Tomato Industry Overview & Outlook

Zhengfei Guan
Gulf Coast Research & Education Center
University of Florida/IFAS
Outline

- Overview of the world tomato production
- US Tomato Production and Value
- Mexico Tomato Industry and Government Support
- U.S.-Mexico Trade
- Florida Tomato Industry and Market Share
- Threats and Opportunities
- Concluding remarks
World Tomato Production

Source: Food and Agriculture Organization of the United Nations
U.S. Fresh Tomato Production

In cwt, 1998-2012

Source: U.S. Dept. of Agriculture, National Agricultural Statistics Service, Vegetables Summary
U.S. Fresh Tomato Value

Source: U.S. Dept. of Agriculture, National Agricultural Statistics Service, Vegetables Summary
U.S. Fresh Tomato Production

Fresh Tomato Production in the Top 3 States

Source: U.S. Dept. of Agriculture, National Agricultural Statistics Service
U.S. Tomato Acreage

Harvested Acreage of Fresh Tomatoes in the Top 3 States

Source: U.S. Dept. of Agriculture, National Agricultural Statistics Service
Per Acre Yield in CA & FL

Per Acre Yield in cwt, 2000-2012

Source: U.S. Dept. of Agriculture, National Agricultural Statistics Service
Mexico Production

- Production cost is much lower
- Leading country for tomato exports; has significant impact on U.S. Market

- Open field yields have risen from 20,000 lbs per acre in 1990 to 25,000 lbs/acre in 2000 and to 37,000 lbs/acre in 2010.
- Yield increased 50% in 10 years
Per Acre Yield Comparison

Per Acre Yield in cwt, 2000-2012

Source: U.S. Dept. of Agriculture, National Agricultural Statistics Service
Mexican Total Tomato Production

Source: United Nations, Food and Agriculture Organization
Mexican Fresh Tomato Production

Source: USDA/FAS
Mexican Fresh Tomato Planted Area

Source: USDA/FAS
Mexico Fresh Tomato Trade, 2000-2012

Source: U.S. Department of Commerce
Mexico Fresh Tomato Export, 2000-2012

Source: U.S. Department of Commerce
U.S. Trade in Fresh Tomatoes, 2000-2012

Source: U.S. Department of Commerce
Origins U.S. Imports of Fresh Tomatoes

From Mexico, Canada and Other Countries

Source: U.S. Department of Commerce
**U.S. Imports of Fresh Greenhouse Tomatoes**

- **Source:** U.S. Department of Commerce

![Graph showing the imports of greenhouse tomatoes from Mexico from 2000 to 2012.](image-url)

- **Imports of greenhouse tomato**
- **Imports of greenhouse tomato from Mexico**
- **Total imports**

The graph illustrates the trend in imports of greenhouse tomatoes from Mexico, along with total imports, from 2000 to 2012. The data is sourced from the U.S. Department of Commerce.
U.S. Exports of Fresh Tomatoes

To Mexico, Canada and Other Countries

Source: U.S. Department of Commerce
U.S. Monthly Fresh Tomato Imports, 2011-June 2013

Source: U.S. Department of Commerce

Source: U.S. Department of Commerce
**Tomato Shipping Seasons by Region**

North American fresh-market field and protected-culture technology tomato shipping seasons by region

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U.S. Monthly Fresh Tomato Exports, 2010-June 2013

Source: U.S. Department of Commerce
U.S. Fresh Tomatoes Price

U.S. Retail Advertised Prices for Tomatoes($/lbs)

Source: USDA, Agricultural Marketing Service, National Fruit and Vegetable Retail Report
U.S. Fresh Tomatoes Price

U.S. Retail Advertised Prices for Tomatoes($/lbs)

Source: USDA, Agricultural Marketing Service, National Fruit and Vegetable Retail Report
Florida Tomato Production

- The largest supplier of fresh tomatoes, accounting for nearly 50% of the total crop value
- Winter production predominantly in FL
Florida Fresh Tomatoes Production from 2000 to 2012

Florida Fresh Tomato Value

Million Dollars

FL Tomato Farm Gate Price

Tomato farm gate Prices at Florida ($/lbs)

Source: USDA, Agricultural Marketing Service, National Fruit and Vegetable Retail Report
Mexico competition

- U.S. tomato production decreased from 3324 million lbs in 2009 to 2759 million lbs in 2012

- Tomatoes imported increased significantly from 2623 million lbs to 3379 million lbs over the same period; increased by 750 million lbs;

- Farm gate value of Florida tomato industry and the national values slumped sharply, from $620 to $268 million;

- Market share of Florida tomatoes shrank due to the dumping of Mexican tomato to U.S. domestic tomato industry.
Mexico Protected Agriculture Policy

- The Mexican greenhouse horticulture received substantial amounts of governmental subsidies.

- In 2009, SAGARPA announced a strategic project for protected agriculture.
  
  - For greenhouses: $1.2 million Peso/ha, up to $3 million peso per project ($246,000).

  - Furthermore, specialized training and technical assistance eligible for subsidy of 50% of total cost, up to $100,000 peso (roughly $10,000).

  - The same subsidy applies for insurance for greenhouses, market studies; certification of GAP and GMP; promotion of products originating from protected agriculture, etc.
Benefits of Protected Agriculture

- Higher Yield

- The benefits in production, quality, pest control, and reduced risk exposure to climate change

- Higher market price
## Mexico Protected Tomato production

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<th>Year</th>
<th>hectares</th>
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<td>2010</td>
<td>4000</td>
<td>9884</td>
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<td>2011</td>
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Threats/Challenges for FL Industry

- Increasing government regulation
  - Methyl bromide ban caused technological shocks, impacted yields, risks, and costs

- Increase in production costs
  - high labor rates, high transportation costs;
  - Cost disadvantage compared to Mexico (plenty of cheap labor force).
Labor Shortage

- “Americans don’t want to do labor work”
- “90 percent of labor force is ILLEGAL”
- E-Verify policy is threatening the supply
- Guest Worker Program (H-2A) expensive and cumbersome

- Solution: “Ag Card”? 
Opportunities

- New variety development for mechanical harvesting
- New Suspension Agreements
Innovate and change

- New varieties
- Protected production
- Labor solution
Concluding Remarks

- The industry is operating under increased costs, competition and regulation
- Inefficient growers forced to exit, industry getting more consolidated
- The industry has been trending down, but the new Suspension Agreement may slow/change this trend
- Need to INNOVATE and CHANGE
- Need new varieties and labor solutions
- & Promote “buy local”, “Made in U.S.A.”; “Fresh from Florida”!
THANK YOU!

Zhengfei Guan

guanz@ufl.edu

(813) 633-4138