

CROP RESULTS AND 2026 FORECASTS: South America and Rest of the World



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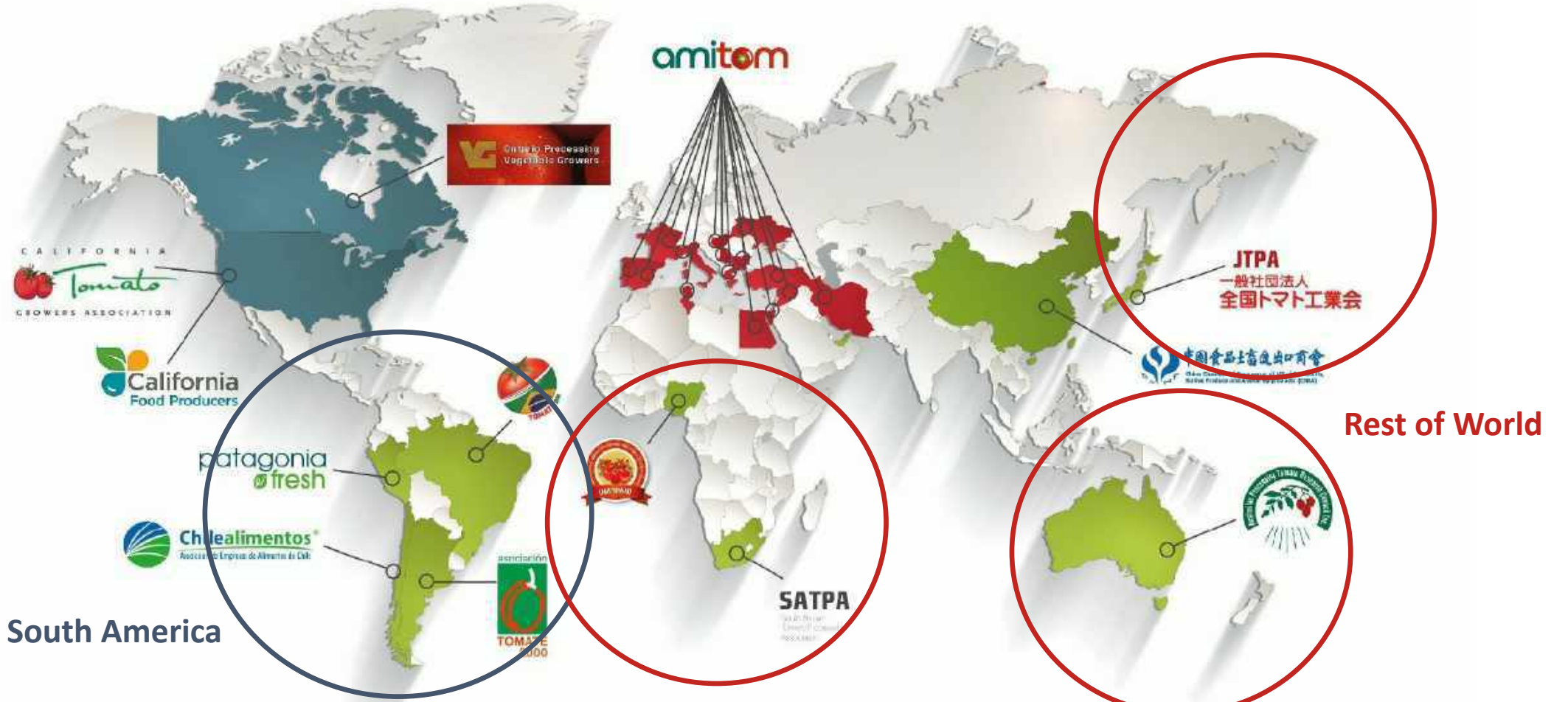


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World Processing
Tomato Council

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South America and Rest of the World



2026 South America

	2025 Final	2026 Jan Forecast	2026 June Prelim	Variation 2026 vs 2025
Argentina	621	428	400	-36%
Brazil	1,437	1,467	1,467 (f)	+2%
Chile	1,340	1,300	1,300	-3%
Peru	160	150	150	-6%





Current landscape

- El Nino effects: elevated temperatures reducing brix levels (avg below 4.5)
- Intense & concentrated rainfall affecting earlier plantings
- Significant whitefly pressure from overlapping crop cycles
- Highly obsolete planting & harvesting equipment (10-15 yrs old)
- Decline in USD reducing competitiveness vs. soybeans & corn

Forward projections

- Electricity costs up ~32% in open market
- Packaging costs up ~40% (plastic resins & aluminum)
- Rising agricultural & logistical freight costs
- Very tight retail inventory; strong pressure to extend payment terms
- High interest rates & consumer debt limiting consumption recovery
- Consumer trend: weight-loss injection pens reducing food category sales



Current landscape

- Production ~400,000 t (national area ~5,120 ha)
- San Juan: record yields for 2nd consecutive year (avg >120 t/ha)
- Hail events severe; mutual solidarity hail fund effective
- Mechanization increasing; solar energy investments growing
- Improved drip irrigation & water-use efficiency

Forward projections

- Strong competition from cheap Chilean & Chinese tomato paste (~\$1,080/t)
- Less protectionist government policy; many local factories struggling
- Argentine peso relatively strong, reducing export competitiveness
- Customer overstocking from prior years; slow inventory drawdown
- RIGI large investment incentive regime improving investor confidence
- 2027 outlook: production stable if Chilean paste price stays low





Current landscape

- Strong rains (March and April) affected the overall production in 2026 – yields and quality until the rain event were above average
- Average yields >100 MT / ha
- Broomrape is affecting around 75% of productive fields and limiting production potential
- Farmer structural reliance on industry financing

Forward projections

- Industry joining efforts, together with academia, to address broomrape situation and ensure viability of tomato sector
- Rising costs in the field due to international situation is affecting production inputs and logistics
- Water availability for irrigation highly dependent on yearly rainfall and snowfall as very limited capacity to retain water. Without any government investment plan in the near future
- El Niño risk suggest challenging conditions for 2027 crop





Current landscape

- 2026 harvest concluded in February 2026
- Final production: 150,000 metric tons processed
- El Nino risk: pest intensity rises, costs increase, yields fall
- Climate is the main field challenge when El Nino is present

Forward projections

- Same acreage and production volume projected (~150,000 MT)
- El Nino remains key risk for next season projections
- Sector watches weather patterns closely through planting season



2026 Rest of the World

	2025 Final	2026 Jan Forecast	2026 June Prelim	Variation 2026 vs 2025
Australia	211	166	161	-24%
Nigeria	1	1	1 (f)	0%
South Africa	160	130	130 (f)	-19%
Japan	22	24	24 (f)	+9%

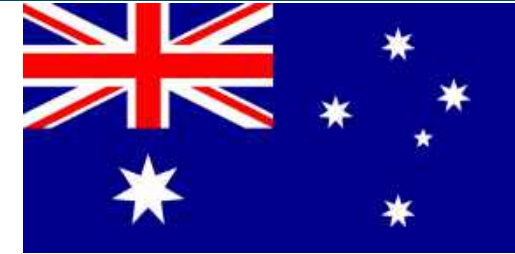


Current landscape

- 2025/26 volume: 161,756 MT | 2026/27 forecast: 147,000 MT
- Total area: 1,370 ha | Average yield: 118 T/ha (record high)
- Water storages at 24% & 45% capacity; water prices rising
- Fertiliser prices up 30%; diesel significantly higher than 2025
- Bacterial speck outbreak in 2025/26 caused localised yield loss
- 3 fully automatic Ferrari transplant machines now in operation
- Industry early adopters of mechanisation due to high labour costs

Forward projections

- Reduced sales demand forcing processors to contract fewer tomatoes
- Energy, packaging & tin-plate costs continue to rise
- Supermarket price pressure; cheap imports reducing margins
- Consumer trends driven by social media promoting imported products
- Industry under significant pressure from rising costs & weaker demand
- Growers moving toward more automation; autonomous tech not yet available



Current landscape

- Tomato farming activity still far from industrial capacity
- Low yields in the reduced areas planted
- Tuta absoluta drastically reducing yields
- Lack of infrastructure and training, a lot of losses

Forward projections

- High cost of production compared with imports of paste
- A lot of unused first-stage capacity
- Low quality products, “tomato mix” with added starch, soy fiber, and sugars
- May become cheaper to move to pure tomato products due to high cost of those additives





Current landscape

- 2026 harvest: 130,000 tonnes (on track to plan)
- Unusual weather: heatwaves, out-of-season rainfall, heavy flooding (W. Cape)
- Significant Tuta absoluta management effort required
- Winter regions: above-normal precipitation; widespread field flooding
- High energy costs; rising fertiliser prices & availability concerns
- Increased transport & harvesting costs for producers & factories
- El Nino risk expected to escalate cost-of-risk through 2027

Forward projections

- SADC & South Africa remain net importers of tomato products
- Primarily produces canned tomato & hot break paste for domestic market
- Cold break paste mostly imported; local processors struggle vs. int'l suppliers
- Import tariffs: 37% on paste; 0% within SADC, EU, UK, EFTA
- Currency fluctuations key factor in local production vs. import decisions
- Lower intake volumes risk raising overhead costs per unit in factories





Current landscape

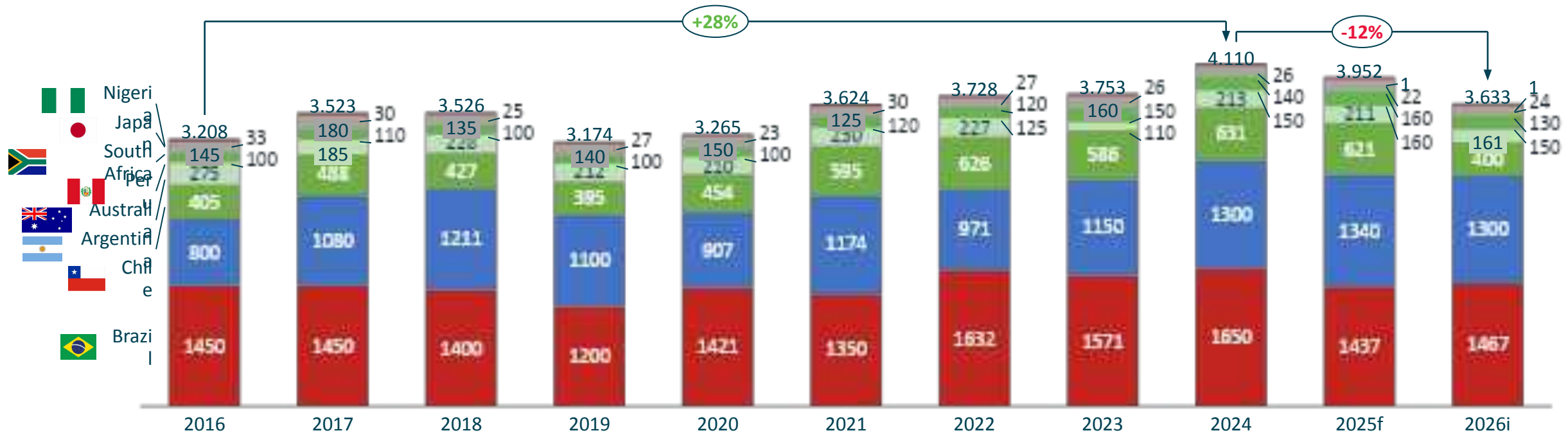
- 2026 planted area: ~400 ha | Volume processed: ~24,000 t
- Production declining: farmer ageing & retirement reducing area
- Irregular weather (extreme heat, drought, localised heavy rain)
- Pest & disease pressure adding to productivity challenges
- JTPA subsidies for new producers (seedlings, machinery, materials)
- Free air-conditioned workwear provided to combat extreme heat
- Future: expansion to Hokkaido planned (less heat, larger machines)

Forward projections

- Packaging challenges: polyethylene/polypropylene supply tightening
- PP band & pallet stretch film costs rising due to naphtha concerns
- Training sessions & best practice awards to sustain producer motivation
- Market showing steady growth for processed tomato products
- Tomato juice sales up strongly: lycopene & GABA health awareness growing
- Consumer health trends supporting domestic tomato product demand



Evolution over the last 10 years



- 8 countries increased production over the last 10 Years and represent 8-10% of the world production
- 28% increase until 2024 and strong (responsible) adjustment from 2024 to 2026



Concluding insights

- **South America remains the dominant region**, with Brazil (~1,467 kt), Chile (~1,300 kt), Argentina (~400 kt) and Peru (~150 kt) accounting for the bulk of processed tomato volume
- **Production grew until 2024 and since then markets are adjusting** in accordance with cycle - volumes for 2026/27 flat-to-slightly-lower
- **Climate volatility** (El Niño, drought, flooding, heatwaves) is the single most consistent risk across all 7 countries, affecting yields, quality and planning certainty
- **Water availability** is the critical variable to watch: Australia, Chile and South Africa all flag water as a top risk for the next season
- **Rising input costs** — energy, packaging, fertilizer, transport — are squeezing margins at both farm and factory level everywhere
- **Consumer behavior shifts** (weight-loss trends in Brazil, social media-driven import preference in Australia, health-driven growth in Japan) are reshaping demand patterns in unexpected ways

