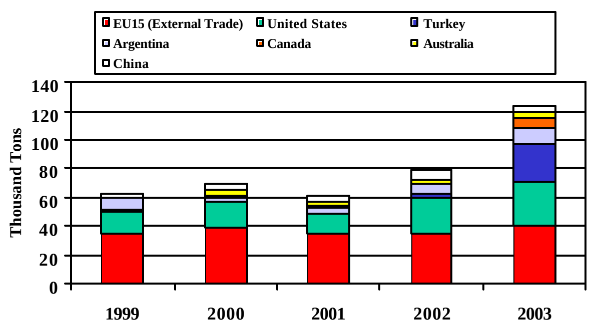
Tomato Products Situation & Outlook

Production and Trade in Selected Tomato Products for Selected Countries

Competition has intensified as world exports of tomato products from key suppliers have been increasing in recent years. According to Global Trade Atlas statistics, the European Union (EU) is the dominant exporter of processed tomatoes. In 2003, the EU15 accounted for approximately 14 percent and 30 percent of the world's canned tomato and tomato paste exports by volume, respectively. Other key suppliers included the United States, China, Turkey, and Chile. However, these suppliers each accounted for less than 15 percent of the world's processed tomato exports, with the exception of China, which supplied 25 percent of the world's tomato paste exports in 2003.

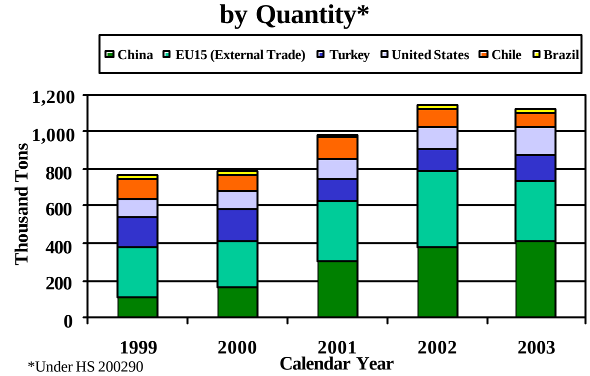
Canned Tomato Exports by Major Supplier by Quantity*



*Under HS 200210

Source: Global Trade Atlas

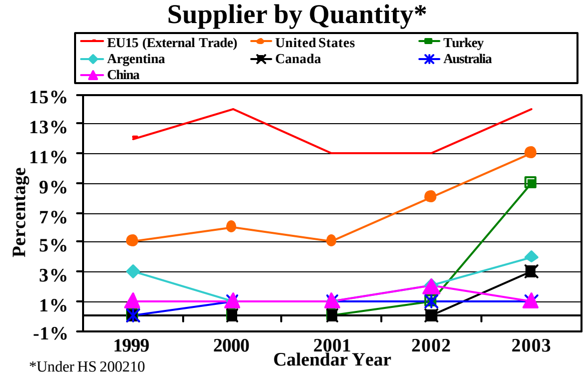
Tomato Paste & Puree Exports by Major Supplier by Quantity*



*Under HS 200290

Source: Global Trade Atlas

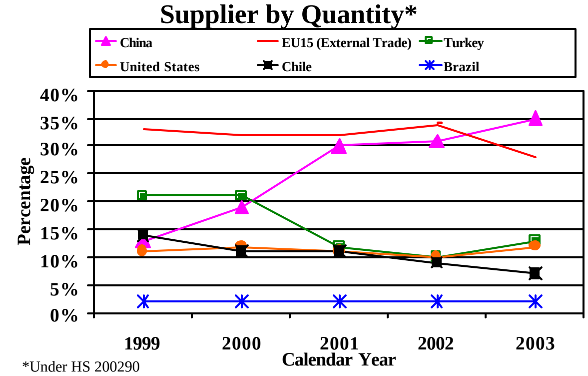
Export Shares of Canned Tomatoes by Major Supplier by Quantity*



*Under HS 200210

Source: Global Trade Atlas

Export Shares of Tomato Paste & Puree by Major Supplier by Quantity*



*Under HS 200290

Source: Global Trade Atlas

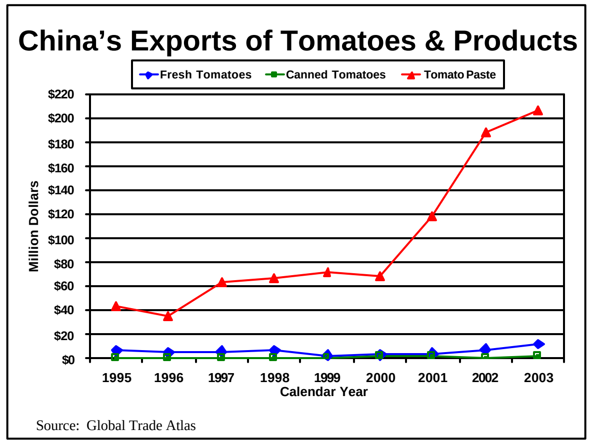
According to Global Trade Statistics, the EU has the largest export share by quantity of canned tomatoes. The U.S. and Turkish export shares have been rising sharply in the past few years, and these countries will continue to provide the EU with strong competition.

In 2003, China became the largest exporter of tomato paste by quantity. The EU moved to second place, and other exporters seem to be holding steady at much lower shares.

China

Many countries are concerned about processed tomato products from China, the world's largest fresh tomato producer and one of the largest processed tomato exporters. In the last few years, China's production, quality, and exports of fresh tomatoes have been growing, due in part to increased plantings, higher yields, and quality improvements. However, little reliable data is available on China's production of tomato products.

In 2003, China's exports of canned tomatoes reached 4,000 tons ($1.8 million) and tomato paste was 404,000 tons ($206 million). Its canned exports accounted for less than 2 percent of the world's processed tomato exports by quantity, while its paste exports accounted for 35 percent. China's processed tomato exports have increased exponentially over the past decade, and its export shares are expected to increase significantly over the next several years, as well.



Chile

Chile is also a major processed tomato producer and exporter. Chilean canned tomato production almost tripled in 2003 to meet the void left by Italy's supply problem caused by drought. Production is forecast at similar high levels in 2004 (see attaché report #CH4014).

Industry analysts claim that Chilean paste producers reduced exports during the last quarter of 2003 to obtain higher export prices, since there was little competition from Italy, due to Italy's production decline and shipping problems. FAS/Santiago forecasts paste production in 2004 will remain stable at 110,000 tons, while exports will increase 60 percent to 118,000 tons.

Greece

Production of canned tomatoes was up 50 percent in MY2003/2004, and is forecast to rise another 50 percent to 50,000 tons in MY2004/2005 (see attaché report #GR4009). Exports are forecast to rise 10 percent to 23,500 in MY2004/2005. However, poor quality hurt production and exports in MY2003/2004. Production and exports of tomato paste are expected to expand in MY2004/2005, due to good harvests. Both production and exports are forecast to jump 50 and 30 percent to 150,000 tons and 130,000 tons, respectively, in MY2004/2005.

Israel

Israeli production of tomato products was up in 2003 and is expected to rise again in 2004, due mainly to increased demand caused by the positive reports linking health benefits and tomato products. FAS/Tel Aviv is forecasting 2004 tomato paste production at 22,650 tons, up 20 percent from 2003. Exports are also expected to rise slightly to 6,800 tons. Canned tomato exports are forecast at 9,500 tons in 2004, up 30 percent. About half of Israeli tomato product exports are sent to the United States.

Italy

Canned tomato production is estimated at 1.8 million tons for marketing year (MY) 2003/2004, up 21 percent, and is forecast at 1.9 million tons in MY2004/2005, up almost 10 percent (see attaché report #IT4011). Canned exports are also forecast significantly higher in FY2003/2004 and FY2004/2005. Producers and traders expect to make up for the drought-reduced national supply in FY2002/2003.

Paste production and exports are also expected to reach much higher levels in FY2003/2004 and FY2004/2005. Production in FY2003/2004 is estimated at 378,308 tons, up 42 percent, while FY2004/2005 production is forecast at 417,600 tons, up 11 percent. Paste exports in FY2004/2005 are expected to reach 460,000 tons, up only slightly from the previous year, due to depleted stocks after the drought. The rest of the EU is the main market for Italy's exports of tomato products.

Mexico

Mexico is not a large producer of tomato products. FAS/Mexico City reports that tomato paste production will remain low in MY2004/2005 because it is now more profitable to import it (see attaché report #MX4065). Paste exports are also expected to remain low. They are forecast to drop slightly to 6,500 tons in MY2004/2005.

Portugal

Portugal is a key paste supplier. Portugal's production of tomato paste has remained stable over the last few years, and is forecast to rise 15 percent to 165,000 tons in MY2004/2005 (see attaché report #PO4010). Paste exports are also forecast to rise modestly to 130,000 tons in MY2004/2005. The rest of the EU is the main market for Portugal's paste exports.

Spain

FAS/Madrid reported that processing tomato deliveries to processors in MY2003/2004 were 472,400 tons over the EU quota, due to a record processing tomato crop in 2003 (see attaché report #SP4013). The EU imposed a penalty of 14.9 percent, which will be subtracted from the subsidy for paste and processing tomatoes during MY2004/2005. However, this had very little impact, as producers are expecting to further expand production of processing tomatoes. Furthermore, as a result of this record processing tomato production, processors expect a dramatic increase in paste production and exports in MY2004/2005. Paste production is expected to rise 44 percent to 321,428 tons in MY2004/2005, and exports are forecast at 160,000 tons, up 30 percent.

In contrast, processors are not expecting to expand canned tomato production and exports. Canned tomato production and exports are expected to drop about 10 percent each in MY2004/2005. The rest of the EU is the main market for Spain's exports of tomato products.

United States

According to USDA's Economic Research Service, California processed tomato production is expected to rise 20 percent, to 10 million tons in 2004. The United States is a major exporter of tomatoes and products. In 2003, U.S. tomato paste exports reached 142,640 tons, up 25 percent from 2002, and up 80 percent from a decade ago. However, paste exports are still below the 1997 record (146,690 tons), due mainly to intense competition. In 2003, U.S. canned tomatoes rose 16 percent from 2002 levels to 39,916 tons, which is double the volume a decade ago.

Given the intense competition from international suppliers for tomato products, the struggle to maintain market share for exports of these products will continue. The Foreign Agricultural Service (FAS) has programs and services to assist the U.S. industry with this challenge.

(The FAS attaché report search engine contains reports on the selected vegetable industries for selected countries. For information on production and trade, contact Shari Kosco at 202-720-2083. For information on marketing, contact Krista Dickson at 202-690-1341. Also see the vegetable webpages at www.fas.usda.gov/htp/horticulture/Proc_Veg.html and www.fas.usda.gov/htp/horticulture/Veg.html)