



- Advertisement -

Tomato supplies on the rise

By

Tim Linden

January 18, 2021

Fresh market tomatoes had a fairly strong 2020 as they were one of the many produce items that benefited from the surge in sales at retail fueled by the pandemic, though they were hurt by a decline in foodservice purchases. The end-of-the-year holidays buying was especially brisk for tomatoes with great demand and higher prices from mid-November through the end of the year.

But supplies are catching up with demand and there has been a drop in f.o.b. prices that is expected to continue on both conventional and organic f.o.b. prices now that the west Mexico district of Culiacan is heating up, literally and figuratively. Joe Bernardi of Bernardi & Associates, which has offices all over the country and is a tomato broker specialist, told *The Produce News*, “Prices have been high for the past six weeks but they are starting to come down.” He called this a normal pattern as there tends to be a “lull in demand in the middle of January,” which coincides with increased supplies from Mexico. “We hope to get back into a normal rhythm as we go through January.”

He was talking about the supply-and-demand dynamic, and also about his own business. Bernardi acknowledged that tomatoes did fairly well in 2020 because of increased retail buying due to COVID-19, but admitted that Bernardi & Associates didn’t reap those benefits. “Our core group of customers are foodservice suppliers,” he said. “So our sales have suffered. I sure hope restaurants are allowed to operate again. These guys need to open up or they are not going to survive.”

Alex Leon, who handles organic tomato sales for Bernardi out of the company’s Nogales office, added that supplies of organic tomatoes are also on the rise and he expects a corresponding drop in f.o.b. prices as Culiacan temperatures are starting to rise in the upper 80s, which should bring on tomato volume in all categories.

Ricardo Crisantes, chief commercial officer for Wholesum Harvest, an organic tomato producer, said that almost all organic tomatoes are sold at retail so 2020 was a stellar year with demand outstripping supplies from the day pandemic buying took hold in March through the end of the year. He was also anticipating that an increase in supplies from west Mexico would bring supply back in balance but was not experiencing that in mid-January. He said the spot market price on organic tomatoes was still high — in the mid-\$20s or higher on several SKUs — but he had to scramble to fill his regular commitments (at contracted prices) and wasn’t able to take advantage of those spot market spikes.

Because of the increase in demand over the last few years for many organic vegetable crops, including tomatoes, Crisantes said that Wholesum is continually building new greenhouses to keep up with that demand. But that is a time-consuming process taking about a year to increase production on any specific farm. The company did have some new production facilities in the works when the pandemic hit so it will have more volume this spring with more capacity coming on line in late summer. The big question is what organic tomato demand will look like eight months from now?

[Print](#)