

**Market situation
for
(starch) potatoes**

CDG Arable crops - starch
3rd November 2020



By March 2020:

for remaining time of the season 2019/20, friendly atmosphere on the European potato market

- average level of potato harvest 2019
- supply and demand are balanced
- attractive prices for potatoes



Covid-19 pandemic: major impact across the world

- Big challenges for people, companies, the society as a whole
- Lock down, social distancing, no major events (HoReCa), closed borders...: impact on the (global) flow of commodities as well as food consumption

Potato value chain

=

**Reliable partner to provide the consumer /
industry with high quality potatoes and
potato products**

Impact on the potato markets:

- Increasing demand for fresh potatoes
- Slump in sales of potato products (French fries):



large surpluses of processing potatoes (at the end of the storage season)

sharp fall in prices for processing potatoes

filled up warehouses

alternative uses (animal feed, biogas) needed for large quantities

Distortions on the markets for processing potatoes

Measures to stabilize the potato markets

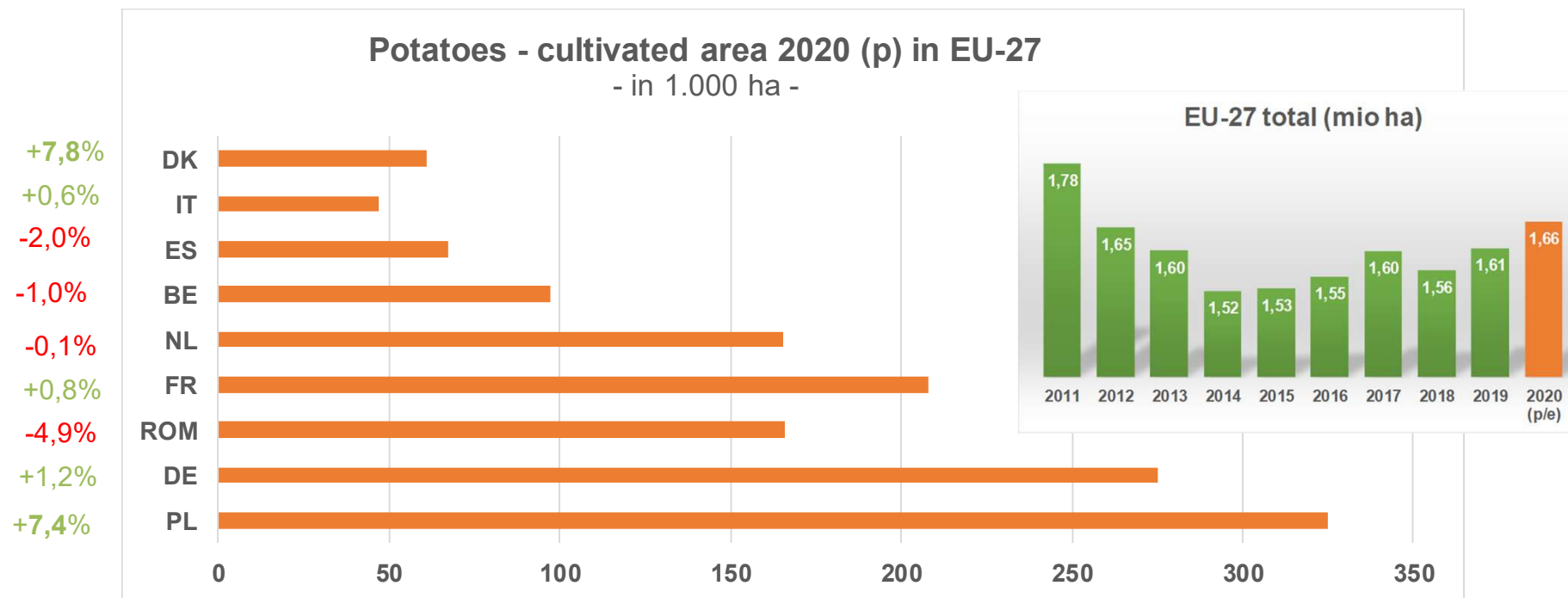
- COM Implementing Regulation (EU) 2020/593 of 30 April 2020 (art. 222 CMO)
- National support measures in
 - Netherlands: 50 mio Euro: potato growers receive 40% of the production costs ($150 \text{ €} \times 0,4 = 60 \text{ €/ton}$) for an amount of 900.000 tons
 - Belgium: 10 mio Euro (= part of a EUR 35 mio package, supporting the ornamental and potato sector)
 - France: 10 mio Euro for processing potatoes (50 €/ton for 200.000 tons)

Great uncertainty about the coming season

- Only limited influence on the planning of cultivation for 2020 was possible, seed potatoes were ordered or still planted
- Further increase of area
 - processing
 - starch
 - seed

EU Potato area

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- EU-27 (p/e): 1,66 mio ha
2019: 1,61 +3,1%
2015/19: 1,57 +5,7%

- UK: 117.470 ha (-2,3%)

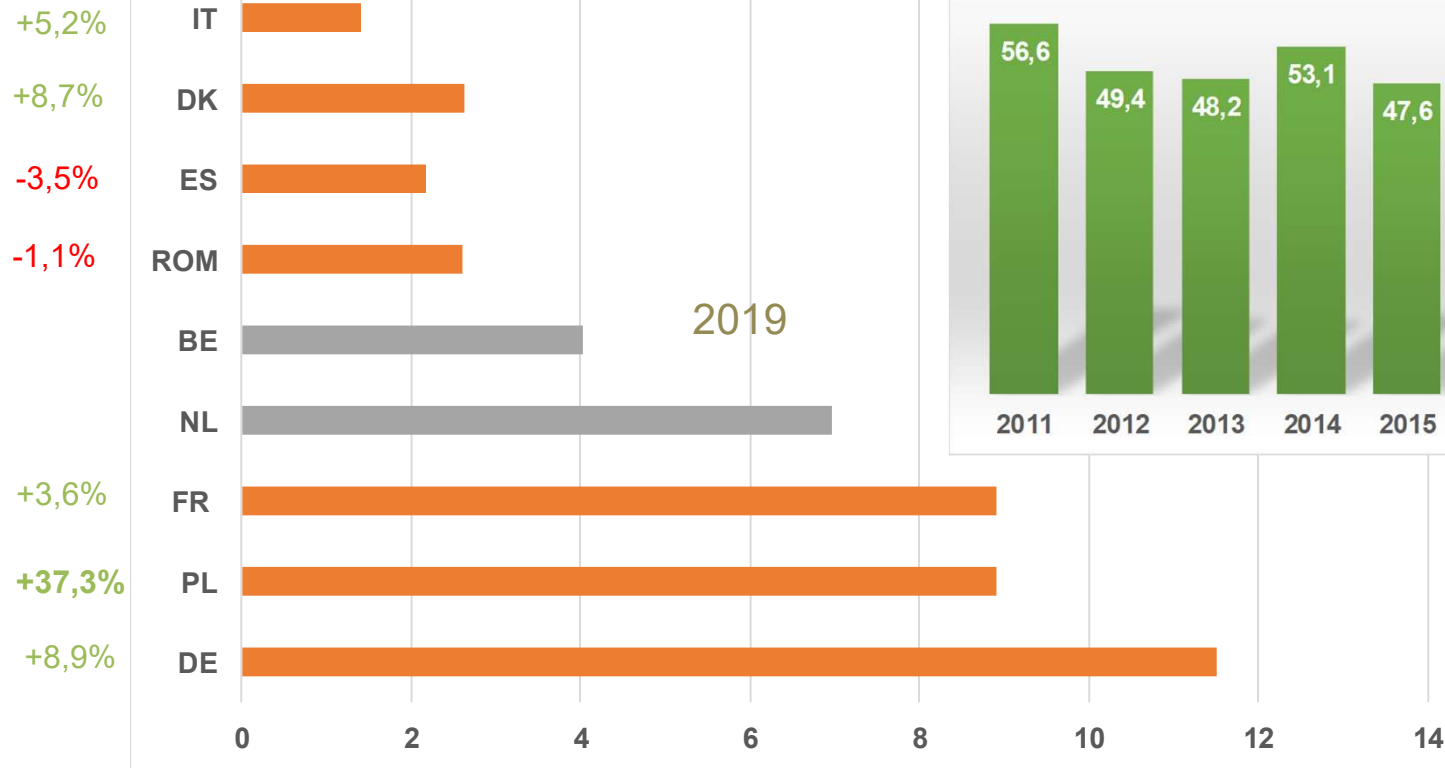
Source:
Eurostat/BVS

EU Potato production

BVS

to 2019

Potatoes: Production 2020 in EU-27
- in mio tons -



EU-27 total (mio tons)



- 2020: 54 – 55 mio tons
- 2019: 51,2 mio tons (+6,4% to 2019)
- 2015-2019: 50,4 mio tons

Source:
Eurostat/BVS

But:

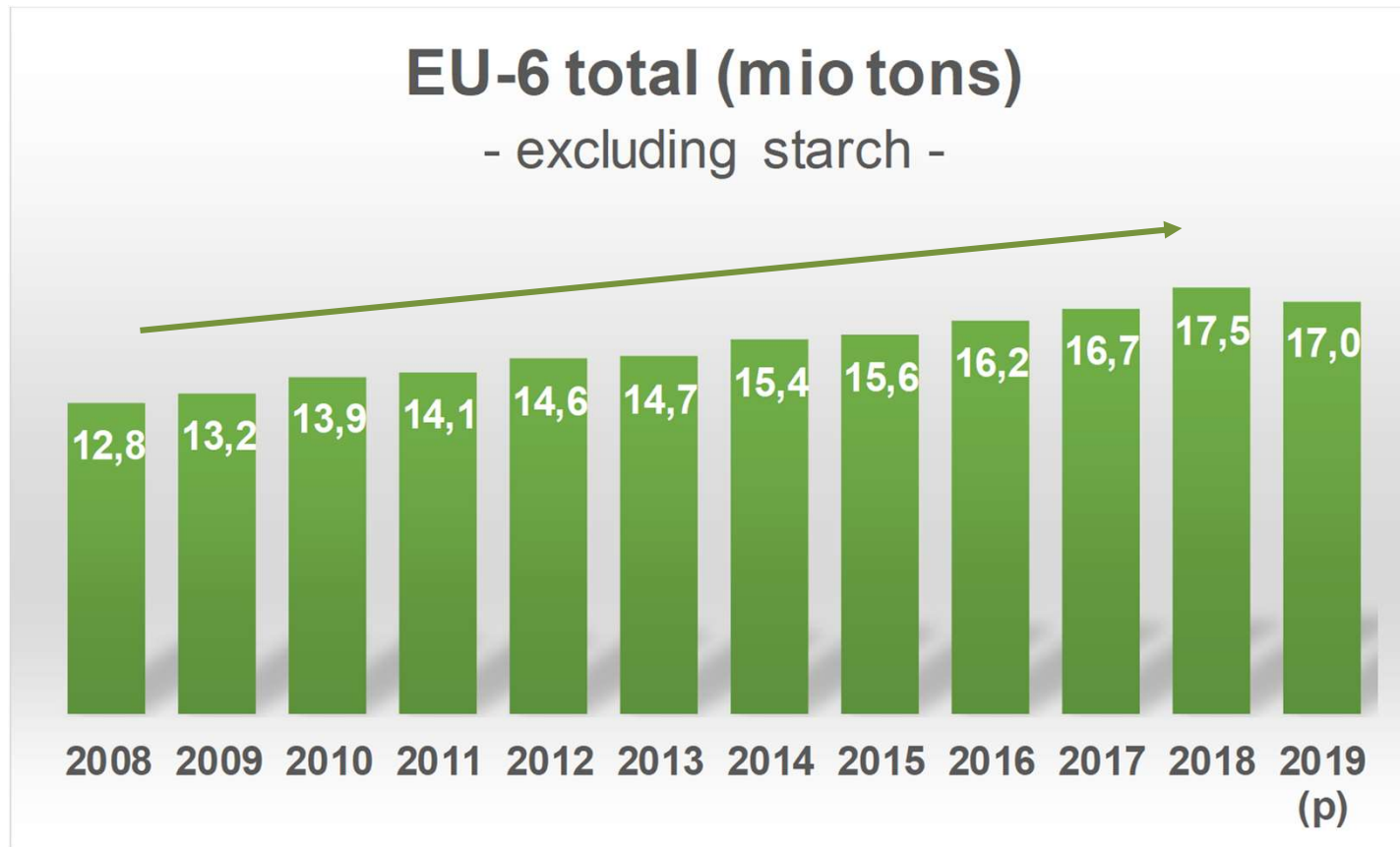
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More problems with qualities

- Difficult harvesting conditions
- Higher share of sorting
- With ban of CIPC: additional challenges in storing potatoes
 - only little experiences with alternative sprout inhibitors (maleic hydrazide, 1,4 dimethylnaphthalin, ethylen, mint oil)
 - limited capacities of these products

Higher surpluses on the potato market expected

- Alternative uses needed



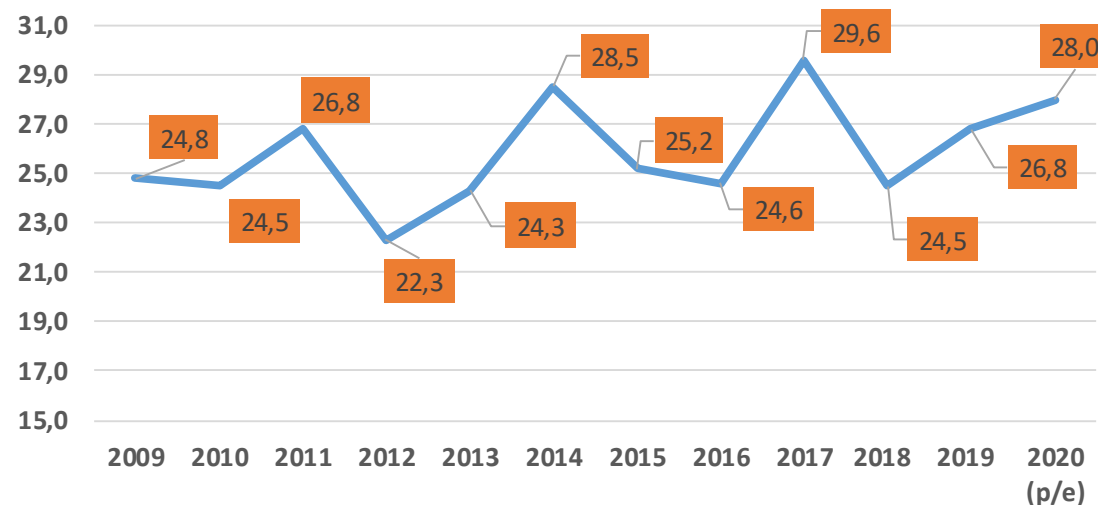
* EU-6: BE, DE, FR, UK, NL, PL

- By 2017: increase to 17,5 mio tons (= +37%)

EU-5 (BE, DE, FR, NL, UK)

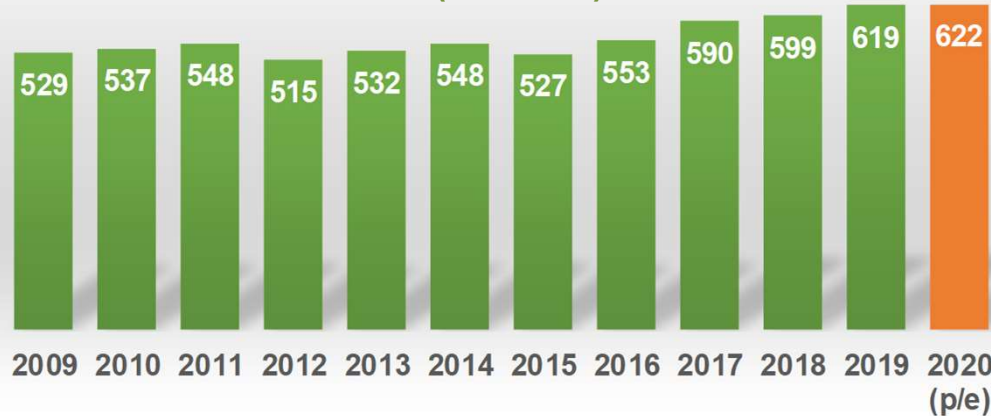
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Production EU-5 total (mio tons)
- potatoes for consumption -



Source:
NEPG/BVS

Area (1 000 ha)



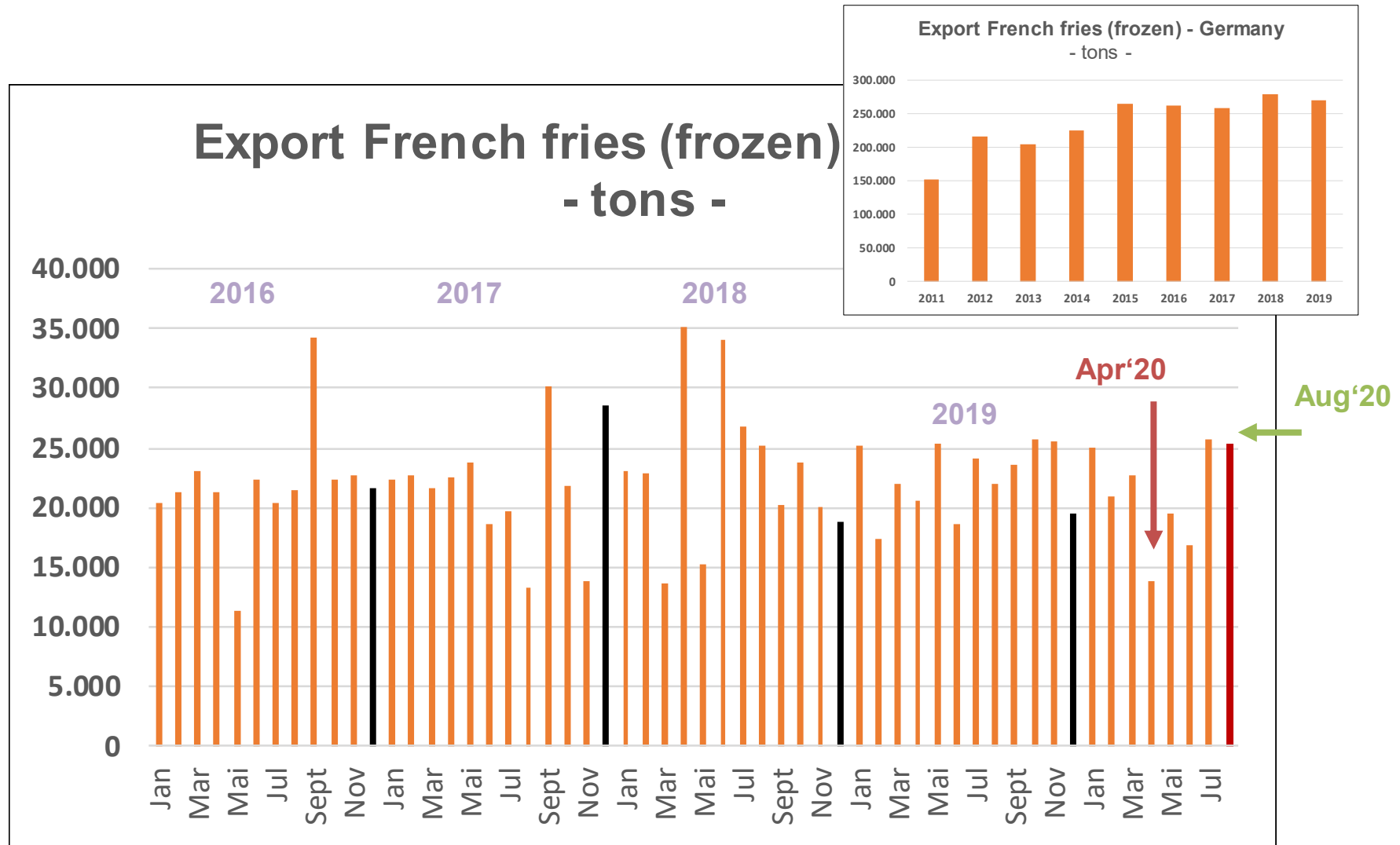
- NEPG recommends a reduction of cultivation area by 15% in 2021 (reduced global demand for processed potato products, large stocks, low prices)

Prices

	2020	2019	2018	2017
Ware potatoes (DE, fresh market)				
Producer prices (EUR/100 kg)	10 - 12	17 – 20	26 – 32	11 – 13
Consumer prices (vf) (EUR/kg)	0,57	0,72	0,81	0,51
Potatoes for feeding (EUR/100 kg)	1 - 2	14 - 20		
Processing (EUR/100 kg)	40+	35+	35+	40+
Innovator/Agria/Fontane (DE)	3 - 4	12,5 – 14,5	27 – 29	4
Fiwap/PCA Fontane/Challenger	3	12,5	25 – 27	3 – 4
Belgapom Fontane/Challenger	3	12,5	25	5
Potato NL	3 - 4	12,5 – 14,5	26 - 30	4 – 6

DE: Export of French fries (frozen)

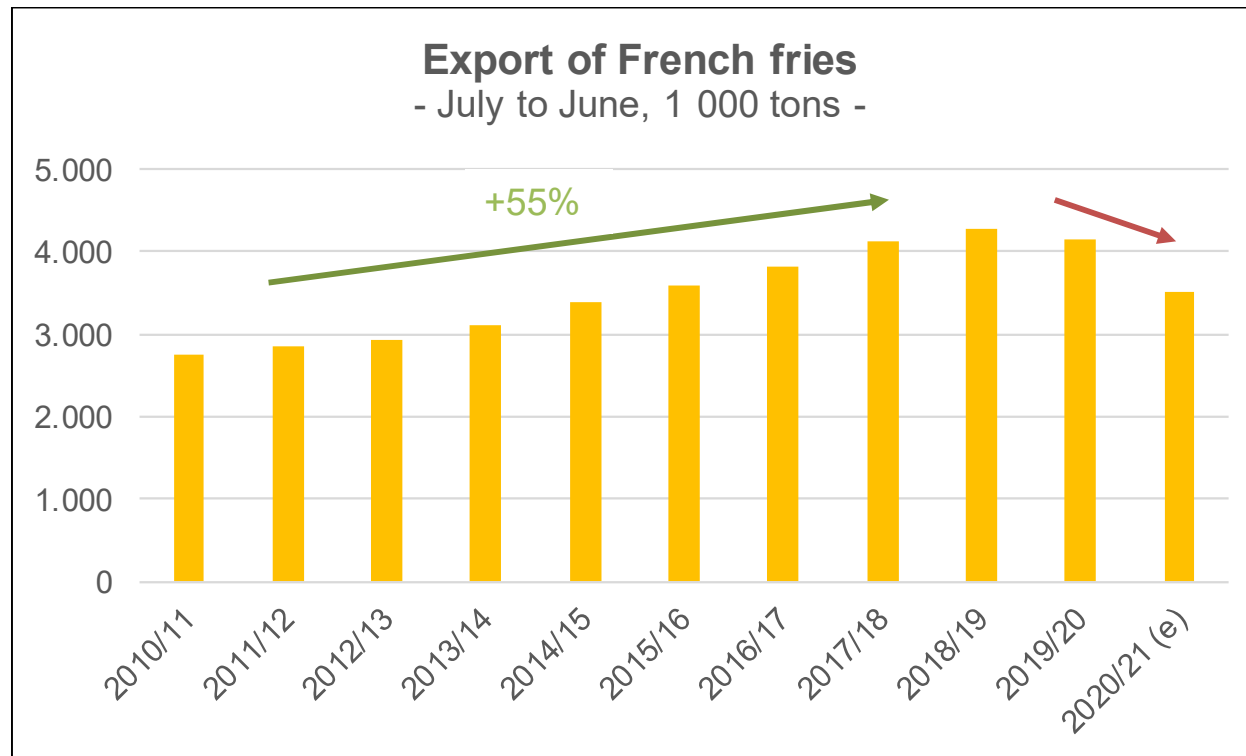
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Source:
Destatis/BVS

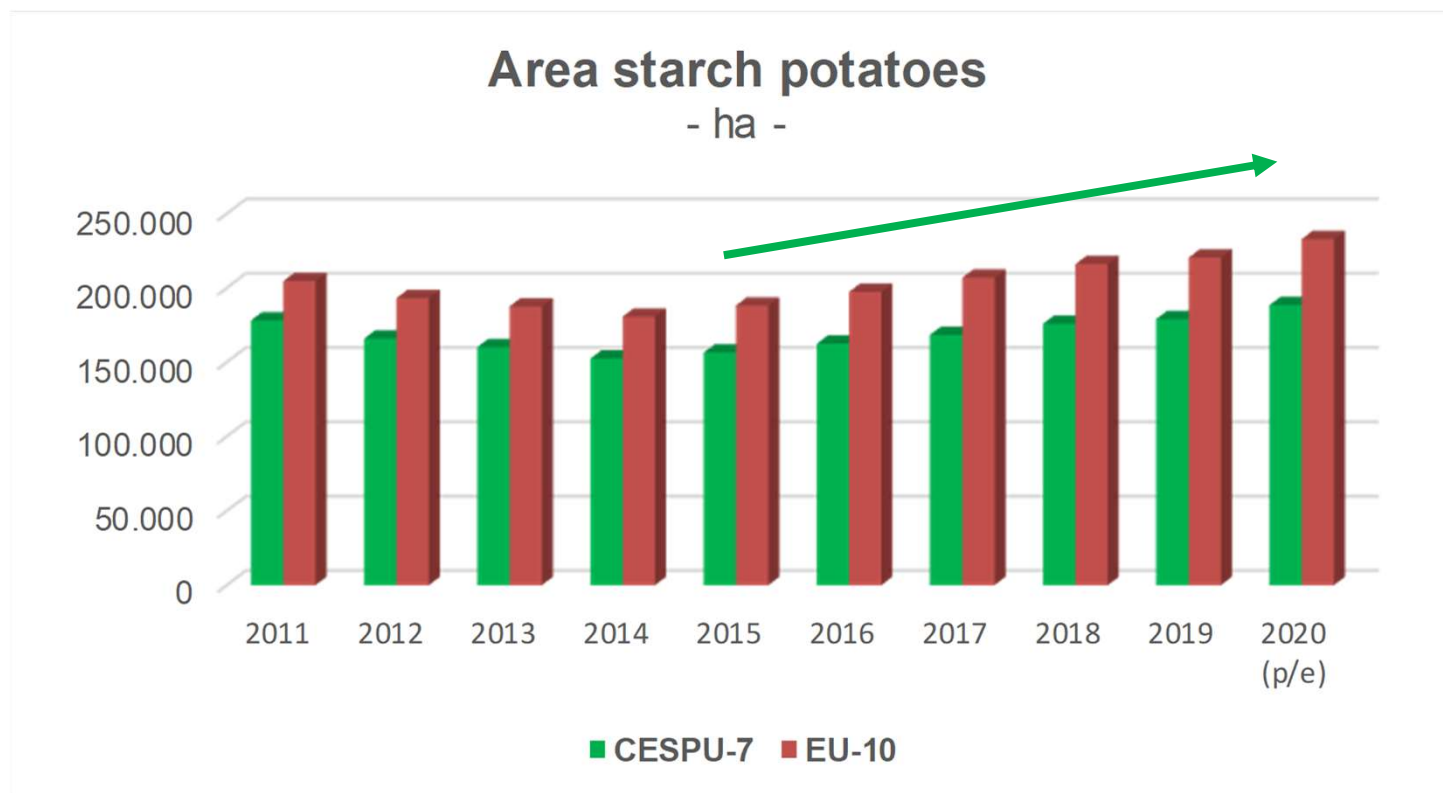
EU: Export of French fries (B, NL, DE)

BVS



Source:
UNIKA/AMI

- First (optimistic) estimate for 2020/21: 550.000 tons less demand for French fries
= surplus of about 1 mio tons of potatoes



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (p/e)
CESPU-7	178.052	165.883	160.112	152.514	156.441	162.479	168.343	175.946	178.977	188.401
EU-10	204.543	193.125	187.568	180.691	188.121	197.366	206.921	216.008	220.314	232.846

EU Starch Potatoes - Area

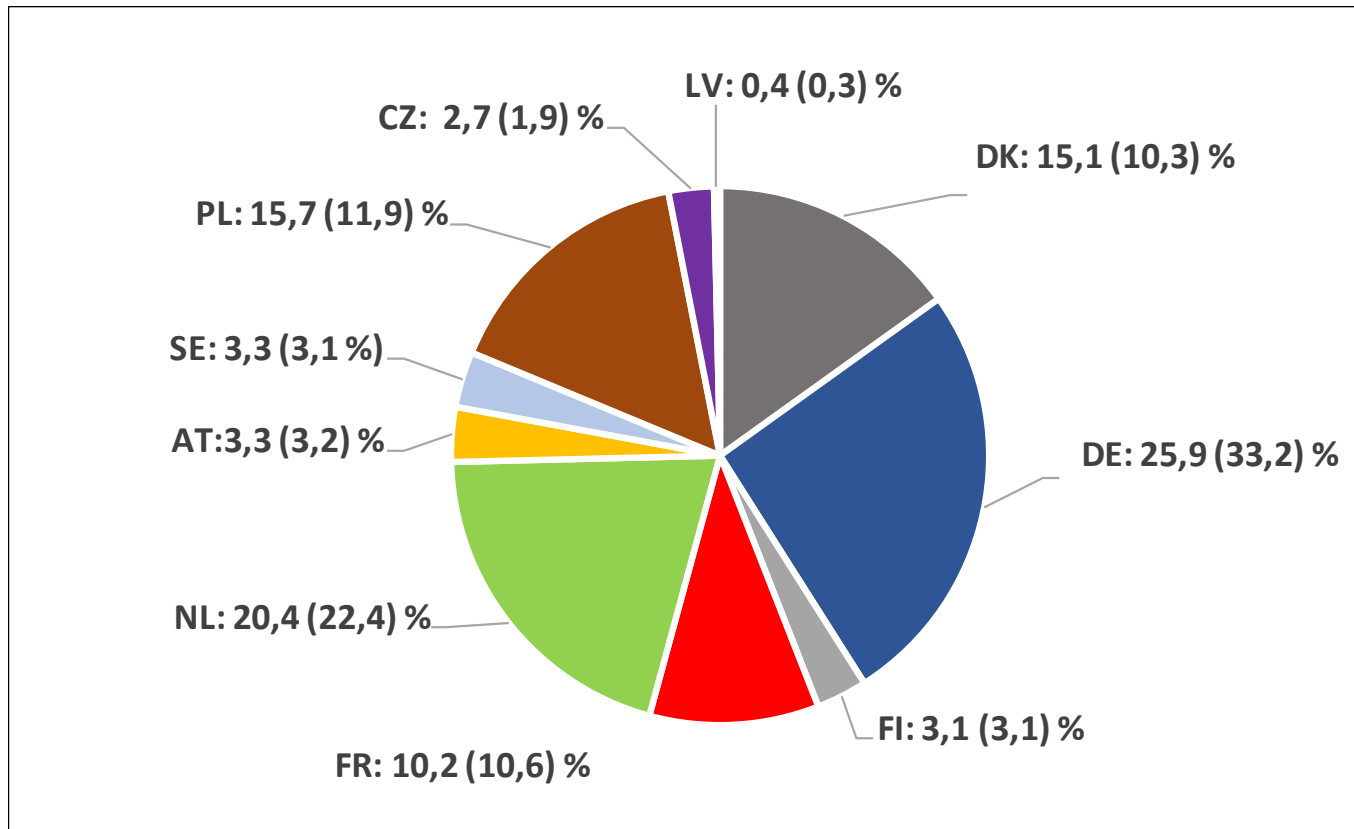
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Country	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (p/e)	2020/ 2019
Germany	69.889	64.163	58.487	53.288	52.796	52.125	53.523	56.621	57.013	61.500	107,9
Netherlands	49.170	43.320	44.030	42.310	42.930	43.170	44.040	45.080	44.940	45.106	100,4
France	20.236	20.452	20.222	18.272	21.014	23.215	23.315	24.075	22.404	23.000	102,7
Denmark	19.500	19.800	20.400	21.562	22.012	25.543	27.250	28.786	33.270	40.000	120,2
Finland ^{1) 3)}	5.937	6.003	5.638	6.040	6.468	6.332	6.550	6.640	6.750	6.600	97,8
Sweden ⁴⁾	7.620	6.020	6.070	6.141	6.455	6.875	7.479	7.923	7.365	7.861	106,7
Austria	5.700	6.125	5.265	4.901	4.766	5.219	6.186	6.821	7.235	6.050	83,6
CESPU-7	178.052	165.883	160.112	152.514	156.441	162.479	168.343	175.946	178.977	190.117	106,2
Poland ^{2) 3)}	23.000	23.000	23.000	23.000	26.254	28.973	31.999	33.077	34.500	36.000	104,3
Czech Republic ³⁾	3.104	3.700	3.985	4.670	4.824	5.370	5.882	6.153	5.982	5.774	96,5
Latvia ³⁾	387	542	471	507	602	544	697	832	855	955	111,7
EU-10	204.543	193.125	187.568	180.691	188.121	197.366	206.921	216.008	220.314	232.846	105,7

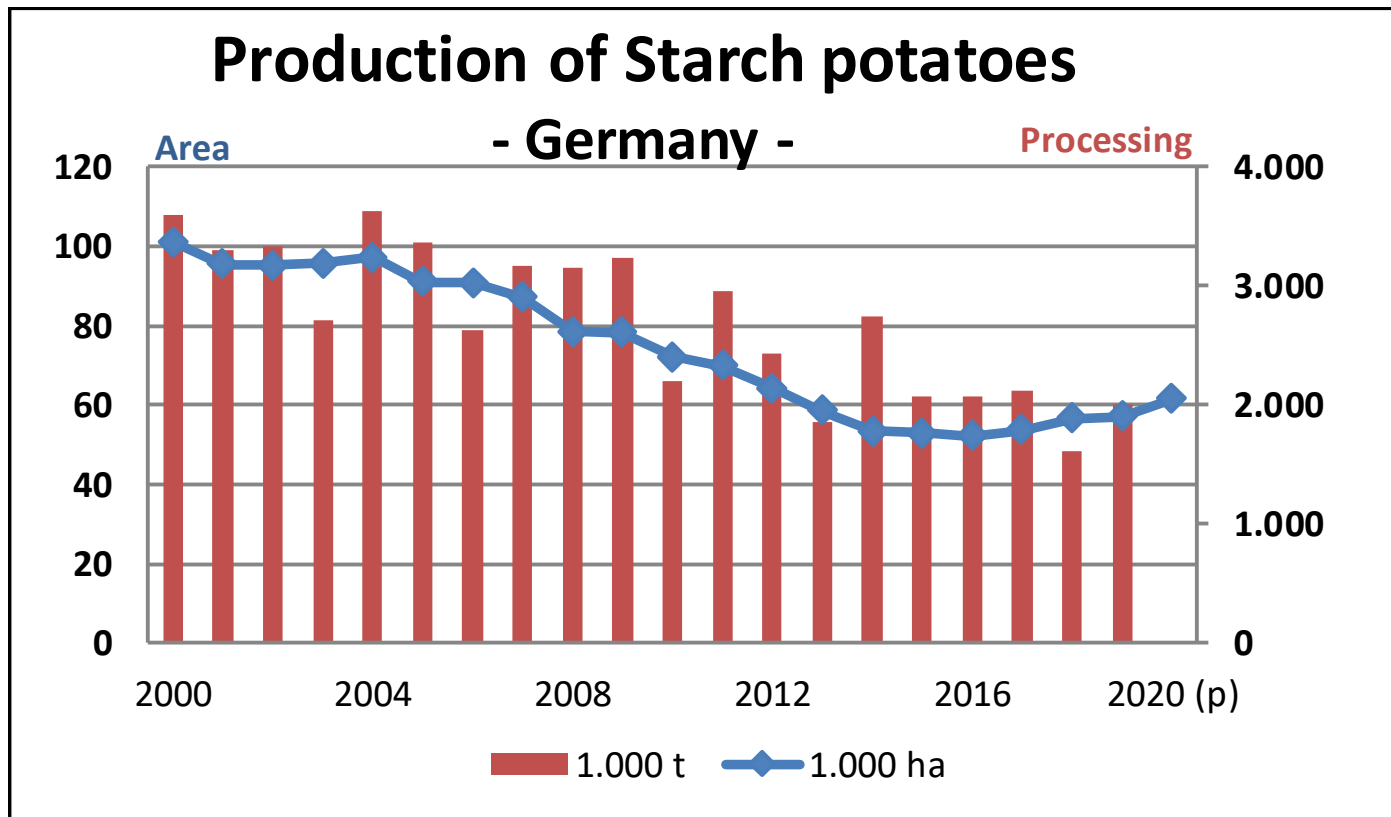
p = preliminary. e = estimation. 1) harvested area. 2) By 2014 estimated data. 3) According to COM, final data for area in 2015 - 2018, where coupled payment for starch potatoes were granted; data for CZ are for period 2015 - 2017. 4) including seed for starch potatoes.

Source:
CESPU

Share by MS in 2019 (2012)



2019: 220.300 ha



2020

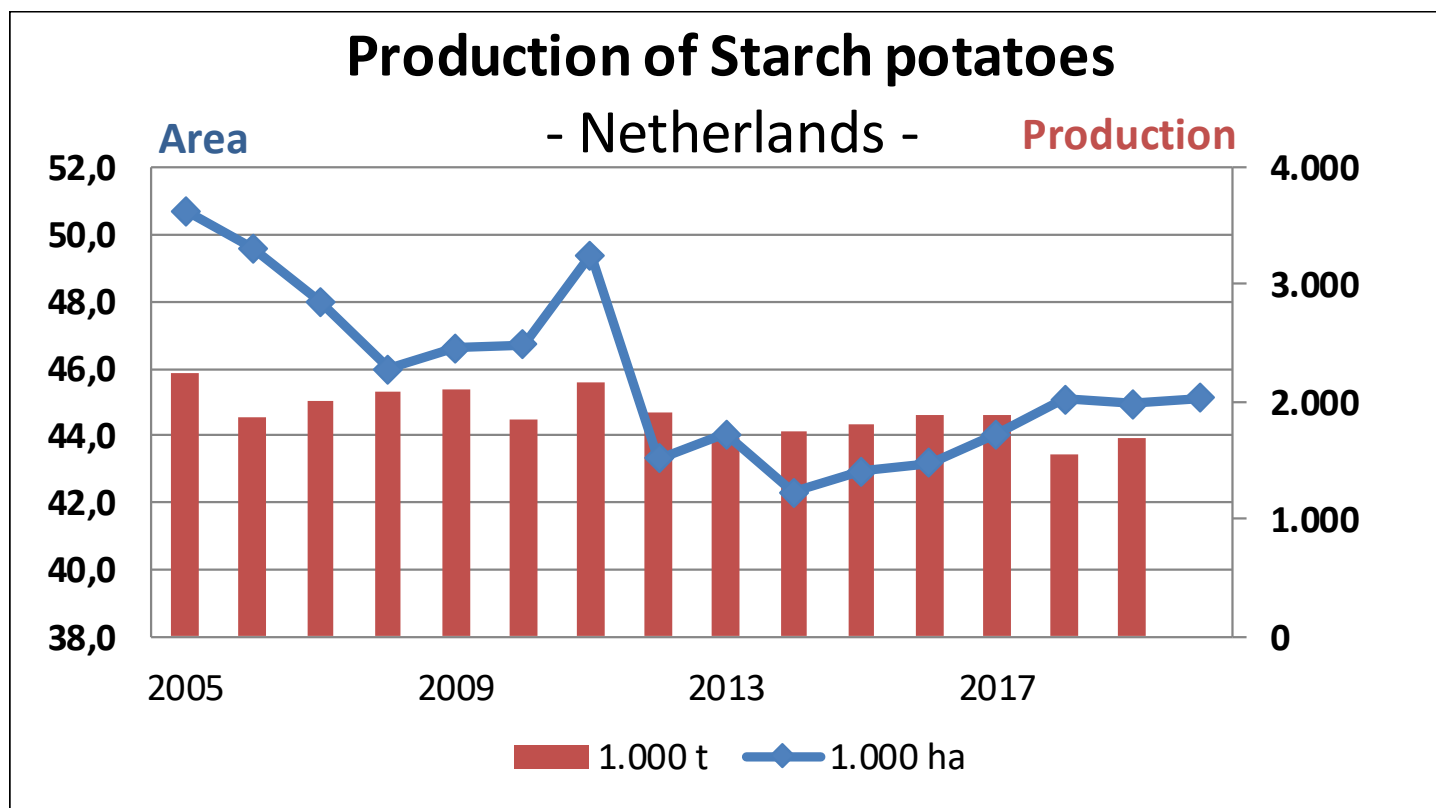
potato total:

- 275.000 ha (+1,2%)
- 11,5 mio tons = + 1 mio tons or + 8,9% more than 2019
2014/19: 10,6 mio tons

starch potatoes

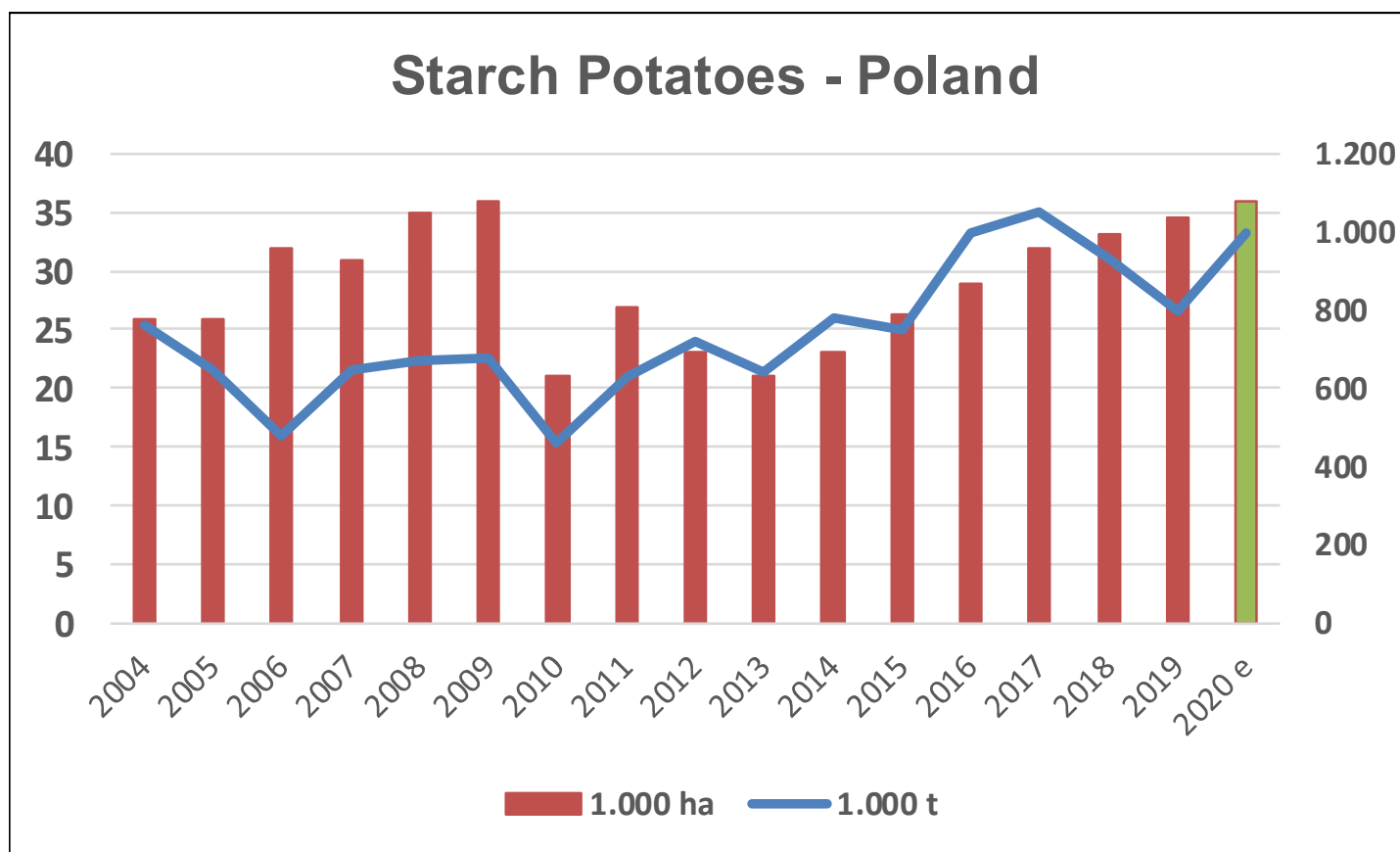
- 61.500 ha (p) = + 4.500 ha or +7,9 %

Source:
BVS



2020 (p):

- Starch potatoes: 45.106 ha (+ 157 ha), yields lower than expected (late frosts)
- Potato total: 165.614 ha (-1.909 ha or -1,1%), reduce for ware production to 76.706 ha (- 2.181 ha or -2,8%)



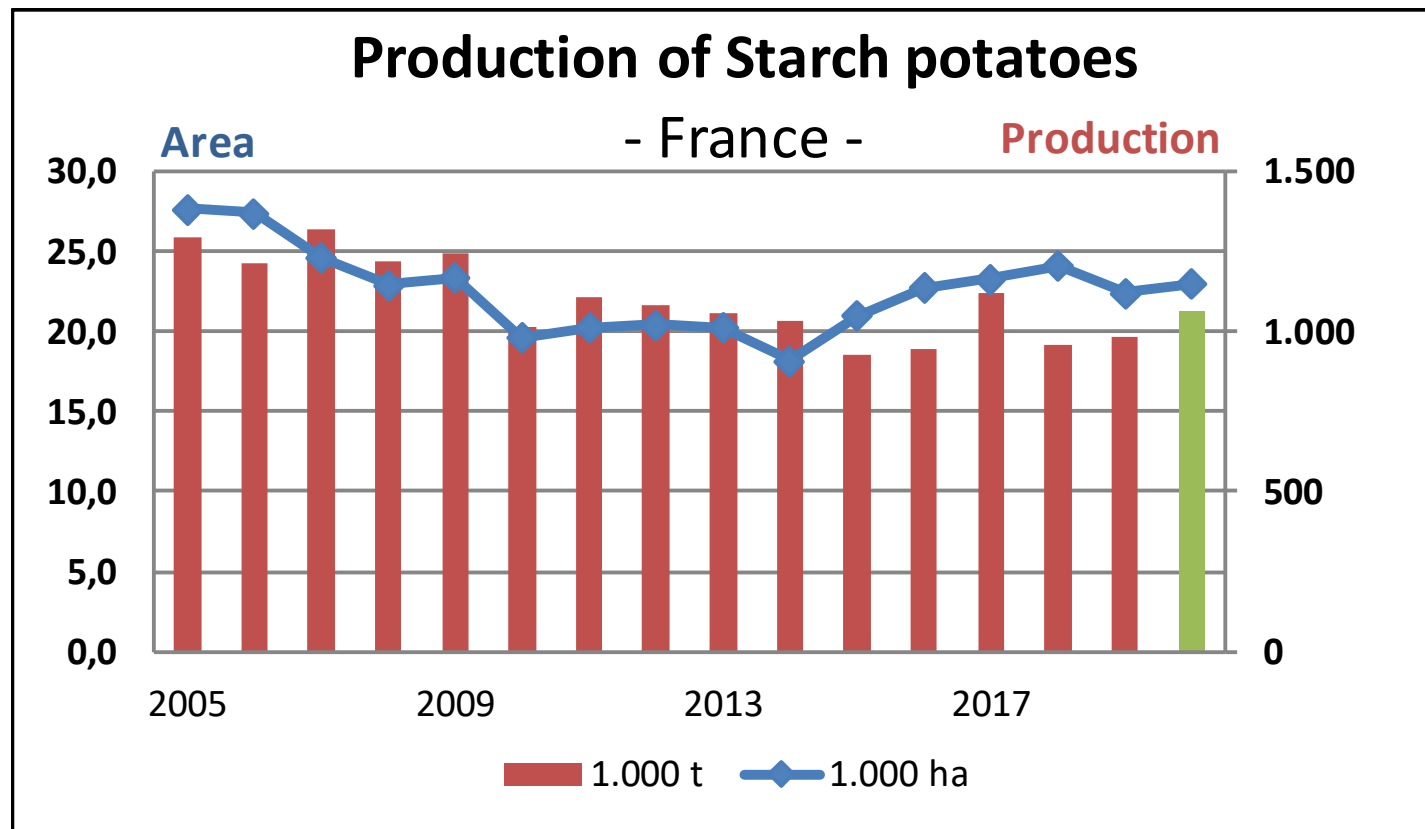
Source:
IERiGZ /
BVS

Starch potatoes 2020 (e):

- 36.000 ha (2019: 34.500) = +4,3%

Potatoes total 2020 (e):

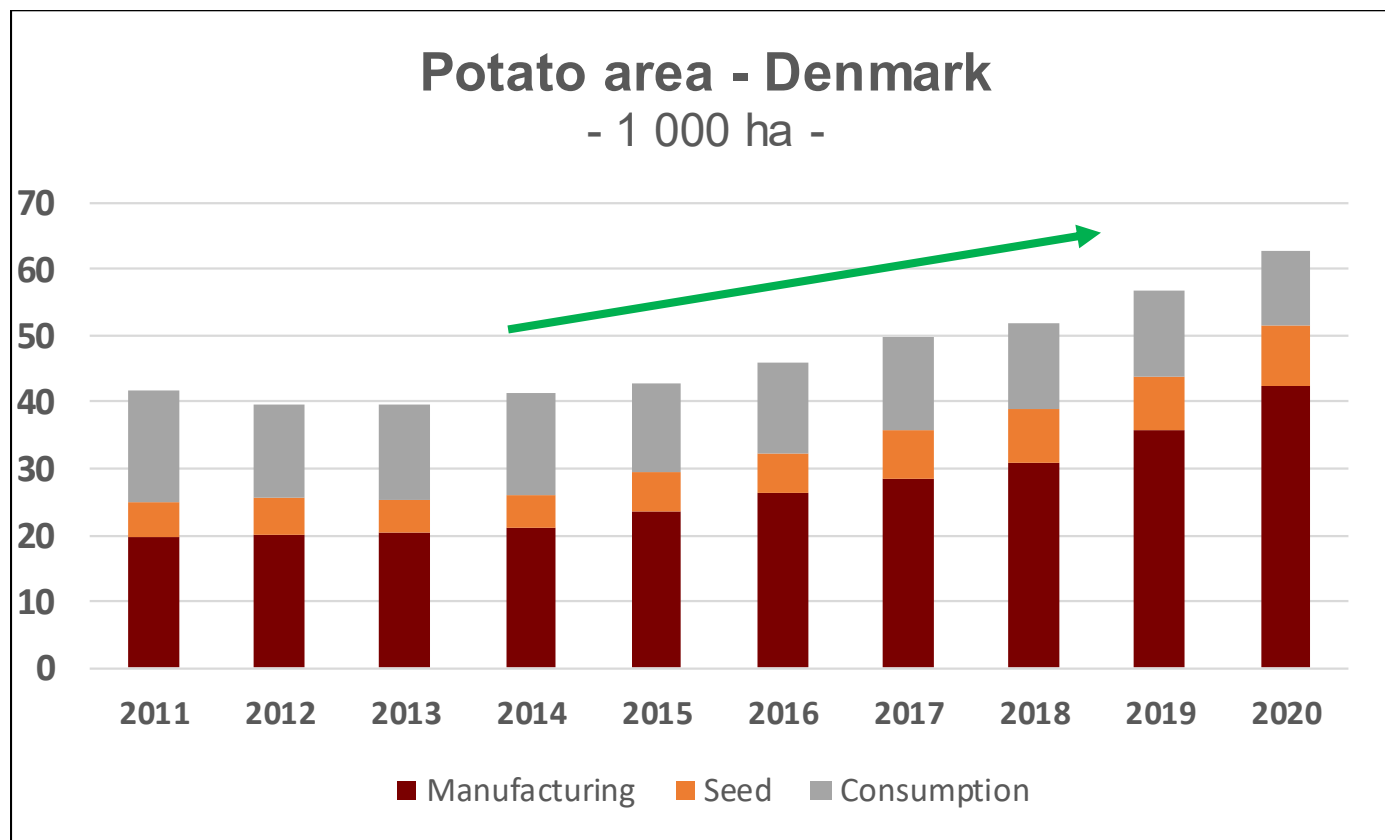
- 325.000 (308.200) ha = + 5,5%,
- 8,9 mio tons (2019: 6,6 mio tons) = +35%



Source: Agreste/
CESPU

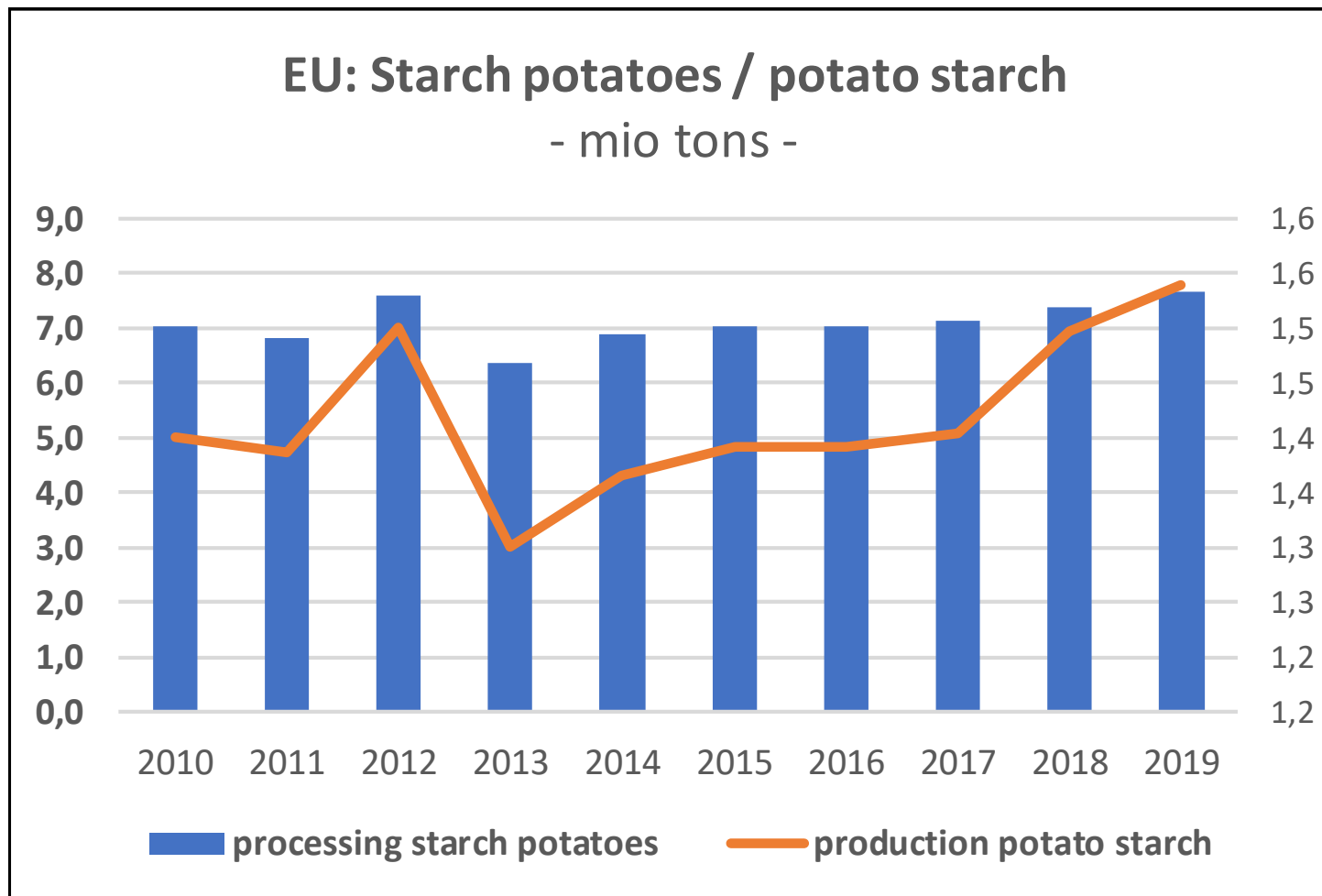
2020 (p):

- Starch potatoes: 23.000 (2019: 22.400) ha; yields nearly at the same level
- Potatoes total: 209.000 ha (2019: 207.300 ha), further increase for consumption potatoes to record level of 154.000 ha (+4,5%)



2020 (p)

- Potatoes total: 62.700 ha (2019: 56.700) ha
thereof for manufacturing: 42.400 (35.800) ha
- During the last decade, doubling of the starch potato area to about 40.000 ha



➤ From 2018 Potatoes and others

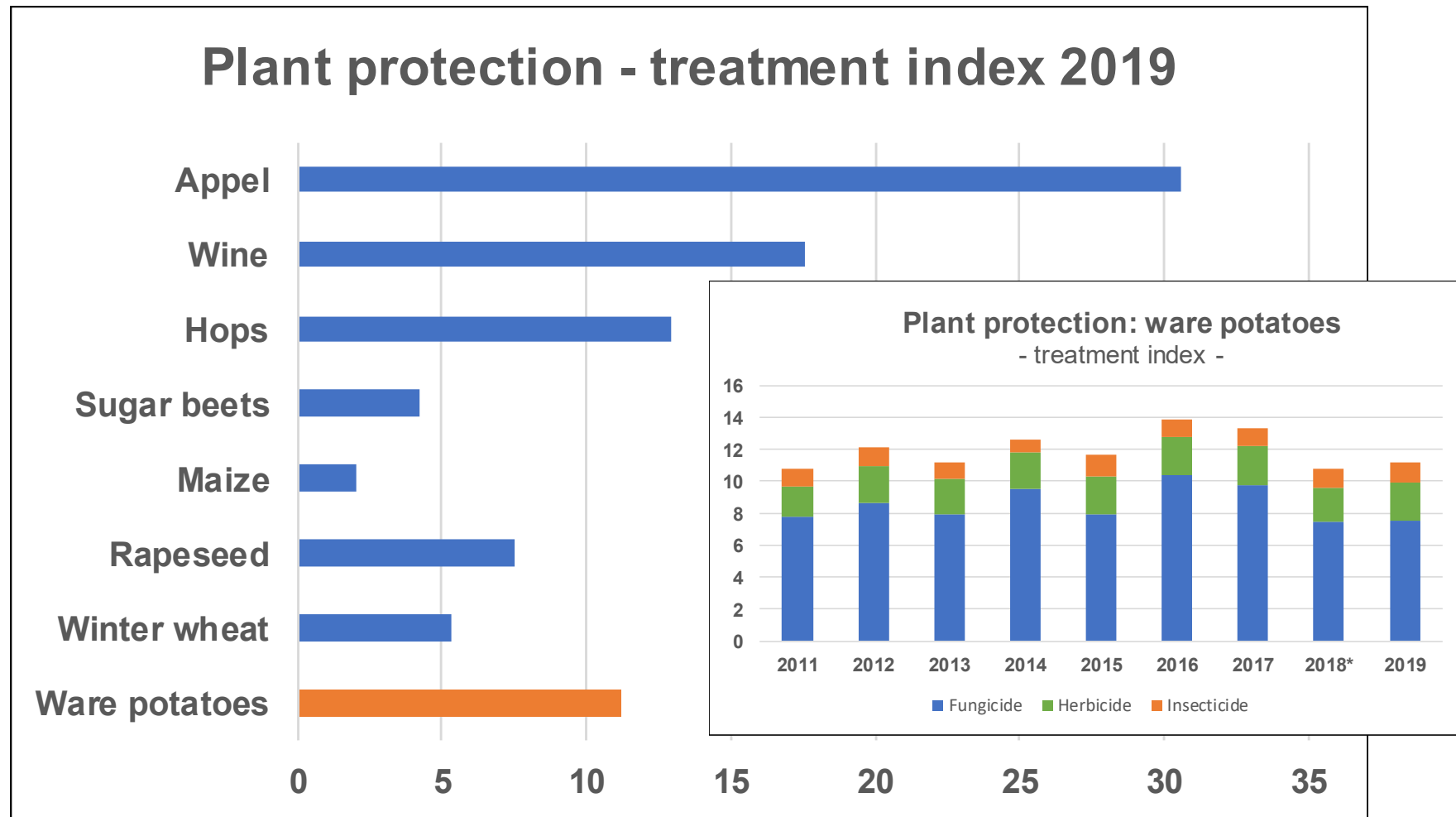
Source:
BVS/StarchEurope

... big uncertainties regarding the future

- Second Covid-19 wave (virus under control by 2022)
- Impact on economies
- Changes in consumer preferences?
 - at home
 - food service sector
 - foreign trade

Plant protection – A big challenge!

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* From 2018 revised calculation method

* 23 Okt: decision on ban of fungicide Mancozeb (Phytophthora, Alternaria)

Source: JKI/BVS

Big challenges regarding plant health / protection and fertilization (Farm to Fork, Biodiversity) to produce potatoes with qualities and quantities the consumer / industry demands.

To stay a reliable supplier in the region for high quality potatoes, farmer need

- suitable plant protection measures
- resilient potato varieties (NBT)

and

- **the willingness of the consumers / the whole society to accept higher prices to produce more greener and sustainable!**

- Covid-19: Challenges and distortions
- 2020: Further increase of potato area in EU, average yields
- Increasing costs ↔ lower prices
- Recommendation for 2021: significant reduce in area (processing!)
- Midterm prospects: big challenges in plant health / plant protection (restrictions on pesticides, fertilizers...)

But:

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**...to see this crisis as an
opportunity and to explore the
openings presented...**



**Bundesverband der Deutschen
Stärkekartoffelerzeuger e.V.**

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Thank you

