchasing behaviours for fruits and vegetables in Kosovo, SPH-PK, September 2001*
- *Monitorimi – Weekly price monitoring SPHPK*
- *MAFRD – Office of Agricultural Statistics*

[12] Greece is a major supply for some other products during off-season e.g. cucumbers, grape, lemon, oranges, strawberries etc.