TOMATO PASTE PRODUCTION IN IRAN CROP 2024 & 2025 OVERVIEW

BY ILKIN COMPANY | IRAN

Introduction

Iran's Tomato Paste Production: Current Insights and Future Trends (2024-2025)

01 **Overview of Iran's prominence in the global tomato paste market.**

02 **Importance of the 2024 crop and preparation for 2025.**

Crop 2024

Production Highlights – Crop 2024

wptc
World Processing Tomato Council

World production estimate of tomatoes for processing

Data of last update: 21/10/2024

			2022 FINAL		2023 FINAL		2024 PRELIMINARY		AVERAGE	VARIATION
NORTHERN HEMISPHERE	MEMBERS IN MEDITERRANEAN AREA (AMITOM)	Bulgaria	40	Est.	37	Myst.	60	Mem.		
		Egypt	456	Mem.	600	Mem.	624	Mem.		
		France	142	Mem.	160	Mem.	170	Mem.		
		Greece	340	Mem.	390	Mem.	510	Mem.		
		Hungary**	80	Mem.	110	Mem.	120	Mem.		
		Iran**	1 800	Mem.	2 000	Mem.	1 400	Mem.		
		Israel	149	Mem.	197	Mem.	185	Mem.		
		Italy	5 476	Mem.	5 400	Mem.	5 250	Mem.		
		Malta**	5	Mem.	8	Mem.	8	Est.		
		Portugal***	1 414	Mem.	1 500	Mem.	1 500	Mem.		
		Spain***	2 125	Mem.	2 600	Mem.	3 080	Mem.		
		Syria**	40	Est.	40	Est.	40	Est.		
		Tunisia	649	Mem.	795	Mem.	980	Mem.		
		Turkey	2 350	Mem.	2 700	Mem.	2 700	Mem.		
		Ukraine**	120	Mem.	500	Mem.	540	Mem.		
		Subtotal AMITOM	**15 186**		**17 037**		**17 147**			
		of which members in EU	*9 422*		*10 265*		*10 679*			
	OTHER MEMBERS	Brazil	1 632	Mem.	1 650	Mem.	1 671	Mem.		
		Canada	548	Mem.	520	Mem.	512	Mem.		
		California	9 514	Mem.	11 956	Mem.	9 980	Mem.		
		China	6 200	Mem.	8 000	Mem.	10 450	Mem.		
		Japan	27	Mem.	26	Mem.	26	Mem.		
		Subtotal Other Members	**17 921**		**21 752**		**22 639**			
	NON MEMBERS	Algeria*	1 200	Mkt.	1 350	Mkt.	1 300	Mkt.		
		Czech Republic	25	Est.	25	Est.	25	Est.		
		Morocco*	100	Est.	100	Est.	100	Est.		
		Poland	175	Est.	250	Mkt.	400	Mkt.		
		Russia*	638	Mem.	660	Mkt.	650	Mkt.		
		Slovakia	20	Est.	20	Est.	20	Est.		
		USA excluding California	450	Mkt.	475	Mkt.	475	Mkt.		
		Subtotal Non Members	**2 608**		**2 880**		**2 970**			
		Total Northen Hemisphere	**35 715**		**41 669**		**42 756**			
SOUTHERN HEMISPHERE	MEMBERS	Argentina	626	Mem.	586	Mem.	631	Mem.		
		Australia	227	Mem.	110	Mem.	213	Mem.		
		Chile	971	Mem.	1 150	Mem.	1 300	Mem.		
		Peru	125	Mem.	150	Mem.	150	Mem.		
		South Africa	120	Mem.	160	Mem.	140	Mem.		
		Subtotal members	**2 069**		**2 156**		**2 434**			
	NON MEMBERS	Dominican Republic	227	Est.	227	Est.	227	Est.		
		India	162	Est.	162	Est.	162	Est.		
		Mexico	40	Est.	40	Est.	40	Est.		
		New Zealand	52	Mkt.	25	Mkt.	39	Mkt.		
		Senegal	73	Est.	73	Est.	73	Est.		
		Thailand	40	Est.	40	Est.	40	Est.		
		Venezuela	20	Est.	24	Mkt.	14	Mkt.		
		Subtotal non members	**614**		**591**		**595**			
		Total Southen Hemisphere	**2 683**		**2 747**		**3 029**			
		GENERAL TOTAL	**38 398**		**44 416**		**45 785**			
		of which members of the WPTC	*35 176*		*40 945*		*42 220*			
		WPTC as percentage of total production	*92%*		*92%*		*92%*			

Volume: Approximately 1.4 million metric tons of processed tomatoes in 2024

Iran is the 7th largest producer of tomatoes in the world

Crop 2024

Production Highlights – Crop 2024

01 **Volume: Approximately 1.4 million metric tons of processed tomatoes**

02 **Exports: Major destinations include Iraq, Afghanistan, UAE, and Russia...**

03 **Challenges**

- Production delayed by two to three weeks Oct 2024
- Water shortage and electrical power cuts
- Increasing costs of production inputs such as fuel and fertilizers.

Trends for Crop 2025

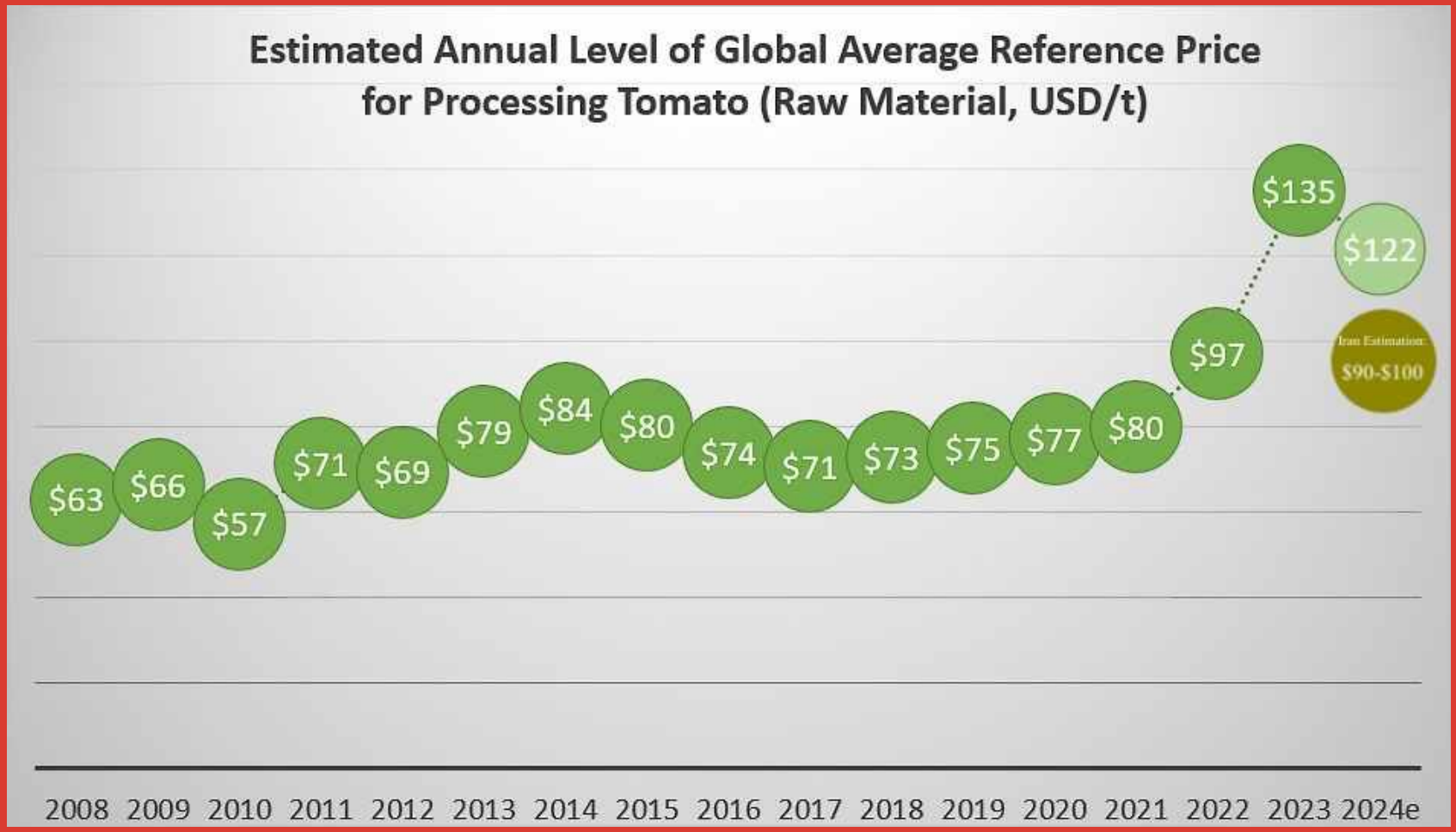
Projected Growth

- A slight increase in processing capacity due to improved farming practices and machinery.
- Expansion into new markets such as Africa and Eastern EU.
- Currently, open cultivation is being replaced by greenhouse and hydroponic farming

Cost Implications

- Continued pressure from fluctuating energy and labor costs.
- Anticipated low demand for exports due to global market conditions, particularly the significantly lower prices of China's tomato paste, which may adversely affect export competitiveness.
- Water shortage and electrical power cuts remain the biggest challenges

Cost Trends $


Estimated Annual Level of Global Average Reference Price for Processing Tomato (Raw Material, USD/t)
$63
$66
$57
$71
$69
$79
$84
$80
$74
$71
$73
$75
$77
$80
$97
$135
$122
Iran Estimation:
$90-$100
2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024e

Quantities and Market Share

Export Trends

- Iran exported approximately 140,000 metric tons annually in recent years.
- Iraq remains the largest buyer (51%), but losing market sh
- are to China , followed by Afghanistan (26%), and smaller shares for UAE and Russia.

Domestic Use

- Demand remain high internally inside Iran with papulation of 80 million
- Increased focus on value-added products for local consumption.

Key Decision Factors Along the Value Chain / 2025

01

Farming Level

- Open cultivation is being replaced by greenhouse and hydroponic farming
- Why the Shift?
  - Water Scarcity: Iran faces chronic water shortages, making water-efficient systems like hydroponics and greenhouse farming a necessity.
  - Yield Optimization: Greenhouse and hydroponic farming enable higher yields per hectare compared to open cultivation.
  - Quality Consistency: Controlled environments ensure better quality, uniformity, and reliability in tomato production, meeting the stringent standards of processing industries.

Key Decision Factors Along the Value Chain / 2025

02 — **Processing Level**

- Investments in advanced processing facilities to enhance product quality.
- Sustainability initiatives to reduce waste.

03 — **Distribution Level**

- Strengthening logistics for timely exports.
- Diversification of export destinations to mitigate geopolitical risks.

Conclusion

Summary:

- Iran remains a key global player in tomato paste production.
- It has not been a great year 2024 with 30% reduction on production compared to year 2023

- Opportunities for growth hinge on working to shift open cultivation farming to replace by greenhouse and hydroponic farming as well as innovation, cost management, and market expansion.

Thank you!

Any Questions ?