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Forecast Working Group "Tomatoes"
Brussels,
Monday, June17, 2019

Tomatoes for Processing
Forecast Crop 2019

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A slight increase in EU processed tomato production is expected.

EU production forecasts = + 6,7%

However, production should not reach the quantities reached in the years prior to 2018

EU Processing tomatoes Forecast 2019

(x .000 tons)

(highlighted in yellow are members of Tomato Europe)

	Average 2015/2018	2017 FINAL	FINAL 2018	FORECAST 2019	VARIATION 2019 vs 2018	VARIATION 2018 vs 2017	VARIATION 2019 vs average 2015/2018
Italy	5.193	5.200	4.650	4.900	5,4%	-10,6%	-5,6%
Spain	3.200	3.350	2.800	3.000	7,1%	-16,4%	-6,3%
Portugal	1.536	1.554	1.200	1.263	5,3%	-22,8%	-17,8%
Greece	415	400	320	400	25,0%	-20,0%	-3,6%
France	191	195	145	155	6,9%	-25,6%	-18,6%
TOMATO EUROPE	10.534	10.699	9.115	9.718	6,6%	-14,8%	-7,7%
Malta	8	8	8	8	0,0%	0,0%	-3,0%
Bulgaria	50	50	50	50	0,0%	0,0%	0,0%
Czech Republic	25	25	25	25	0,0%	0,0%	0,0%
Hungary	103	100	106	120	13,2%	6,0%	17,1%
Poland	208	200	180	200	11,1%	-10,0%	-3,6%
Slovakia	20	20	20	20	0,0%	0,0%	0,0%
Total EU	10.948	11.102	9.504	10.141	6,7%	-14,4%	-7,4%

The expected increase in world production of industrial tomatoes is greater than in Europe.

+8,7 %

World production should return to levels before 2018

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WORLD PROCESSING TOMATO COUNCIL

2019 world production forecasts of tomatoes for processing (in 1000 metric tonnes)

Estimate at 16 May 2019

Major producing countries and total world production (forecast 2019 x.000 tons)

	Average 2015/2018	2017 FINAL	FINAL 2018	FORECAST 2019	VARIATION 2019 vs 2018	VARIATION 2018 vs 2017	VARIATION 2019 vs average 2015/2018
California	10.234	9.492	11.137	10.977	-1,4%	17,3%	7,3%
Italy	5.193	5.200	4.650	4.900	5,4%	-10,6%	-5,6%
China	5.806	6.200	3.800	4.500	18,4%	-38,7%	-22,5%
Spain	3.200	3.350	2.800	3.000	7,1%	-16,4%	-6,3%
Turkey	1.975	1.900	1.300	1.900	46,2%	-31,6%	-3,8%
Iran	1.044	980	700	1.500	114,3%	-28,6%	43,7%
Portugal	1.536	1.554	1.200	1.263	5,3%	-22,8%	-17,8%
Brazil	1.450	1.450	1.400	1.200	-14,3%	-3,4%	-17,2%
Chile	975	1.080	1.211	1.100	-9,2%	12,1%	12,8%
Tunisia	646	643	629	950	51,0%	-2,2%	47,1%
Ukraine	613	650	735	850	15,6%	13,1%	38,8%
Algeria	581	600	500	800	60,0%	-16,7%	37,6%
Russia	305	400	500	550	10,0%	25,0%	80,3%
Canada	437	426	450	465	3,3%	5,6%	6,3%
USA excluding California	434	408	410	422	2,9%	0,5%	-2,7%
Greece	415	400	320	400	25,0%	-20,0%	-3,6%
Argentina	457	488	435	395	-9,2%	-10,9%	-13,5%
Others	2.600	2.576	2.653	2.671	0,7%	3,0%	2,7%
WORLD	37.935	37.797	34.830	37.843	8,7%	-7,8%	-0,2%

Towards a stabilization of European production?

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Europe vs World

	Average 2015/2018	2017 FINAL	FINAL 2018	FORECAST 2019	VARIATION 2019 vs 2018	VARIATION 2019 vs average
European Union	10.948	11.102	9.504	10.141	**6,7%**	**-7,4%**
Other Countries	26.987	26.695	24.861	27.702	**11,4%**	**2,6%**
GENERAL TOTAL	37.935	37.797	34.365	37.843	**10,1%**	**-0,2%**
% UE	**28,9%**	**29,4%**	**27,7%**	**26,8%**		

Tomato Production 2018 – Crop Estimates 2019

What next ?

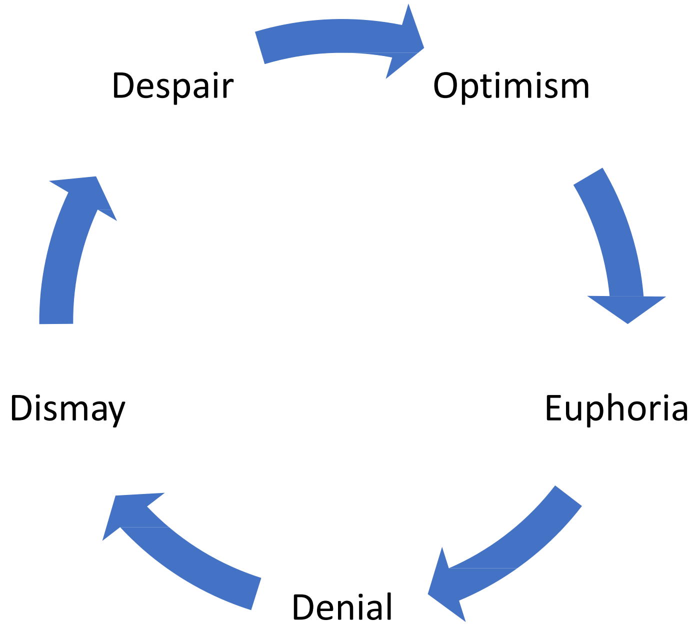
(For Processed Tomatoes)

1st March 2019

Martin Stilwell

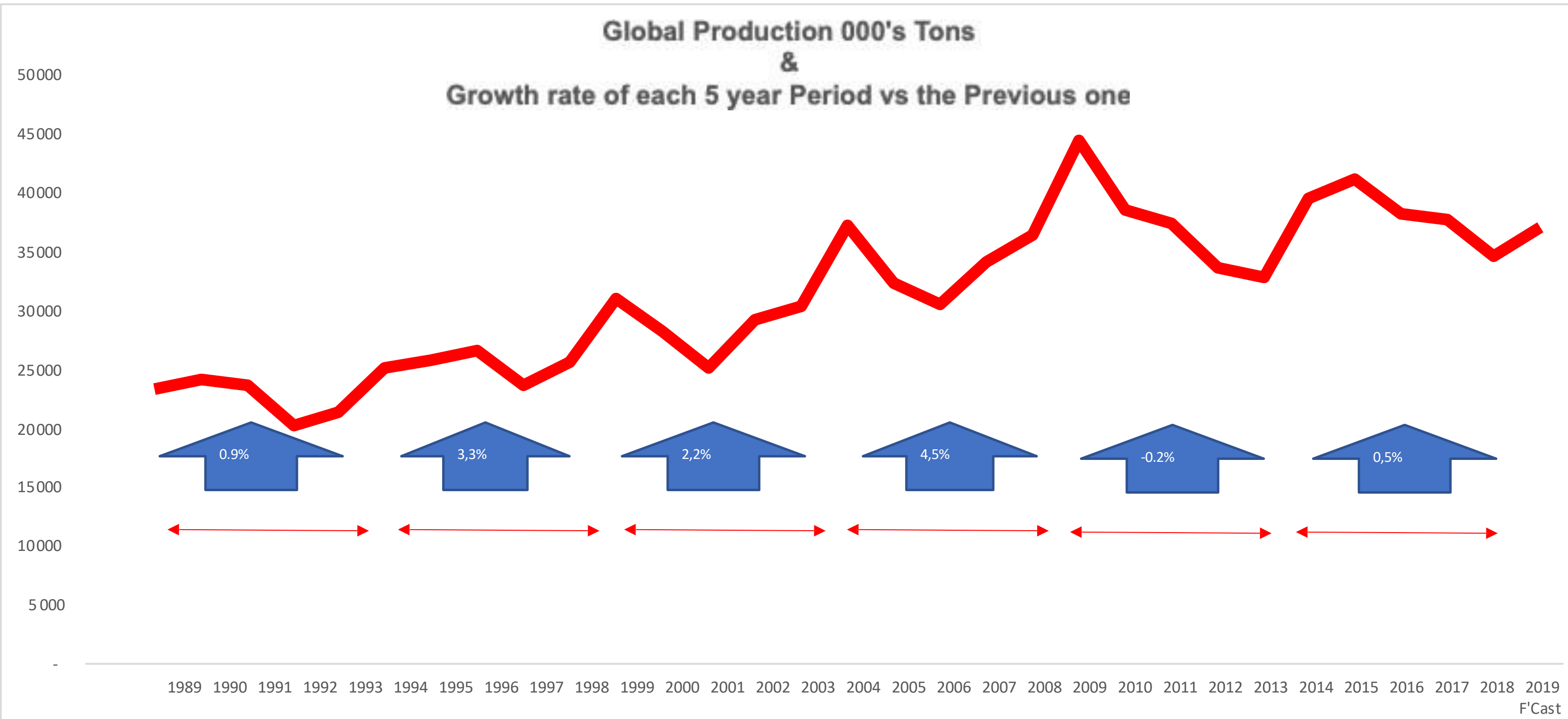
What next ? Consumption / Disappearance / Balance

Global Production and Demand for Processed Tomatoes



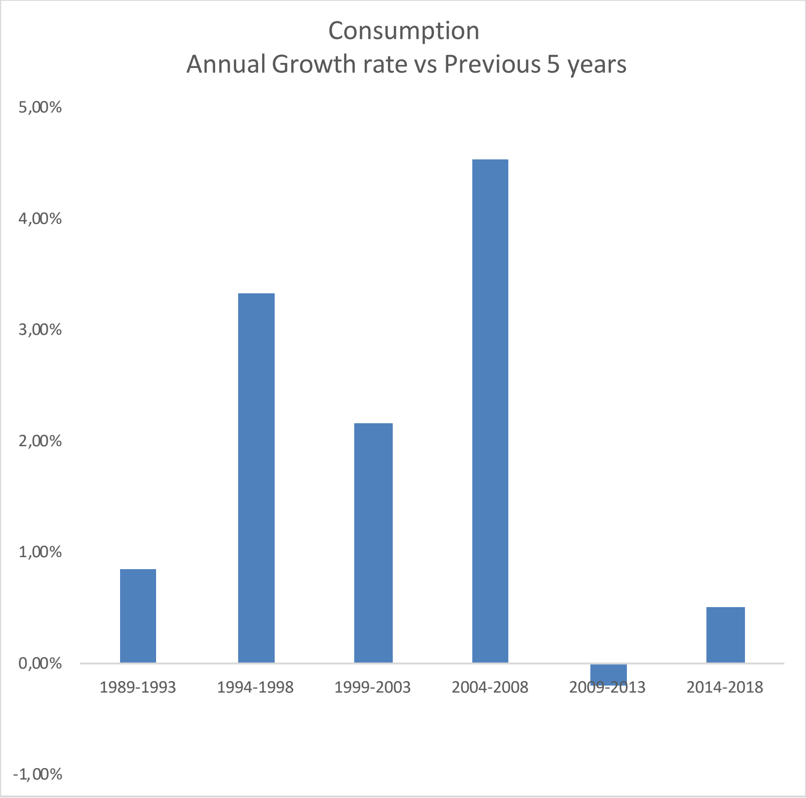
What next ?

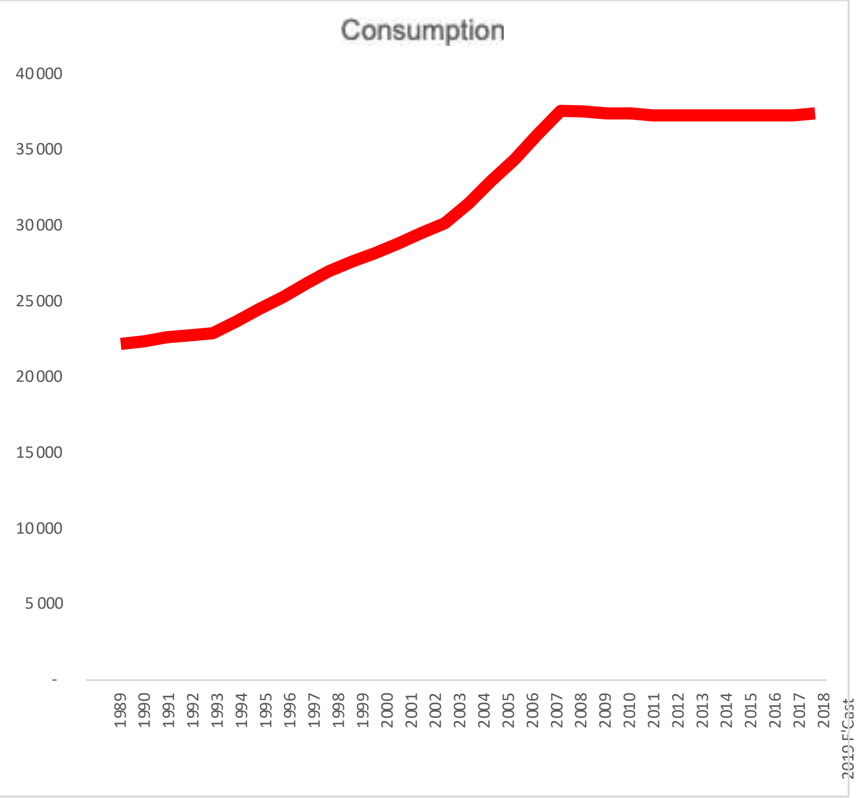
Global Production and Demand for Processed Tomatoes



What next ?

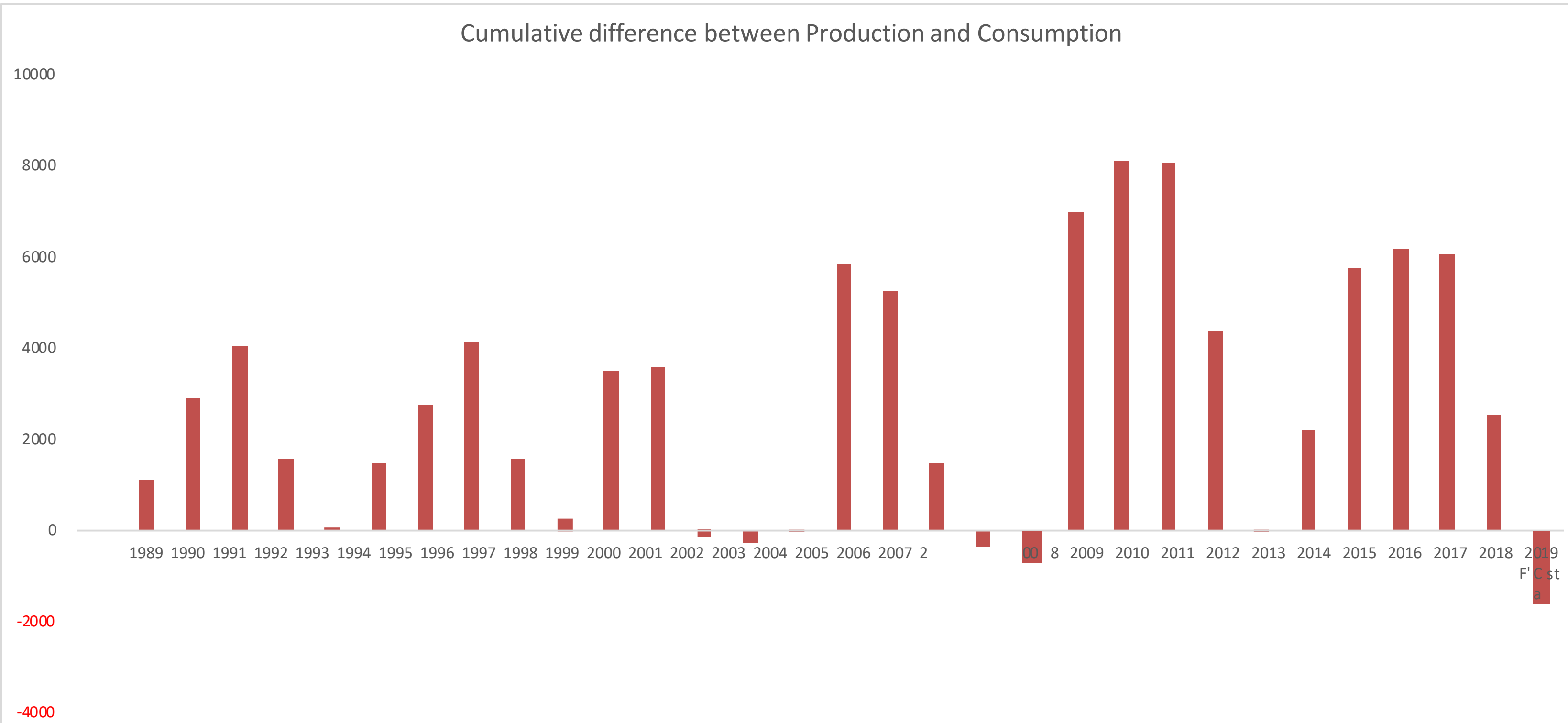
Global Production and Demand for Processed Tomatoes





What next ?

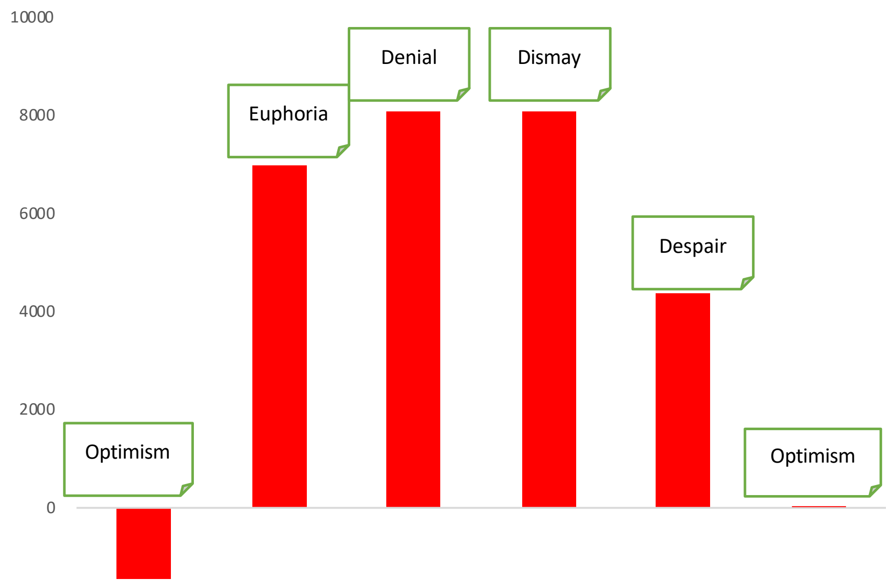
Consumption / Disappearance / Balance



What next ? Where are we?

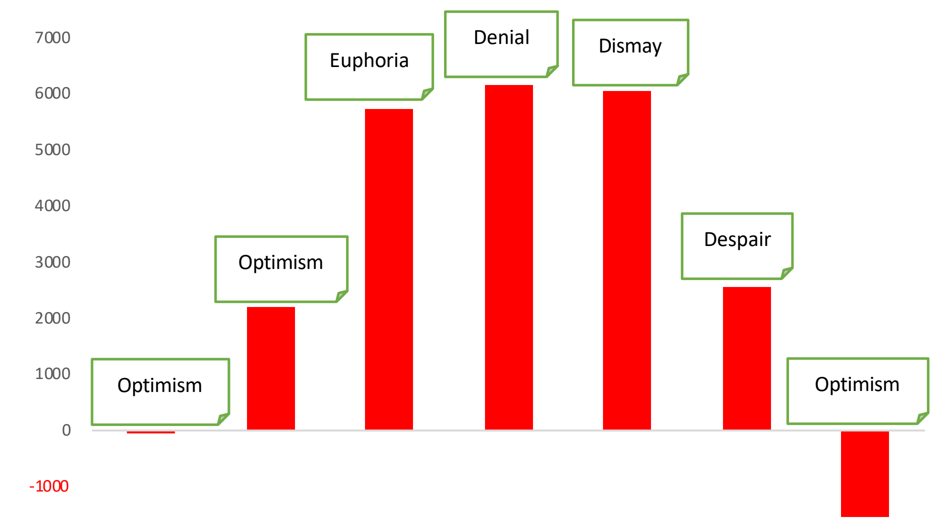
Global Production and Demand for Processed Tomatoes

Cumulative difference between Production & Consumption
2008-2013 (000´s Tons)



	2008	2009	2010	2011	2012	2013
Series 2	-1456	6975	8107	8093	4391	-10

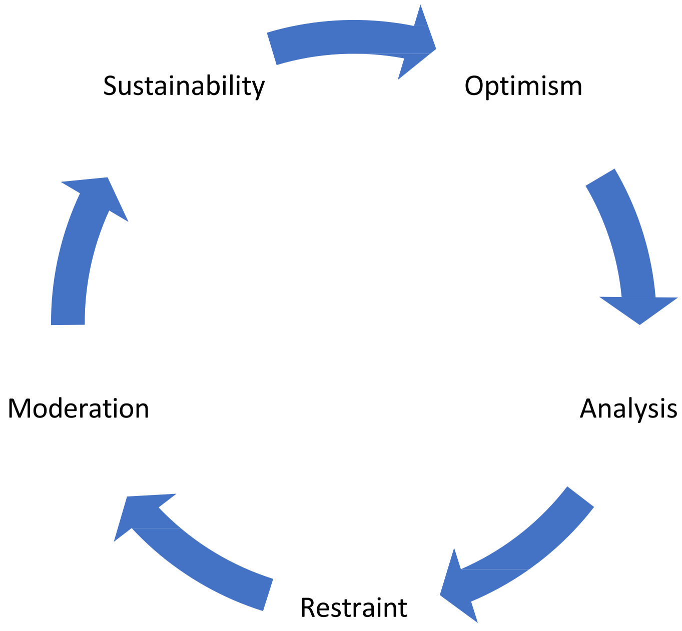
Cumulative difference between Production & Consumption
2013 – 2019 (000´s Tons)

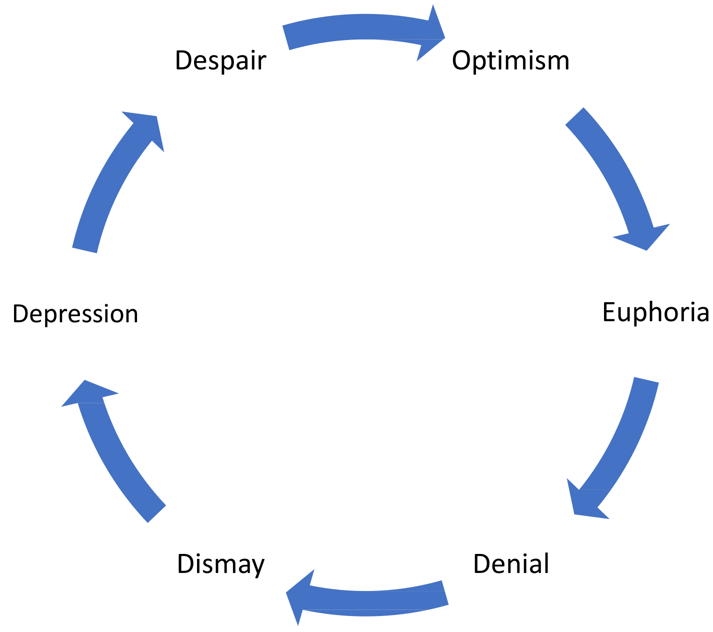


	2013	2014	2015	2016	2017	2018	2019 F'Cast
Series 2	-10	2201	5752	6182	6048	2547	-1531

What next ? Consumption / Disappearance / Balance

Global Production and Demand for Processed Tomatoes





NOTE: The tomato supply chain is learning the importance of exchanging information on production and consumption (next step: knowing the stocks?)

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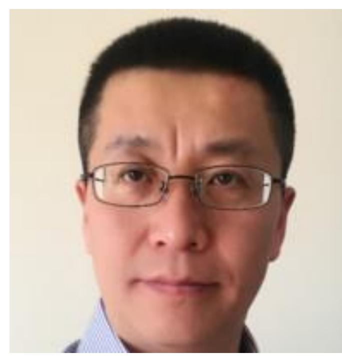
FOCUS

Is Ukraine the new China??

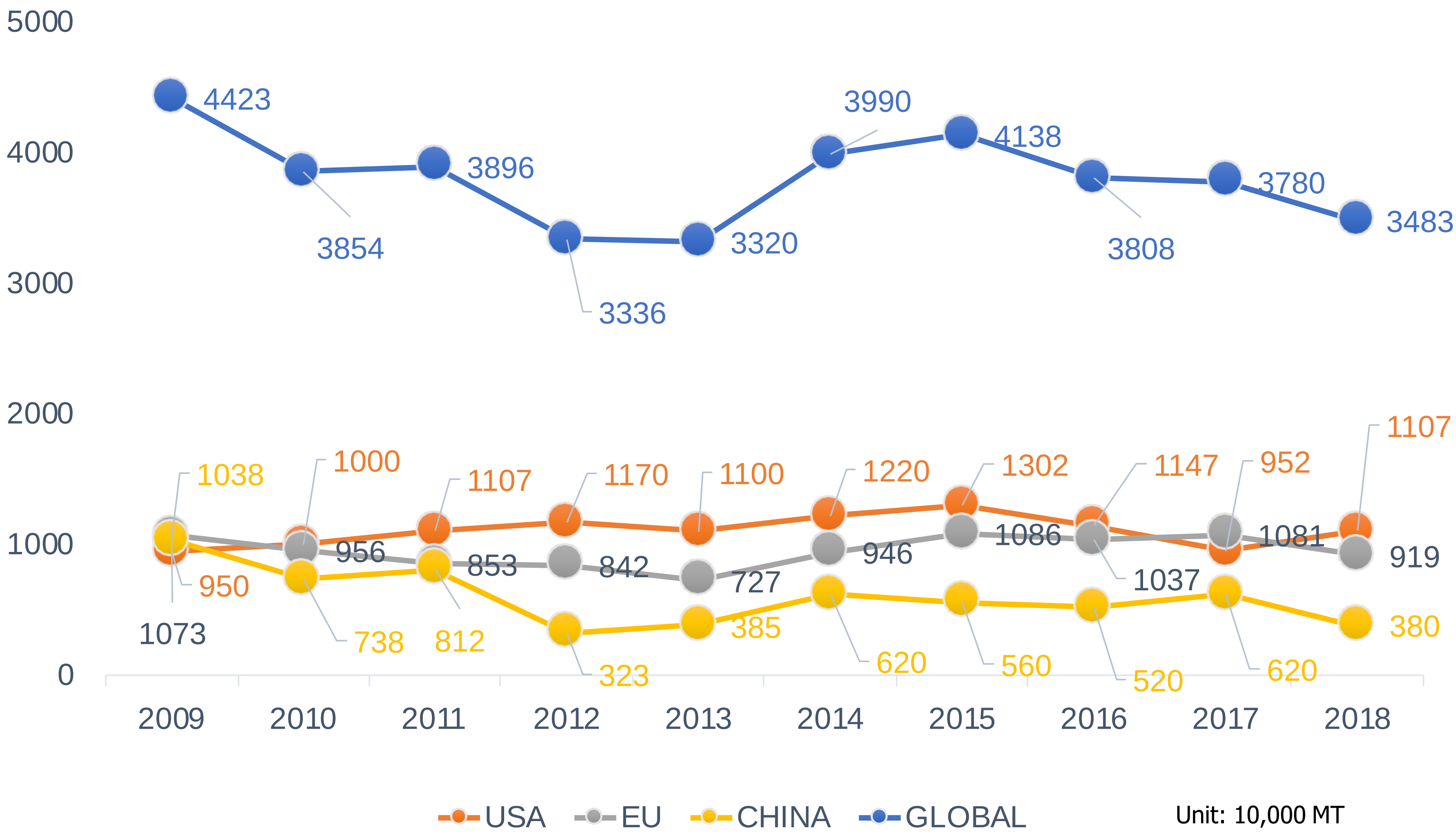
Update and Outlook of China Tomato Industry

Report of Mr. Zhu Chenhui (COFCO Tunhe)

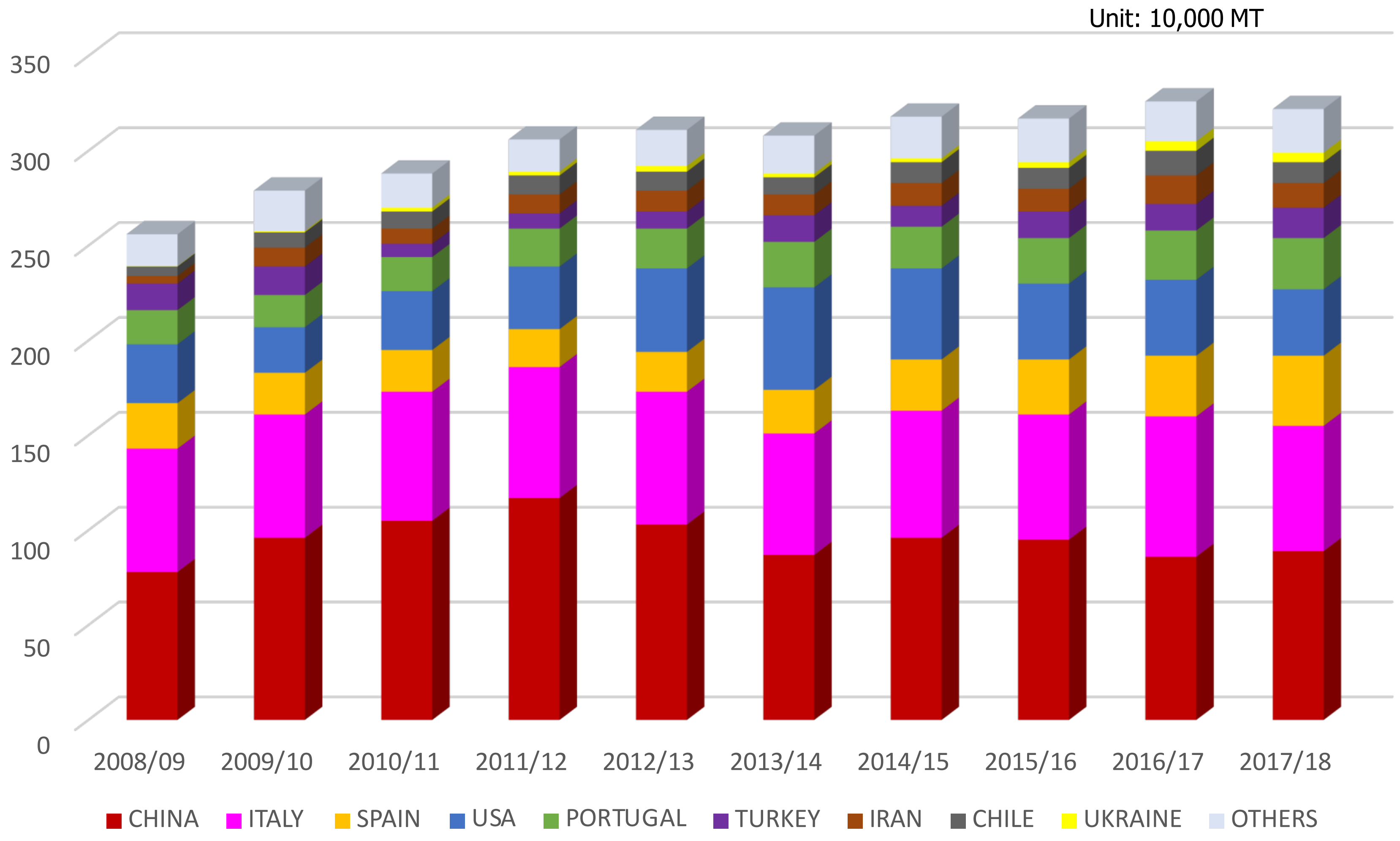


Avignon, May 2019

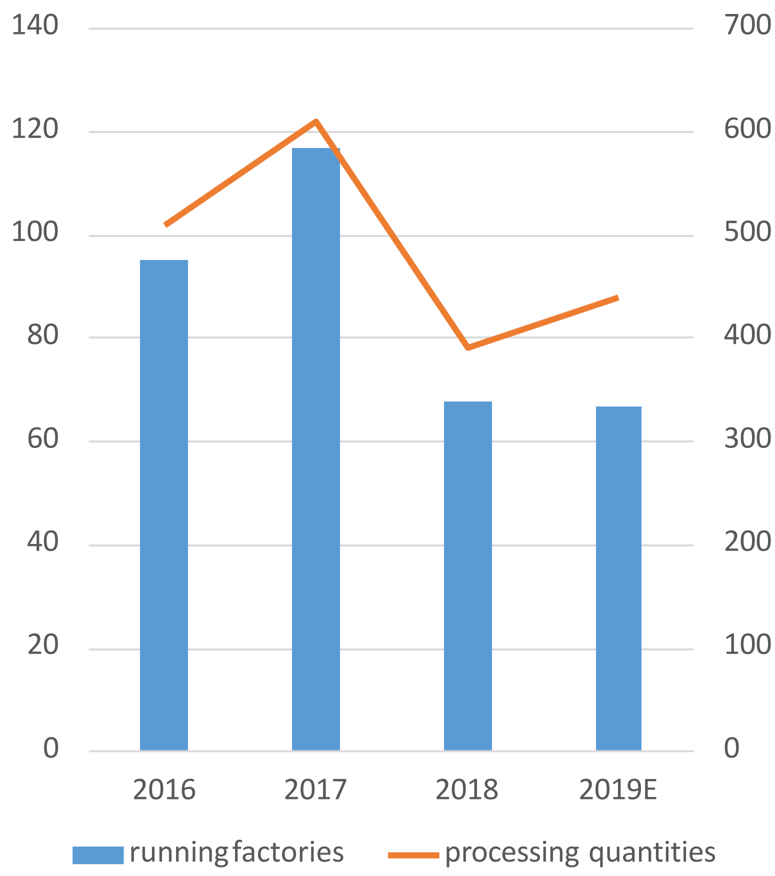
China enter into the period of adjustment

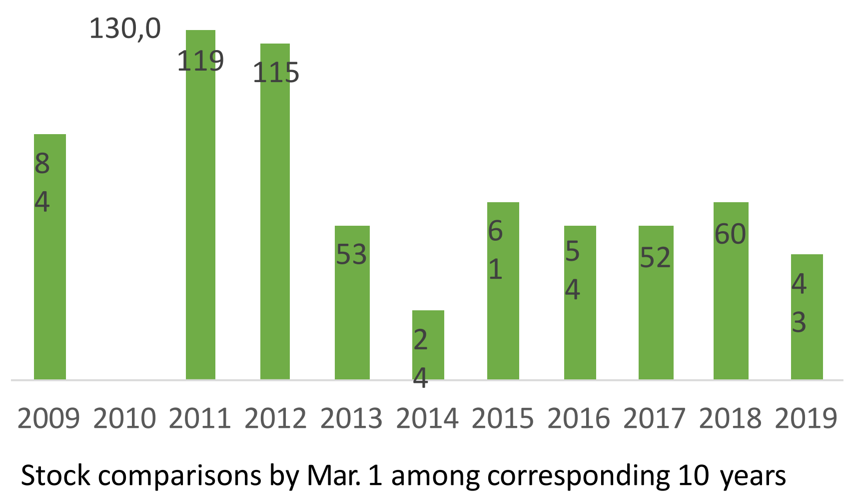


Global trade and sourcing structure of tomato products



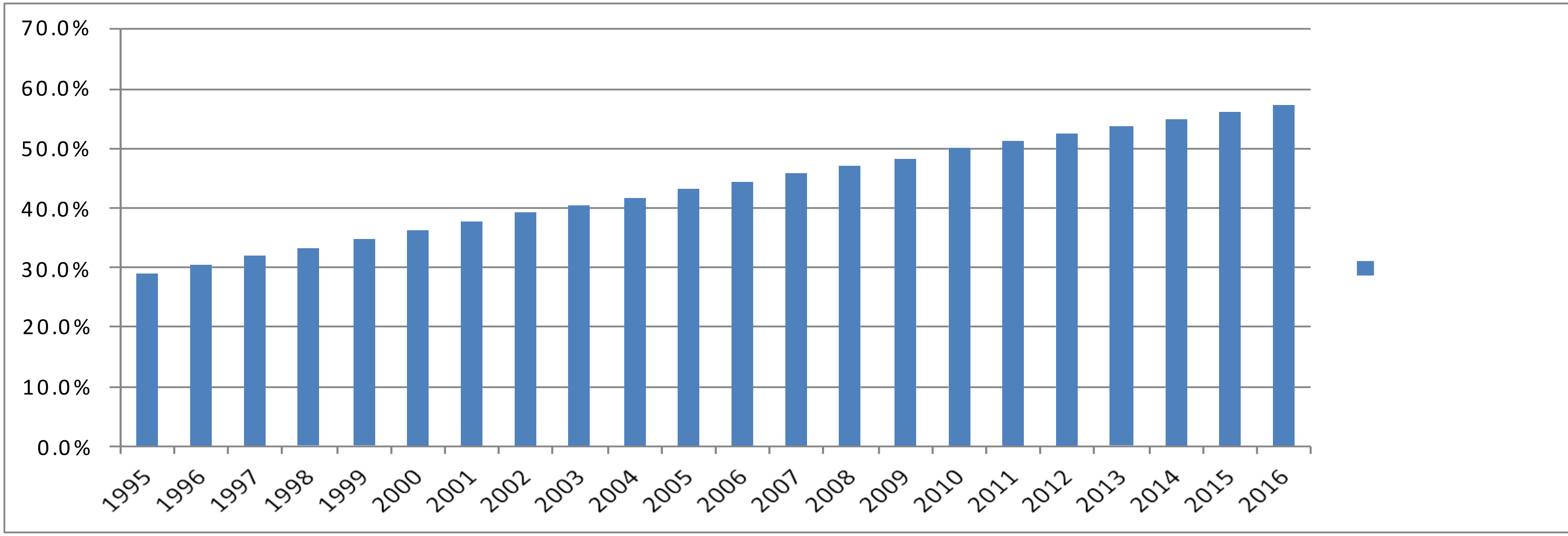
Environmental protection, market competitiveness and supply-side structural reform push China processing tomato industry upgrading and restructuring

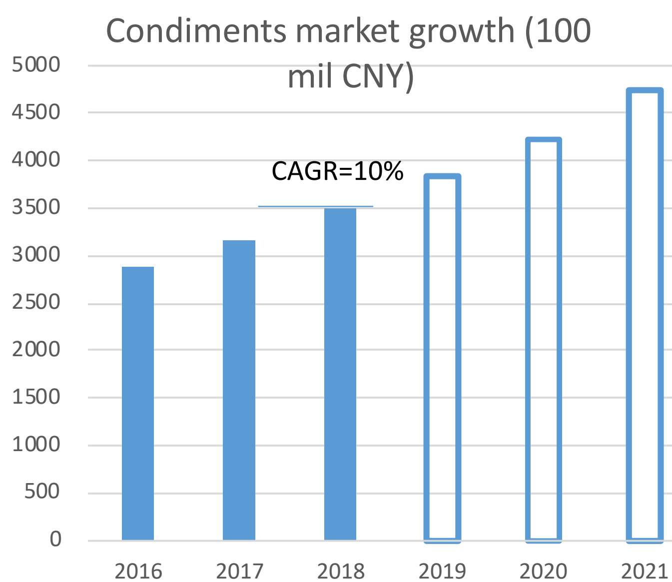


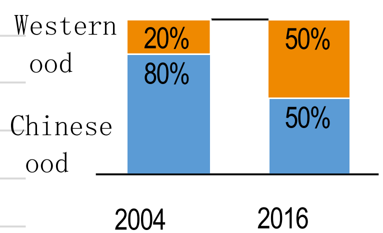


- Cutting overcapacity, destocking, deleverage, reducing cost, identifying growth area
- Higher quality and efficiency
- Zombie enterprises bankrupt

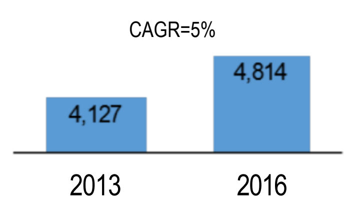
Rapid growth of tomato products consumption in China unrolls great market potential





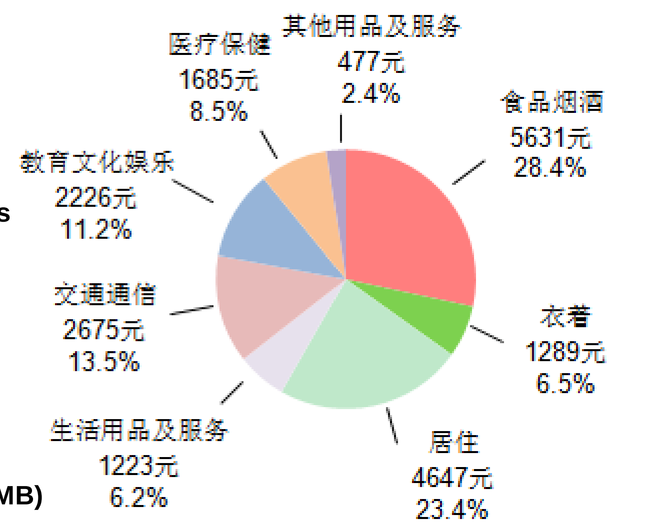


Caterings spread in shopping malls

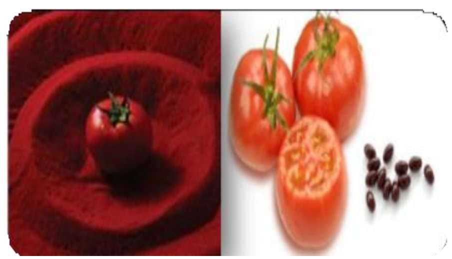


dietary consumption per capita (RMB)

图19 2018年全国居民人均消费支出及其构成



Domestic market calls for diversification and localization



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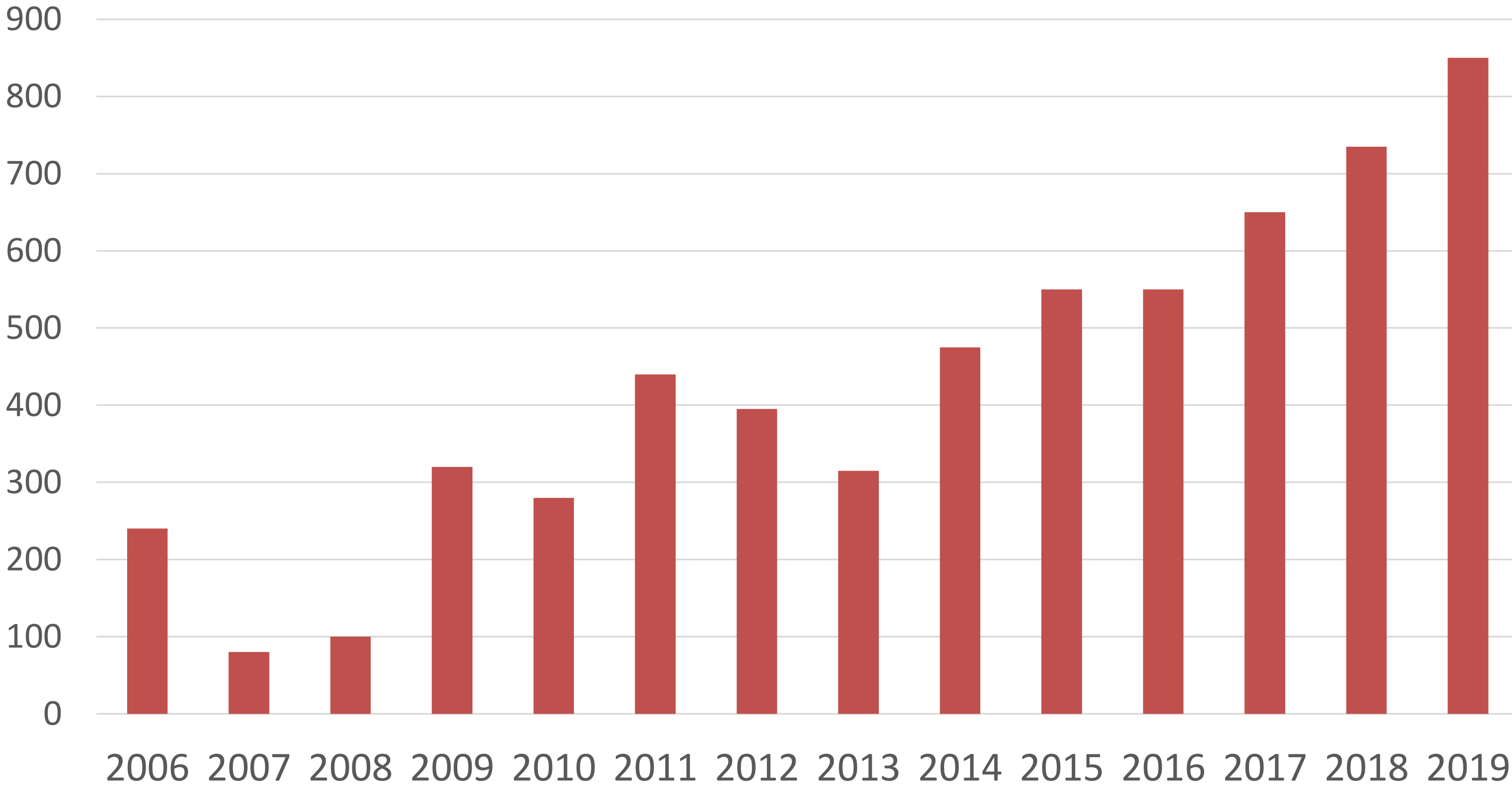
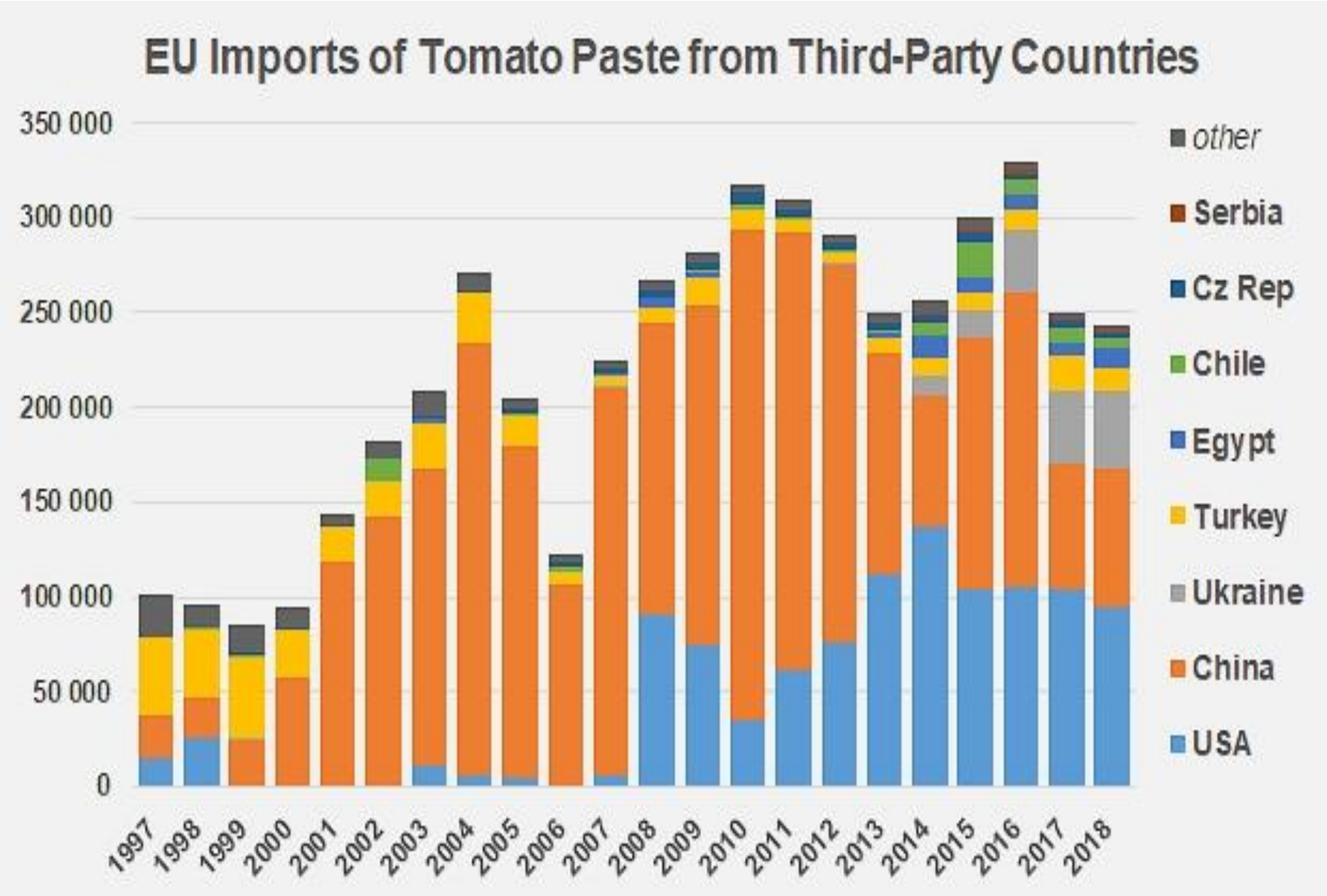
Constant growth of production in Ukraine is confirmed with +15,6% forecast 2019 on production 2018 and + 38,8% on average 2015-2018.

Ukraine: Processed Quantities (x .000 tons)





(Source: Tomato News)

From the press:

“The Agrarian Union of Ukraine (ASU) has asked the EU to increase tomato paste import quotas to 50,000 tonnes from the current 13,000 tonnes”

“Ukraine’s largest producer and exporter Agrofusion announced that it has officially started its 12th processing season.
The company’s northern greenhouse complex has started tomato seed sowing on March 9, with transplanting planned for end of April.
The company added: “This year, we will expand the tomato growing area to 7,600 hectares. We will increase the number of seedlings as well. In the 2019 season, we will sow 185 million seedlings - this is 18% more than last year’s figures.”

Agrofusion

Agrofusion group of companies is the biggest B2B tomato paste producer in Ukraine. Agrofusion produce *"Inagro™ tomato paste – a high-quality product that guarantees the success of your juices, ketchups and souses with your consumers".*

Agrofusion is located in the south of Ukraine – Mykolayiv and Kherson regions,

Agrofusion farms 25 000 ha of irrigated land. His greenhouses are growing 191 000 000 seedlings. Three factories are processing more than 750 000 mt of tomatoes per season.

From website of Agrofusion

e / TOMATO TRANSPLANTING IS FINISHED

TOMATO TRANSPLANTING IS FINISHED

Agrofusion has completed tomato transplanting into the open ground. Total planted tomato area amounts to 7 200 ha. An average expected yield is more than 100 mT per hectare.

Agrofusion group of companies keeps up with the latest trends. In the season 2019, we made two experiments: planted tomatoes inside the winter rye hedges and tried the new PlantTape technology. For the first time in Ukraine, Agrofusion team, along with representatives of PlantTape Company implemented the technology of sowing in a biodegradable ribbon. The tape provides a higher density of plants per tray and maximizes efficiency at all levels: greenhouses, transportation, transplanting.

The beginning of harvesting scheduled at the end of July.

03.06.2019

From website of Agrofusion

SOUTHERN FACTORY

Processing capacity – 4,000 mT of fresh tomatoes per day.
Location: Hola Prystan' city, Kherson region.
Tomato paste: Organic, CB, HB, WB, SHB.

NORTHERN FACTORY

Processing capacity – 4,000 mT of fresh tomatoes per day.
Location: Shevchenkove village, Mykolayiv region.
Tomato paste: CB.

EASTERN FACTORY

Processing capacity – 4,000 mT of fresh tomatoes per day.
Location: Snigurivka city, Mykolayiv region.
Tomato paste: CB, HB, WB.

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This increase was possible also thanks to the massive financial support provided by EU and international agencies such as the European Investment Bank (EUR 21.4m in 2017), the European Bank for Reconstruction and Development (US$ 15 million in 2017) and its Finance and Technology Transfer Centre for Climate Change (US$ 700,000 in 2017) and the International Finance Corporation (US$ 17 million in 2018). These investments can lead, as recently suggested by Agrofusion, to a potential increase in the Ukrainian production up to 2 million metric tonnes a year in the future, possibly becoming the 5th largest producing country in the world.

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Furthermore, while as European tomato processing sector we welcome and enjoy the commitment to high levels of protection for the environment and workers, we also need to acknowledge the substantial differences between the EU and Ukraine in terms of price of raw material, labour costs, energy prices etc.

Likewise, Ukrainian exports to the EU are also favored by an high exchange rate between the two currencies, which also favor Ukrainian exports to the EU.

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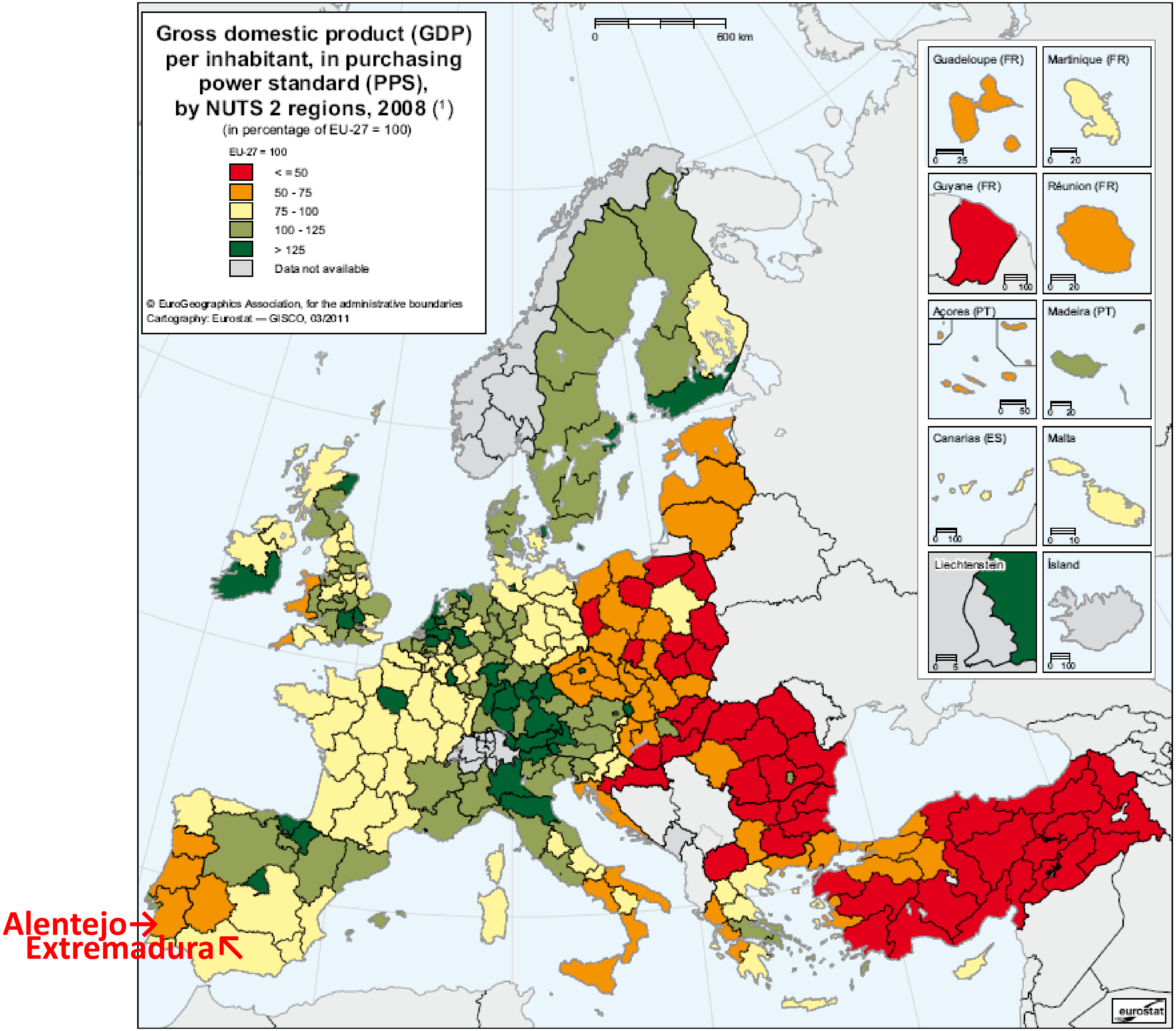
The growth of Ukrainian production, supported by the EU investments and trade concessions, has started to have a negative impact on the EU production and in particular for Iberian producers of tomato concentrate and tomato powder.

The impact is therefore important on some of the poorest rural areas of the western part of Europe



(1) Turkey, 2006.

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Thanks for your attention