



MARKET UPDATE MAY 2025

As we enter the tomato campaign, the global market for processed tomatoes remains dynamic, shaped by a combination of climate challenges, shifting trade conditions, and evolving regional capacities. For industrial buyers sourcing different processed tomato ingredients (paste, passata, polpa, etc.), understanding these regional trends is critical for making informed procurement decisions. This update summarises the most recent developments across key producing regions, offering both a regional breakdown and a global perspective on supply, pricing, and outlook.

Spain & Portugal

- **Weather Impact & Crop Outlook:** Spain experienced severe weather in March, receiving over twice the normal rainfall, leading to flooding and delays in tomato transplanting. This could reduce planting areas and negatively impact the 2025 crop.
- **Production Forecast:** Early estimates point to a potential 15.5% decline in production across the region.
- **Market Dynamics:** Spot prices have dropped recently in both Spain and Portugal for paste/concentrate products.
 - If buyers delay purchases, this may result in a strong carryover into the 2025 season, exerting downward pressure on prices.
 - If buyers act on the current dip, carryover may reduce and prices could firm up later in the year, particularly with the added pressure from planting delays.
 - The recommendation is that Buyers of non-concentrated products (chopped/diced) move early to secure volumes.

Italy

- **Southern Italy:** No major production concerns have been reported for the upcoming crop. Pricing for raw material has already been set for the 2025 season in Southern Italy.
- **Northern Italy:** Production volumes are expected to decline slightly compared to 2024. Rising temperatures and excessive rainfall have created localised stress on yields and quality. The region has begun processing specialty varieties (e.g., datterini and cherry tomatoes), while standard field tomatoes may deliver lower yields. Significant early crop volumes are expected by August.
- **Watchpoints:** Across Italy, uncertainty remains around international trade policy, particularly regarding potential shifts in U.S. tariff structures.

Egypt

- **Strong Growth:** Egypt has seen a 25% increase in production driven by expanding export demand and rising adoption of EU-aligned standards.
- **Product Availability:** Winter crop has concluded, and colour +2 product is now widely available.
- **Competitive Dynamics:** More producers are entering the market, increasing competition and further solidifying Egypt's position as a major supplier for processed tomatoes.

Global Overview

- **Demand Outlook:** Global exports of tomato paste have been rising steadily, particularly into Asia and Africa, where demand for shelf-stable tomato products is increasing.
- **Production Trends:** While European volumes face weather-related risks, production in China and the USA remains stable. These two countries continue to dominate global tomato paste exports, with China focusing on low-cost bulk formats and the USA serving primarily domestic and regional markets.
- **Supply Chain Observations:** Global shipping costs have eased slightly since their 2022 peak, but container availability remains inconsistent in some ports, especially in the Mediterranean and Suez corridors.

Forward Outlook

- Availability from 2024 harvests continues to support short-term supply, but Spain's weather-related delays and Northern Italy's yield issues could create upward price movement later in 2025.
- Egypt is emerging as a key origin for value-focused buyers seeking bulk volumes with acceptable EU conformity.
- Monitor Italy for geopolitical developments that could influence trade and pricing.
- Globally, watch for changes in Chinese and U.S. production, as well as freight and logistics developments, which could shift regional sourcing strategies.

Navigating the processed tomato supply chain in 2025 requires a close eye on weather disruptions, trade dynamics, and shifting regional capabilities. While Egypt and the USA offer stability and volume, Southern Europe remains sensitive to climatic volatility and political factors.

Importantly, the recently announced U.S. tariff changes are introducing new layers of uncertainty and potential cost volatility into international supply chains. Industrial buyers should prepare for a period of pricing unpredictability and maintain agility in procurement decisions. By leveraging current market trends and maintaining sourcing flexibility, buyers can optimise supply security and cost efficiency throughout the year. We'll continue monitoring developments and remain committed to supporting our partners with transparent updates and strategic guidance.



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