

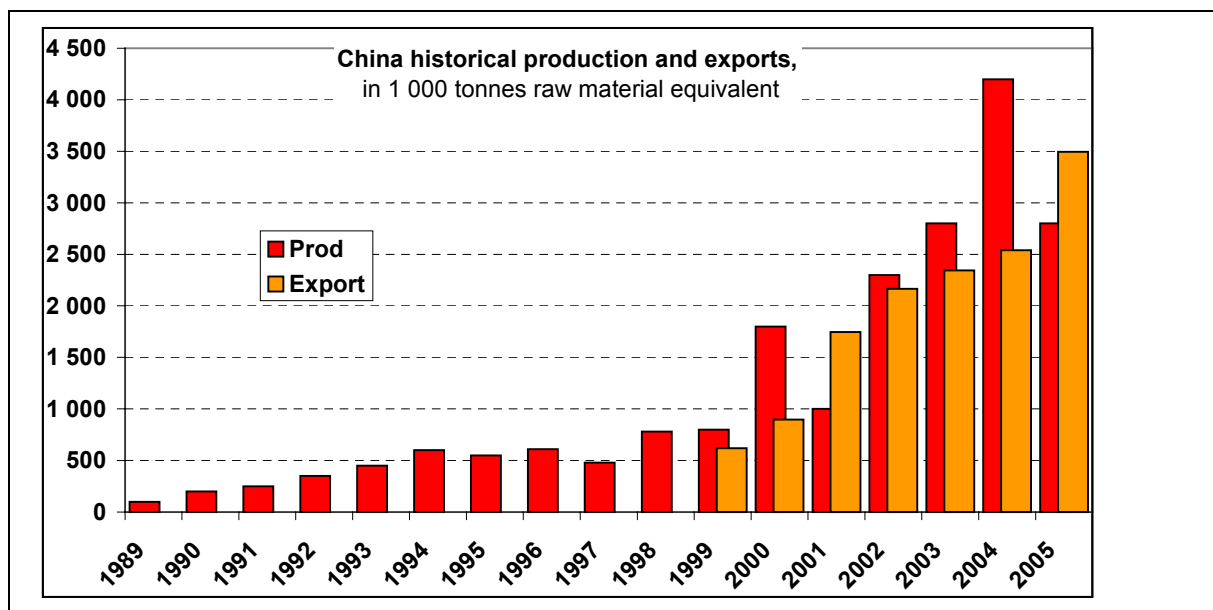
Tomato processing in China

With an average production of 3 million metric tonnes of tomatoes processed over the past four years, China is currently placed among the leading countries on the world market for processing tomatoes. The production has reached a peak level in 2004 at 4.4 millions MT. of fresh tomatoes (up almost 60 % from 2003), before decreasing due to climatic conditions to 2,8 million in 2005. In 2006, production should recover to 2004 level.

Most of the Chinese crop is processed into paste (average ratio of 7.4): 80 to 90 % is used to make 36 % paste, with the remaining 10 to 20 % of the production being used for 28 % paste. In 2005, the total production was about 500 000 MT. of tomato paste (29% equivalent) shared between the regions of the Xinjiang (325 000 tonnes), Inner Mongolia (120 000 tonnes) and the Gansu (45 000 tonnes). In market terms, the Chinese tomato industry has made an explosive entrance on the international scene, with export volumes rising from 100 000 tonnes in 1999 to 600 000 tonnes in 2005.



The main area for tomato cultivation is in the Xinjiang region, in the northwest, where the industry's leading companies like Tunhe and Chalkis operate major factories. This region is composed of high plateaus (approximately 1 000 meters in altitude) that enjoy a dry continental climate, with little rain in summer, long daylight hours, and general conditions that are ideal for growing tomatoes. Furthermore, the Chinese government has pushed for a strong development of the country's western regions in recent years. The economic evolution of Xinjiang is similar to that of the entire western zone in that it depends on large-scale agriculture. This provides processors that are already established in the region with many opportunities, particularly those whose diversification is linked to activities that tie in with agriculture in a variety of way. The second largest production region is situated in Inner Mongolia. This province has enjoyed a rapid growth in recent years and accounts for 20 to 25 % of the total volume processed in China. The third region is located in Gansu province and accounts for about 8 % of the total Chinese production of tomato paste.



The first factories were set up between 1983 and 1985. The Chinese processing capacity reached 50 000 metric tonnes in 1995, and it is generally considered that the annual development rate did not run below 25 % from 1995 to 2004 but could slow down in coming years. To date, the main production potential of the Chinese tomato processing industry is shared by Tunhe and Chalkis, subsidiary of the Xinjiang Production and Construction Group, also the owner of Tianje, the fourth largest manufacturer. The current capacity of Chalkis accounts for approximately 250 000 tonnes of paste whereas the Tunhe group accounts for a potential of 300 000 tonnes.

The most commonly used varieties are local (80 %), half of which are fixed varieties (Open Pollinated), 30 % are hybrids and 20 % are Heinz hybrids. Sowing is carried out in greenhouses around March 10th with planting out starting after the last frosts around May 15th. Depending on the region, the season gets under way between July 20th and the beginning of August. It lasts about 60 days, until the beginning of October. 100 % of the crop is hand harvested. Depending on the situation, contracts are signed either with official local structures such as village authorities for an average planted area of 1 000 Mu (approximately 67 hectares), or directly with producers who rent the land that belongs to the state. Contracts determine the area to be planted as well as provisional volumes. They also set out a programme for planting and harvest, and include supplies of seed and plant health inputs.