

Enjoying Euphoria

A journey through turbulence and renewal

WPTC MONTERREY TOMATO CONFERENCE

8th June 2026





2023
24

EUPHORIA

21/06/2026

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EUPHORIA

2023 - 24

Global supply dynamics are driven by
EXPORTS.

3.5M TONS · 93.3%

of global exports in 2025

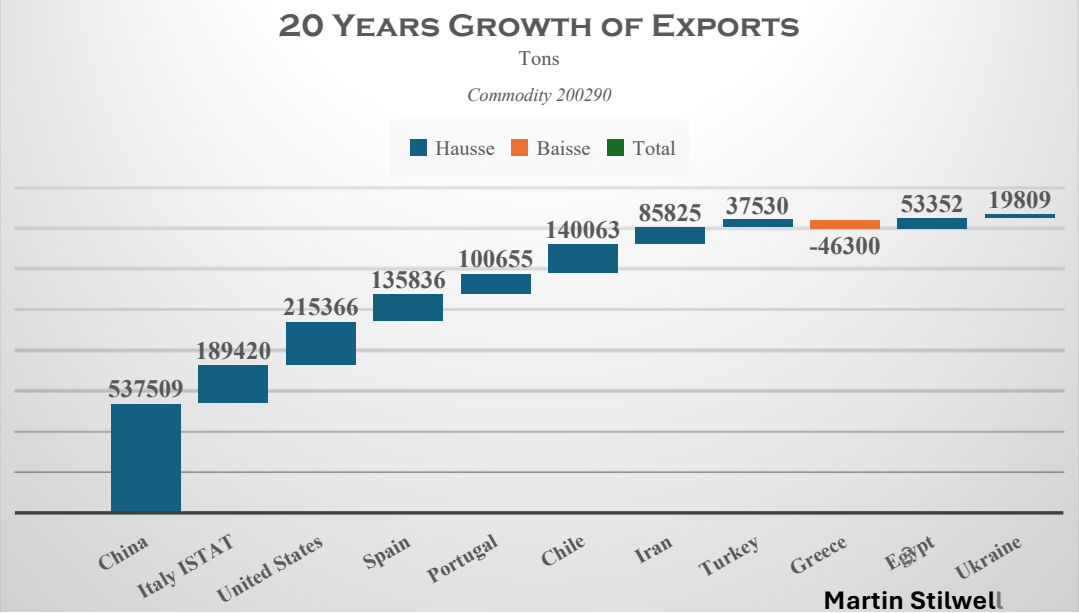
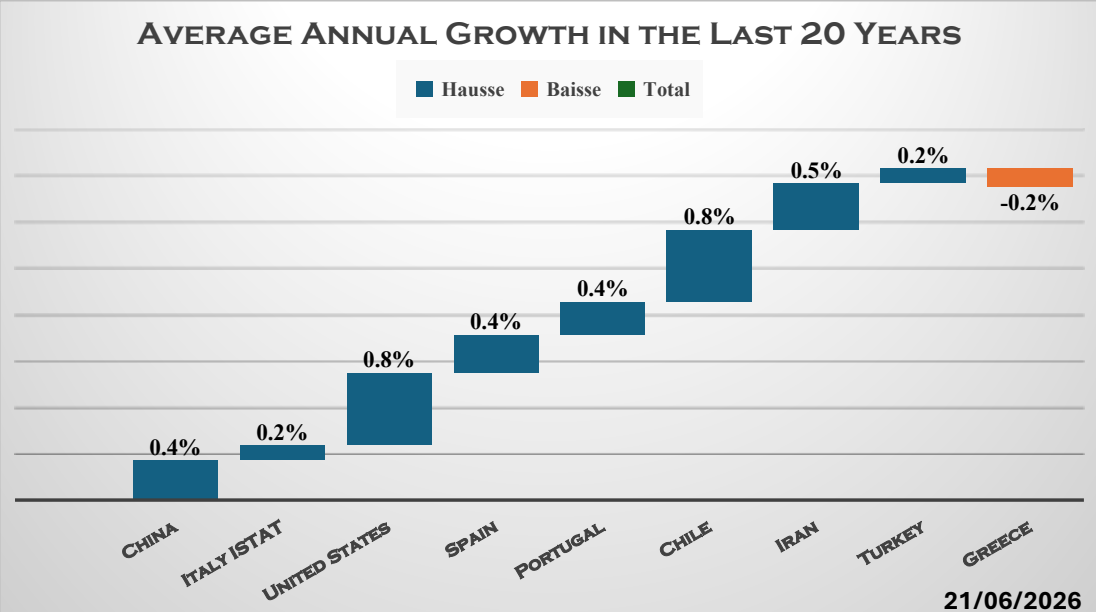
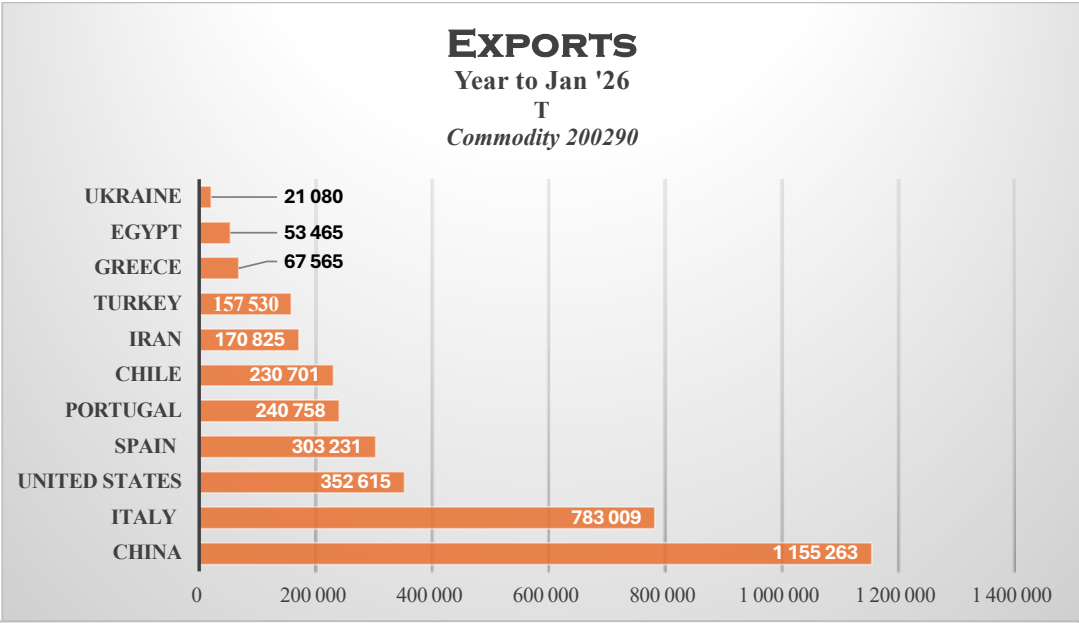
Top 10 export countries (Year to Jan '26):

China	1,155,263 t
Italy	783,009 t
United States	352,615 t
Spain	303,231 t
Portugal	240,758 t
Chile	230,701 t
Iran	170,825 t
Turkey	157,530 t
Greece	67,565 t
Egypt (<i>new entrant</i>)	53,465 t



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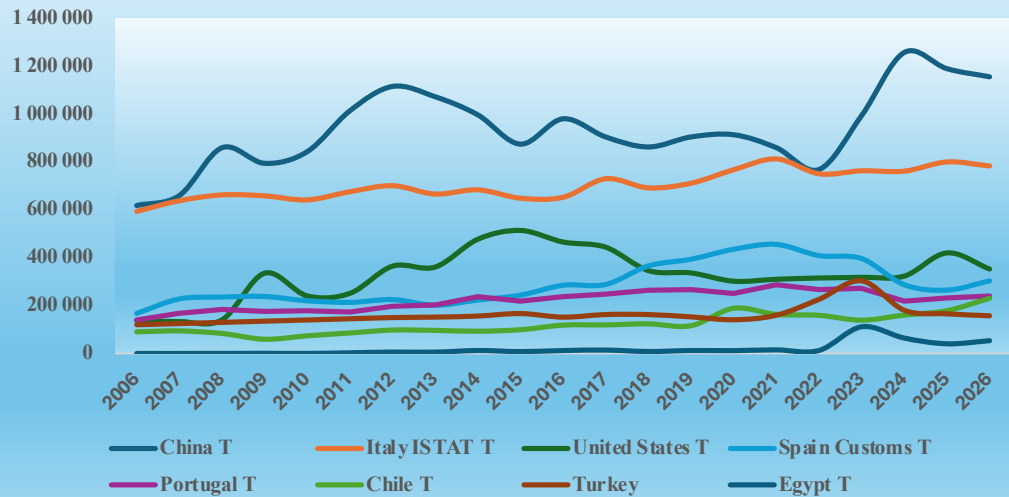
GLOBAL SUPPLY DYNAMICS

-
EXPORTS
 ARE THE KEY DRIVER FOR PRICE
 MOVEMENTS
 -
IMPORTS
 ALSO
 PLAY A ROLE AS
 THEY CAN CONTRIBUTE TO
 MANUFACTURE
 FURTHER
EXPORTS



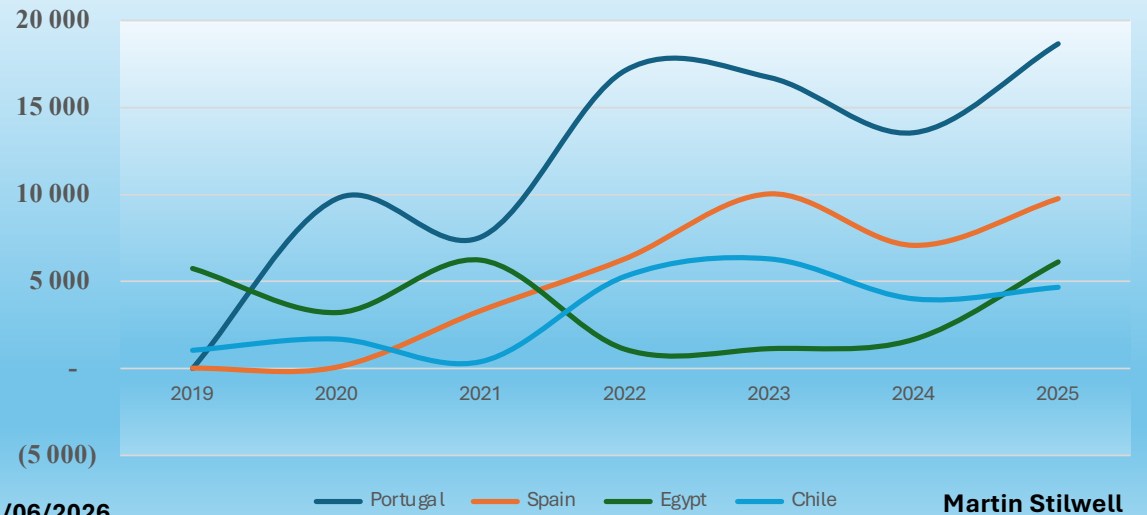
EXPORTS OF TOMATO PASTE T

(YEAR TO 31ST JAN)
 Commodity 200290



IMPORTS FROM CHINA T

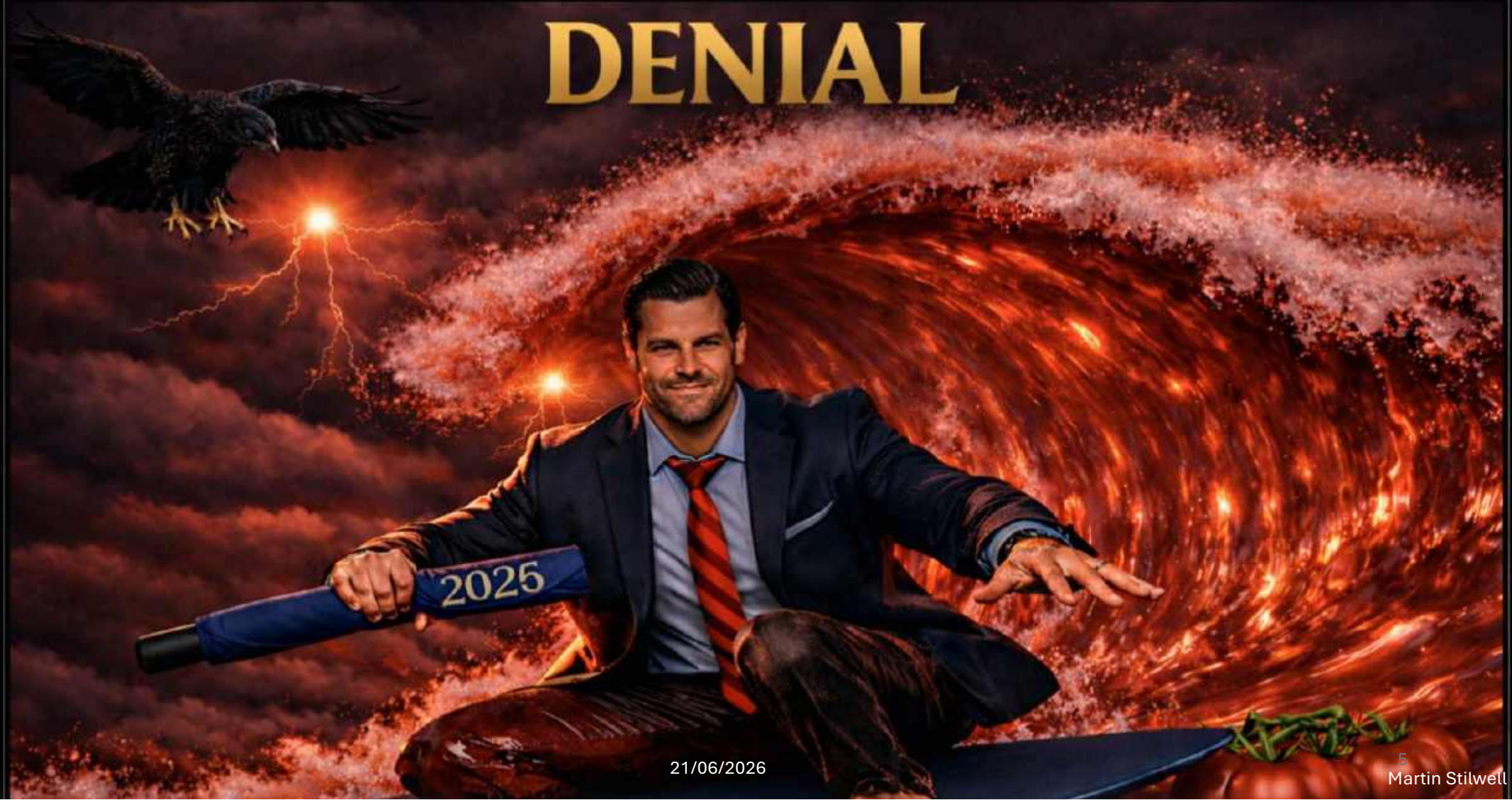
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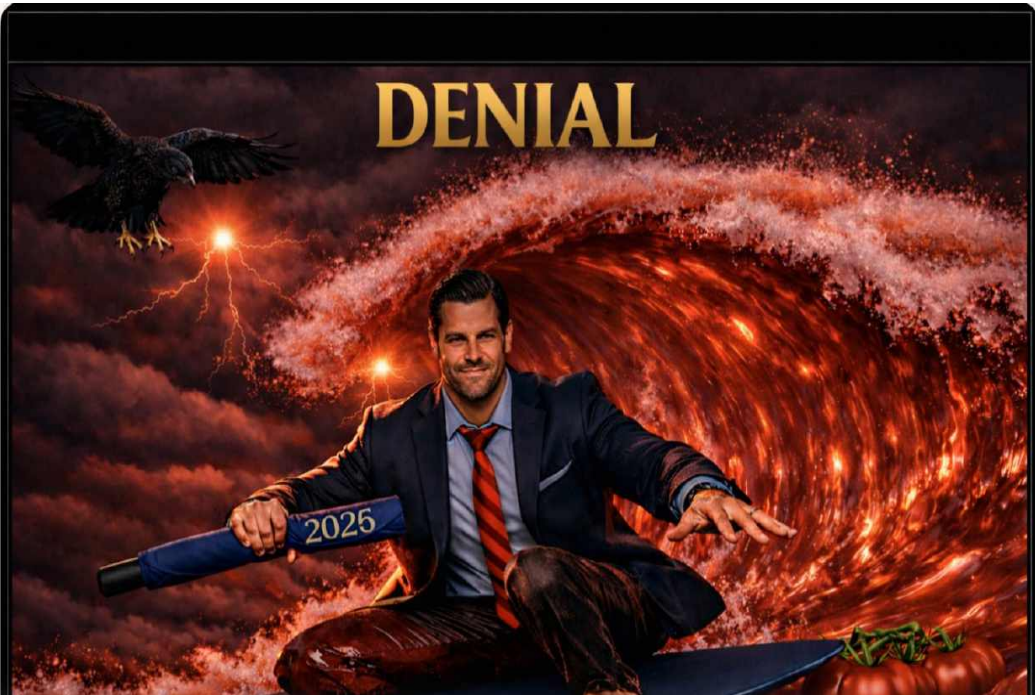
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DENIAL



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THE GLOBAL BALANCE HINGES ON CHINA'S OUTPUT.

**FLUCTUATIONS IN ITS PRODUCTION VOLUMES REDEFINE THE FULL GLOBAL MARKET CYCLE.
NO OTHER PRODUCER POSSESSES SUFFICIENT SCALE TO ALTER THE GLOBAL SUPPLY-DEMAND
EQUILIBRIUM.**

**ITALY'S EXPORTS ARE HEAVILY INFLUENCED BY IMPORTS WHICH ARE RE- PROCESSED INTO
EXPORTS**

USA'S MAJOR EXPORT MARKETS ARE CENTRAL, NORTH AMERICAN AND ITALIAN

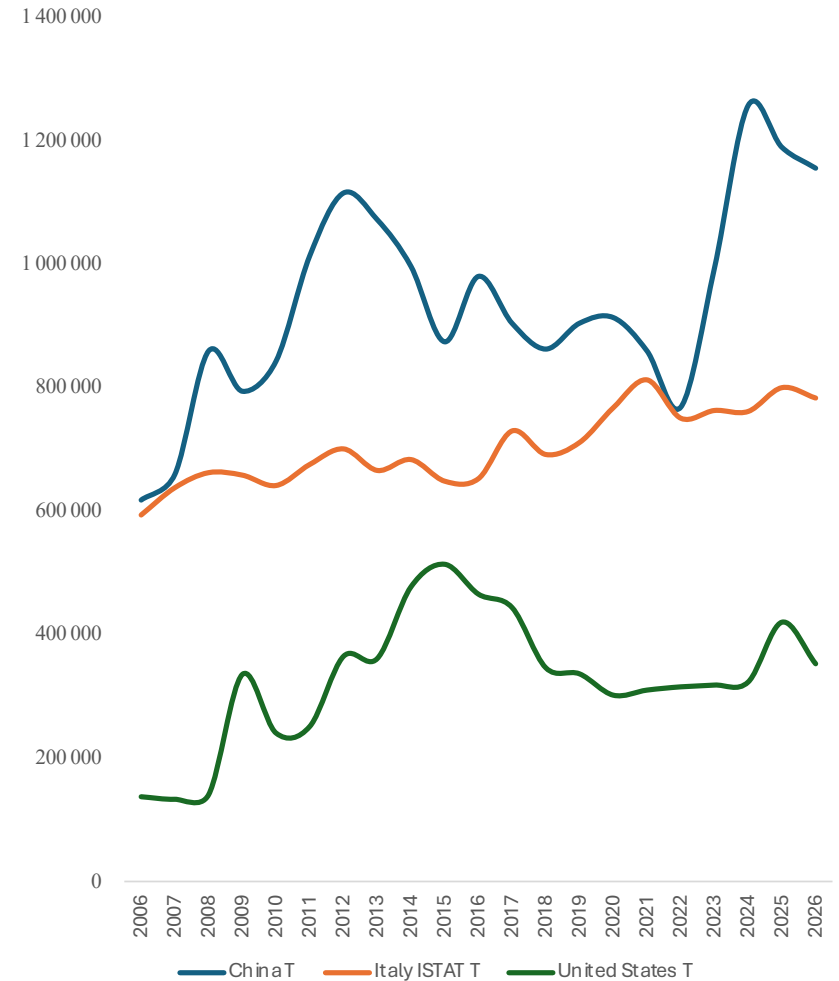
**IT IS THEREFORE CRITICAL THAT WE UNDERSTAND
CHINA'S MARKET BALANCE AND DYNAMICS**

21/06/2026

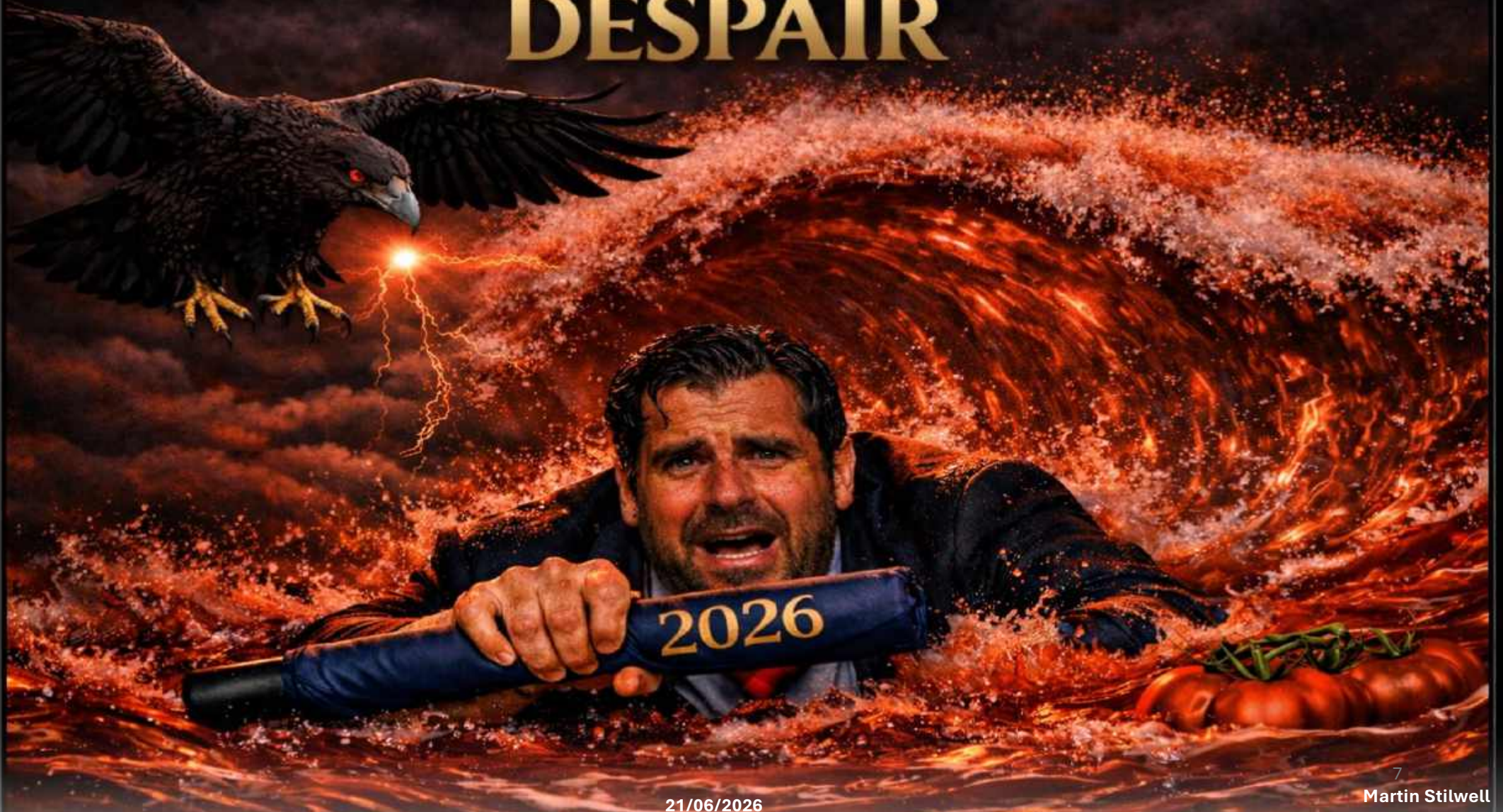
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EXPORTS OF TOMATO PASTE

T
*(Year to 31st Jan)
Commodity 200290*

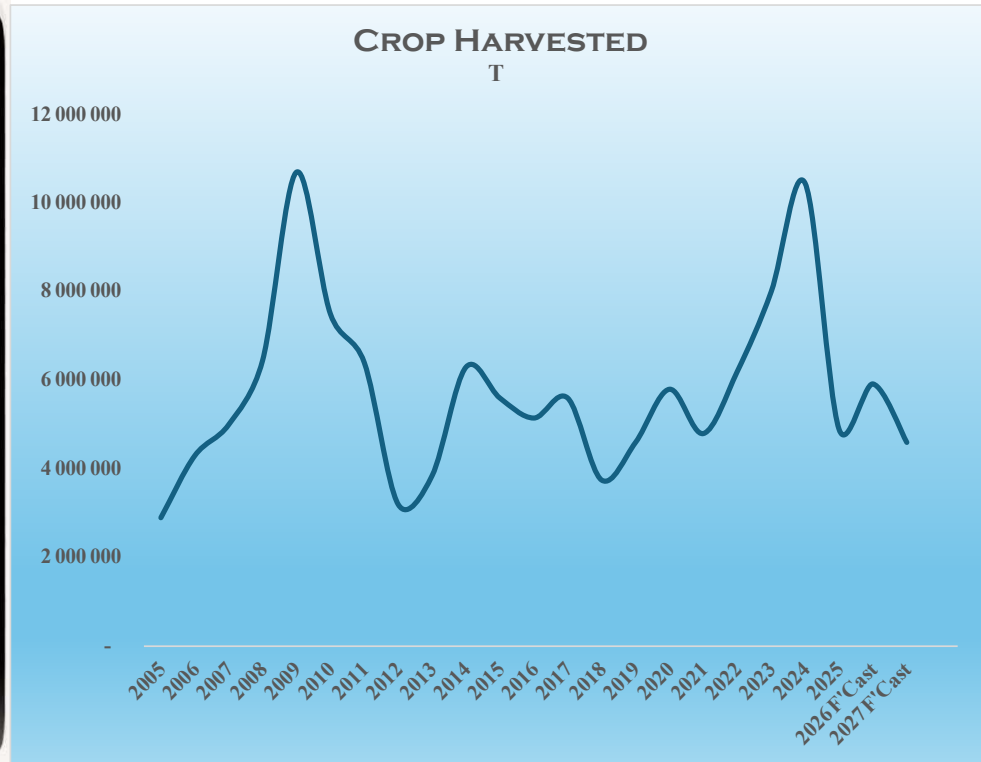


DESPAIR



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7
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WE HAVE ALWAYS STRUGGLED TO UNDERSTAND THE MARKET DYNAMICS FOR CHINESE PROCESSED TOMATOES!

HOWEVER, IF WE EXAMINE TRENDS OVER A LONG ENOUGH PERIOD SOME PATTERNS EMERGE:

**ANNUAL HARVESTED TONS, ARE PUBLISHED !
1 700 000**

THE “TWIN PEAKS” OF RECORD HARVESTS IN 2008-2009 AND THEN IN 2023 – 2024

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ARE VERY SIMILAR Martin Stilwell

DESPAIR



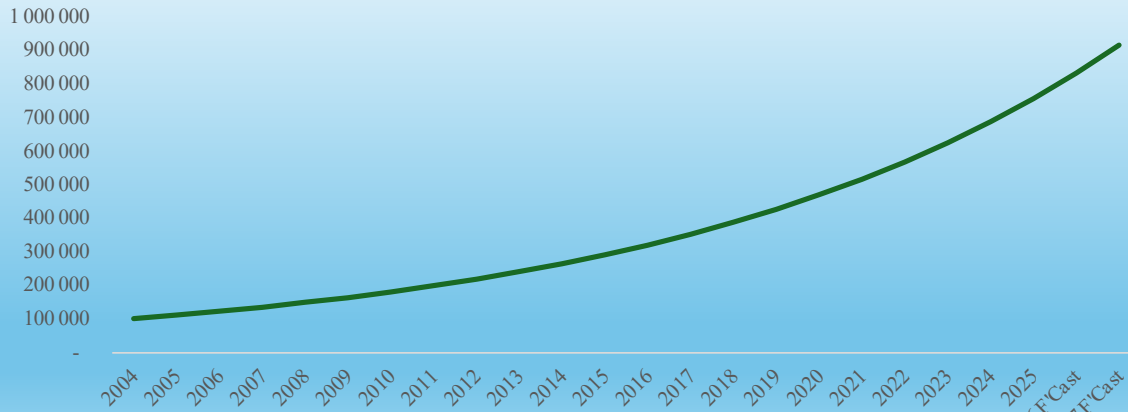
MARKET DYNAMICS FOR CHINESE PROCESSED TOMATOES! OVER A LONG ENOUGH PERIOD, PATTERNS EMERGE:

2. WE CAN ESTIMATE THE “HOME CONSUMPTION” OF FRESH EQUIVALENT
3. WE CAN ALSO ESTIMATE THE EXPORT “FRESH EQUIVALENT” TONS !

(I HAVE CALCULATED THE CURRENT “HOME” CONSUMPTION AS 900 000 T FRESH EQUIV. RISING FROM AROUND 100 000 TONS IN 2006 AND A CURRENT GROWTH RATE OF 2.4%)

(I HAVE ASSUMED A GRADUAL IMPROVEMENT IN YIELDS, GENERATED BY IMPROVED EFFICIENCIES, THE USE OF SMALLER PACKAGING AND SOME VEGETABLE “MIX” IN A SIGNIFICANT PROPORTION OF EXPORTS.)

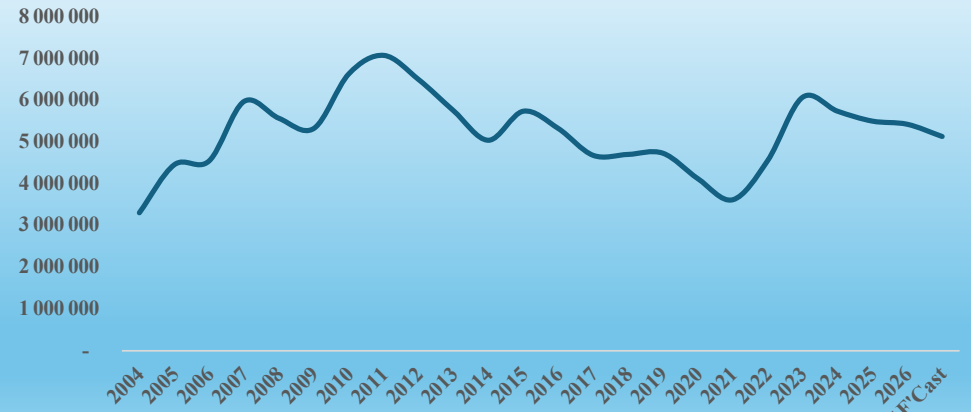
CHINESE “HOME” MARKET
Equiv Fresh Tons



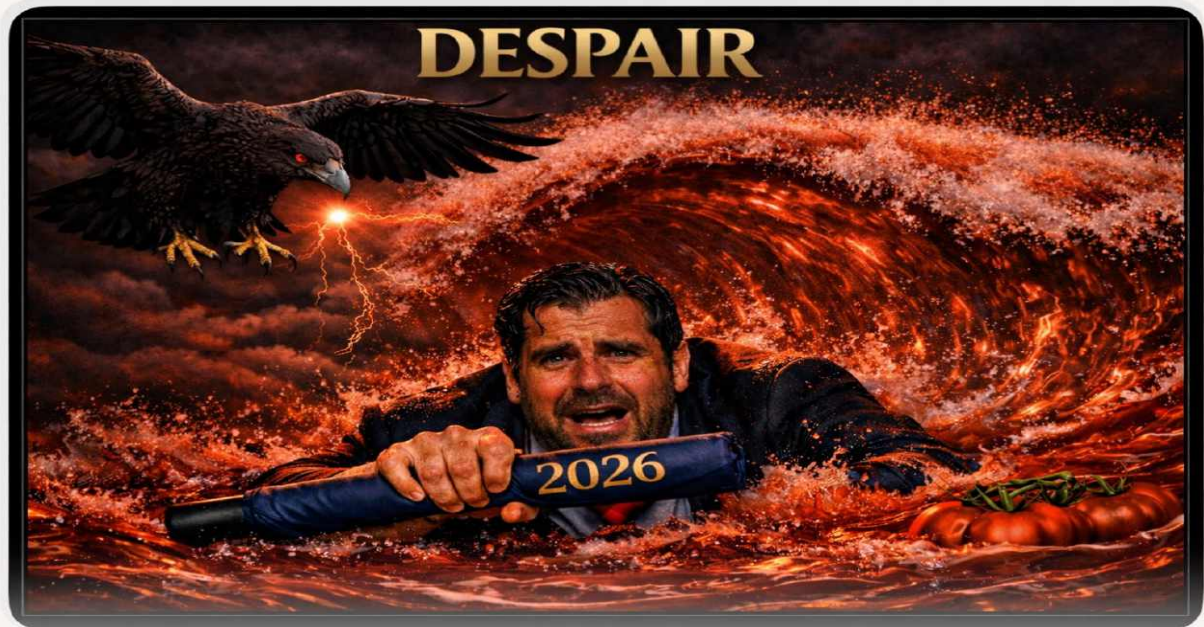
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EXPORTS
Equiv Fresh Tons



9



**MARKET DYNAMICS FOR CHINESE PROCESSED TOMATOES!
OVER A LONG ENOUGH PERIOD, PATTERNS EMERGE:**

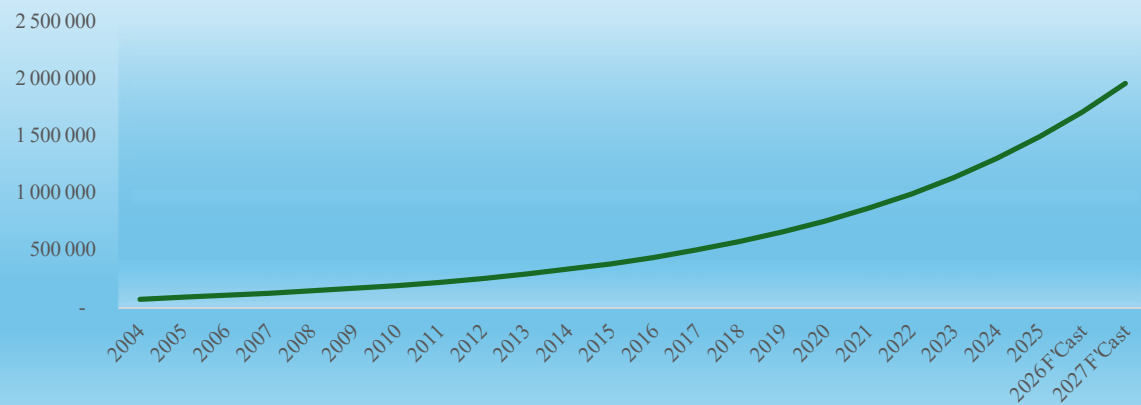
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**CHINESE "HOME" MARKET
VERSION 2**
Equiv Fresh Tons



CHINESE "HOME" MARKET
Equiv Fresh Tons

1 700 000

DESPAIR / PANIC



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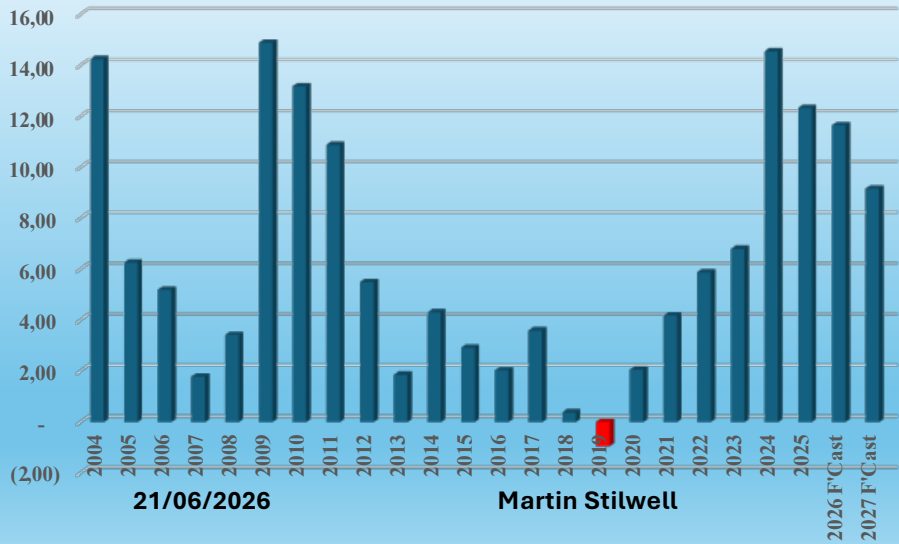
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DESPAIR / PANIC

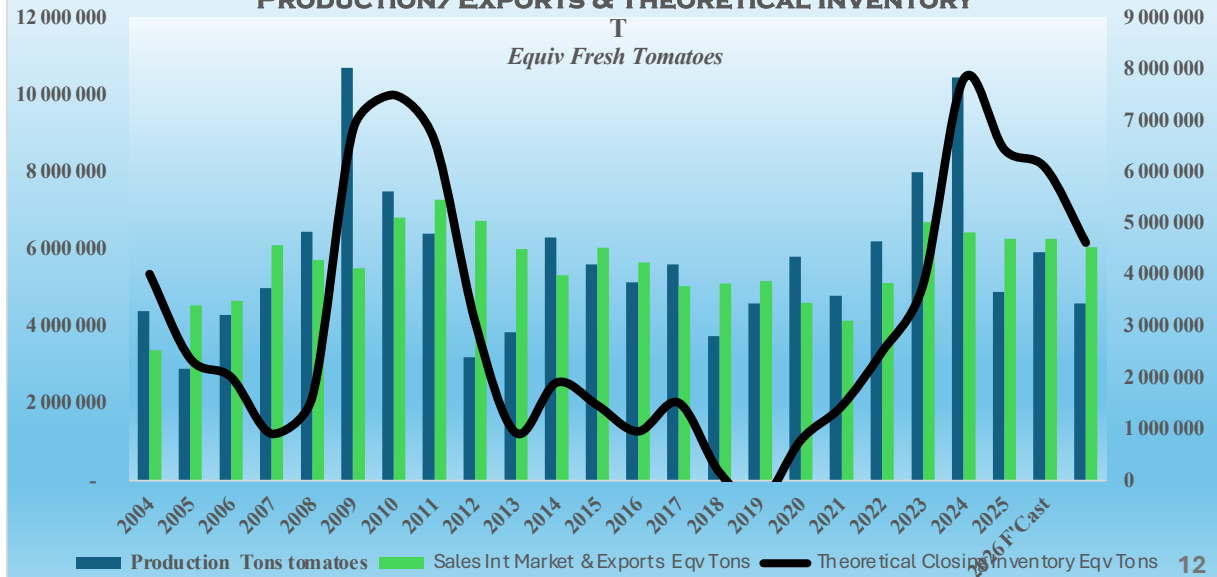


THE HARVESTED TONS
 PLUS
 CARRYOVER
MINUS
 “HOME CONSUMPTION”
MINUS
 THE EXPORT TONS !
 (WE HAVE A KEY ELEMENT)
 =
INVENTORIES !

CHINA
 N° OF MONTHS INVENTORY (ESTIMATE)



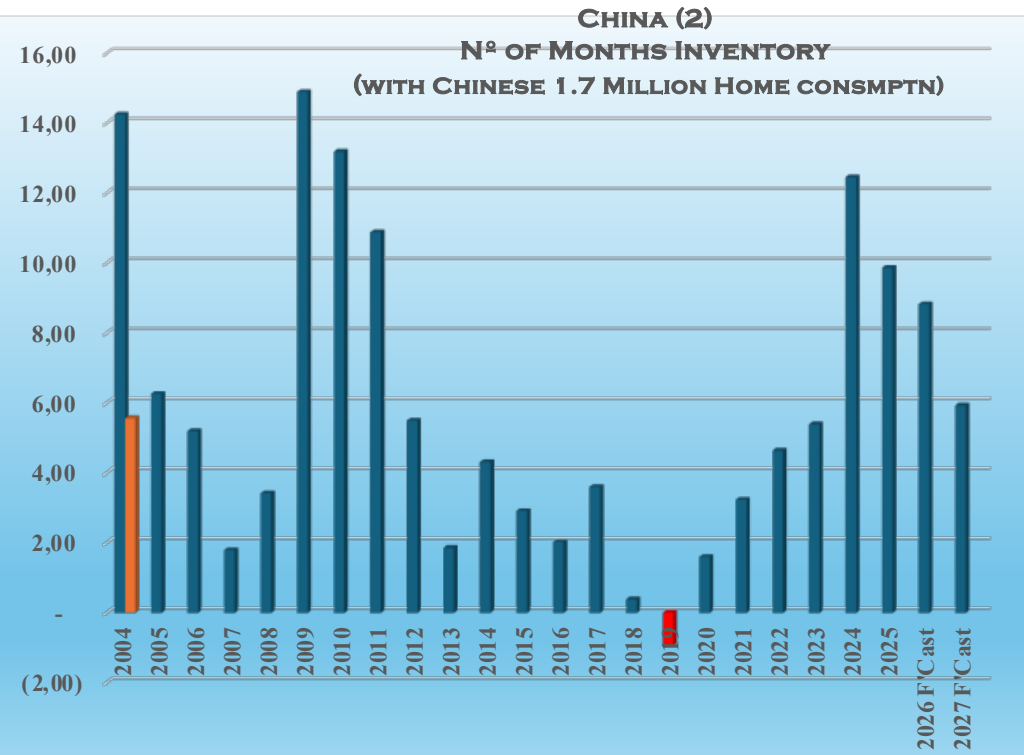
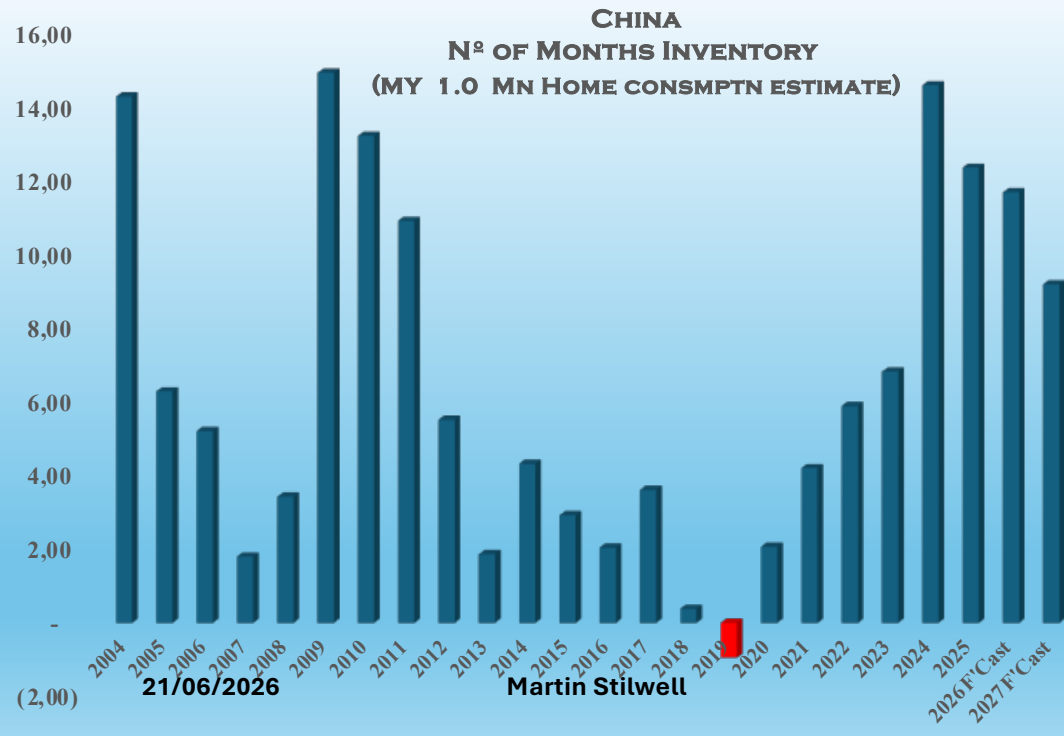
CHINA
 PRODUCTION/EXPORTS & THEORETICAL INVENTORY



DESPAIR / PANIC



THE HARVESTED TONS
PLUS
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(WE HAVE A KEY ELEMENT)
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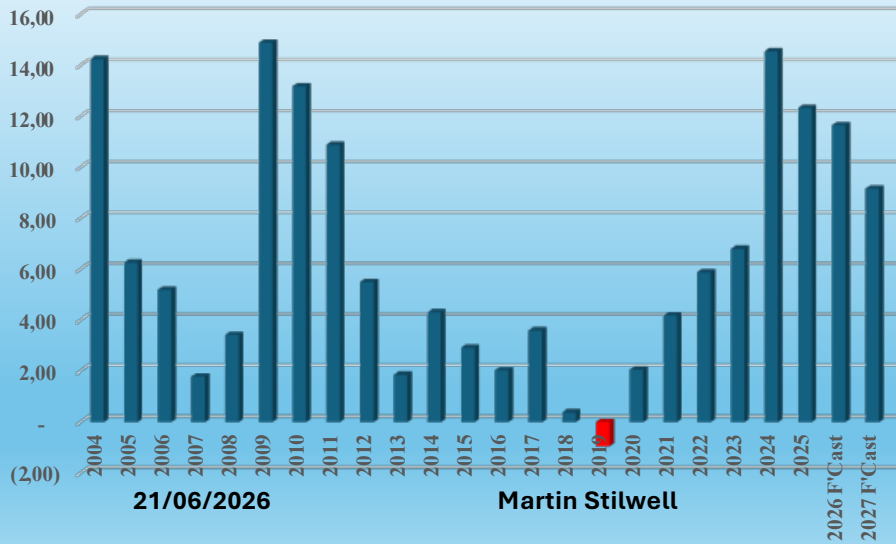


DESPAIR / PANIC

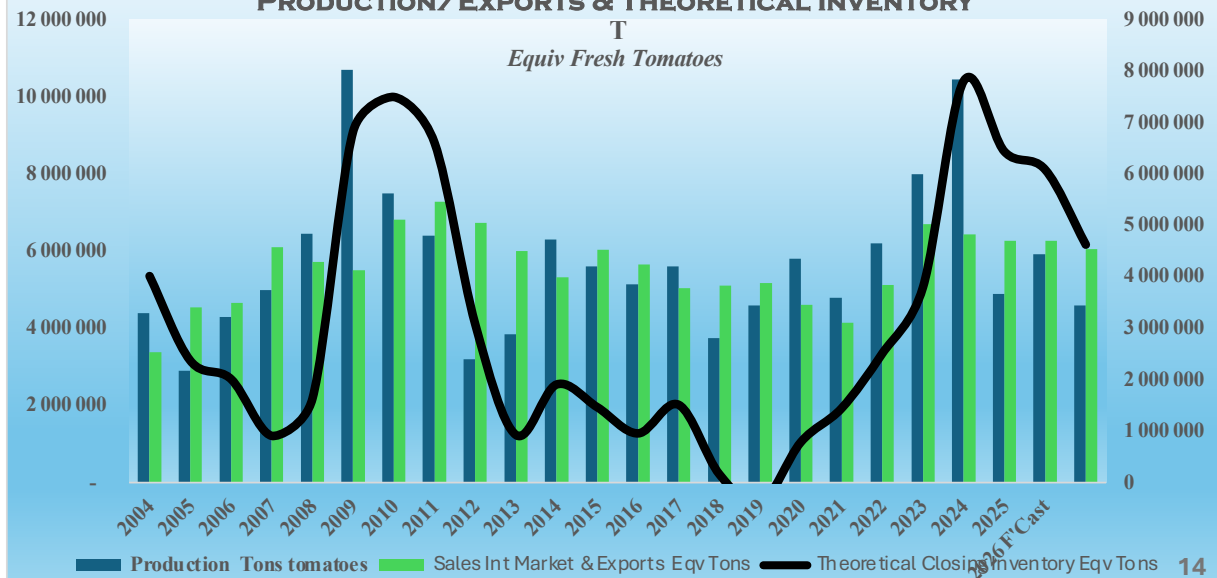


THE HARVESTED TONS
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CHINA
N° OF MONTHS INVENTORY (ESTIMATE)



CHINA
PRODUCTION/EXPORTS & THEORETICAL INVENTORY
T
Equiv Fresh Tomatoes



2026

THE SURPLUS IS NOW VERY VISIBLE



CHINA IS THE PIVOTAL GLOBAL PRODUCER

- PRICES HAVE DECOUPLED FROM FUNDAMENTALS.
- GLOBAL BALANCE NOW RESTS ON CHINESE OUTPUT.
- ITS OUTPUT SWINGS RESHAPE THE ENTIRE CYCLE.
- NO RIVAL HAS THE (EXPORT) SCALE TO MOVE THE GLOBAL BALANCE.

“we will support companies in leading economic development, creating jobs, and playing an active role in international competition.” Xi Jiping December 2022

- WHEN CHINA RAMPS UP, AS IN '23 AND '24, THE WORLD TIPS BACK INTO SURPLUS.
- WHEN IT REINS IN OUTPUT, INVENTORIES DRAW DOWN AND PRICES STEADY.

NO OTHER COUNTRY OR REGION EXERTS COMPARABLE INFLUENCE THROUGH EITHER ITS ELASTICITY OR ITS EXPORT VOLUME.

2026

THE SURPLUS IS NOW VERY VISIBLE



THE GLOBAL BALANCE HINGES ALMOST ENTIRELY ON CHINA'S OUTPUT.

- INVENTORIES HAVE NOW RISEN ABOVE SUSTAINABLE THRESHOLDS, CREATING DOWNWARD PRESSURE ON GLOBAL PRICES.

- THE SURPLUS IS NOT DRIVEN BY DEMAND WEAKNESS – IT IS SUPPLY-DRIVEN.

- MARGINAL AND POORLY DIVERSIFIED PRODUCERS GLOBALLY WILL BECOME UNPROFITABLE.

- THE DRAWDOWN OF FINAL MANUFACTURER'S INVENTORIES ADDS FURTHER "PAIN".

THIS SURPLUS SETS THE STAGE FOR ANOTHER

THE 2026–2027 CORRECTION

2026

THE SURPLUS IS NOW VERY VISIBLE



“While the Chinese state has typically favoured production and investment, Xi has made boosting domestic consumption a primary economic priority for 2026.”

- Carnegie economic forum

“Shifting focus to domestically-powered growth through subsidies for consumer goods ” - CNBC

- WEAKER AND LESS DIVERSIFIED MANUFACTURERS ARE IN CRISIS.
- PRICES FALL BELOW COST LEVELS FOR MARGINAL PRODUCERS.
- CHINA CONTINUES PRODUCING, BUT AT MUCH LOWER MARGINS.
- GLOBAL INVENTORIES PEAK AND BEGIN TO DESTABILIZE MANUFACTURING PLANTS.
- THIS CORRECTION PHASE IS PAINFUL BUT NECESSARY FOR THE CYCLE TO RESET.

INNOVATION & DIVERSIFICATION ARE CRITICAL TO LONG TERM SUCCESS

OPTIMISM



21/06/2026

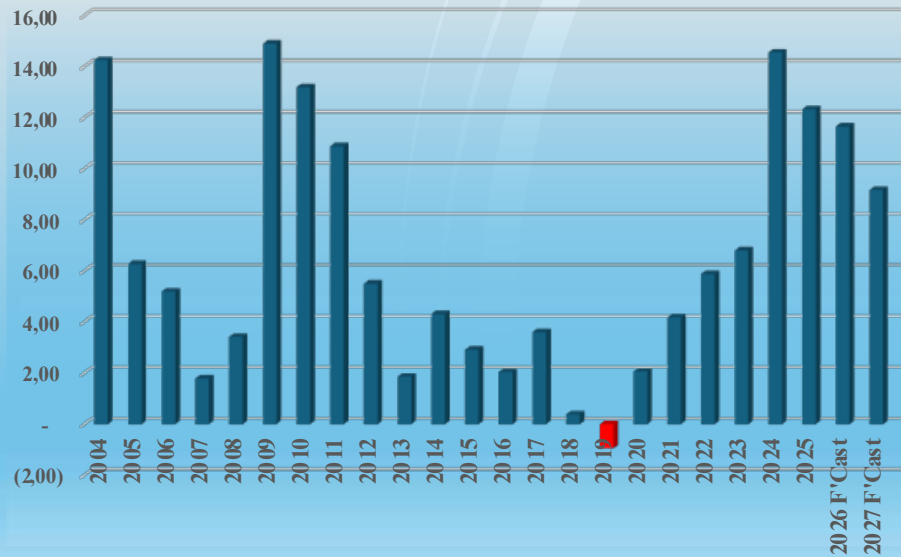
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18

2026

THE SIMILARITY OF INVENTORIES OF THE 2009-2011 CRISIS TO THE CURRENT 2024-2026 IS UNCANNY!

CHINA
N° OF MONTHS INVENTORY



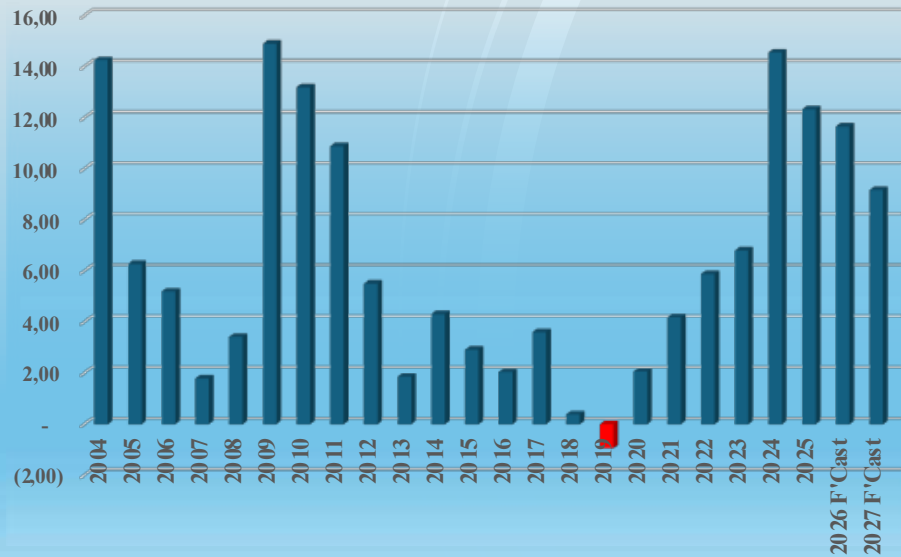
CHINA **MUST** LIMIT PRODUCTION IN **2027** TO < 5 MILLION T AS IT DID IN 2012 - 2017 TO BRING ITS INVENTORIES TO NORMAL LEVELS
NOW WE HAVE A BASIS TO **START** BEING OPTIMISTIC!
BUT
THE CORRECTION IS ONCE AGAIN VIOLENT!



2026

THE SIMILARITY OF INVENTORIES OF THE 2009-2011 CRISIS TO THE CURRENT 2024-2026 IS TRULY ASTONISHING!

CHINA
Nº OF MONTHS INVENTORY



THE CORRECTION IS ONCE AGAIN VIOLENT!

- HIGHER GROWING AND MANUFACTURING COSTS
 - RISING ENERGY COSTS
- INCREASING CENTRAL BANK INTEREST RATES



OPTIMISM

Confidence

2028



**“SEE YOU IN
AVIGNON
2028”**

OPTIMISM

Confidence

2028

**CHINA AND OTHERS HAVE
NOW CUT BACK TO
RESTORE BALANCE.**

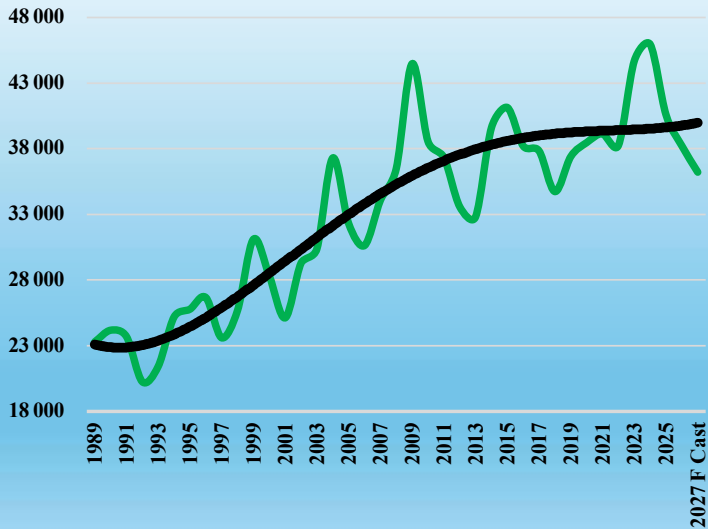
- **THE LEAST EFFICIENT AND DIVERSIFIED COMPANIES HAVE COLLAPSED**
- **INVENTORIES HAVE DECLINED FROM UNSUSTAINABLE HIGHS.**
- **THE GLOBAL SYSTEM IS NOW REACHING EQUILIBRIUM FOR THE FIRST TIME SINCE 2023.**
- **NORMALISATION IS GRADUAL OVER A PERIOD OF 2 YEARS.**
- **2028 IS THE FIRST YEAR WHERE FUNDAMENTALS AND PRICES BEGIN TO RISE SIGNIFICANTLY.**



2028
THE FIRST YEAR
WHERE FUNDAMENTALS
AND PRICES BEGIN TO
RISE

GLOBAL PRODUCTION IS NOW
BELOW CONSUMPTION !

GLOBAL PRODUCTION TOMATOES
000's M. TONS
& TRENDLINE CONSUMPTION



SEE YOU IN
AVIGNON
2028

OPTIMISM

Confidence

2028



EUPHORIA



6/21/26

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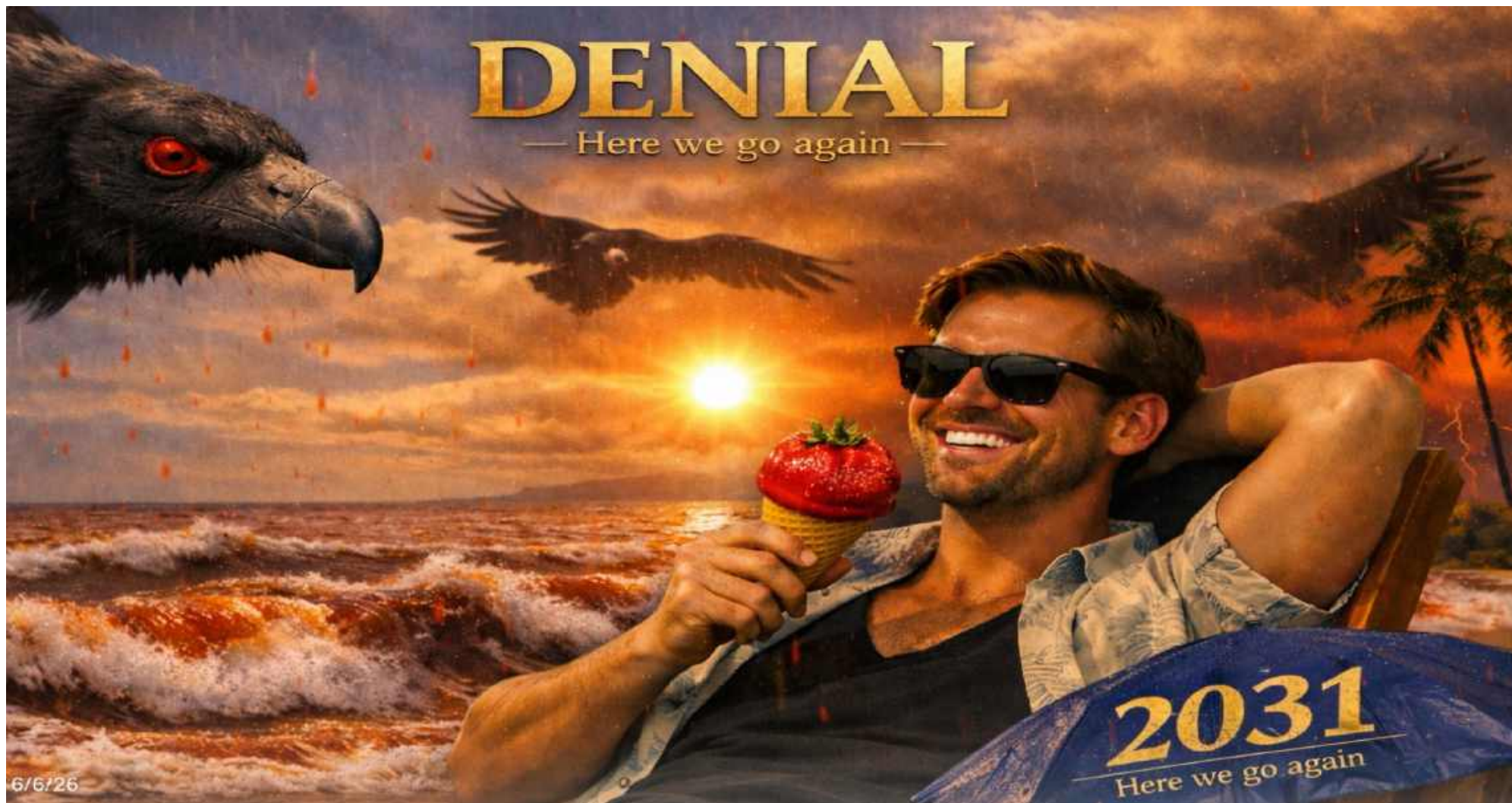
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25



21/06/2026

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26

2032

“SEE YOU
IN AVIGNON
— 2028 —”

