

A vertical illustration on the left side of the slide. It shows a glass jar tilted, pouring red tomato sauce onto a white surface. The sauce has spread out to form a map of South America. To the left of the jar, there are several whole red tomatoes.

“Future prospects for tomato processing in South America”

13th **WORLD TOMATO CONGRESS**
11th - 15th June **2018**
GREECE



South American Population

Brazil	207	49%
Colombia	49	12%
Argentina	44	10%
Peru	32	8%
Venezuela	32	8%
Chile	18	4%
Ecuador	17	4%
Bolivia	11	3%
Paraguay	7	2%
Uruguay	3	1%
Guyana	1	0%
Surinam	1	0%
South America	422	100%

* millions of people

6% of the
global
population

12% of the
global area



**...we have
some
differences in
South America**





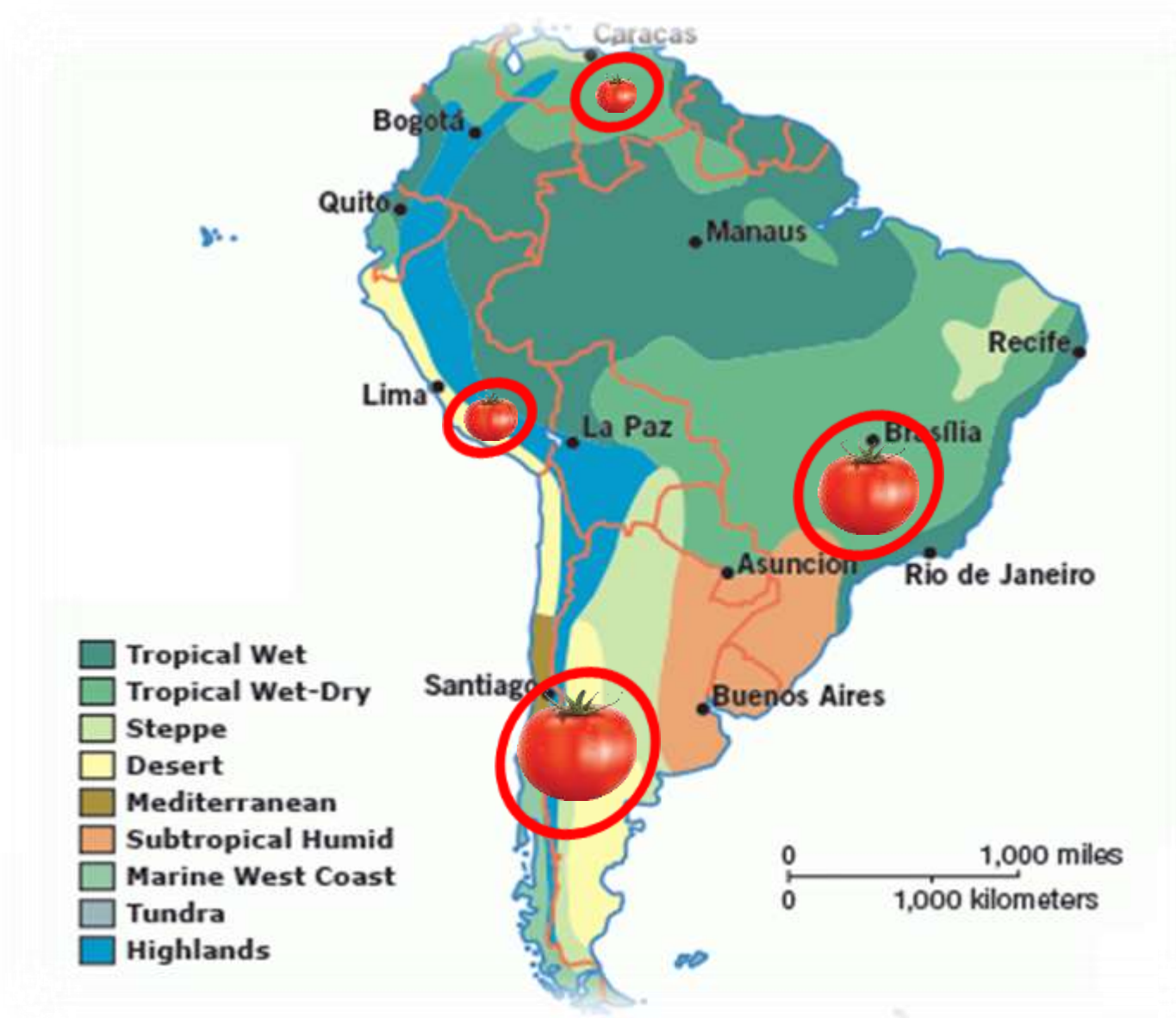
Wide differences in GDP ii

		2018 vs 2015	2015	2018
Brazil	↑	14,5%	1.773	2.029
Colombia	↑	3,4%	1.144	1.183
Argentina	↑	11,7%	291	325
Peru	↑	5,7%	240	254
Venezuela	↓	-19,2%	260	210
Chile	↑	6,7%	192	205
Ecuador	↓	-3,7%	101	97
Bolivia	↑	15,8%	53	62
Paraguay	↑	30,1%	33	43
Uruguay	↑	11,1%	27	30
Guyana	↓	-7,7%	5	5
Total	↑	7,8%	4.119	4.442

Gross Domestic Product in Purchasing power Parity
Real 2015: IMF estimations 2018: In Billions of Dolars



🍅 Different Climate conditions





🔴🔴 Different Political and Economical Situation...

Brazil

Inflation 2,95%
Political Instability , Lula in Jail
Weak Growth , 1% 2017
Weak Internal Demand



Argentina

High Inflation 24,8% -2017
Growth 2,8- 2017
Weakness Local currency
Political stability on the way..?



Chile

Inflation 2,3%-2017
Political Stability with changes
Weak growth : 1,7%
Strong Internal demand



Peru

Inflation 1,4%- 2017
Political Instability – President dismissed
Growth 2,5%
Flat internal demand



Venezuela

Disaster
Inflation 2.100% (e 2018)
Food Shortage
Democracy ??





What we need to check in South America ?



**Political Stability
(risk for investment)**



Legal framework



Farming Yields



Quality



Exchange rate



Meccanization



Exiting plagues



Climate



Logistic



Factories



Costs



Inflation

***“We must see countries
in detail”***



Global Tomato Processing in 2018: 36.55 million mT

as of 18 May 2018



90%

10%





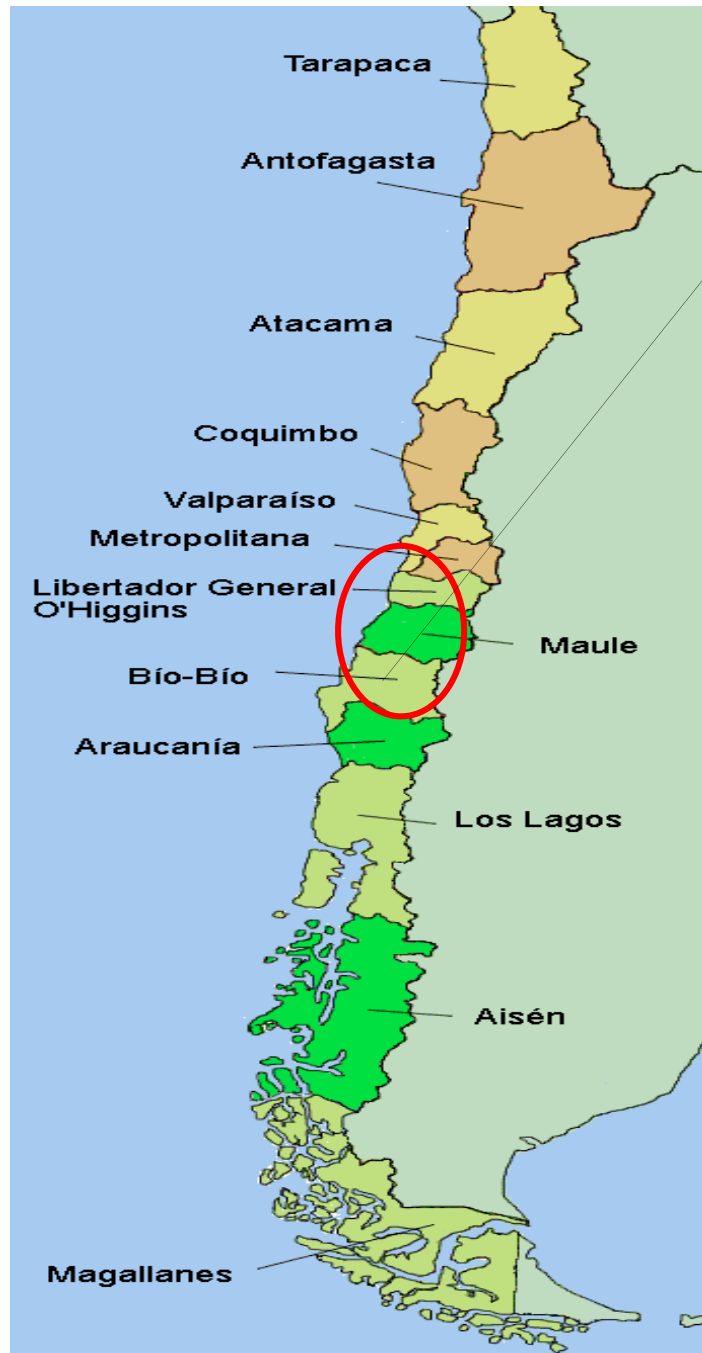
- 🍅 Production 2017 : 1.4mm Ton , (2018 est.: 1.25mmTon)
- 🍅 Surface 2017: 17.000ha ; 15.000 2018 (e) -> 100% irrigation Central Pivot
- 🍅 Yield/Ha : 82Mt.
- 🍅 Farmers : 125-150 (136 to115 has/farm)
- 🍅 Raw Material Price: R\$230 (US\$73) + Freight R\$90 (US\$25) =US\$ 98 Mton
- 🍅 Raw material Brix aprox 4,2 – 4,5
- 🍅 Production for internal market Quality standards.

Conclusions:

- Production Target -> Brazilian Market = on balance. With imports volume for diced, whole peeled and High quality standard tomato paste.
- Land Available but final cost affected by distance an exchange rate Less tomato concentrate consumed because reduction in brix content regulations
- Offer and demand on balance -> no Change in the near future



Chile



**Central Region
100%**



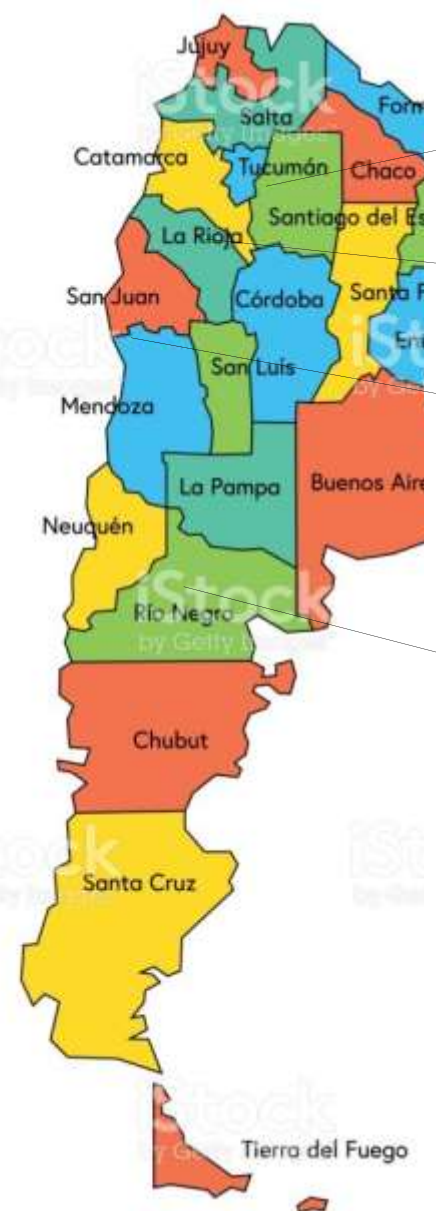
- 🍅 Production 2018 : 1.2 mm Ton.
- 🍅 Surface 2017-18 : 12.550 ha (20% with drip irrigation)
- 🍅 Yield/Ha : 96mt
- 🍅 Farmers : 500 (3 Companies); average distance from farms 50kms
- 🍅 Raw Material Price : US\$80 (in Chilean pesos equiv.)
- 🍅 Raw material Brix : 5,0-5,1 / High cost of the land.
- 🍅 Production 90% for exports markets. 100%tomato concentrate

Conclusions:

- Chile -> main tomato product exporter in South Hemisphere ->(8°world)
- Stable climate conditions , High quality standard
- Limited land available
- increased land cost due to production of fruits such as cherries and other crops
- 80% Furrow Irrigation
- If Chile want to increase the Surface , has to increase drip irrigation and technology to compete with other alternatives



Argentina



NOA 8%

La Rioja 6 %

Cuyo 78%

Río Negro 8%



Argentina



- 🍅 Production 2018 : 436.000 M tons. (-8% vs 3 last years average)
- 🍅 Surface 2017-18 : 6.000 ha (45% with drip irrigation)
- 🍅 Yield/Ha : 70Mt.
- 🍅 Farmers : 275 (8 Companies)
- 🍅 Raw Material Price, field: US\$85-> US\$70(before and after currency devaluation)
- 🍅 Transportation cost US\$8 to US\$9 (company Paid)
- 🍅 Production mainly for domestic Whole peeled - diced exports and domes.
Imports mainly from Chile; USA; China and Peru

Conclusions:

- Yield and Mechanization improving ; but average yield still lower than the region (2011:53ton)
- Risk : Weather due Ail and rains during harvest season
- Lowest cost of the land in the region
- Highest tomato consumption in the region (14kg /per capita)
- High cost an limited credit access for farmers; unstable exchange rate
- Total Argentinian production will Jump if increase the farm Yield.



Peru



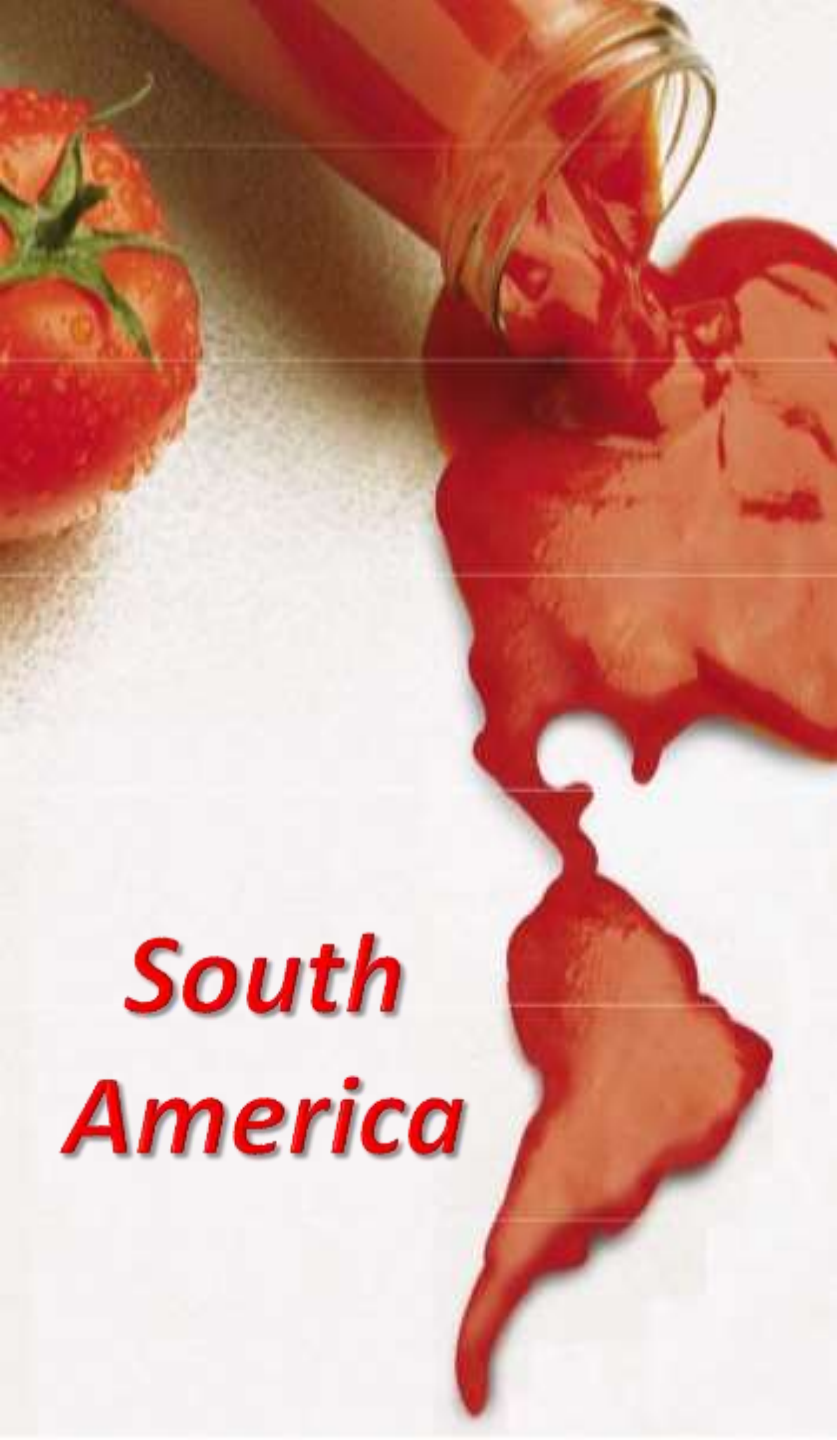
ICA 100%



- 🍅 Production 2017-2018 : 100.000Mtons -> Long Harvest Season
- 🍅 Surface 2017-18 : 780 ha (100% with drip irrigation)
- 🍅 Yield/Ha : 120 Mt.
- 🍅 Farmers : 1 (1 Company); Icatom
- 🍅 Raw Material Price : US\$80
- 🍅 Production 80% for exports markets mainly South America and 100% tomato Paste

Conclusions:

- Icatom farms are mainly in the desert , sandy soil
- Crops with High pressure pest and disease
- High Irrigation cost (From deep –deep wells)
- Limited land and water availability- P
- Is mandatory to keep highest Yield in the region ; due Hight production cost per hectare
- Peru tomato growing area is limited in the Ica Valley. Now with fruit (grapes and Blueberry) and Avocado orchards. That’s why looks difficult to project any important Increase



***South
America***

Final Comments...

- **South America is one of the most diverse region in the world.**
- **From Amazonas Jungle to Atacama Desert**
- **From countries with more tan 200 million people to 1 million**
- **Democracies +/- stables during the last 30 years until dictatorship in process**
- **That's why if you really want to know the future of the industry in South America. We have to check and analyse every country.**
- **This Future will depends on the stability political and economical and also capital access to apply new agricultural techniques**

Thank you!



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