TomatoEurope

PROCESSORS ASSOCIATION

Expert Group Economic Board
Subgroup on Tomatoes
Brussels,
Friday, October 18, 2019

Tomatoes for Processing
Crop 2019

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The slight increase in European Processed Tomatoes production expected in June 2019 is confirmed, especially thanks to the excellent Iberian production

Estimates Eu production = + 8,1%

(June Forecasts = + 6,7%)

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

European production seems to be moving towards stability

EU Processing tomatoes Crop 2019

(x .000 tons)

(highlighted in yellow are members of Tomato Europe)

	Average 2015/2018	2017 FINAL	FINAL 2018	ESTIMATE 2019	VARIATION 2019 vs 2018	VARIATION 2018 vs 2017	VARIATION 2019 vs average 2015/2018
Italy	5.193	5.200	4.650	4.700	1,1%	-10,6%	-9,5%
Spain	3.200	3.350	2.800	3.200	14,3%	-16,4%	0,0%
Portugal	1.536	1.554	1.200	1.410	17,5%	-22,8%	-8,2%
Greece	415	400	320	400	25,0%	-20,0%	-3,6%
France	191	195	145	150	3,4%	-25,6%	-21,3%
TOMATO EUROPE	10.534	10.699	9.115	9.860	8,2%	-14,8%	-6,4%
Malta	8	8	8	8	0,0%	0,0%	-3,0%
Bulgaria	50	50	30	40	33,3%	-40,0%	-20,0%
Czech Republic	25	25	25	25	0,0%	0,0%	0,0%
Hungary	103	100	106	100	-5,7%	6,0%	-2,4%
Poland	208	200	180	200	11,1%	-10,0%	-3,6%
Slovakia	20	20	20	20	0,0%	0,0%	0,0%
Croatia	10	10	10	10	0,0%	0,0%	0,0%
Total EU	10.958	11.112	9.494	10.263	8,1%	-14,6%	-6,3%

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Contrary to forecasts, the European production of processed tomatoes has grown more than the world production

Estimate World production = + 5,6%

(June Forecasts = +8,7 %)

World production therefore also seems to remain below the years prior to 2018

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

Estimate at 11 October 2019

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

	Average 2015/2018	2017 FINAL	FINAL 2018	ESTIMATE 2019	VARIATION 2019 vs 2018	VARIATION 2018 vs 2017	VARIATION 2019 vs average 2015/2018
California	10.234	9.492	11.137	10.020	-10,0%	17,3%	-2,1%
Italy	5.193	5.200	4.650	4.700	1,1%	-10,6%	-9,5%
China	5.806	6.200	3.800	4.300	13,2%	-38,7%	-25,9%
Spain	3.200	3.350	2.800	3.200	14,3%	-16,4%	0,0%
Turkey	1.975	1.900	1.300	2.200	69,2%	-31,6%	11,4%
Iran	1.044	980	700	1.500	114,3%	-28,6%	43,7%
Portugal	1.536	1.554	1.200	1.410	17,5%	-22,8%	-8,2%
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	807	28,3%	-2,2%	25,0%
Algeria	581	600	500	800	60,0%	-16,7%	37,6%
Ukraine	613	650	735	730	-0,7%	13,1%	19,2%
Russia	305	400	500	550	10,0%	25,0%	80,3%
Canada	437	426	450	465	3,3%	5,6%	6,3%
Egypt	300	300	400	400	0,0%	33,3%	33,3%
Greece	415	400	320	400	25,0%	-20,0%	-3,6%
Argentina	457	488	435	395	-9,2%	-10,9%	-13,5%
USA excluding California	434	408	410	360	-12,2%	0,5%	-17,0%
Others	2.300	2.276	2.253	2.239	-0,6%	-1,0%	-2,7%
WORLD	37.935	37.797	34.830	36.776	5,6%	-7,8%	-3,1%

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Even the weight of European production on world production seems to stabilize.

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Europe vs World

	Average 2015/2018	2017 FINAL	FINAL 2018	ESTIMATE 2019	VARIATION 2019 vs 2018	VARIATION 2019 vs average
European Union	10.958	11.112	9.494	**10.263**	**8,1%**	**-6,3%**
Other Countries	26.977	26.685	25.336	**26.513**	**4,6%**	**-1,7%**
GENERAL TOTAL	37.935	37.797	34.830	**36.776**	**5,6%**	**-3,1%**
% UE	**28,9%**	**29,4%**	**27,3%**	**27,9%**		

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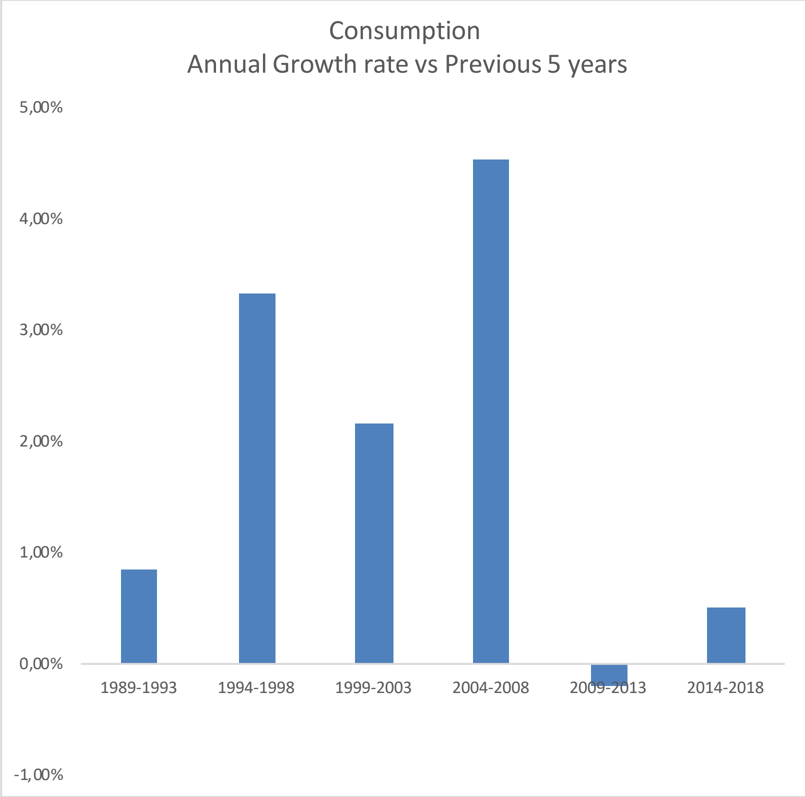
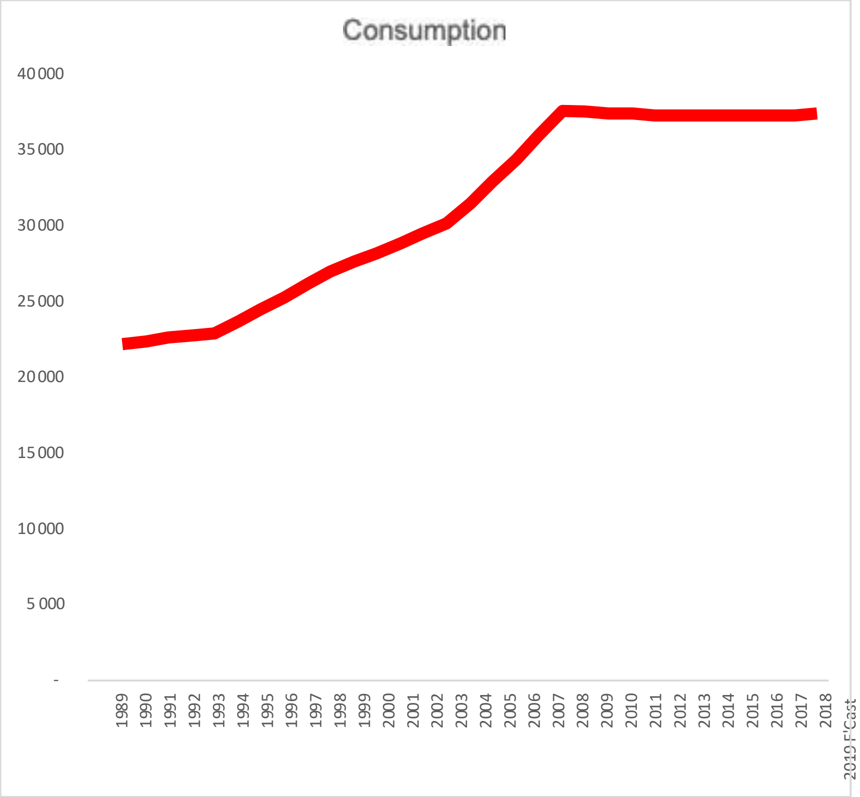
STABILIZATION?

The stabilization of processed tomato production seems to be in line with the stabilization of the global demand for raw materials for processing

What next ?

Global Production and Demand for Processed Tomatoes





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THE CAUSE OF TOMATOES PROCESSED STABILIZATION ORIGINATED FROM THE TREND TO THE CHANGE OF TOMATO USE FROM MORE CONCENTRATED PRODUCTS (TOMATO PASTE) TO LESS CONCENTRATED PRODUCTS (TOMATO PASTE < 28° Brix, CANNED TOMATOES, PASSATA AND TOMATO SAUCE)

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THIS DATA IS CLEARLY SEEN FROM THE WORLD TRADE TREND

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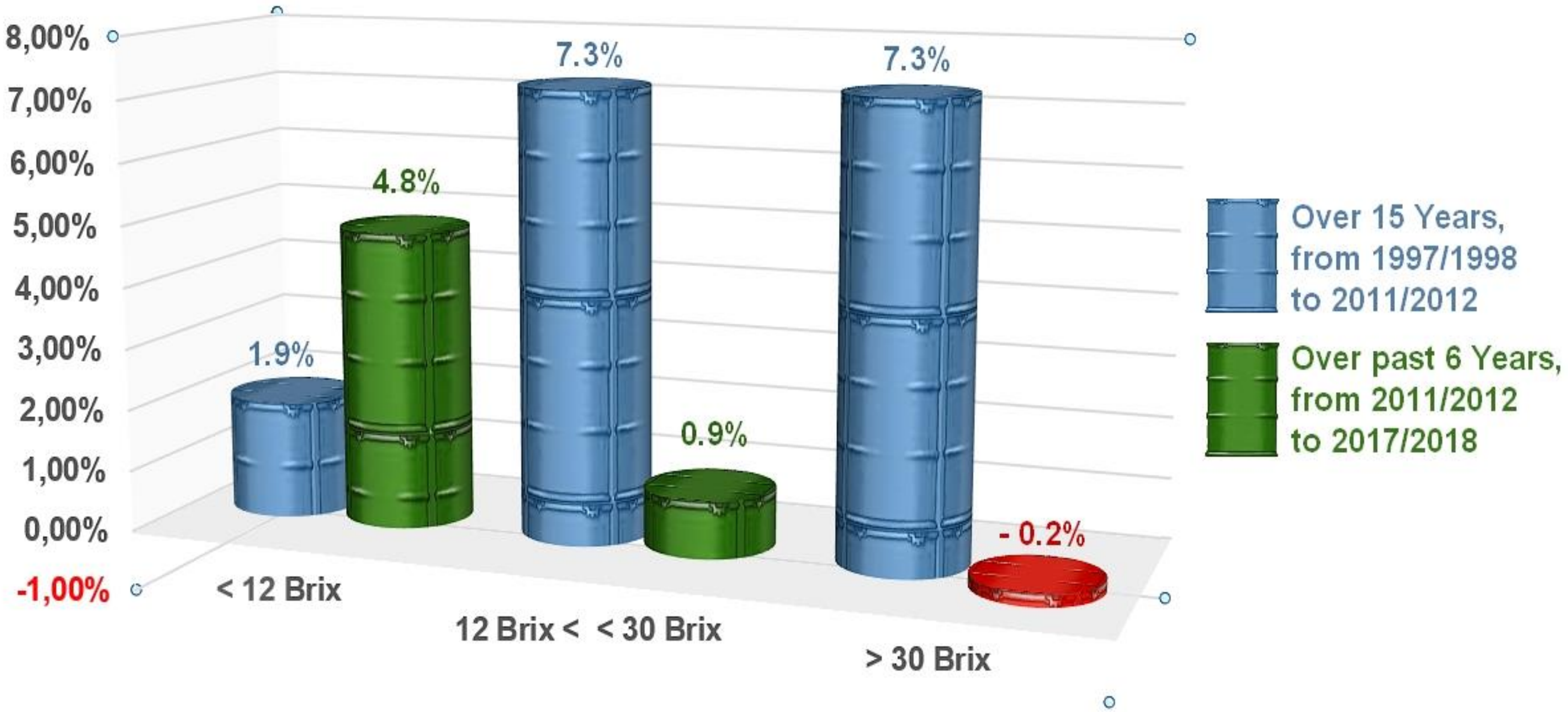
Annual Growth (CAGR) of Tomato Paste Exports



(Source: Tomato News)

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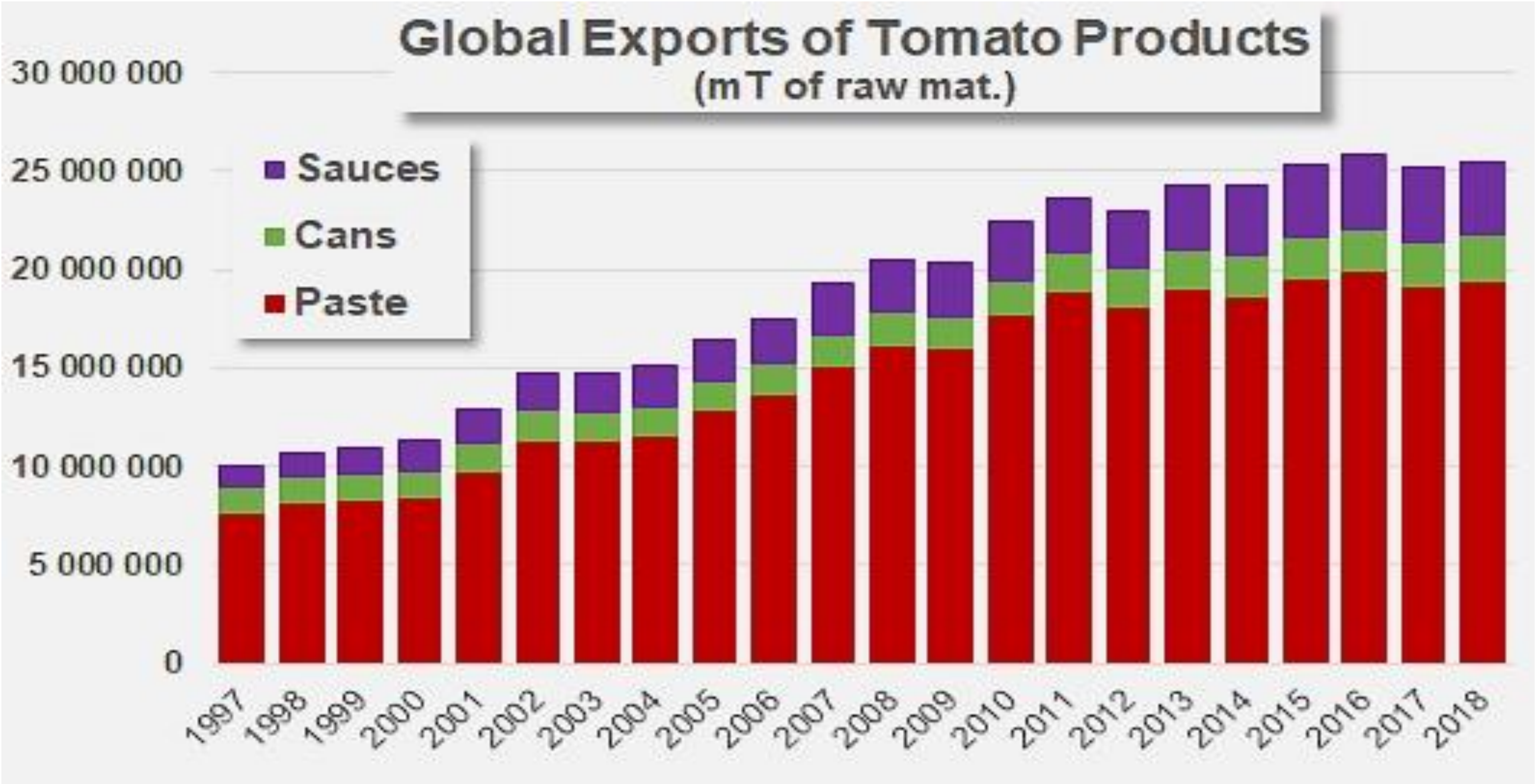

(Source: Tomato News)

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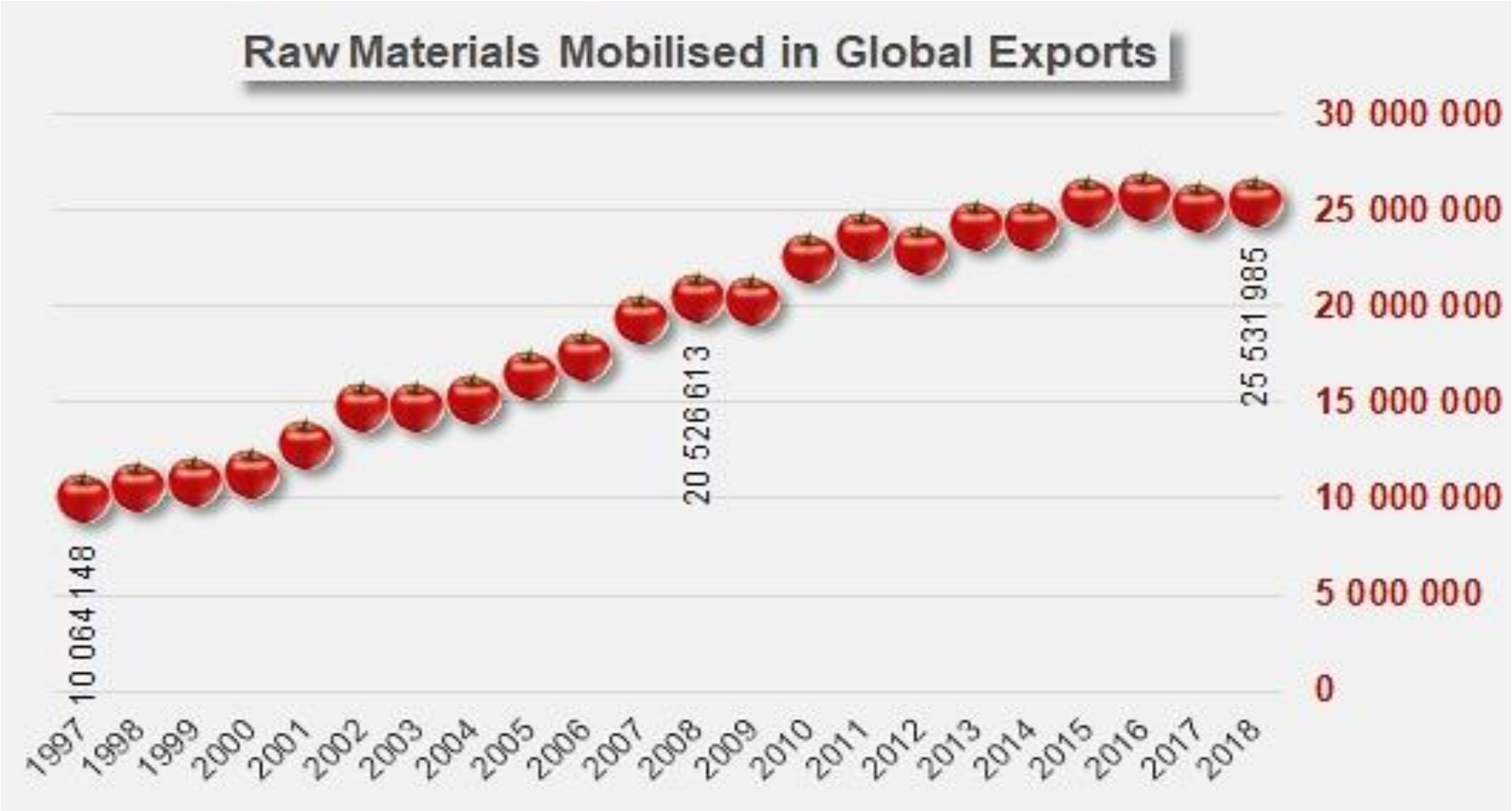

(Source: Tomato News)

The European supply chain of processed tomatoes will have to be taken into consideration in the near future

- **The stabilization of the agricultural production of industrial tomato and the growth of the value of the transformed product that will be increasingly differentiated**
- **Good export growth prospects in Asian markets**
- **The geopolitical risks for the African and Middle Eastern markets, especially for the concentrate produced in inward processing.**
- **The risks of Brexit and trade wars**
- **The growth of production in Ukraine, which could be a dangerous competitor in the coming years, while the "Chinese threat" should decline**
- **The difference in the costs of raw material in the EU compared to third countries should be seriously taken into account in the next CAP.**

Market Observatory

Prices of raw materials for processing tomato

The segmentation of finished products and the development of organic products has led, in each production area, to an inevitable segmentation of raw material prices.

We have identified 3 reference raw materials with a double price, one for the "traditional" product and one for the organic one (*the range of organic products tends to be equivalent to that of traditional products*):

1. **Tomatoes for the production of puree, paste and chopped tomatoes**
2. **Tomatoes for the production of whole peeled tomatoes**
3. **Small tomatoes (Cherry tomatoes /special variety)**

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Semifinished Products

«Traditional»

Organic

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Diced tomatoes

«Traditional»

Organic

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Tomato Passata

«Traditional»

Organic

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Tomato Paste

«Traditional»

Organic

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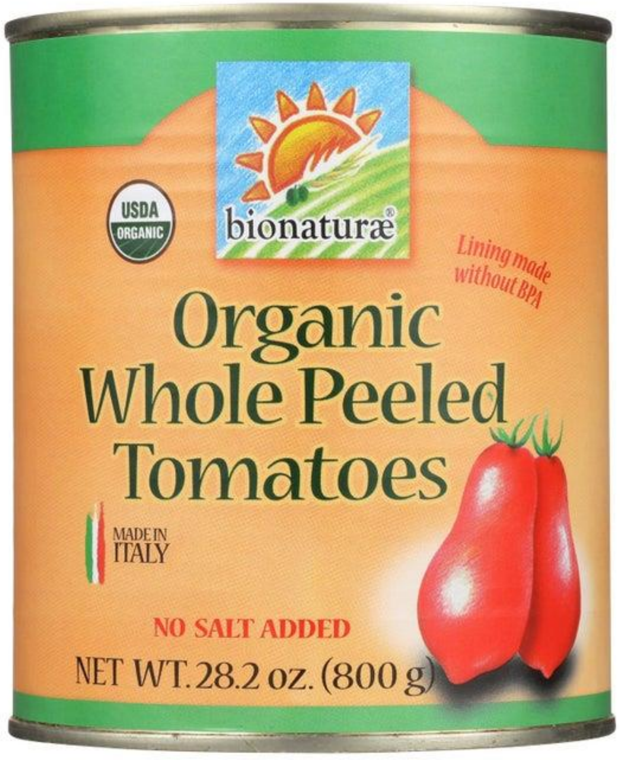
Whole peeled tomatoes

«Traditional»

Organic



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Small tomatoes (Cherry tomatoes /special variety)

«Traditional»

Organic

Market Observatory

Stock analysis

National and international associations representing processed tomatoes are evaluating the possibility of a common collection of stock data.

The evaluation of the evolution of the stocks is fundamental to understand the evolution of consumption and the need for raw material.

Currently there are experiences only at local level (California, South Italy).

The great segmentation of the market, as emerged from the price analysis, probably makes possible a global collection and evaluation of the stocks only transforming them into an equivalent raw material

Thanks for your attention