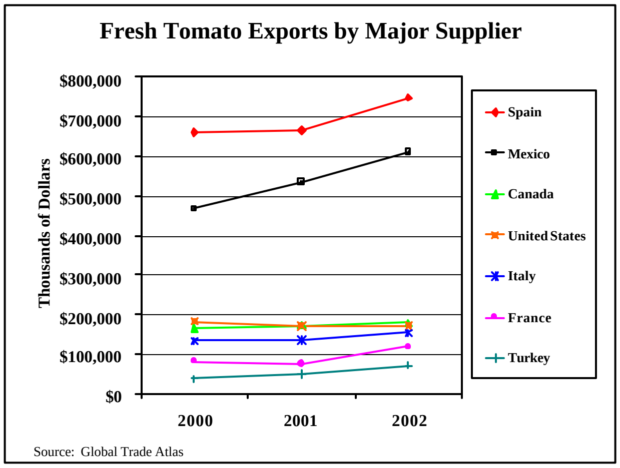
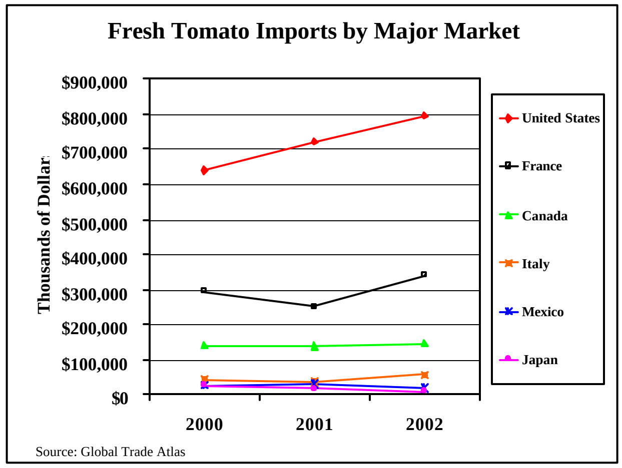
Tomato and Tomato Products Situation

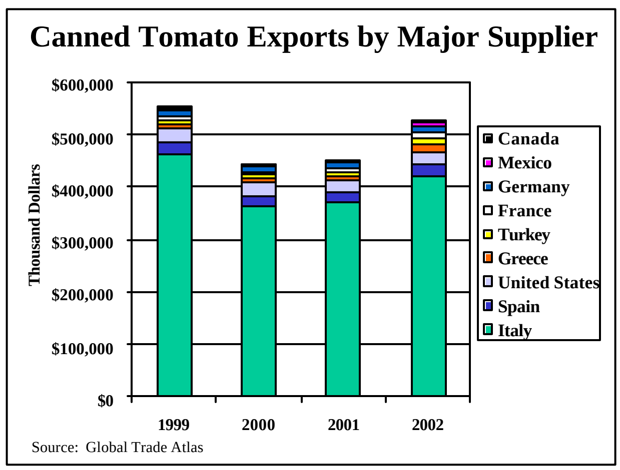
Trade

Competition has intensified as world exports of fresh tomatoes from key suppliers have been increasing in recent years. The top fresh tomato exporters include Spain, Mexico, Canada, the United States, Italy, France, and Turkey. From 2000-2002, Spain and Mexico, the dominant suppliers, sharply increased their fresh tomato exports. In contrast, Canada, the United States, Italy, France, and Turkey experienced relatively flat exports over this same period.



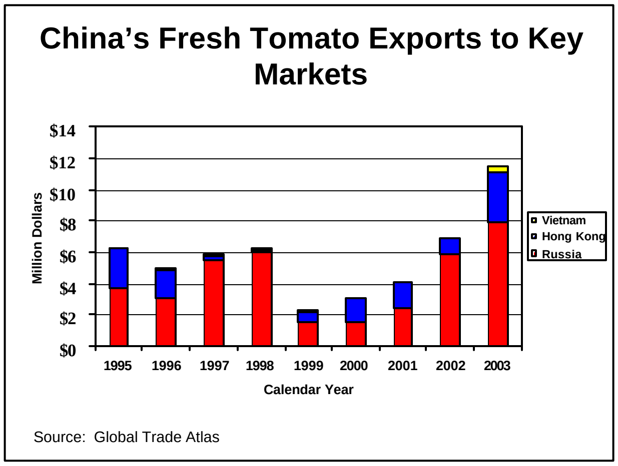


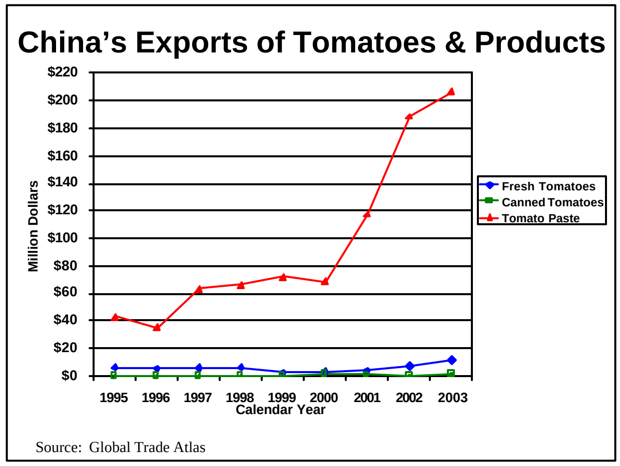
It is noteworthy that the major exporters of fresh tomatoes are also major importers. Major markets for fresh tomatoes include the United States, France, Canada, Italy, Mexico, and Japan.



According to Global Trade Atlas statistics, Italy is the dominant exporter of canned tomatoes. In 2002, Italy accounted for approximately 80 percent of the world's canned tomato exports. Other key suppliers include Spain, the United States, Greece, and Turkey. However, these suppliers are much smaller than Italy, each accounting for less than 5 percent of the world's canned tomato exports.

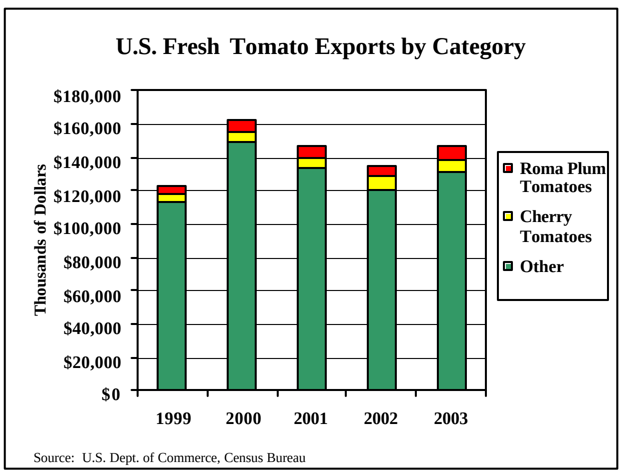
Over the last decade, China's exports of tomato products have grown immensely. In particular, China became the second largest producer of tomato paste in 2002, surpassing the European Union (EU), Turkey, Chile, and the United States. China's tomato paste exports were valued at $206 million in 2003.

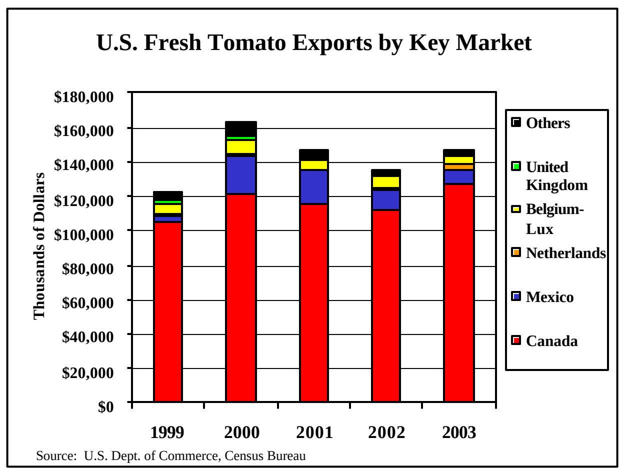




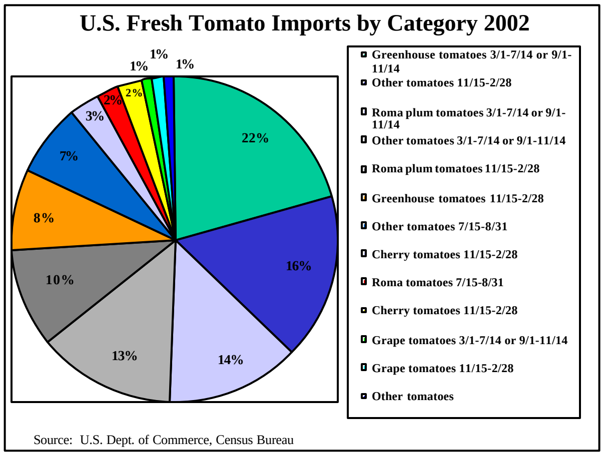
United States

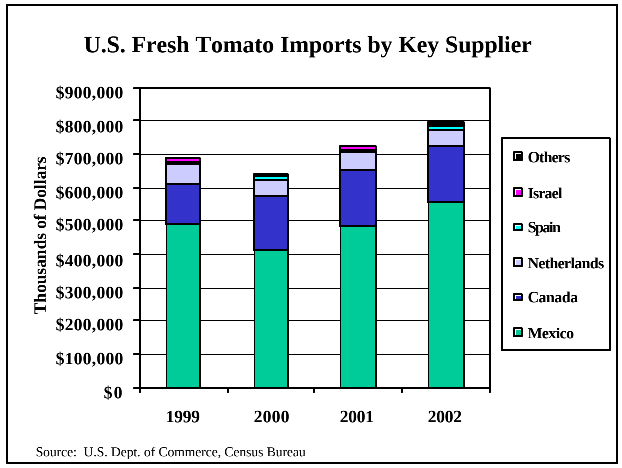
The United States is a major exporter of tomatoes and products. Fresh tomatoes are the second largest U.S. fresh vegetable export. From 2002-2003, tomatoes rose 8 percent. Exports rose 20 percent from 1999-2003. Canada is the leading U.S. export market for fresh and processed tomatoes ($112 million). Mexico, our other NAFTA partner, was our second most important export market at $12 million. In contrast, the United States imported $551 million of tomatoes from Mexico. Overall, the United States has a large trade deficit in tomatoes. Mexico and Canada are important suppliers of fresh market tomatoes to the United States (see charts for more details).





From 1999-2002, U.S. tomato paste exports have been flat, due mainly to intense competition. In 1999, U.S. paste exports were $68.9 million. In 2000, they dropped down to $65 million and have been recovering slowly since then. However, the 2002 value ($68.8 million) is still below the 1999 value.



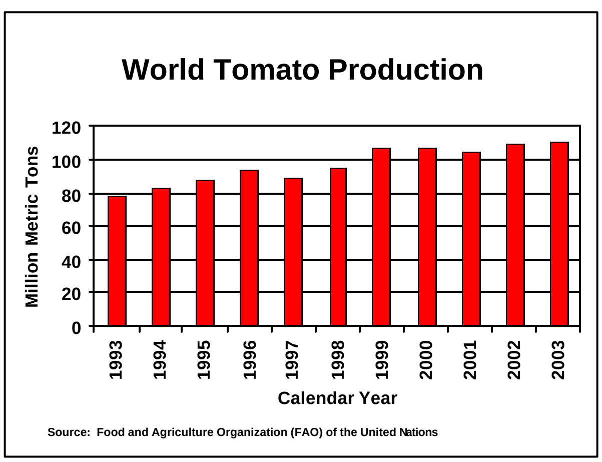


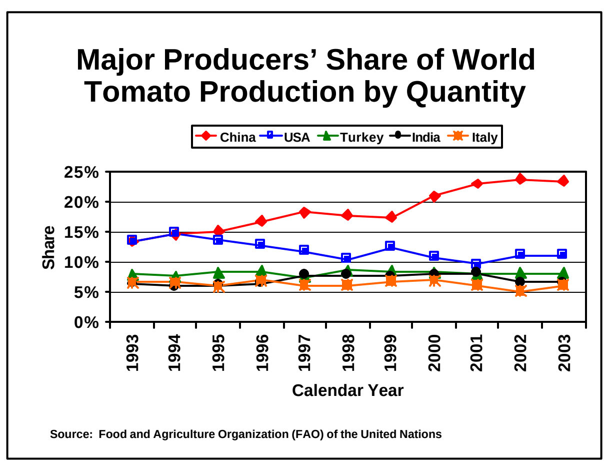
Given the intense competition from international suppliers for tomatoes and products, the struggle to maintain market share for exports of these products will continue. The Foreign Agricultural Service (FAS) has programs and services to assist the U.S. industry with this challenge.

Production for Selected Countries

China

Many countries are concerned about fresh and processed tomatoes from China, the world's largest tomato producer. In the last few years, China's production, quality, and exports have been growing, due in part to increased plantings, higher yields, and quality improvements. From 1999-2003, China's fresh tomato production has grown 40 percent to 25.9 million tons, according to the Food and Agriculture Organization of the United Nations. China currently produces about 25 percent of the world's tomato production. Its production share has increased over the last several years, while other major producers' shares have been flat or declining.





France

In 2003, fresh tomato production is estimated at 892,545 tons, 10 percent more than 2002 levels (see Attaché report #FR3075 for more details). The heat wave and drought that swept across the EU in 2003 did not harm tomato production. Approximately 70 percent was for the fresh market, while 30 percent was for processing. France is a minor producer of processed tomato products.

French and other EU tomato growers are concerned about the EU-Morocco Free Trade Agreement, which gives Moroccan tomatoes greater access to the EU market. Under this agreement, which was reached in fall 2003, Morocco may ship up to 175,000 tons duty-free of fresh tomatoes to the EU in 2004, with an additional quota of 10,000 tons available annually from November to May until it reaches 220,000 tons in 2007.

Greece

Greek fresh tomato production in 2003 is estimated at 1.6 million tons, up 6 percent over 2002 levels (see Attaché report #GR3028 for more details). Post reported that processors increased the quantity of industrial tomatoes channeled for canned products instead of paste, due to short supplies of canned products in international markets.

Greece is a key processed tomato products producer. Industry sources report that about 75 percent of industrial tomato production in 2003 was used for tomato paste, 5 percent went into canning, and the rest was used for other products or classified as waste.

Italy

Total Italian tomato production in 2003 is estimated at 6.1 million tons, 20 percent higher than 2002 levels, due to favorable weather, increased acreage the previous year, and increased yields (see Attaché report #IT3028). Post reported that processed production is far below the amount contracted in early 2003. Canned tomato production is estimated at 1.6 million tons for marketing year (MY) 2003/2004, up 14 percent. Paste production is estimated at 445,503 tons in 2003, up almost 40 percent.

Mexico

Fresh tomato production in Mexico in MY2003/2004 is expected to rise 5 percent to 2 million tons, due to favorable weather (see Attaché report #MX3156). Mexico is not a large producer of tomato products. Tomato paste production is estimated at only 6,000 tons in MY2003/2004, due to the low supplies available for processing as well as low profit margins. Paste production is expected to return to normal levels in MY2004/2005, and is forecast at 11,000 tons.

Portugal

Post reported that tomato production reached 1.1 million tons in MY2003/2004, 6 percent higher than the previous year's poor crop (see Attaché report #PO3026). Approximately 85 percent of total production is sold for processing. Paste production is expected to remain about the same in MY2003/2004 as the previous year.

Spain

Industry sources report that there will be record production and deliveries to processors in MY2003/2004 (see Attaché report #SP3044). Fresh tomato production reached a record 3.9 million tons, 2 percent above the previous year. Paste production is expected to rise about 3 percent to 270,000 tons in MY2003/2004.

Turkey

Tomato paste production is estimated at 315,000 tons in MY2003, almost 15 percent higher than the previous year, due to favorable weather during the industrial tomato growing season and yield improvements (see Attaché report #TU3033). Post reported that exports rose by 13 percent, due to quality problems in China and low stocks in other markets.

United States

The United States is the world's second leading producer of tomatoes, after China. California is the leading producer of all tomatoes in the United States, accounting for 95 percent of U.S. processing tomato output and 31 percent of the fresh crop. Florida is the second largest tomato producing state (including processing), but leads in fresh market tomatoes. USDA's National Agricultural Statistics Service estimates total tomato production in 2003 at 11.5 million tons in 2003, 14 percent below 2002 due to poor weather. According to the USDA's Economic Research Service, California processed tomato production is expected to rise 20 percent to 10 million tons in 2004.

(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.)