Statistics

Morning Star Tomato Paste and Processed Tomato Statistics

Published April 22

2019


THE
MORNING STAR
16
PACKING COMPANY
AAR 64

Table of Contents

Exhibit 1

2019 California Tomato Paste Processing Capacity

California as a whole produces 96% of the total U.S. processed tomatoes and represents 1/3rd of the global market.

Processor	Facility Location	Year Built	Tomato Capacity for Tomato Paste (Tons/Hour)	Equivalent Tomato Paste (Pounds/Hour)
Marketers				
Morning Star Packing Company	Williams	1995	1,353	443,565
Liberty Packing Company	Santa Nella	1975/02	906	297,160
Morning Star Packing Company	Los Banos	1990	665	217,932
Los Gatos Tomato Products*	Huron	1991	530	173,861
Olam Tomato Processors	Lemoore	1990	445	145,782
J.G. Boswell Tomato Company*	Bakersfield	2000	410	134,347
Ingomar Packing Company*	Los Banos	2000	410	134,546
J.G. Boswell Tomato Company*	Corcoran	2008	325	106,716
Ingomar Packing Company*	Los Banos	1983	370	121,369
Pacific Coast Producers*	Woodland	1943/02	295	96,607
Toma-Tek	Firebaugh	1989	270	88,678
Olam Tomato Processors	Williams	1982	251	82,286
Sub-Total	**12**		**6,231**	**2,042,849**
Remanufacturers				
Campbell Soup	Dixon	1975	303	99,303
Hunt Foods	Oakdale	<1970	205	67,221
Campbell Soup	Stockton	1967	182	59,746
Ragu	Stockton	<1970	196	64,263
Del Monte	Hanford	1976	87	28,518
Sub-Total	**5**		**973**	**319,051**
Total	**17**		**7,204**	**2,361,900**

*Grower-owned and controlled processor

Definitions:

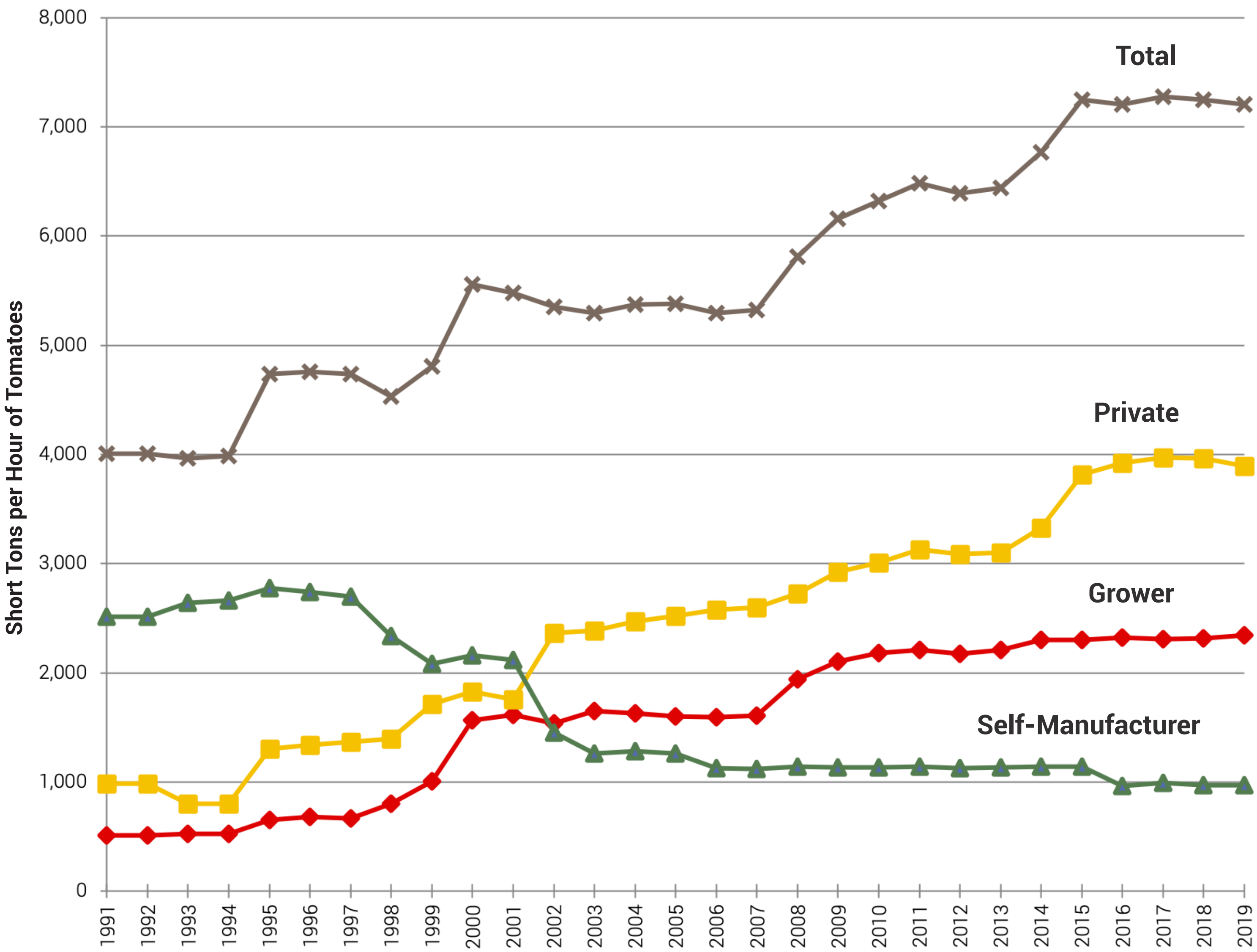
Marketers: Plants making paste for the main purpose of selling it to another party

Remanufacturers: Plants making paste for use internally

Exhibit 1A

Annual Tomato Paste Processing Capacity

(Short Tons/Hour)



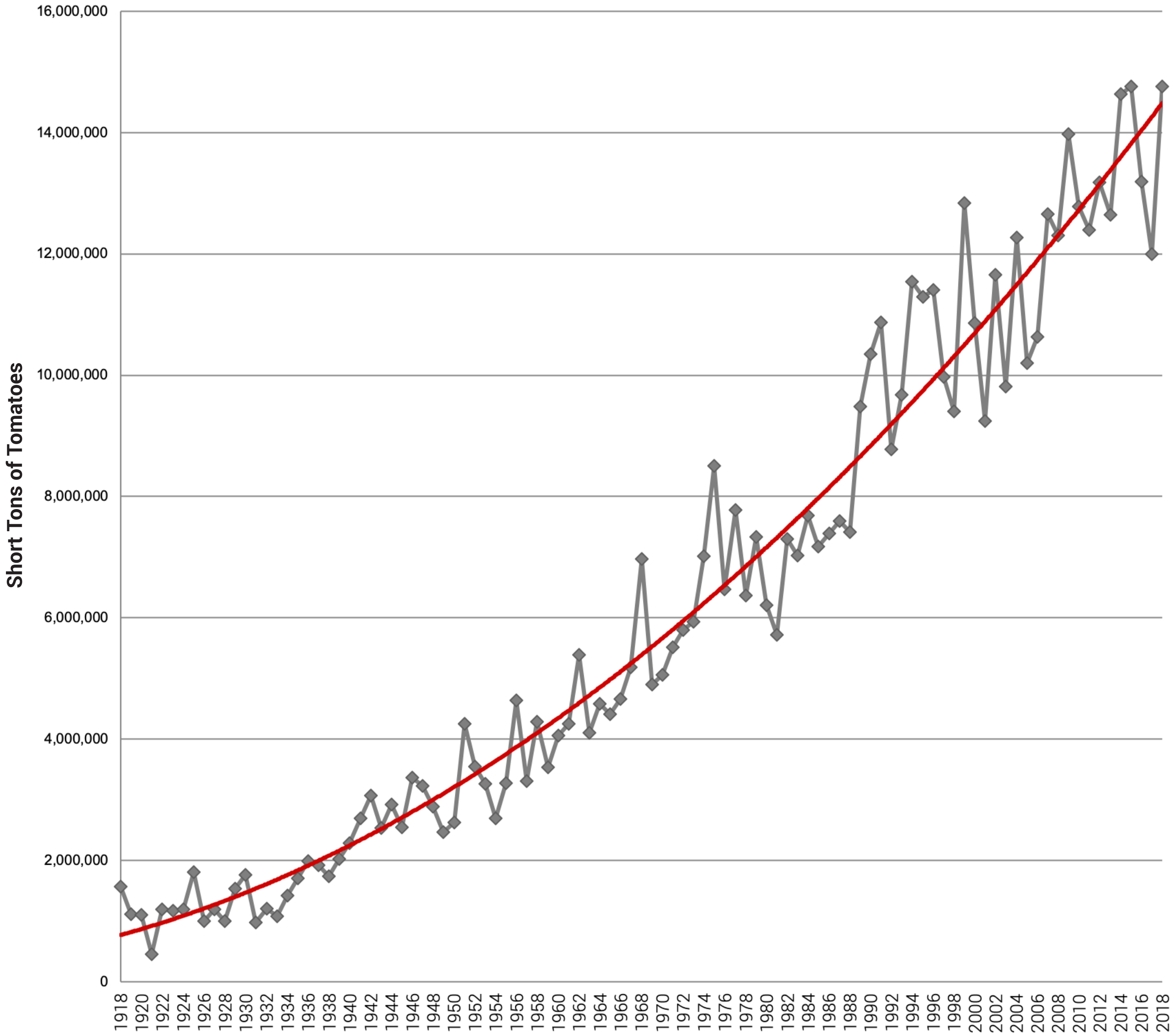
Definitions:

Self-Manufacturers: Companies that make paste predominantly for internal uses
Private: Privately held companies that sell paste on the open market
Grower: Grower-owned companies that sell paste on the open market

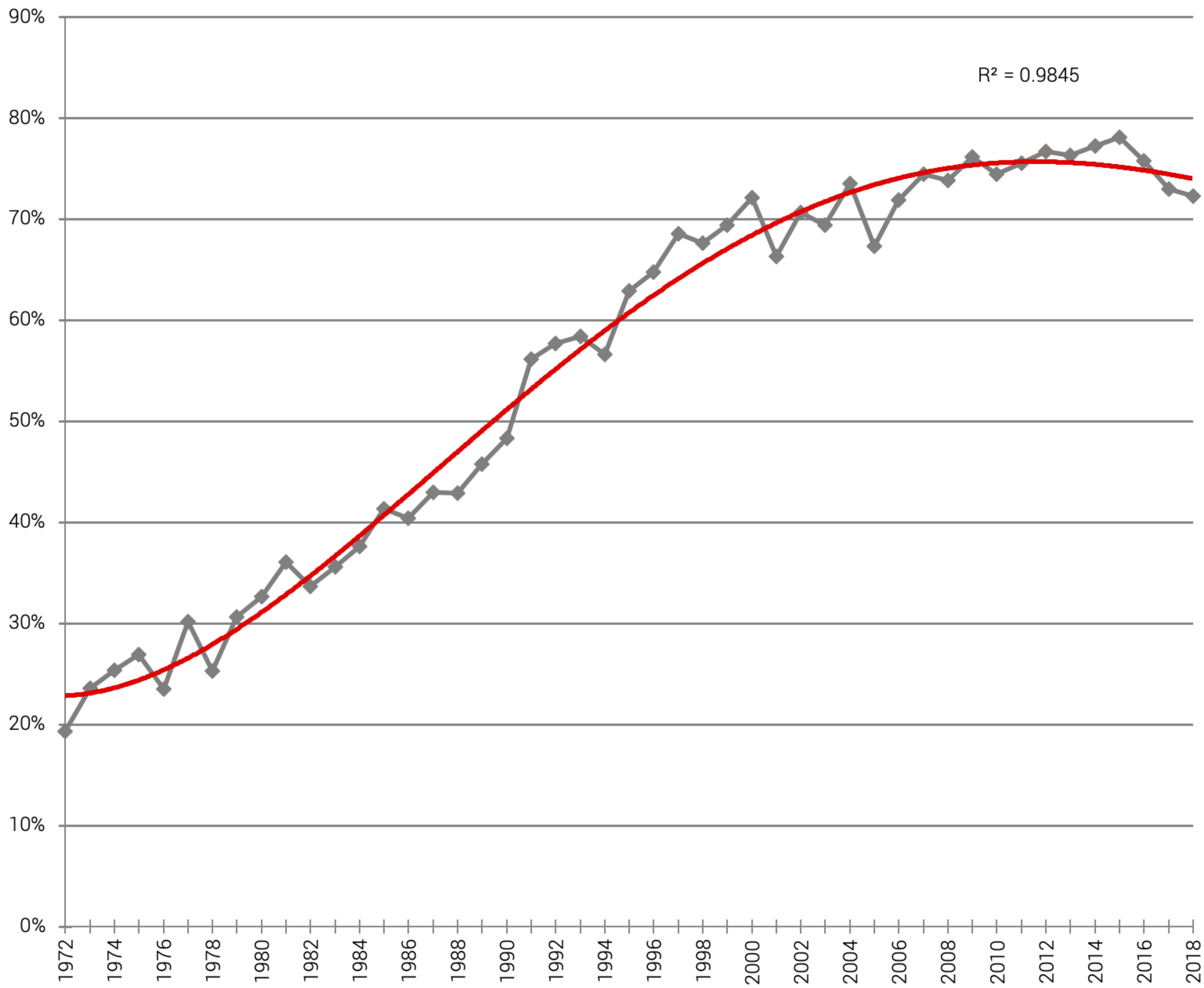
Exhibit 2

Annual U.S. Processing Tomato Production History

(Crop Projection for 2019)



Percent of Total California Processing Tomato Crop Packed as Bulk Tomato Paste



U.S. Tomato Paste Consumption

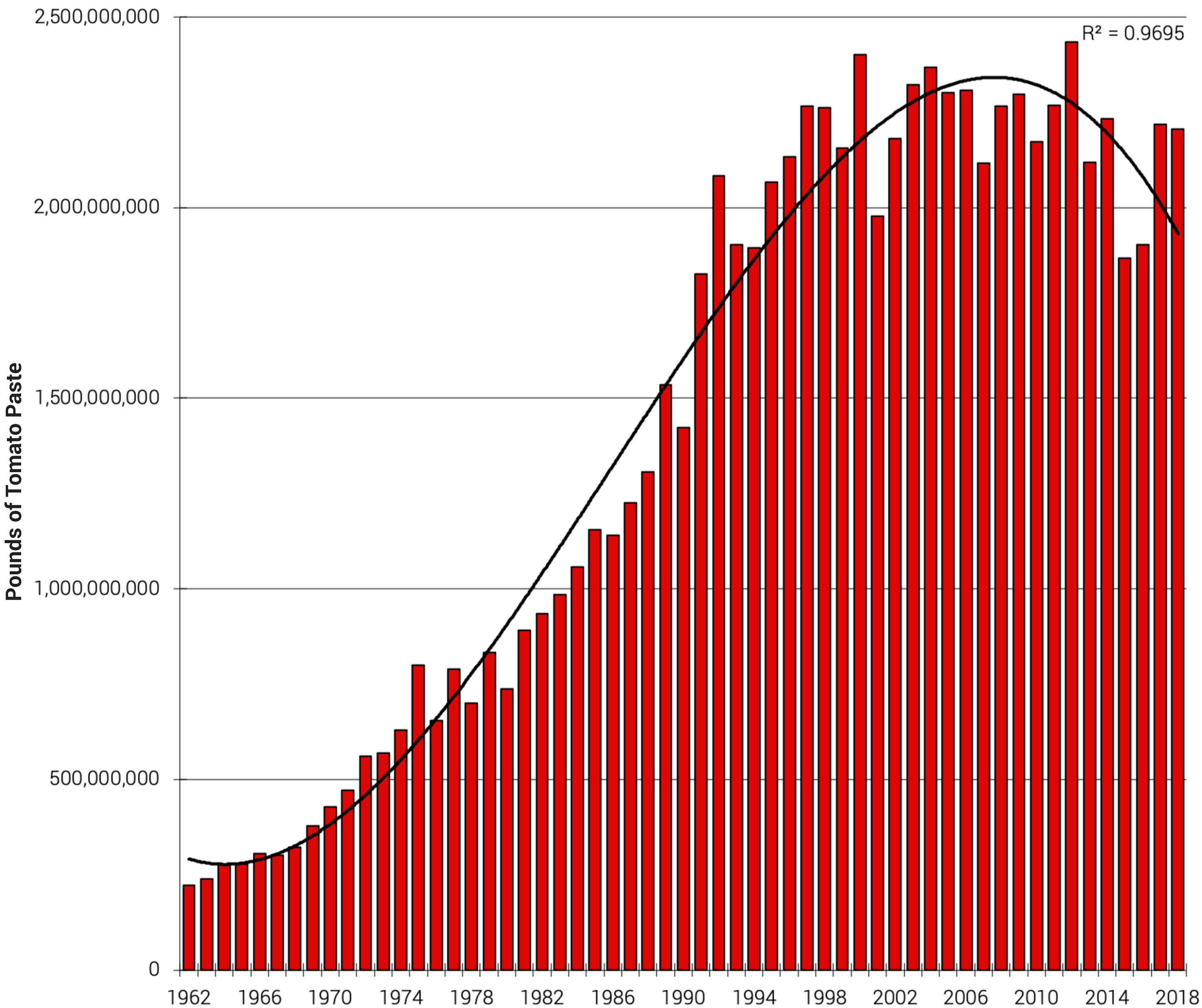


Exhibit 5

U.S. Tomato Paste Imports and Exports

(Pounds 31% NTSS)

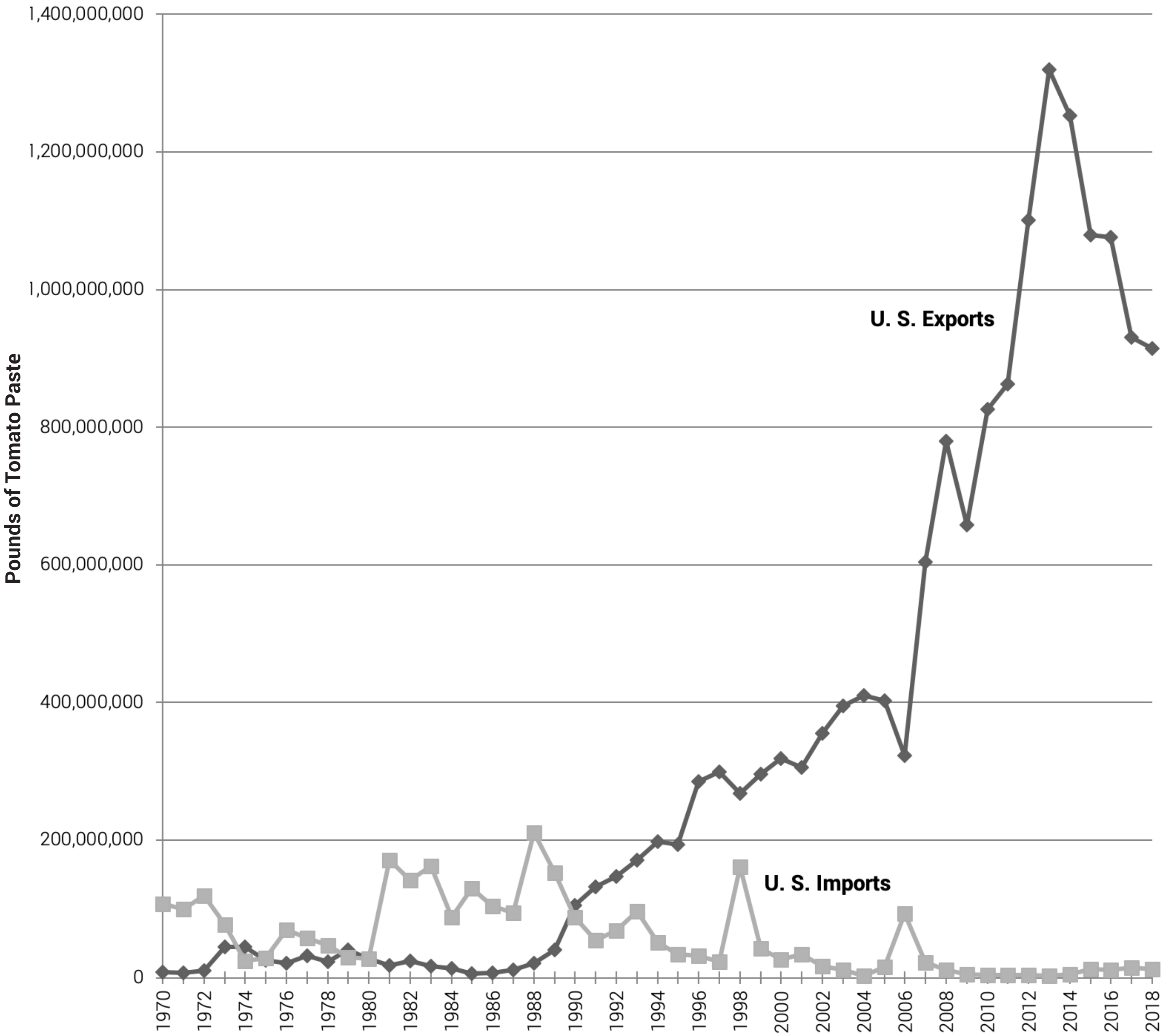


Exhibit 6

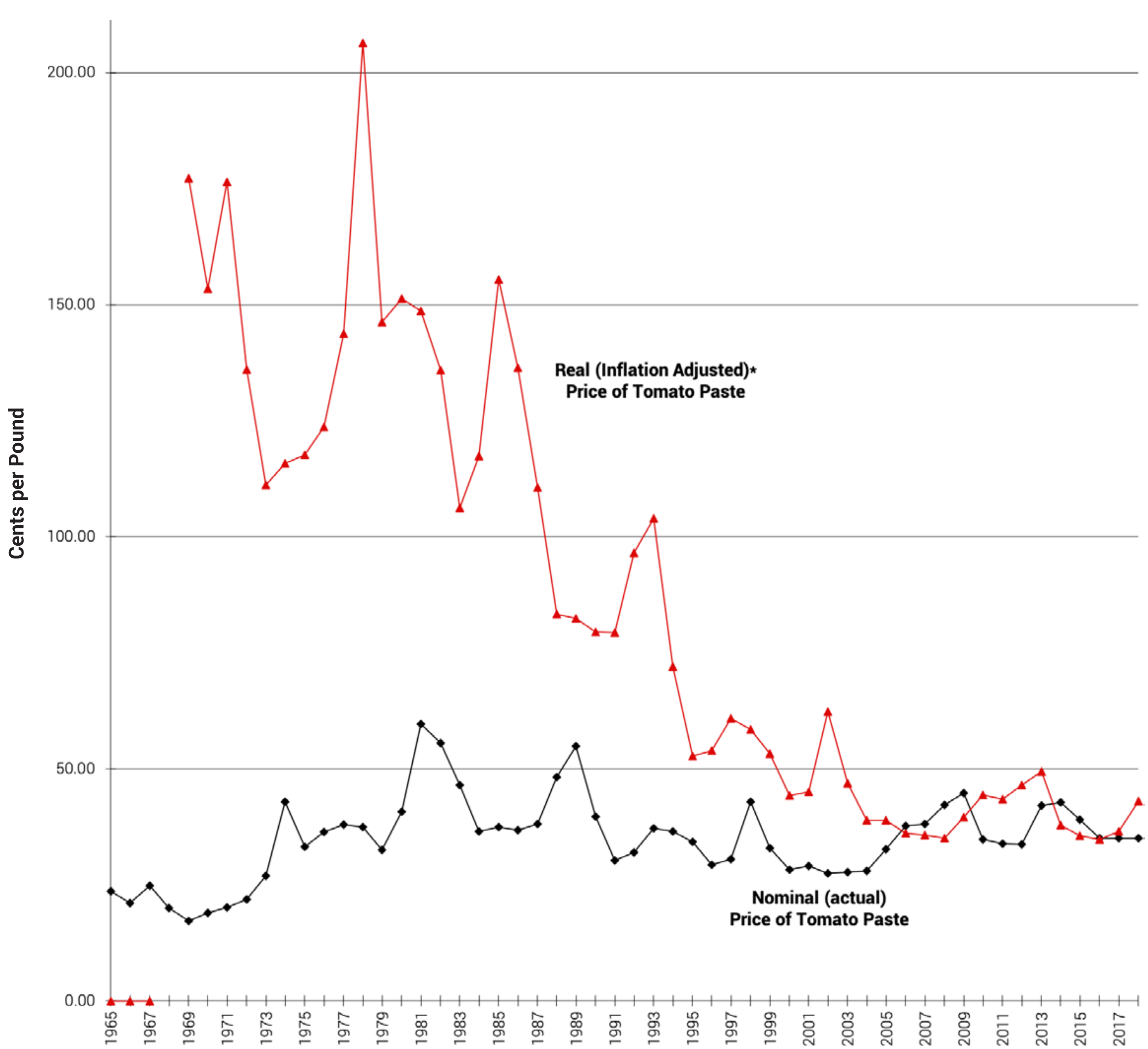
2018 Estimated Industry Average
Tomato Paste Production Cost

Fixed Expenses	Percent of Cost
Facility Capital Expenses (Depreciation & ROA)	8.3%
Insurance & Taxes	0.7%
Operating Overhead (Administration and R&M)	10.5%
Variable Expenses	**Percent of Cost**
Tomatoes with Fees	49.1%
Trucking	7.1%
Seasonal Labor	3.3%
Boiler Energy	5.2%
Electricity	1.1%
Sewage	0.3%
Supplies & Miscellaneous	1.3%
Containers	7.7%
Operating Interest	3.7%
Selling Costs	1.7%
Total Expenses	**100.0%**

Exhibit 7

Annual Historical Price of Tomato Paste

(Cents Per Pound of 31% NTSS)

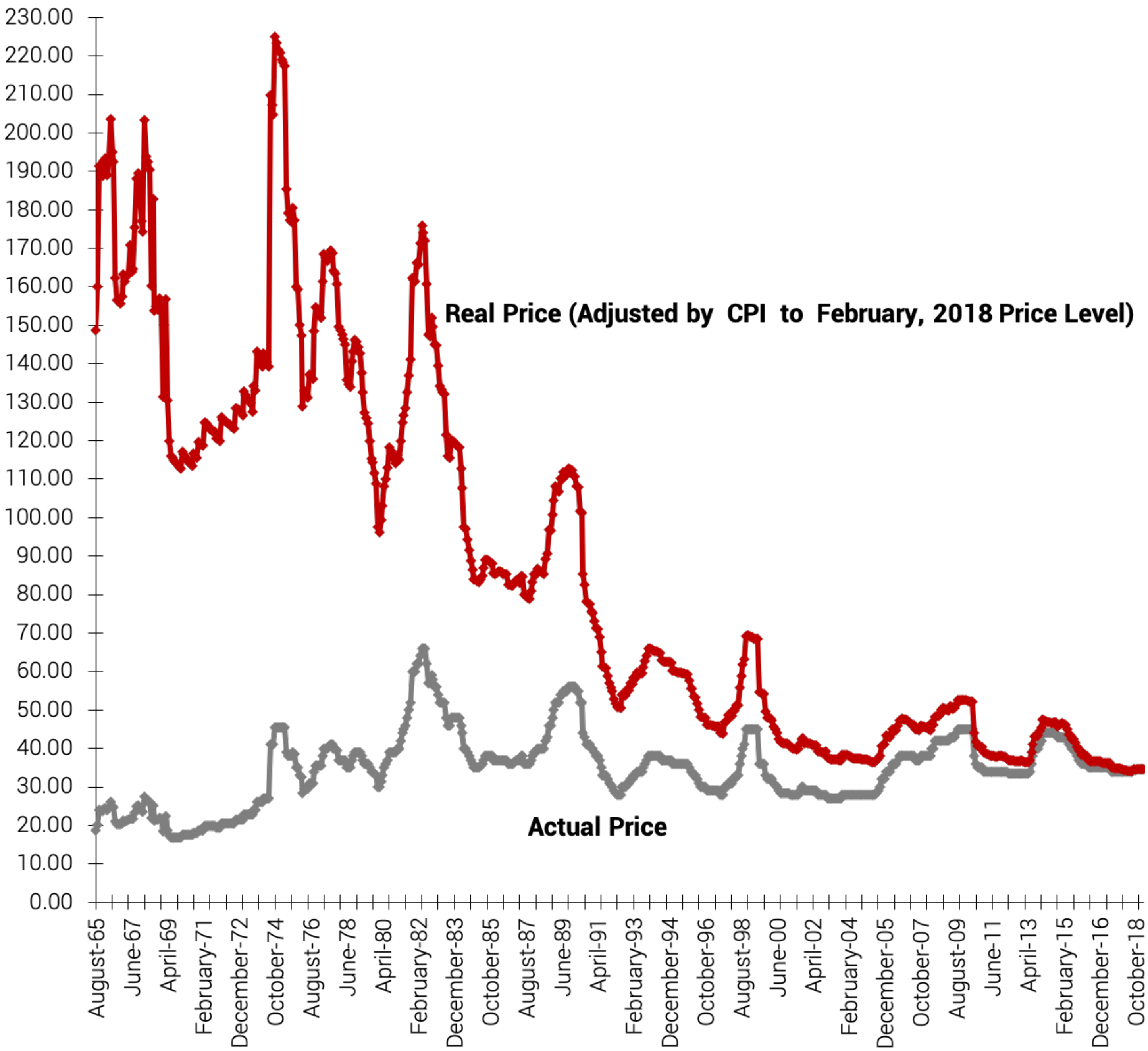


*Inflation adjusted to March 2018 CPI levels

Exhibit 7A

Monthly Actual and Real Time Prices

(Cents Per Pound of 31% NTSS)



Tomato Paste Price, Costs, and Processor Margins

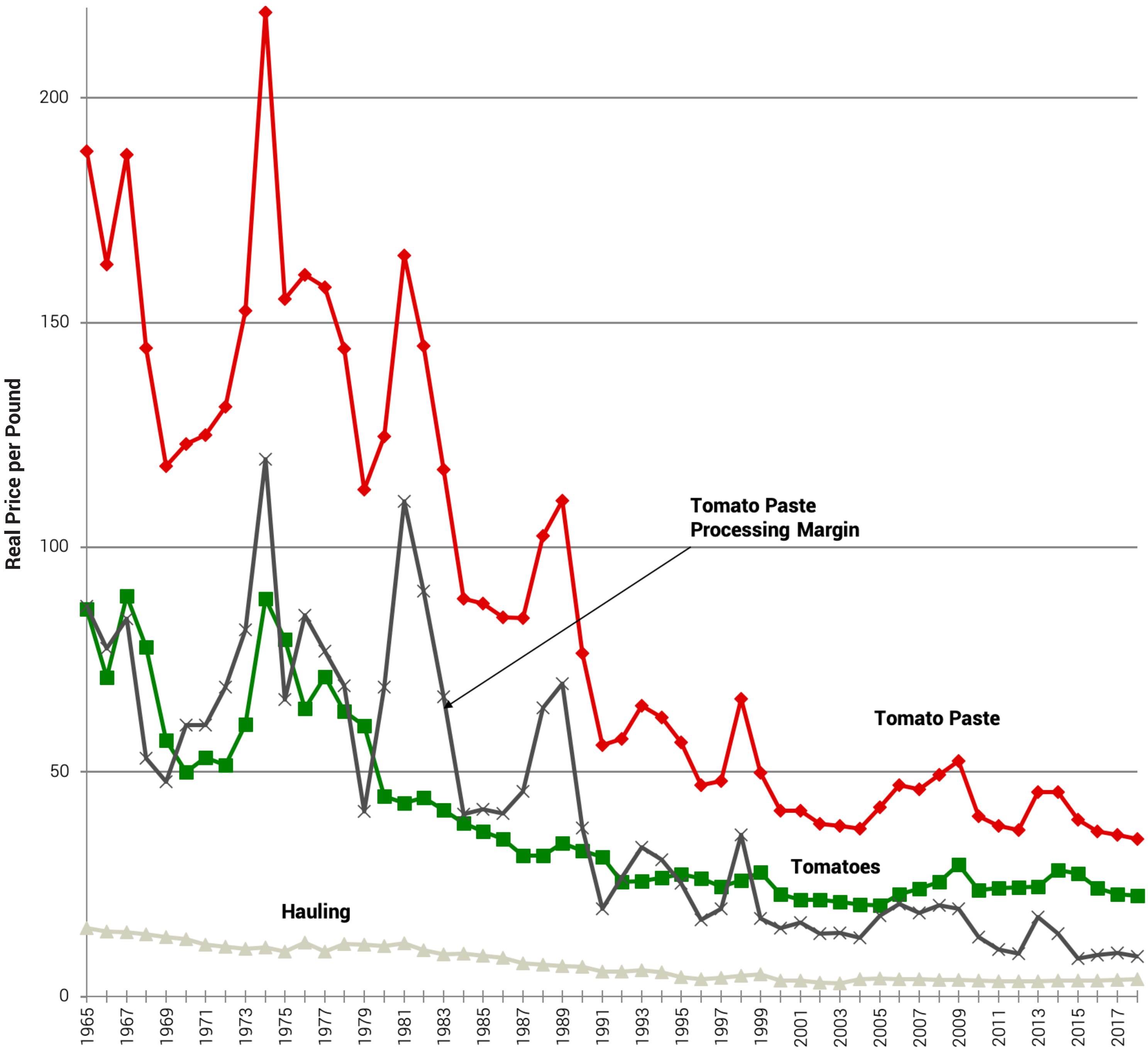
(in 2018 Prices)

Year	Real Tomato Paste Price (cents/lb)	Real Tomato Price (cents/lb)	Real Hauling Price (cents/lb)	Real Tomato Paste Processing Margin (cents/lb)	Real Tomato Paste Processing Margin 7 yr trailing avg.	Years From Low to Low	Grower Percent of Paste Price
1966	153.53	66.96	13.61	72.96			43.6%
1967	176.55	83.96	13.45	79.14			47.6%
1968	136.06	73.28	12.91	49.87			53.9%
1969	111.22	53.74	12.45	45.03		3	48.3%
1970	115.81	47.01	11.94	56.86			40.6%
1971	117.76	50.08	10.73	56.95	63.23		42.5%
1972	123.74	48.48	10.39	64.88	60.81		39.2%
1973	143.84	57.05	9.94	76.85	61.37		39.7%
1974	206.39	83.43	10.28	112.69	66.16		40.4%
1975	146.37	74.83	9.29	62.26	67.93	6	51.1%
1976	151.41	60.31	11.20	79.90	72.91		39.8%
1977	148.72	67.05	9.32	72.35	75.12		45.1%
1978	135.89	59.73	10.99	65.17	76.30		44.0%
1979	106.28	56.68	10.80	38.80	72.57	4	53.3%
1980	117.39	41.93	10.55	64.92	70.87		35.7%
1981	155.44	40.46	11.07	103.91	69.61		26.0%
1982	136.42	41.72	9.68	85.02	72.87		30.6%
1983	110.58	39.04	8.72	62.81	70.43		35.3%
1984	83.35	36.26	8.93	38.16	65.54	5	43.5%
1985	82.41	34.61	8.55	39.25	61.84		42.0%
1986	79.50	33.03	8.06	38.41	61.78		41.5%
1987	79.36	29.56	6.88	42.92	58.64		37.3%
1988	96.55	29.49	6.55	60.52	52.44		30.5%
1989	104.01	32.13	6.25	65.62	49.67		30.9%
1990	72.00	30.57	6.15	35.29	45.74		42.5%
1991	52.72	29.23	5.15	18.34	42.91	7	55.4%
1992	53.99	23.99	5.11	24.90	40.86		44.4%
1993	60.90	24.19	5.41	31.29	39.84		39.7%
1994	58.43	24.86	4.93	28.64	37.80		42.5%
1995	53.33	25.64	3.94	23.74	32.55		48.1%
1996	44.25	24.66	3.53	16.07	25.47	5	55.7%
1997	45.11	22.93	3.90	18.27	23.04		50.8%
1998	62.34	24.27	4.24	33.83	25.25		38.9%
1999	46.89	26.00	4.63	16.27	24.02		55.4%
2000	38.95	21.33	3.30	14.32	21.59		54.8%
2001	38.87	20.19	3.31	15.37	19.70		51.9%
2002	36.19	20.24	2.78	13.18	18.19		55.9%
2003	35.70	19.75	2.75	13.20	17.78		55.3%
2004	35.09	19.23	3.56	12.29	16.92	8	54.8%
2005	39.65	19.01	3.71	16.93	14.51		47.9%
2006	44.33	21.43	3.52	19.38	14.95		48.3%
2007	43.48	22.51	3.49	17.47	15.40		51.8%
2008	46.46	24.03	3.36	19.06	15.93		51.7%
2009	49.38	27.66	3.37	18.34	16.67		56.0%
2010	37.81	22.24	3.20	12.37	16.55		58.8%
2011	35.66	22.75	3.54	9.37	16.13		63.8%
2012	34.80	22.76	3.63	8.42	14.92	8	65.4%
2013	36.58	22.77	3.57	10.24	13.61		62.2%
2014	43.05	26.20	3.67	13.18	13.00		60.9%
2015	39.00	25.80	3.67	9.53	12.44		66.2%
2016	35.75	23.42	3.43	8.89	11.45		65.5%
2017	34.00	22.07	3.42	8.50	10.83		64.9%
2018	35.00	22.44	3.73	8.83	11.01		64.1%

Exhibit 8A

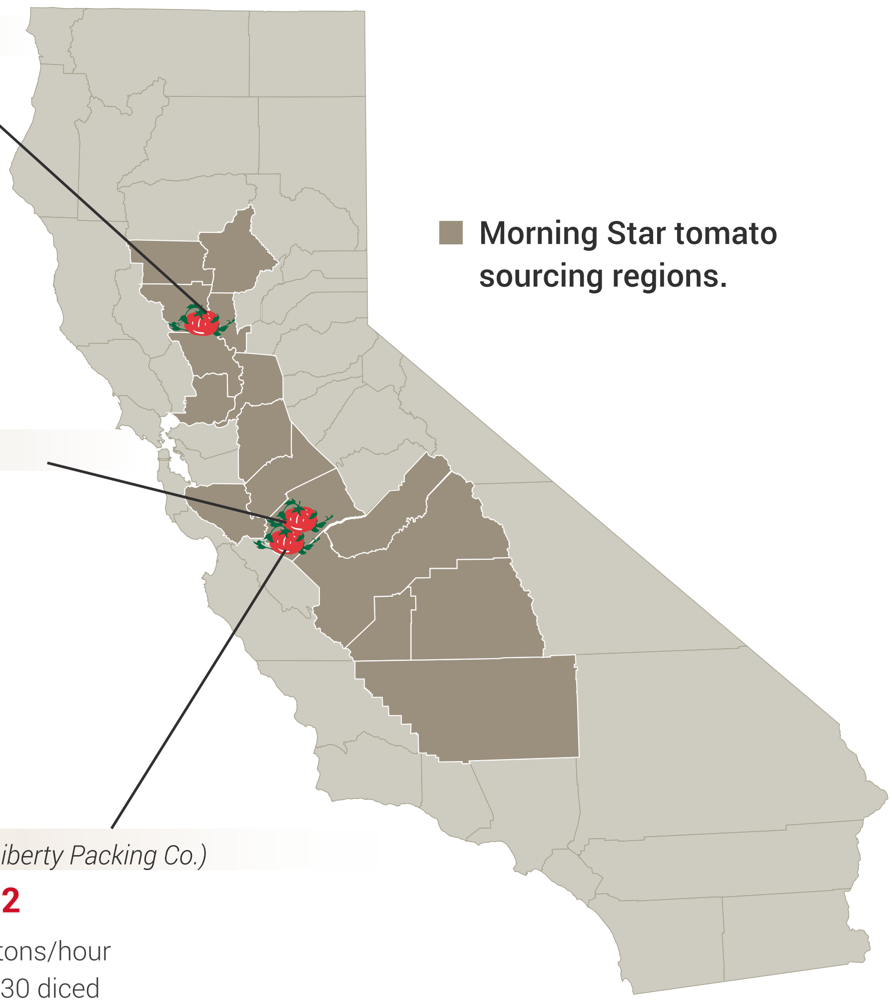
Real Prices to Processors, Growers, Truckers, and Tomato Paste

(Per Pound of Tomato Paste Equivalent)



2019 Processing Capacities by Factory and Sourcing Regions

In 1970 Chris Rufer began Morning Star as a one-truck owner-operator, hauling tomatoes from fields to canneries. Since 1970, Morning Star has grown into the largest tomato processor in the world, processing around 30% of California's processed tomato tonnage. Years of dedication to quality, customer service, and technological innovations have allowed us to become the industry leader in the processed tomato market.



Williams, California

Built in **1995**

Processing capacity: **1,353** tons/hour

31% Equivalent tomato paste

443,565 Pounds/hour

Annual potential production of paste approximately **800 mil** pounds

Los Banos, California

Built in **1990**

Processing capacity: **665** tons/hour

31% Equivalent tomato paste

217,932 Pounds/hour

Annual potential production of paste approximately **450 mil** pounds

Santa Nella, California *(Liberty Packing Co.)*

Purchased and rebuilt in **2002**

Processing capacity: **1,196** tons/hour

Conventional: 706 paste | 230 diced

Organic: 200 paste | 60 diced

31% Equivalent tomato paste

320,000 Pounds/hour

Annual potential production of paste approximately **650 mil** pounds

Annual potential production of diced approximately **500 mil** pounds

PASTE

Products you can rely on.

In addition to traditional ingredient products, we also offer organic products, green tomato products, chili sauce, custom formulated tomato products, high-fiber tomato pulp, tomato pomace, foodservice and retail pouched and canned tomatoes, as well as several additional R&D products.

Products.

Hot Break Paste (31% NTSS)
Cold Break Paste (31% and 37% NTSS)
Diced (3/8" to 1" cut)
Fire Roasted Diced (1/2" to 3/4" cut)
Concentrated Crushed (26% and 28% NTSS)
Ground in Puree
Puree (1.07)
Sun-Dried Tomatoes

Organic Hot Break Paste (31% NTSS)
Organic Cold Break Paste (31% NTSS)
Organic Diced (1/2" and 3/4" cut)

Packaging.

300-gallon aseptic bag-in-box
55-gallon aseptic fiber or steel drum
30lb bag-in-box (sun-dried)
25lb bag-in-box (sun-dried)

PASTE

GROUND IN PUREE

CONC. CRUSHED

PUREE

DICED IN JUICE

GREEN DICED

GREEN CRUSHED

FIRE ROASTED GREEN CRUSHED

DARK FIRE ROASTED CRUSHED

FIRE ROASTED DICED

Ask your sales colleague about our extensive line of innovative value-added products.

DICED IN JUICE
WITH CONCENTRATED TOMATO

FIRE ROASTED DICED
WITH CONCENTRATED TOMATO

FIRE ROASTED SALSA

Follow Us

MORNING STAR
Excellence Through Commitment

+1 209.826.8000
www.morningstarco.com