



PROCESSING TOMATO SUPPLY CHAIN CALLS FOR THE SAME ENVIRONMENTAL, SOCIAL AND ETHICAL RULES REQUIRED OF EUROPEAN PRODUCERS TO BE APPLIED TO IMPORTS OF NON-EUROPEAN DERIVATIVES

Clear rules to curb the trade marketing in Europe of tomato derivatives from countries that produce below minimum standards of environmental and social sustainability, consequently enhancing the qualities of the Italian and European product.

Italian and European processors, together with producers' organization, have always been committed to providing consumers with the highest quality processed tomato products which are sustainable in all their aspects: economic, environmental, ethical-social and for health and food safety. Agricultural tomato production and the processing industry are closely linked and organized together: the tomato that is processed is grown by farmers in neighbouring areas. In Europe, the processing tomato supply chain is very significant for several countries-Italy, Spain, Portugal, France and Greece.

Italy is the world's largest exporter by value of tomato derivatives. It produces in the field and processes in its industry about 5,2 million tons of tomato, of out of which about 3,2 million tons are exported as derivative products. The consumer guarantees from our supply chain are:

- ✓ **Labeling and traceability**
- ✓ **Documented and tracked environmental sustainability**
- ✓ **Documented and tracked ethical and social sustainability**

Tomato is cultivated and processed not only in Italy and other European countries but also in other Extra-European countries, unfortunately not always with the same guarantees for the consumer and the same environmental, social and ethical sustainability requirements. This leads to a gap between the costs of European supply chains that produce ethically and sustainably by applying the correct remuneration of their inputs, compared to those of non-European producers characterized by poor sustainability standards and low production costs. Therefore, some European second-processing companies, +that are not directly related to the processing of fresh tomato, in order to reduce production costs, are trying to replace derivatives originating from Europe with derivatives from countries such as China, Iran, Turkey and Egypt, which offer low-cost products, albeit with limited ethical, social and environmental standards, below the minimum thresholds imposed on European producers.

This undermines the European supply chains that produce in accordance with European high standards of environmental and social sustainability and in fact sets an unfair competition in the European domestic trade market. Should this asymmetry persist, the sale of European production on



the European market is bound to decline, causing losses in profitability for European producers, with negative repercussions for both industry and farmers.

There is concern about the growth of imports for second transformation in Europe from non-European countries that produce cheaply without the ethical and social standards required in Europe.

We therefore call on the EU to put on an equal footing the environmental and social standards required of European production and those required of imports from outside Europe. We need to protect the extraordinarily positive situation in Italy where, as it is well known, all the packages of peeled tomatoes, purees, pulps and cherry tomatoes found on supermarket shelves are made from high quality, 100% Italian tomato and have nothing to do with semi-processed products imported from outside the EU.

In particular, we call on the EU and Italy to implement the following initiatives:

Initiatives at Italian level:

- Launch an institutional promotion campaign to clarify to consumers that tomato derivatives are 100% Made in Italy, referring to the obligations given by the regulations on the origin of the ingredients.
- Accelerate the adoption of tools that can guarantee the verification and control of the origin of the ingredients, particularly by quickly defining an appropriate methodology for controlling the origin of tomato.

Initiatives at European level:

- Promote mandatory indication of tomato origin for products where it plays a major role, or even when it appears in the product name or as a quid.
 - Adopt the principle of reciprocity of trade rules for imported products and the principle of importer/distributor/FBO responsibility to ensure environmental and social requirements.
 - Quickly approve the European Directive on Corporate Sustainability Due Diligence and other horizontal and sector-specific regulations.
 - Normalize and standardize environmental and social sustainability indicators on food products in order to inform consumers.
 - Assist European tomato producers with increased coupled support to close the competitive gap with non-European countries.
 - Encourage the adoption of new genomic techniques to improve the performance of tomato crops with less environmental impact on the agroecosystem, allowing the testing of NGT varieties also at the national level pending European regulations.
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