

Key findings and insights into the U.S. tomato market

The U.S tomato market totalled \$12.8bn in 2017 in wholesale prices, which was \$2.2bn (15%) less than the year before and \$5.4bn (30%) less than its highest level observed in 2018. This according to *U.S: Tomato - Market Report. Analysis and Forecast To 2025* report, released by [IndexBox](#).



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This decline was caused by shrinking harvested areas of processing tomatoes due to lowering prices on the global tomato paste market; some adverse weather conditions in California and Florida also made an impact.

Tomato market forecast

Tomatoes constitute one of the major vegetables in American cuisine, being consumed both in fresh form and in processed form as ketchup, tomato sauce and paste. Driven by the anticipated growth of population, growing popularity of healthy eating, using fresh tomatoes and tomato sauces for sandwiches, pizza and other products in fast food, the tomato sector is expected to enjoy strong consumer demand. As such, the performance of the market is forecast to accelerate slightly, with an anticipated CAGR of +1.7% from 2016 to 2025, which is expected to bring the market volume to 16.4 million tonnes by 2025.

Tomato output sees slump for second consecutive year

In 2017, production decreased by 14% to 12.5 million tonnes, which was equal to \$10.9bn. The decline of production resulted from weak demand for tomato paste from local processors, as the export market tightened due to increasing supplies and lower prices.

Tomatoes for processing dominates output

Tomatoes for processing accounted for the highest share (91% in 2017) of U.S. tomato manufacturing, followed by tomatoes for fresh market (9%).

The most notable decline in U.S tomato manufacturing from 2007 to 2017 was attained by tomatoes for fresh market (-3.6%

per year), while tomatoes for processing experienced moderate decline (-1.1%). However, in absolute terms that decline was tangible, determining the overall output slump.

Imported tomato market share experiences slight increase

The share of imported tomatoes in terms of total tomato consumption in the U.S. continues to increase gradually, accounting for 13% in 2017 against 7% in 2007. Prices on the domestic market grew faster than import prices, which promotes an increased supply of cheaper tomatoes, mainly from Mexico.

2016-2017 production decline boosts tomato imports

The volume of total U.S. tomato imports totalled 1,789k tonnes in 2017, expanding at an average annual rate of +5.3% over the period under review. In value terms, it equated \$2,272m. Imports soared noticeably from 2016-2017, on the backdrop of shrinking domestic production due to adverse weather conditions.

Mexico (1,612K tonnes) remains a key supplier of tomatoes into the U.S., comprising approximately 90% of total U.S. imports in 2017. Canada (165k tonnes) lagged far behind Mexico in terms of the volume of imports, with a 9% share. There were also some imports from minor supplying countries (the Dominican Republic and Guatemala), but their volumes are negligible and don't affect the market.

Key foreign markets for tomatoes

The U.S. exported 204k tonnes of tomatoes in 2017, which equalled to \$333m. This number, however, accounted for only 2% of U.S. tomato output. The volume of exports decreased gradually on average by -1.8% per year from 2007-2017. Overall, the trend pattern of exports reflected the decline of national tomato production. Since exports comprise only a small share in the total output, it hardly can be considered as a major driver of the tomato industry.

In 2017, Canada (195k tonnes) constituted the main destination of U.S. tomato exports, with the share of 95% of the total figure. Mexico (6.5k tonnes) remains the second major destination, with the share of 3%. From 2007-2017, the share exported to Canada increased (+12 percentage points), while the share sent to Mexico illustrated negative dynamics (-11 percentage points).

The shares of the other countries remained relatively stable throughout the analysed period. Mexico increased its exports of tomatoes into the U.S., consequently, there is no tangible demand for American tomatoes.