

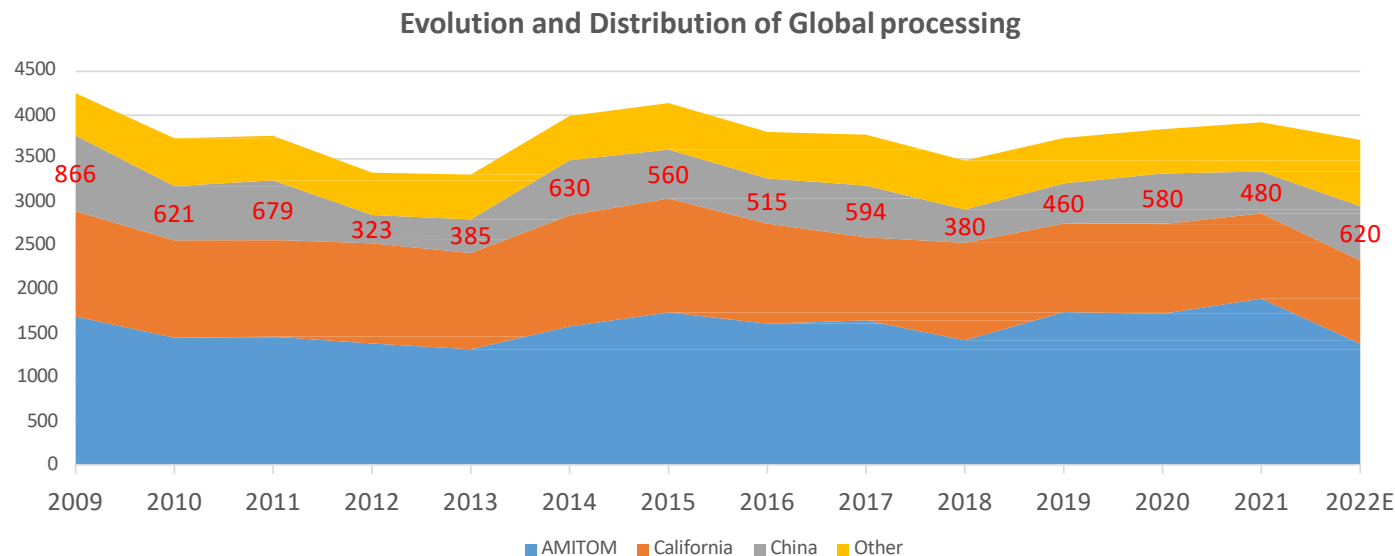
# 2022 crop in China



Oct, 2022

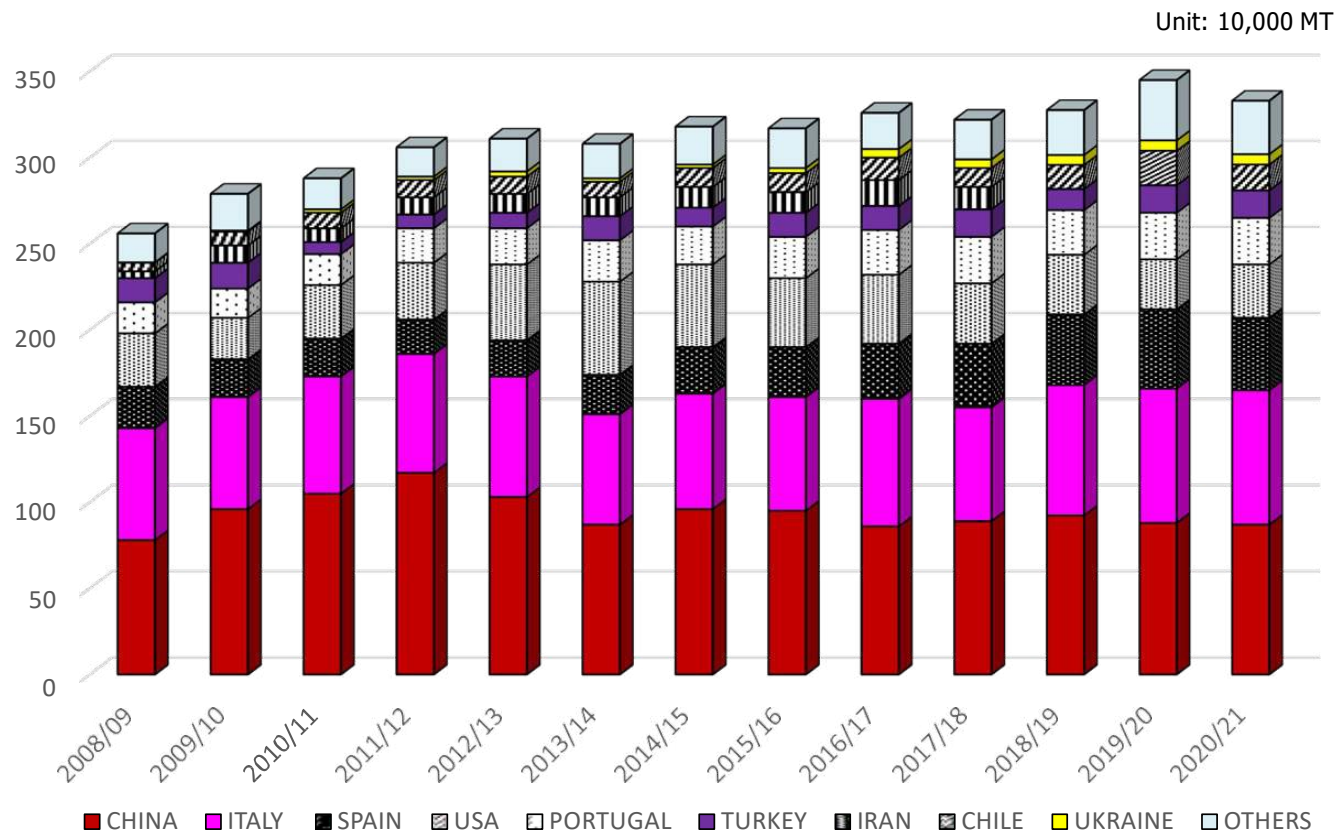
## Processing volume in China accounted for 13.3% of the global total volume in the last five crops.

- **World production estimate of tomatoes for processing:** The estimated global processing volume in 2022 will be 37.18 million tons, down 5.1% compared with 39.18 million tons in 2021.
- **China production estimate of tomatoes for processing:** The total processing volume in 2022 is 6.2 million tons, accounting for 16.7% of the global processing volume, an increase of 29% from 4.8 million tons in 2021.



Unit: 10,000 MT

**In the last 10 years, China's trade volume accounted for 26% of the global trade volume.**

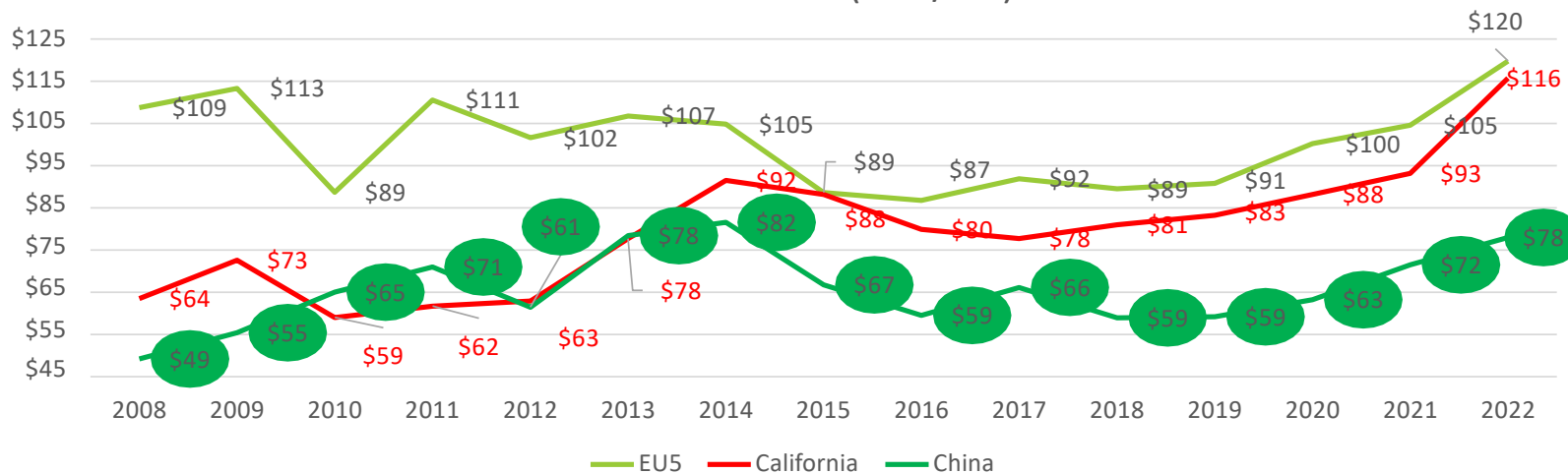


## Raw material prices rose continuously in last three crops

Processing tomatoes are now 21% more expensive than the average of the last three crops.

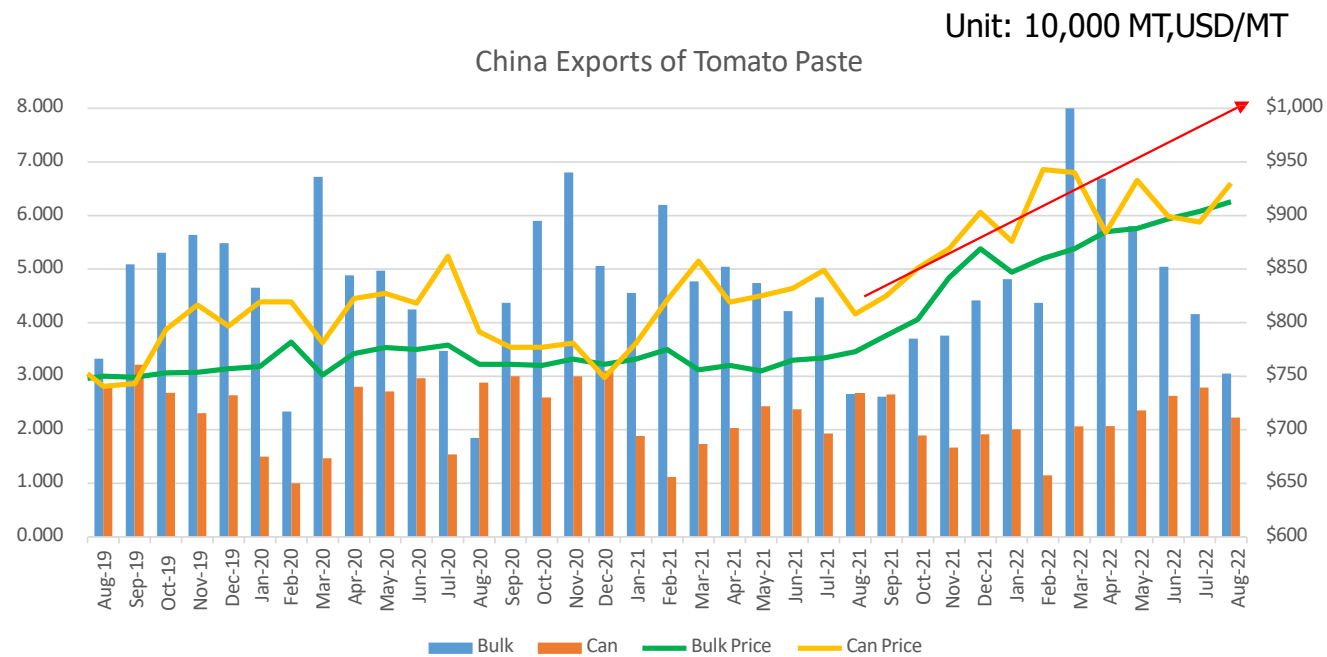
The price of raw materials in China is still the lowest among the three major production areas, but it has risen continuously since 2019. The profits of tomato farmers is stable, The relationship between farmers and processors is more sustainable.

Estimated Annual Levels of Reference Prices  
for Raw Material (USD/mT)



# China trade situation

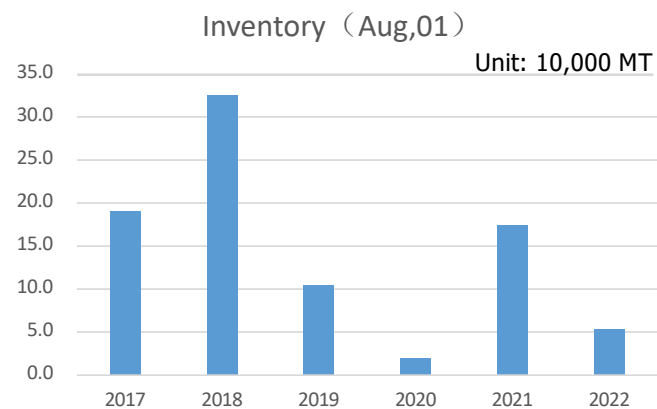
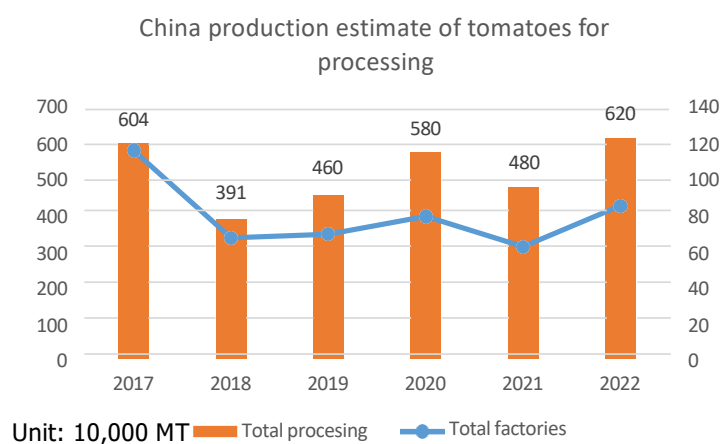
Since the beginning of 2022, the price of tomato paste has risen significantly. In the 2022 crop, due to the rise on raw material costs, production and manufacturing costs, driven by the rise on external market prices, the price of tomato paste continues to rise.



## 2022: China's regional production and inventory

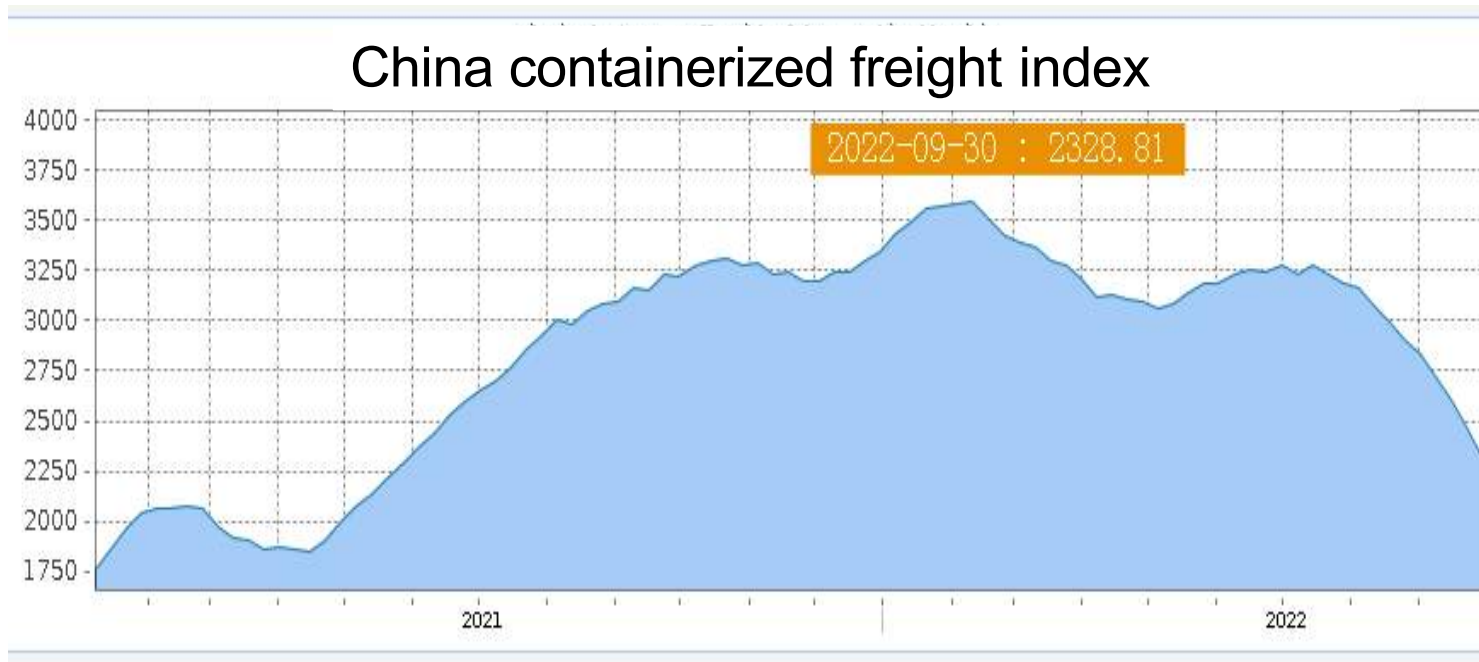
The inventory of 2021 crop has been completely consumed.

In 2022, China's total processing volume is estimated to be 6.2 million tons, including 3.68 million tons in Northern Xinjiang, 1.36 million tons in southern Xinjiang, 0.06 million tons in Gansu and 1.1 million tons in Inner Mongolia.



## Sea freight begins to back to normal

From August 2022, the sea freight has dropped significantly. The freight of some lines is already half of the high point. It is very helpful for the balance of global trade.



# Depreciation of RMB against USD

Influenced by the global economic situation and the Federal Reserve's interest rate increase, the exchange rates of major economies and countries against US dollar have depreciated to varying degrees. The analysis shows that the exchange rate of RMB against US dollar fluctuates between 6.8-7.0 in medium and long term.





## Rapid development of domestic consumption

The domestic consumption of tomato products in China has steadily increased, with an annual consumption equivalent bulk tomato paste 150,000 to 180,000 MT. In addition to the traditional tomato sauce, the Chinese market is well developed in tomato hot pot, tomato sour soup, tomato diced, tomato beverage, Chinese style Pizza, a series of Chinese tomato food. All major manufacturers actively layout the domestic market.





Considering the rising trend of global cost, the price of tomato products will inevitably rise to ensure the sustainable development of the tomato industry.

thank you!