The Tomato Production and Market in China

June, 2021
13.3% of Global Tomato Processing in Last 5 Years

- World production estimate of tomatoes for processing: The estimated global processing volume in 2021 will be 38.92 million tons, an increase of 1.3% compared with 38.4 million tons in 2020.
- China production estimate of tomatoes for processing: The total processing volume in 2021 is 4.8 million tons, accounting for 12% of the global processing volume, down 17.2% from 5.8 million tons in 2020.

Data Sources: WPTC

Unit: 10,000 MT
In the past 10 years, China's trade volume accounted for 25% of the global trade volume.
2021: sharp increase in the cost of tomatoes as raw material

The average price of global Processing tomatoes are now 7% more expensive than during three previous seasons

The price of raw materials in China is still the lowest among the three major production areas, but it has been rising continuously since 2019.
2021: Sea freight soared by 300-1,000%.

Since October 2020, the sea freight has been rising continuously, and some routes have skyrocketed to 10 times. The high sea freight greatly reduces the profit margin of tomato products. Ocean freight has become an important factor restricting tomato trade.
Westbound Logistics Development Shows Big Potential

With the rapid rise of sea freight, a large number of goods began to be transported by rail. Since August 2020, China Europe train has operated 19 trains in Italy, 4 trains in Russia and 13 trains in other European directions, with a total of 36 trains. Each train carries 1,000-1,600 tons of goods, with a total of more than 40,000 tons of goods. The stable operation of China Europe train greatly shortens the transportation time and reduces the logistics cost of Chinese tomato production.
China trade situation

In the past five years, China’s Tomato export volume and sales price have remained stable, and China’s tomato industry has entered into a stage of balanced and stable development, but prices are expected to rise in 2021-2022 due to cost rising raw materials, packaging materials and sea freight.
2021: China's regional production and inventory

By August 01, 2021, we will hold 172,000 metric tons tomato paste stock on hand, but the inventory will be basically finished in the middle and late October, 2021.

In 2021, China's total processing volume is estimated to be 4.8 million tons, including 2.65 million tons in Northern Xinjiang, 0.99 million tons in southern Xinjiang, 0.06 million tons in Gansu and 1.1 million tons in Inner Mongolia. The accumulated temperature during transplanting was low, and the whole transplanting was delayed for 5-7 days. The price rise of other crops and the shortage of water resources have led to a significant decrease of 1 million tons of processed tomatoes compared with 2020.
COFCO Keeps Piloting Mechanization and Efficiency Improving

- **Mechanization**: North Xinjiang nearly 100%, South Xinjiang 70% mechanical harvest. The mechanical harvesting area in Inner Mongolia will reach 43,000 mu in 2021. With the implementation of China's large-scale land integration strategy, mechanical harvesting area is expanding year by year, and the stability of raw material supply is further enhanced.

- **Automation and digitization non-stop upgrading**
Exchange Rate

In the past year, the RMB exchange rate has risen from 7.1 to 6.4. The appreciation of RMB against the US dollar has reduced the profits of export enterprises, due to production costs are locked in RMB.
Amazing and Impressive Local Standard Market Development

➢ 150K tons of bulk paste to repack for sauces, repack paste for domestic market, drinks, powder, lycopene products, etc.

➢ Direct filling canned paste 65K tons mainly for catering

➢ Diced/whole peeled 15K tons
Thanks to all in this line!

Great changes are taking place in today's world. All our tomato colleagues should take the challenge together and offer healthy and nutritious tomato products professionally and sustainably.