

Tomato processing in Brazil

Over the last five years, average Brazilian production of tomatoes for processing was about 1.26 millions metric tons. Processing tomatoes is a remarkable socio-economic segment of the Brazilian vegetable food industry. Total marketplace value of all processed tomato products was estimated at US\$ 300 million in 1990, and risen to about US\$800 million in 2000. The scenario is optimistic suggesting further growth through the next decade.

The surface planted dropped 83% from 1990 to 2000. Conversely, in the same period the yield rose by 114 % mainly due to processing tomato growing moved towards Central Western region, with suitable climate and soil for tomato production, greater use of inputs, and improvements on field technology. This included high level of mechanization, and replacement of standard varieties for high-yielding hybrids with better processing attributes. There was also a better integration between growers and processors resulting in a more efficient and faster technology transference.

Processing tomatoes are grown in three main areas: in the north-eastern states of Pernambuco and Bahia, in the central Cerrado states of Goiás and Minas Gerais, and in the southern state of Sao Paulo.



Pernambuco-Bahia

The north-east of the country started in the nineties as the foremost region of Brazil for the processing tomato industry, with about 46% of the tomato acreage. In 2001, the region only accounted for 9% of the acreage in Brazil, at 1 350 hectares. Production has been down over the past few years, with much of it moving to the Cerrado area. The agricultural situation is rather unfavourable, with well-defined constraints (large amounts of tomatoes shunted off onto the fresh market, plant health problems and a high prevalence of inefficient farming practices on most farms). The future of the

industry is jeopardized in this region and forecasting is very difficult. It is true that the scope of the problems and their complexity have given rise to a pessimistic outlook for the industry in that area.

Sao Paulo State

Production in this state is also declining due to other crops such as sugar cane encroaching on tomato acreage, a problem compounded by the rising costs of

farmland at odds with the region's rapid urbanization. Plant pests are also a problem, and appropriate treatment inflates production costs and decreases the profits from growing processing tomatoes.

Cerrado

Year after year, the Central Western region of Goiás and Minas Gerais consolidates its position as the main tomato growing area of the entire South-American continent. This development should continue well in coming years. Since 2001, all the increase in tomato production took place in this region which grows 81% of the Brazilian crop. This increase in production is the result of higher yields – more than 80 tons per hectare in 2004 - thanks to good weather conditions. The cultivation of tomatoes is carried out on a very large scale in the area, and the topography is particularly adapted to mechanized harvesting, which is increasing rapidly. Another notable factor is the increase in hybrids seeds being used. Irrigation is mainly carried out with sprinklers, but there is a growing trend towards drip systems.

Year	Brazilian tomato processing production		
	Surface (ha)	Production (T)	Yield (T / ha)
1990	27 092	934 400	34,5
1991	19 457	760 000	39,1
1992	16 715	707 700	42,3
1993	17 204	690 300	40,1
1994	18 400	740 000	40,2
1995	17 560	761 300	43,4
1996	16 860	749 938	44,5
1997	22 307	1 095 538	49,1
1998	20 500	1 017 000	49,6
1999	20 550	1 295 000	63,0
2000	14 860	1 000 000	67,3
2001	15 130	1 138 000	75,2
2002	17 140	1 100 000	64,2
2003	19 060	1 250 000	65,6
2004	17 869	1 400 000	78,3
2005	16 712	1 398 668	83,7

The industry sector was entirely reorganized during the 90's when practically all Brazilian traditional firms have been acquired by multinational companies. These groups promoted a complete restructuring of the Brazilian processing tomato which led to the closure or the relocation of inefficient plants, opening of state-of-art factories or modernization of others, located in the proximities of the new growing frontiers and largest country's consumer centers. As consequence of the Real currency devaluation by early 1999 there was a

dramatic decline on the imports of tomato paste and local production became advantageous for the processors. The price of fresh tomatoes varied from 52 up to 59 US \$ per MT. from region to region. The average yield achieved in 2005 was very high at 83,7 MT. per hectare on 16 700 hectares.

About 40 % of the Brazil's processing tomatoes are used into paste production. However, population consumption trends influenced processors to develop and release new products and practical packages over the past few years. The demand for less concentrated, mainly consumer-ready sauces, will likely continue to rise into the next decade. There's also a trend for the growth of institutional packs of different tomato products. Increased research spending, both from the public and industrial sectors, is needed to overcome the major constraints with potential to compromise the competitiveness and expansion of the Brazilian processing industry.