

## Tomato processing in Argentina

Over the last 5 years, Argentina's annual production of processing tomatoes has averaged 315 000 tonnes.



In Argentina, the harvest period stretches from the 20<sup>th</sup> of November to the 30<sup>th</sup> of May, a starting in the north-west of the country (Santiago del Estero, Salta, Catamarca) and finishing in the region of San Juan, after a second crop. Most of the industry is located in the Mendoza region, which means that early tomatoes (only November and December) have to be transported over 1.000 km from the north-west of the country and late ones (January through May) travel 150 to 200 km from San Juan. Mendoza remains the main region for tomato growing because growers have spread the farms throughout the area. There is also a self insurance system paid by growers who belong to the Tomato 2000 Association against hail that cover all cash costs.

The use of transplants is very frequent. Hybrids accounted for 85% of the total acreage. The popularity of hybrids is increasing. In order to lower the cost of hybrid seeds, nurseries are now selling plants in trays of plug seedlings. Processors provide financial support for growers, covering most of their direct expenses, therefore, processor participation in the Tomato 2000 Association that has the self insurance against hail is relevant.

Production of tomatoes for processing (in tonnes)

	1999	2000	2001	2002	2003	2004	2005
Mendoza	180 000	151 000	130.000	80.000	178.000	225.000	160.000
Rio Negro	46 000	59.500	52.000	45.000	75.000	85.000	75.000
San Juan	80 000	60.500	60.000	50.000	22.000	45.000	70.000
Others incl. Santiago del Estero	20 000	20.000	15.000	25.000	25.000	45.000	50.000
<b>Total</b>	<b>326 000</b>	<b>291.000</b>	<b>257.000</b>	<b>200.000</b>	<b>300.000</b>	<b>400.000</b>	<b>355.000</b>

The main processors, nurseries and growers have been jointly financing the “Tomato 2000” program, and the Department of Agriculture (in the INTA La Consulta Experiment Station) is in charge of research and development. Each processor who takes part in the program is entitled to involve a certain number of growers according to the volume of raw material processed. These growers are required to apply all of the technical recommendations written by an extensionist belonging to the Tomato 2000 Association. The grower incorporate the technology being studied by the program, and they pay a symbolic tax for every acre under cultivation. This program also has an integrated pest management with field books so the raw material of the

canneries that participate is free from phosphoric, chlorates and carbonated pesticides and processors are able to make traceability of their products.

In 2005, 360 000 tonnes of tomatoes for processing were produced in Argentina for a total installed capacity of 560.000MT, what means that only two thirds of installed capacities are used. The surface harvested was 8 500 ha, average country yield of 42,4 t/ha, and the Tomato 2000 Association in 1.600 ha was 52t/ha. The price of tomatoes increased to 50 - 57 US\$/t to which are been added transport costs of 3 US\$/t. The cost of production was evaluated at US\$ 1200 per hectare back in 2002.

There are 26 tomato processing plants in Argentina, down from 34 in 2002 and 28 in 2004. 30% of the tomatoes are used to produce tomato paste, down from more than 50 % 2 years ago; a greater share of the crop is processed in peeled tomatoes. In the last few years, local processors have readily invested in updating their equipment, particularly in technology for making peeled and diced tomato products, and in packing equipment rather than capacity development.

Consumer demand has slightly increased in Argentina, with a total volume of about 450.000 tonnes of fresh tomato equivalence used on the domestic market. Some paste has to be imported -mainly from Chile. The export market is small and consists mainly of finished products sent to Mercosur countries such as Uruguay, Paraguay and Brazil, however, whole peeled tomatoes (20.000 MT) in cans have been sent to United Kingdom, Australia and Japan. The per capita yearly consumption is approximately 12 kg, with an annual growth rate of 3 to 4%. According to Nielsen consultants data of 2002, the most popular tomato product is puree, which accounts for 48.8% of total consumption, followed by whole-peeled tomatoes in 380 g cans (35.2%), sauces (13.3%) and triple concentrate (2.7% and falling). Compared to the total volume sold on the retail market, the sales percentage of sauces and cans of peeled tomatoes remains stable.