



The Tomato news
Conference

Parma
26 October 2022

**EUPHORIA IN
THE MIDST OF
A RECESSION
?**

Martin Stilwell – October 2022

INFLATION IS EMERGING

As in 2008 we have been in a period of re-adjustment of
Commodity prices accompanied by significant increase of
Inflation

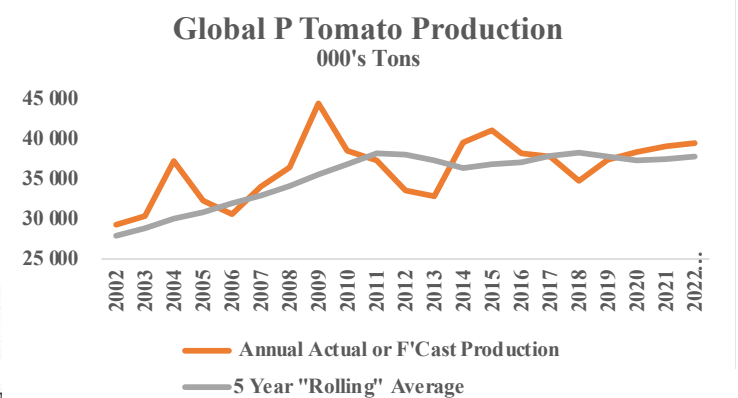
**THIS IS USUALLY FOLLOWED BY A SHARP
DEFLATION**

The 2008 surge of costs was followed by The twin "Subprime" and "Sovereign debt" crises which suppressed inflation

In 2009 The Processing Tomato Market followed the Inflationary trend with the largest crop on record.
THIS WAS THEN FOLLOWED BY ONE OF THE MOST SIGNIFICANT RE-ADJUSTMENTS OF THE LAST DECADES



US commodity price index since 1795 Red dots: major inflation peaks, Blue dots: major inflation trough
Source: *Janus Henderson*



INFLATION IS BEING DRIVEN BY MASSIVE SURGE IN ENERGY COSTS
GAS, THE MAJOR SOURCE OF ENERGY OF OUR INDUSTRY, PRICES HAVE SURGED (PARTICULARLY IN EUROPE)
RECENT WEEKS PRICES HAVE FALLEN DRAMATICALLY BUT ARE STILL 3 TO 4 TIMES HIGHER VS PRE-WAR
COST OF GAS IN THE USA IS V SIGNIFICANTLY LOWER THAN EU

EU Gas Prices Fall

22.10.2022 FT

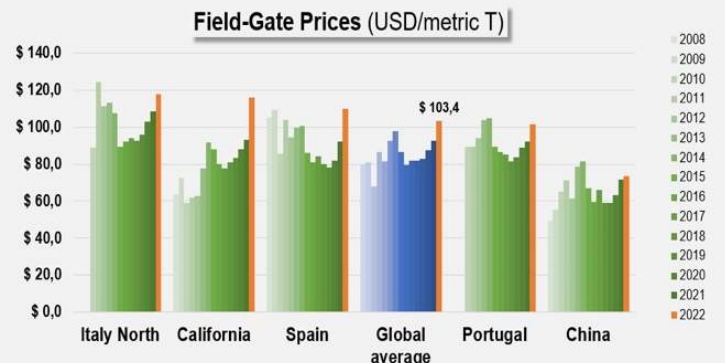
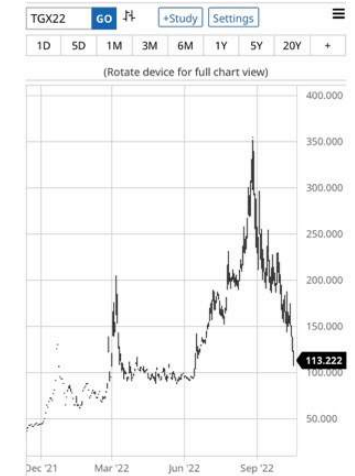
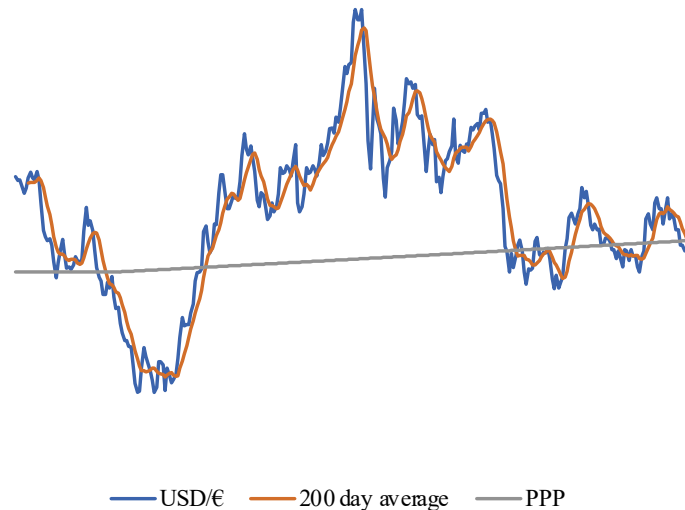
“After EU leaders agree plan to tackle energy crisis Proposed cap on the fuel must satisfy conditions imposed by sceptical countries such as Germany and the Netherlands.”

“With storage facilities close to capacity, the EU is confident the bloc can get through this winter without resorting to rationing supplies.”

“Russia and Saudi Arabia agree to massive cuts to oil output.” Forbes

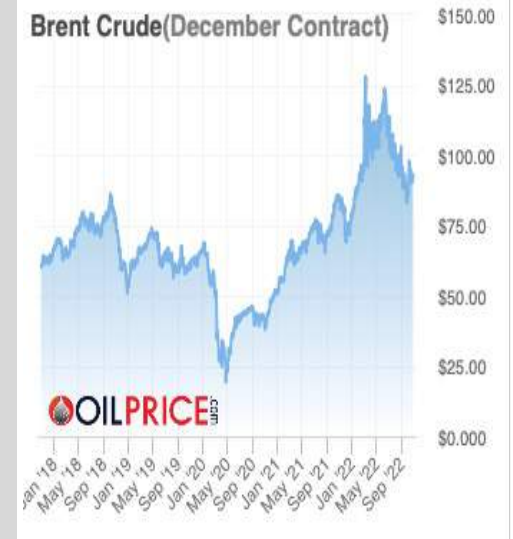
Cost of Fresh Tomatoes have risen by 20 + % in 2022

USD / € JAN 1996 TO OCT 2022



Indicative or average values; WPTC, various professional and/or local sources; as of June 3, 2022

2022: 33,1 million mT valued (83% of quantities expected worldwide)



INFLATION IS NOW IN “FULL SWING”
 Central Banks Led by the FED raising Interest rates sharply
SIGNS OF THE START OF A SERIOUS DEFLATION

The 2022 surge of costs is being followed a serious “Cost of Living” Crisis Which will increase in severity through 2023

ONCE AGAIN FAILURE TO MEET TARGET PRODUCTION OF 39,4 M TONS !
10% DROP IN SPAIN/PORTUGAL AND CALIFORNIA

U.S. Leading Economic Index Signals Upcoming Recession

Oct. 20, 2022 at 10:13 a.m. ET

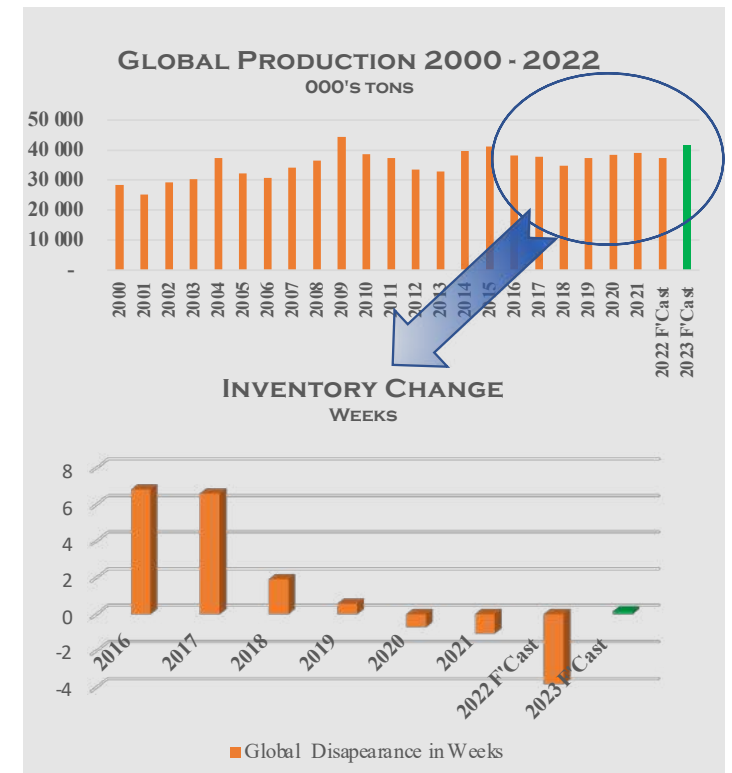
FORBES MARKETS

Europe Is Heading For “Deep Recession”,
 De-Industrialization!

GERMANY HEADED FOR RECESSION IN 2023, SAYS ECONOMY MINISTER

10/12/2022 October 12, 2022

Robert Habeck blamed the gloomy forecast on Vladimir Putin's attempts to use energy as a tool to destabilize Europe.



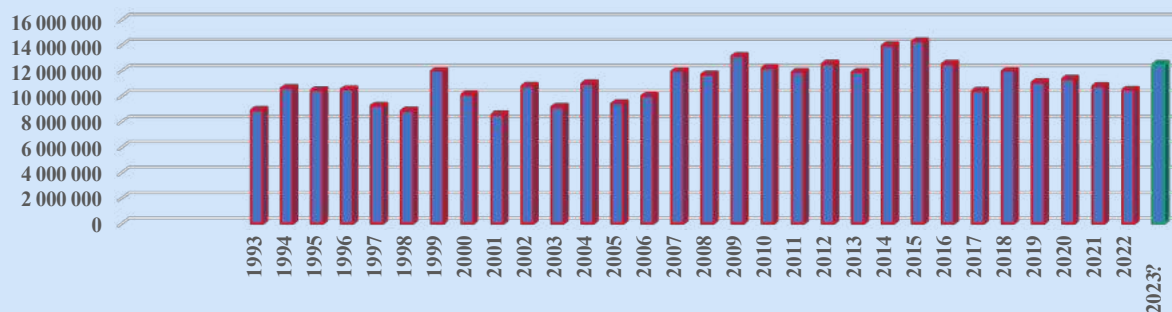
CALIFORNIA PRODUCTION OVER THE LAST DECADES

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CALIFORNIA PRODUCTION

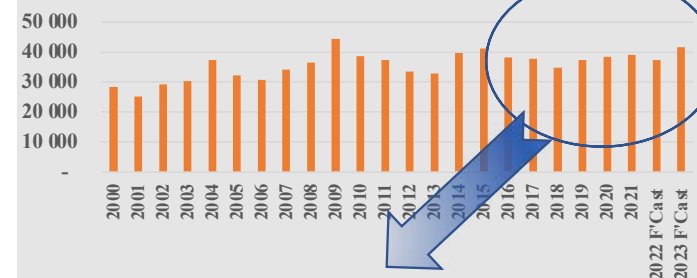
Short Tons



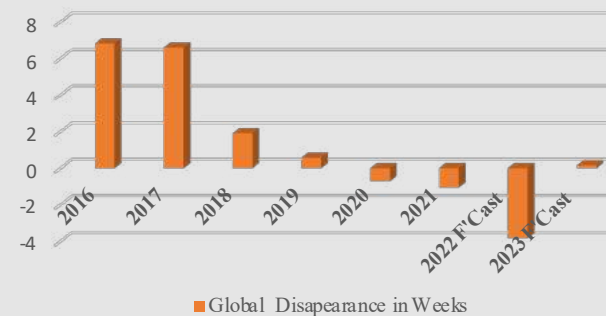
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023?
Planted Area 000's acres	249	256	256	285	295	256	230	230	230	228	228	228	230
Short Tons / Acre	47,79	48,98	46,48	49,00	48,50	48,93	45,25	52,15	48,26	49,73	47,33	45,64	47,64
M tons / Hectare	105,36	107,99	102,48	108,03	106,92	107,88	99,75	114,97	106,40	109,64	104,35	100,63	105,03

GLOBAL PRODUCTION 2000 - 2022

000's TONS



INVENTORY CHANGE WEEKS

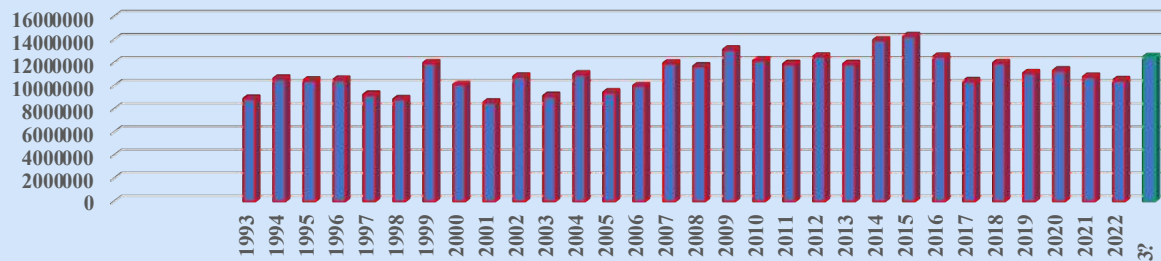


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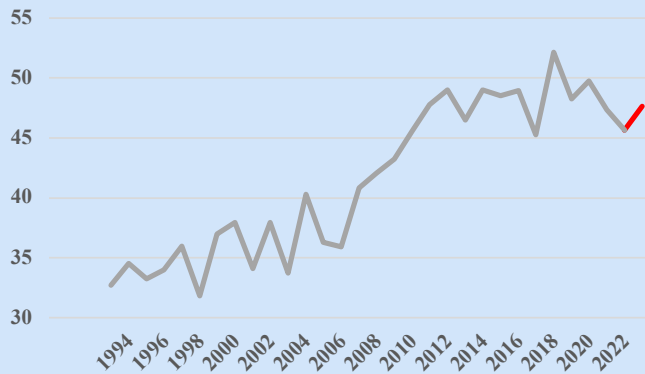
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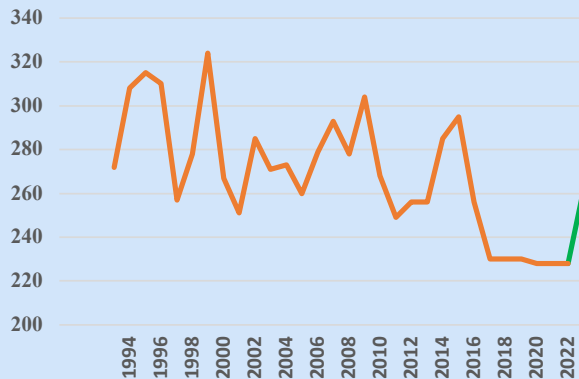
CALIFORNIA PRODUCTION
Short Tons



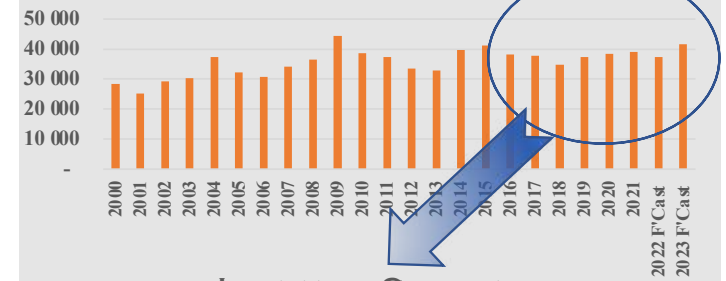
YIELD SHORT TONS / ACRE



PLANTED AREA 000'S ACRES



GLOBAL PRODUCTION 2000 - 2022
000's TONS



INVENTORY CHANGE
WEEKS

