15 April 2009

Russell Whitehair
Hillway
London Road
Great Horkesley
COLCHESTER
Essex
CO6 4DA

Dear Russell

CROPPING PROPOSALS

As requested, I have done some updating to my original data. The figures below relate to tomatoes for the years 2002-2008, with some provisional data for 2009.

Year	Cropped area UK (ha)	Output ('000 tonnes)	Output/cropped area (tonnes/ha)	Farmgate Price (£/tonne)
2002	240	101	426	793
2003	176	76	437	1041
2004	191	79	416	749
2005	194	79	412	869
2006	204	84	418	989
2007	210	85	413	1009
2008	203	87	428	N/A
2009*	193*	83*	431*	N/A

Year	Produced in UK and C.I. ('000 tonnes)	Imported ('000 tonnes)	% of total consumption home grown
2002	110	316	26
2003	85	342	20
2004	87	387	18
2005	85	421	17
2006	90	444	17
2007	91	385	19
2008	N/A	N/A	15*

N/A - data not yet available
* provisional figures

Year	Cropped area (ha) UK			
	Standard	**Cherry**	**Cocktail**	**Plum**
2002	165	25	18	24
2003	123	32	18	24
2005	112	62	11	20
2007	79	22	15	28
2008	168 #	35	N/A	N/A
2009*	160 #	33	N/A	N/A

(Areas were not surveyed in 2004 or 2006)
for years indicated "standard" data includes cocktail, beefsteak and plum

Some notes relating to the above tables:

- The area of tomatoes is still declining to some extent, with more producers pulling out of cropping in 2009 after a particularly bad season for yields and prices in 2008, and high fuel costs. The area has however been bolstered by the addition of 10 ha of tomato cropping in a new venture in Kent (Thanet Earth project).
- Prices per tonne of fruit were good in 2006 and 2007, although 2008 prices are expected to be well down
- The trade balance in tomatoes continues to favour imports, with an estimated 85% of consumption now satisfied by fruit from Holland, Spain, the Canary Islands and Morocco.
- The economic recession is having an effect on consumer buying habits, with more demand for Standard round tomatoes and less for the more expensive specialist and vine ripened fruit.
- The Sterling/Euro exchange rate is favouring home production, making imports dearer, and the 2009 tomato season has got off to a very good start with exceptionally high prices

I have again updated the budgets for standard round and cherry tomatoes (attached). Energy costs have risen and then fallen since my last report, but seem to have stabilised. Unfortunately the higher prices of oil led to higher prices of fertilisers, plastics and packaging, which rose last year and have not fallen.

I have assumed that tomato prices will be good this year and have estimated a reasonable return for both standard and cherry toms in the budgets.

As mentioned earlier, the exchange rate with the Euro is making imports more expensive, especially steel, which affects most of the machinery and equipment for nursery investments. The cost of glasshouse improvements or modifications to heating systems and boiler plant has risen fairly dramatically in the last two years.

In conclusion I still feel that tomato production on the site at Colchester could be viable, with the shrinking of the UK production base and forecast of good returns in the current economic climate for those left in the industry. Investments in the nursery infrastructure would have to be carefully considered given the increased cost of raw materials.

I hope this information is helpful. Please get back to me if I can be of further help.

Yours sincerely

DAN DRAKES
ADAS CONSULTANT
Business tel/fax 01904 438547