



Committee of the European Starch Potato Producers' Unions

Overview of the market situation for starch potatoes

CDG Arable Crops - Starch
20th October 2022



Overlapping of crises: Agribusiness in a crisis mode

- Climate, environment, energy, economy

Dramatically increase of production costs (energy, fertilizer...)

- Increase of prices

Inflation / lost of purchasing power / existential fear

Reorientation of agricultural policies

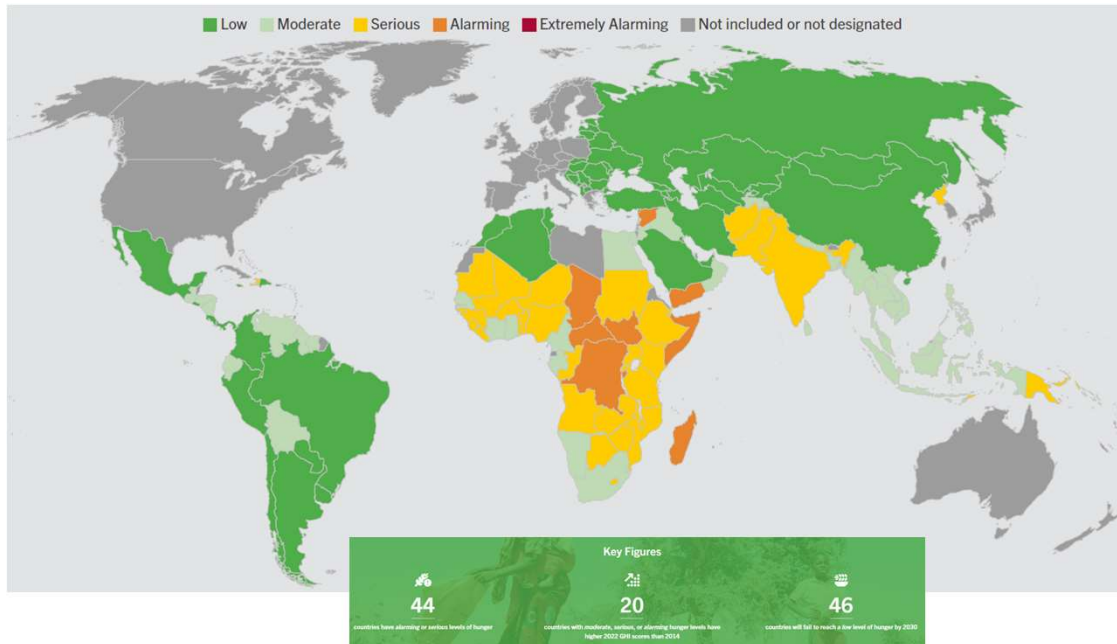
- Green Deal / Farm to Fork / Biodiversity / Fit for 55 / Common Agricultural Policy / Sustainable Use of Pesticides...

Great uncertainty:

- How to master these crises?
- How to fulfill all requirements while guaranteeing feeding the world with sustainable, healthy and affordable agricultural goods?

Increasing hunger in the world

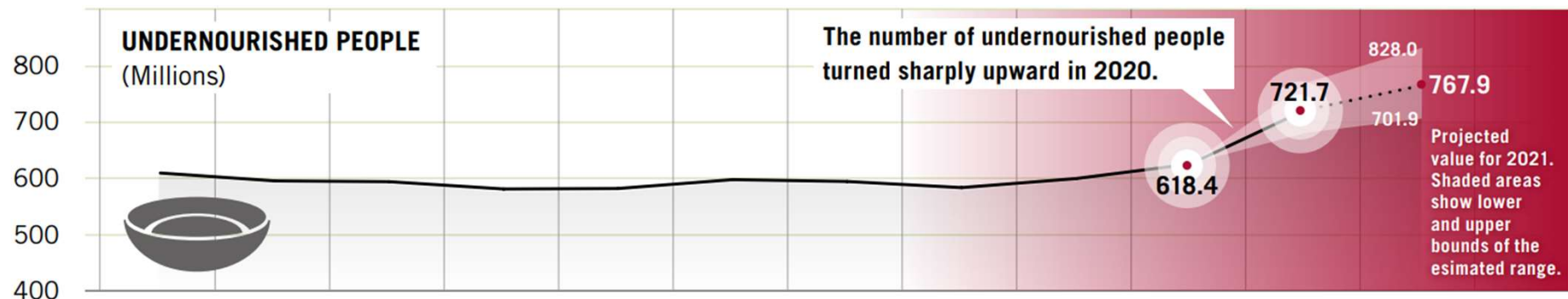
2022 Global Hunger Index



The world is facing a serious setback in efforts to end hunger. Conflict, the climate crisis and the economic consequences of the COVID-19 pandemic – compounded by the war in Ukraine – are turning a crisis into a catastrophe.

<https://www.globalhungerindex.org/>

Worldwide, the number of undernourished people is climbing ...



... driven by harmful trends in food prices, poverty, conflict, and climate.

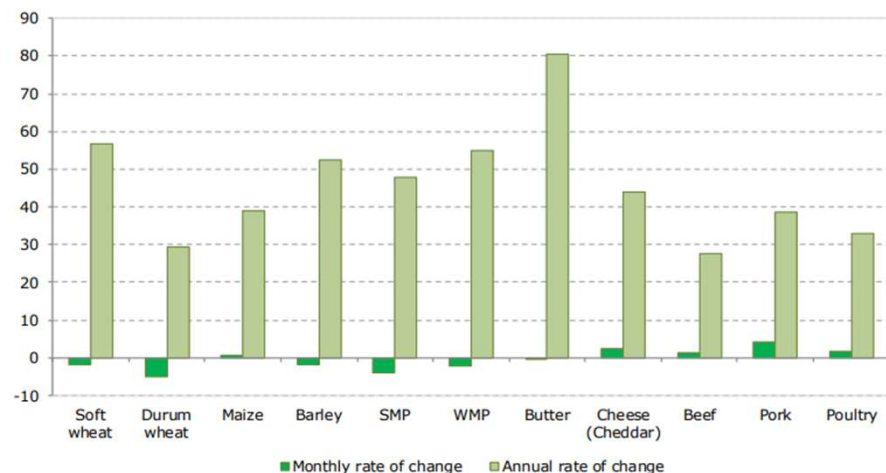
Agricultural input index 2010=100	Monthly average	Annual change	Monthly change
ENERGY	171.0	77.5%	1.3%
Crude oil, Brent (USD/bbl)	98.6	40.8%	-9.5%
Crude oil, WTI (USD/bbl)	91.6	35.2%	-8.3%
Natural gas, Europe (USD/mmbtu)	70.0	354.0%	36.5%
Natural gas, US (USD/mmbtu)	8.8	117.0%	21.1%
FERTILIZERS	209.9	60.5%	-1.5%
Phosphate rock (USD/mt)	320.0	133.8%	0.0%
Diammonium phosphate (USD/mt)	749.4	24.2%	-4.4%
Potassium chloride (USD/mt)	562.5	154.5%	0.0%
Triple superphosphate (USD/mt)	703.8	26.8%	-4.4%
Urea (USD/mt)	591.3	32.3%	-1.6%



Annex 1

Agricultural commodity prices

Chart 1. Monthly and annual changes in agricultural commodity prices in EU-27
(%, August 2022 compared to July 2022 and to August 2021)



Food consumer prices

Chart 2. Monthly and annual changes in food consumer prices in EU-27
(%, August 2022 compared to July 2022 and to August 2021)

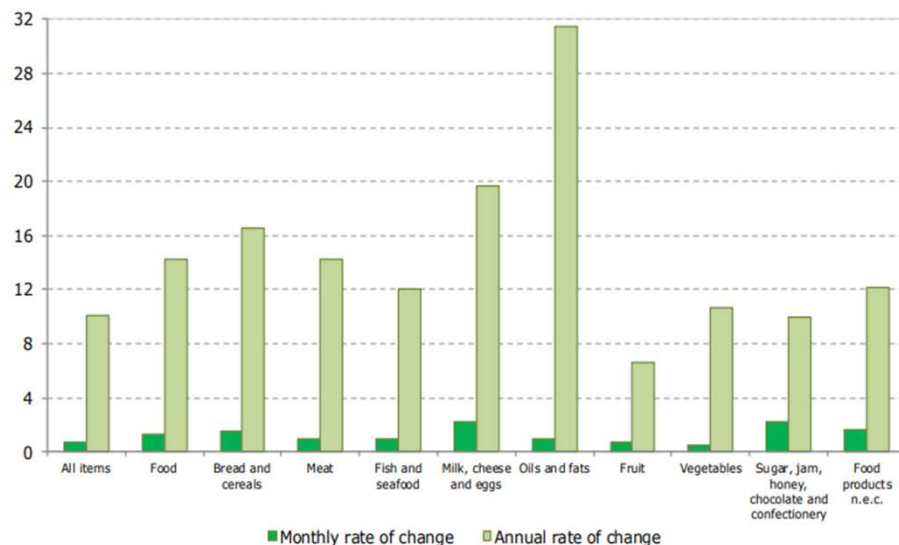
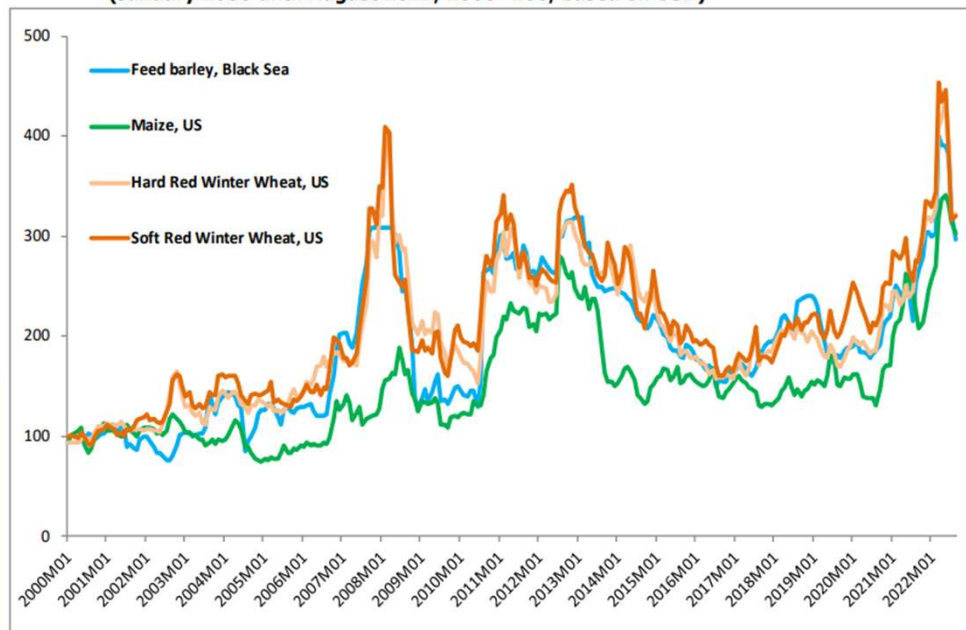
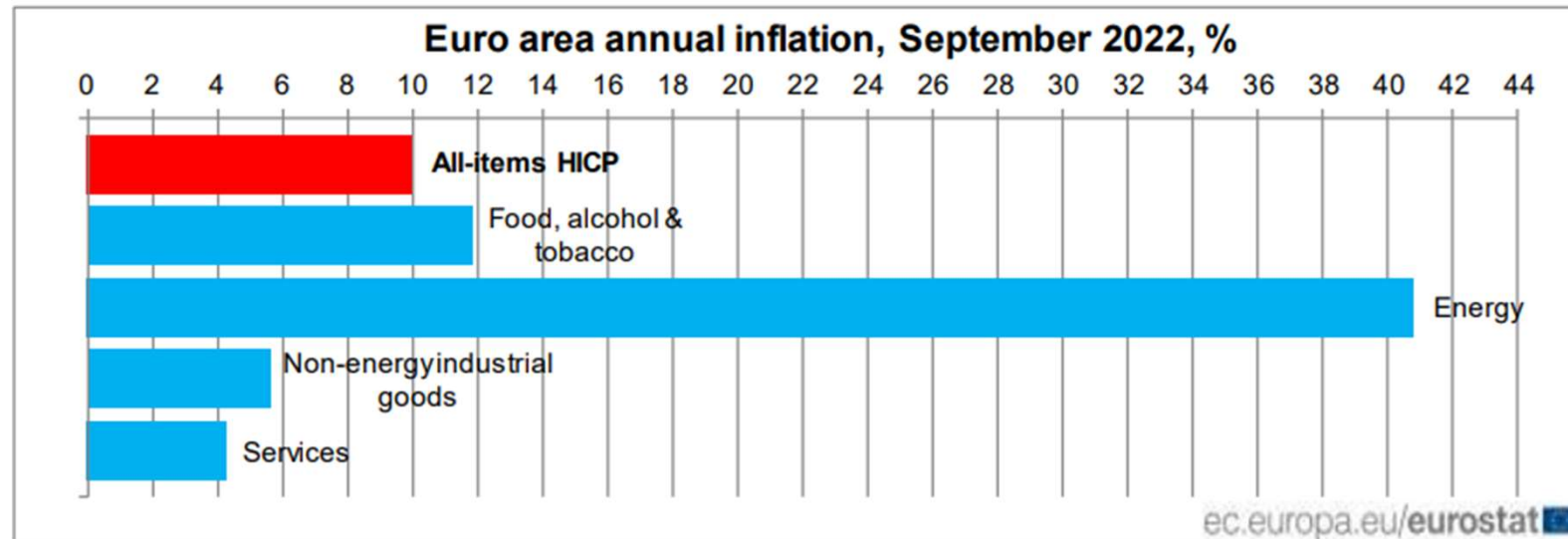


Chart 4. Cereals: international price developments
(January 2000 until August 2022, 2000=100, based on USD)



PRICE DASHBOARD
No 123 – August 2022 edition

Euro area annual inflation up to 10.0%



(Source: Eurostat, 30 Sept 2022)

Euro area annual inflation and its components, %

	Weights (%)	Annual rate							Monthly rate
	2022	Sep 21	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Sep 22
All-items HICP	1000.0	3.4	7.4	8.1	8.6	8.9	9.1	10.0e	1.2e
All-items excluding:									
> energy	890.7	1.9	4.1	4.6	4.9	5.4	5.8	6.4e	1.0e
> energy, unprocessed food	841.2	1.9	3.9	4.4	4.6	5.1	5.5	6.1e	0.9e
> energy, food, alcohol & tobacco	681.8	1.9	3.5	3.8	3.7	4.0	4.3	4.8e	1.0e
Food, alcohol & tobacco	208.9	2.0	6.3	7.5	8.9	9.8	10.6	11.8e	1.0e
> processed food, alcohol & tobacco	159.4	1.9	5.4	7.0	8.2	9.4	10.5	11.5e	0.8e
> unprocessed food	49.5	2.6	9.2	9.0	11.2	11.1	11.0	12.7e	1.6e
Energy	109.3	17.6	37.5	39.1	42.0	39.6	38.6	40.8e	3.0e
Non-energy industrial goods	265.2	2.1	3.8	4.2	4.3	4.5	5.1	5.6e	2.8e
Services	416.7	1.7	3.3	3.5	3.4	3.7	3.8	4.3e	-0.1e

e estimate

Inflation (%):

6,5 -8,9

FR, FI, MT, LU, DE, IE

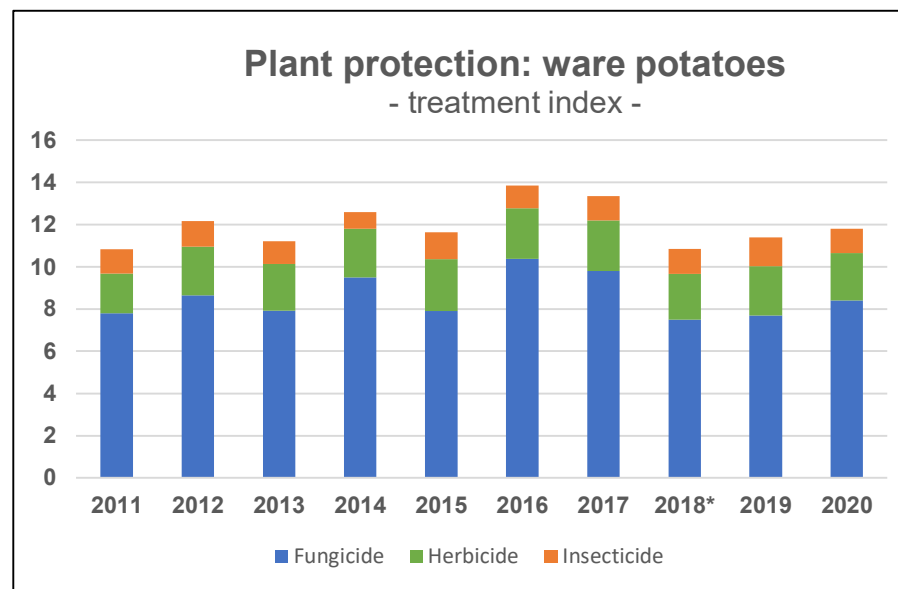
9,0– 10,5

IT, AT, PT, CY, ES, BE

10,6 – 13,6 ... 20,8- 25,2

SI, GR, SK, NL

LV, LT, EE

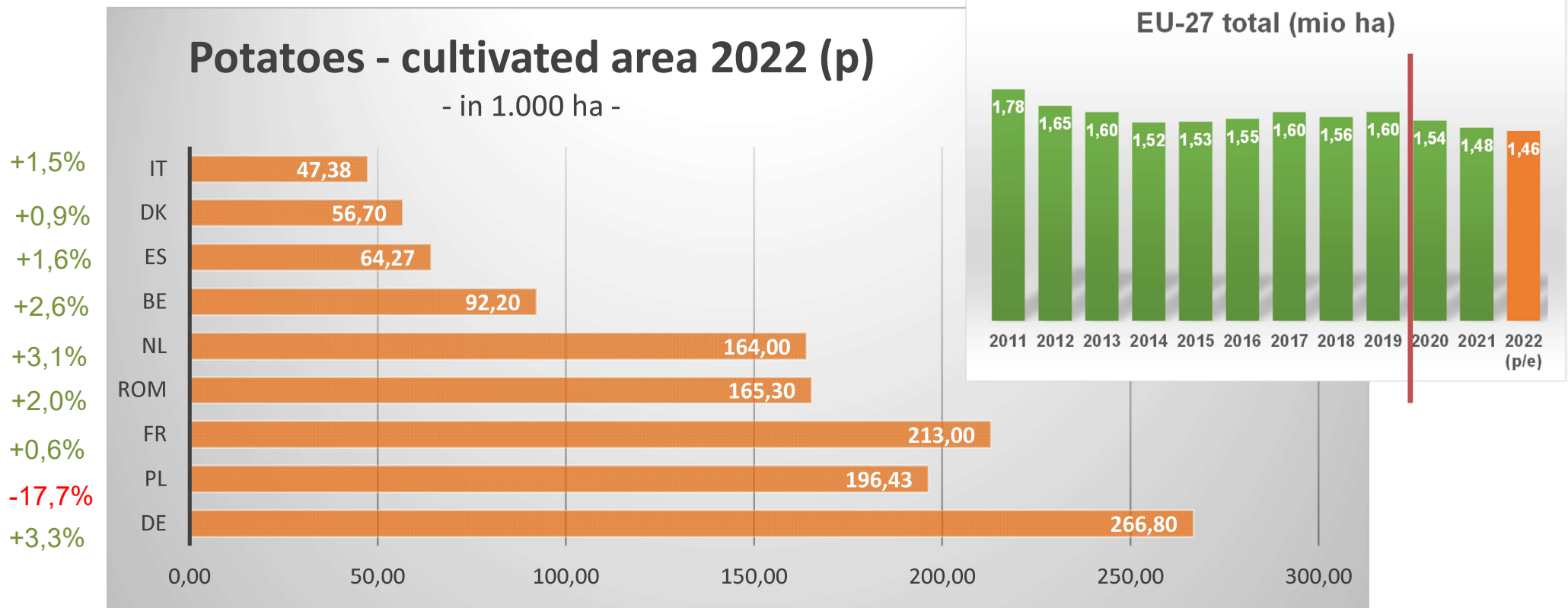


Proposal for a Regulation on Sustainable Use of Pesticides (SUR) (presented by COM on 22 June 2022)

➤ Legally binding targets at EU and national level

- **to reduce by 50%** the **use** and the **risk of chemical pesticides** and the **use** of the more **hazardous pesticides by 2030**
- **A ban of all pesticides in sensitive areas** (urban green areas, protected areas in accordance with Natura 2000 and any ecologically sensitive area)
- Application of **Integrated Pest Management** (IPM for each culture) is mandatory, Member States have to establish crop-specific rules identifying the alternatives to be used instead of chemical pesticides.
- Stricter rules for **documentation**: mandatory electronic register for use

EU Potato area 2022



p = preliminary. e = estimations. From 2020, Poland revised area by about 75.000 ha.

- Poland!
- EU-27 (p/e): 1,46 mio ha
2021: 1,48 -1,5%

EU Starch Potatoes – Area (ha)

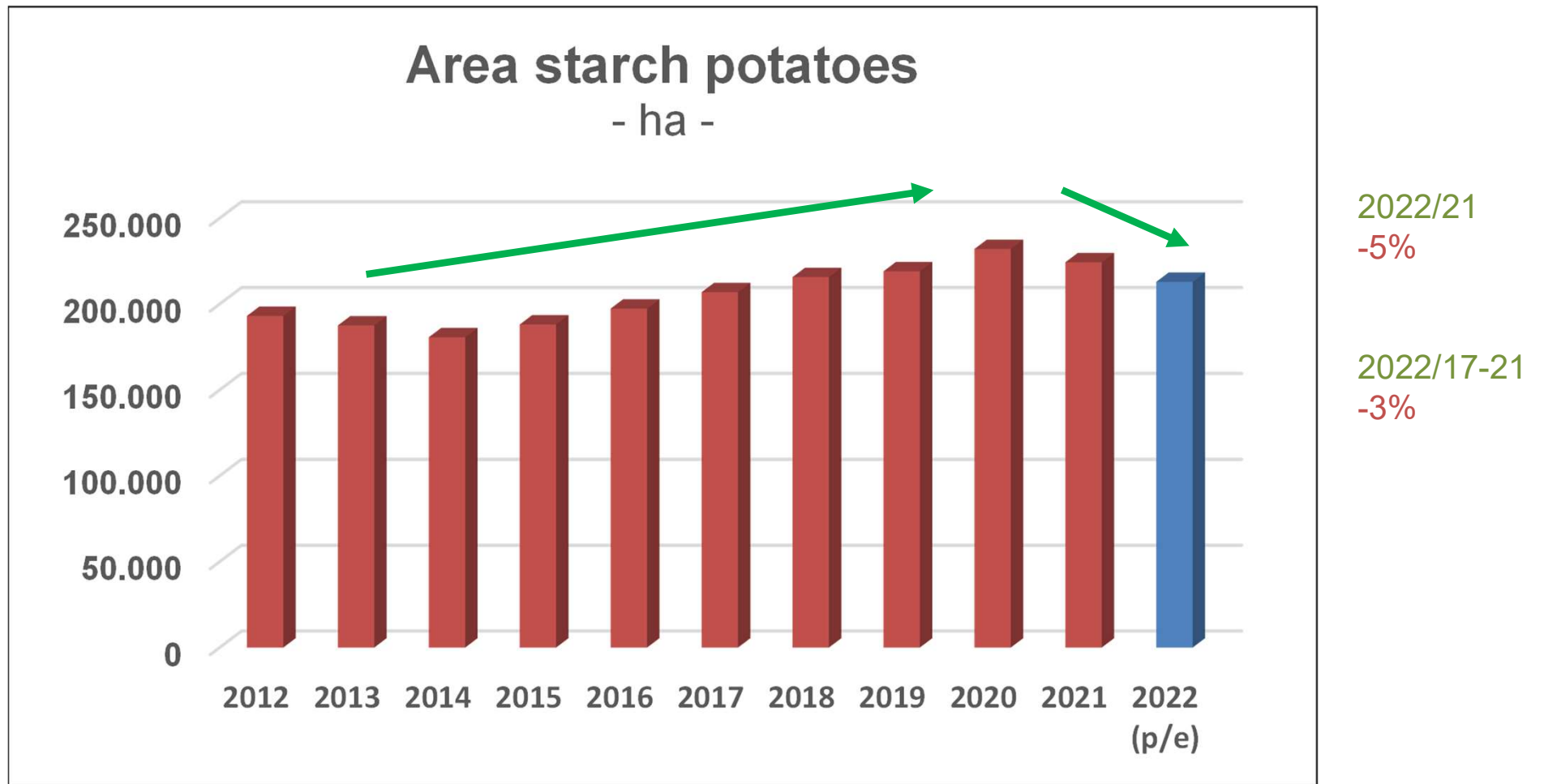


	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 (e/p)	2022/21 (%)
DE	64.163	58.487	53.288	52.796	52.125	53.523	56.621	57.013	61.555	60.339	58.500	97
NL	43.320	44.030	42.310	42.930	43.170	44.040	45.080	44.940	45.104	45.150	43.380	96
FR	20.452	20.222	18.272	21.014	23.215	23.315	24.075	22.404	23.600	23.774	20.370	86
DK	19.800	20.400	21.562	22.012	25.543	27.250	28.786	33.270	39.800	34.000	38.500	113
FI ^{1) 3)}	6.003	5.638	6.040	6.468	6.332	6.550	6.640	6.744	6.588	6.440	5.900	92
SE ⁴⁾	6.020	6.070	6.141	6.455	6.875	7.479	7.923	7.365	7.940	8.781	8.282	94
AT	6.125	5.265	4.901	4.766	5.219	6.186	6.821	7.235	6.505	5.959	5.360	90
CESPU-7	165.883	160.112	152.514	156.441	162.479	168.343	175.946	178.971	189.486	184.443	180.292	98
PL ^{2) 3)}	23.000	23.000	23.000	26.254	28.973	31.999	33.077	33.723	34.590	33.386	26.500	79
CZ ³⁾	3.700	3.985	4.670	4.826	5.205	5.882	5.851	5.722	5.541	5.715	5.370	94
LV ³⁾	542	471	507	602	544	697	832	657	794	800	800	100
EU-10	193.125	187.568	180.691	188.123	197.201	206.921	215.706	219.073	232.060	224.344	212.962	95

p = preliminary. e = estimation. 1) harvested area. 2) By 2014 estimated data. 3) final data for coupled payment of starch potatoes in 2015 – 2019. 4) including seed for starch potatoes. 5) data partly preliminary

- In central regions 10 – 20% less yields

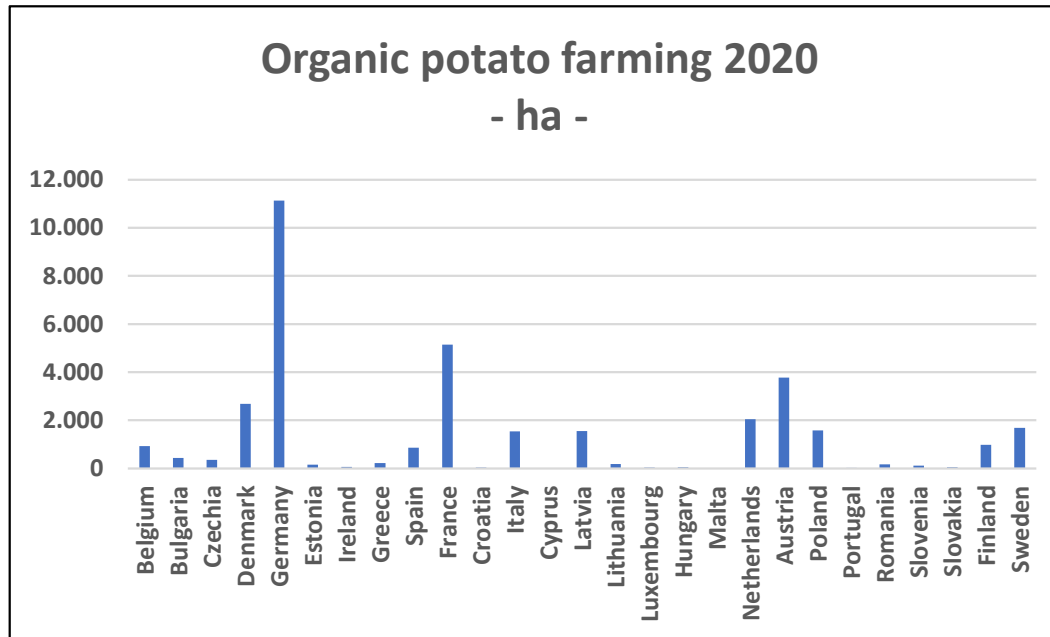
Source:
CESPU



p = preliminary. e = estimations.

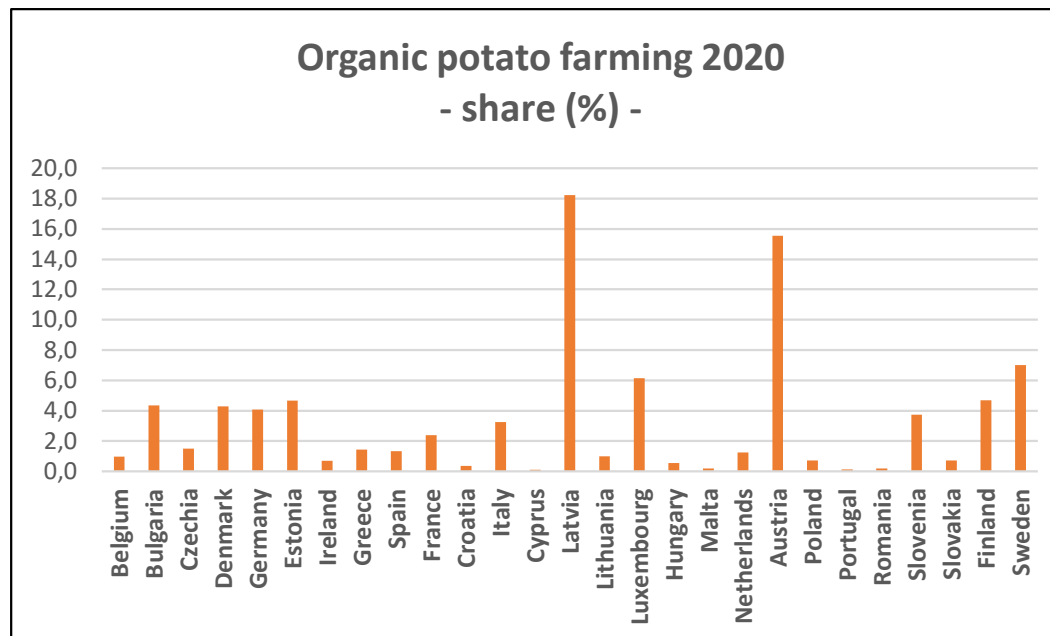
Organic potato farming

Source: Eurostat



EU total

- acreage: 35.809 ha
- Share organic: 2,4%

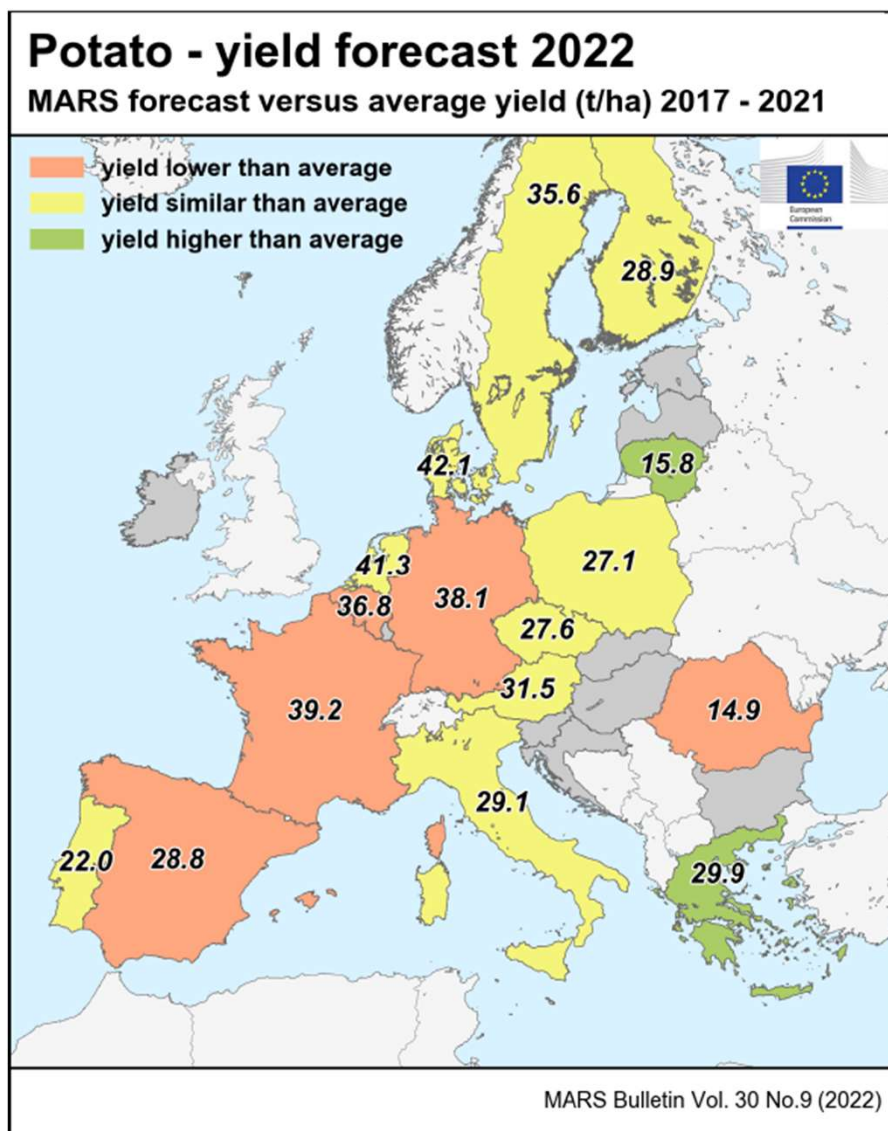


Conditions 2022 in the EU

- competition on the fields, less acreage for starch and fresh market, more hectares for processing potatoes (French fries)
- acreage slightly increased in many regions (further degrees in Poland!), but extreme drought and heat during main growing season (climate change); quality problems
- better growing conditions in Scandinavia
- if possible: irrigation to stabilize yields (additional costs); rainfall from September; main harvest started about 2 weeks later
- depend on water supply: extremely heterogeneous yields
- increasing production costs, higher prices

Yield expectations (snapshot)

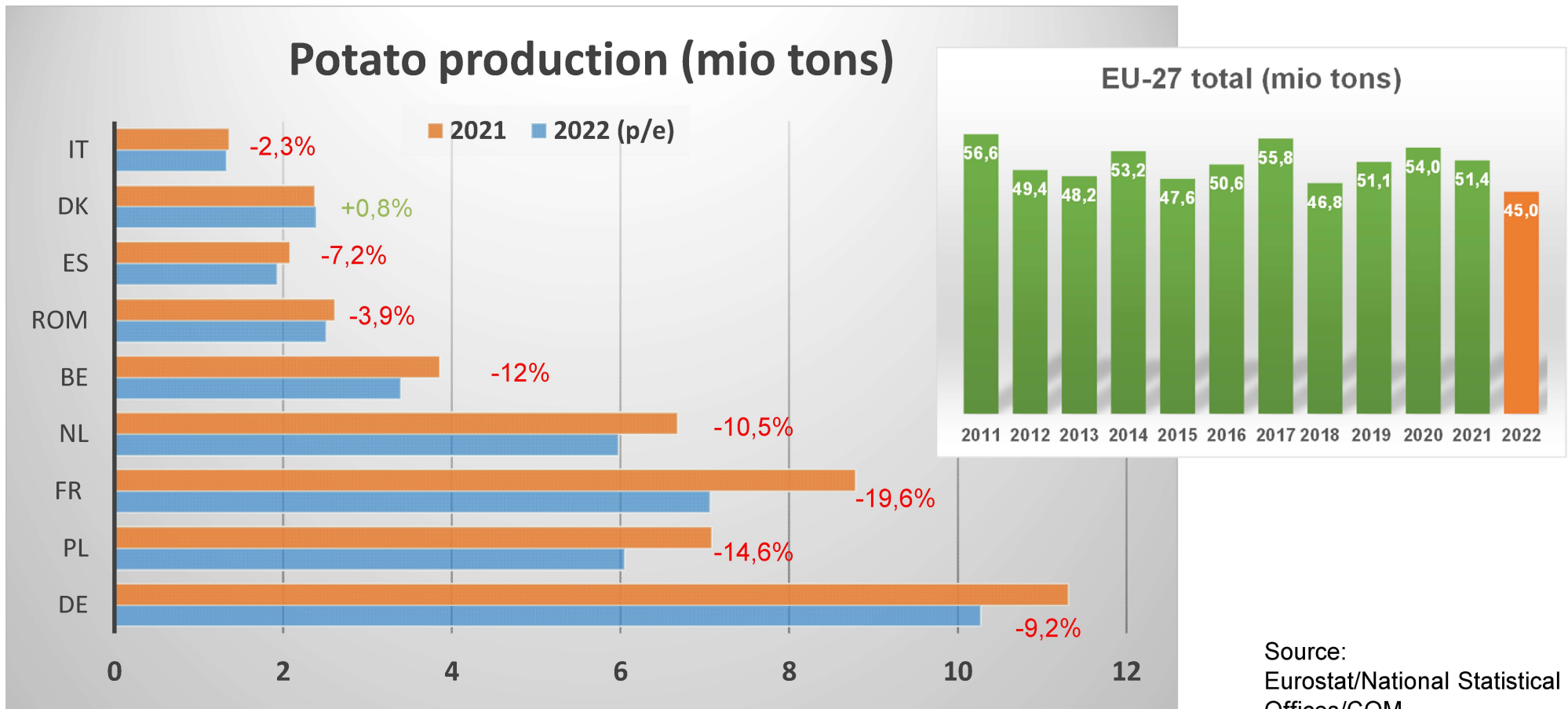
COMs Crop monitoring MARS (19 September 2022)



Country	Potato (t/ha)				
	Avg 5yrs	2021	MARS 2022 forecasts	%22/5yrs	%22/21
EU	34.2	N/A	33.4	-2	N/A
AT	32.0	34.1	31.5	-2	-8
BE	40.9	42.9	36.8	-10	-14
BG	—	—	—	—	—
CY	—	—	—	—	—
CZ	28.2	29.4	27.6	-2	-6
DE	41.6	43.8	38.1	-8	-13
DK	41.6	42.3	42.1	+1	-0
EE	—	—	—	—	—
EL	28.0	25.5	29.9	+7	+17
ES	31.8	32.5	28.8	-10	-11
FI	28.7	27.5	28.9	+1	+5
FR	41.4	41.5	39.2	-5	-6
HR	—	—	—	—	—
HU	—	—	—	—	—
IE	—	—	—	—	—
IT	29.2	29.2	29.1	-0	-0
LT	15.0	13.1	15.8	+6	+21
LU	—	—	—	—	—
LV	—	—	—	—	—
MT	—	—	—	—	—
NL	41.8	N/A	41.3	-1	N/A
PL	27.4	30.0	27.1	-1	-10
PT	22.6	24.0	22.0	-2	-8
RO	16.7	16.5	14.9	-11	-10
SE	34.4	34.8	35.6	+4	+2
SI	—	—	—	—	—
SK	—	—	—	—	—

Source: COM

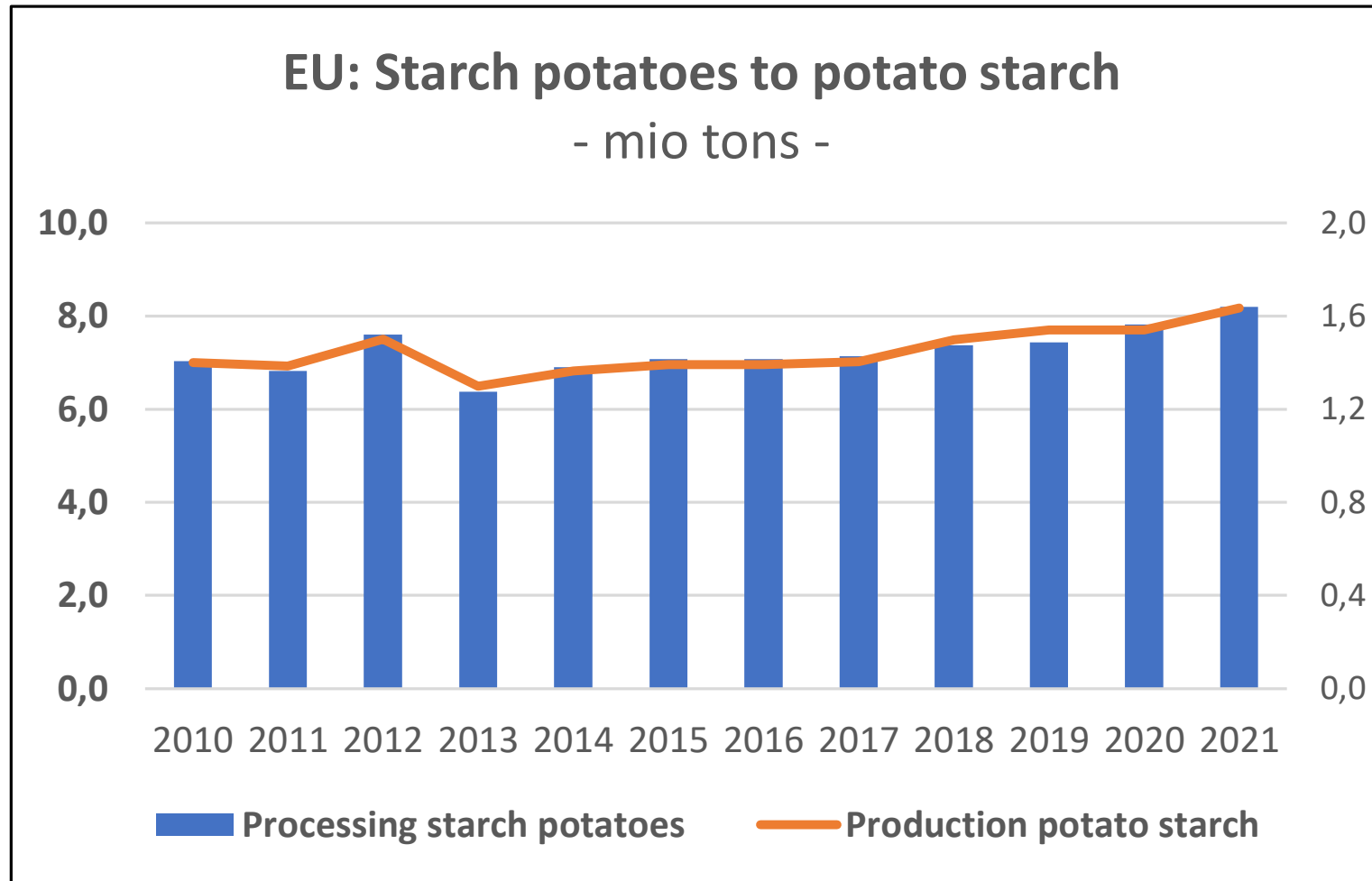
EU Potato production



p = preliminary. e = estimations.

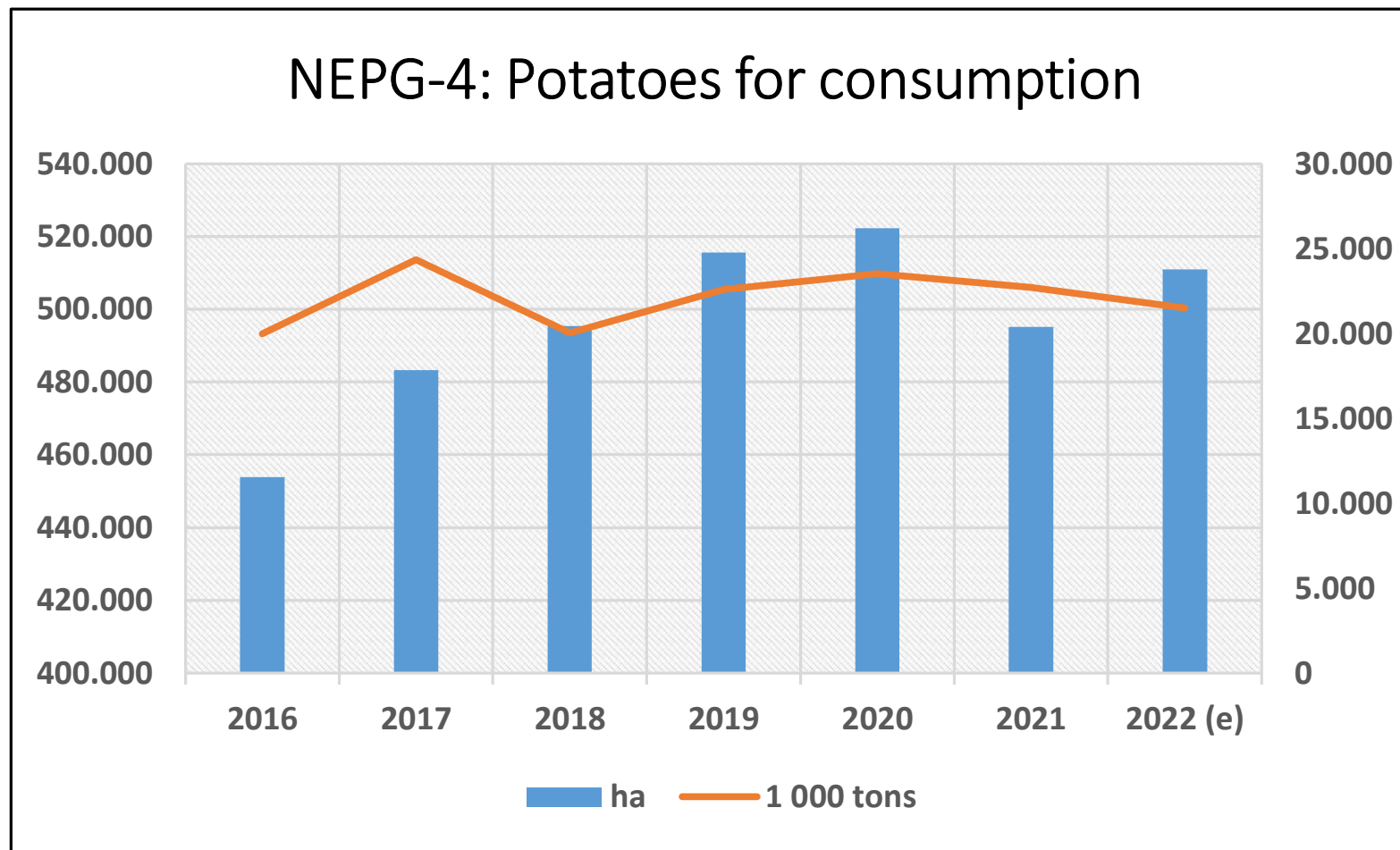
- estimation for 2022: about 45 mio tons
- 2021: 51,4 mio tons
- 2017-21: 51,8 mio tons

Starch potatoes to potato starch



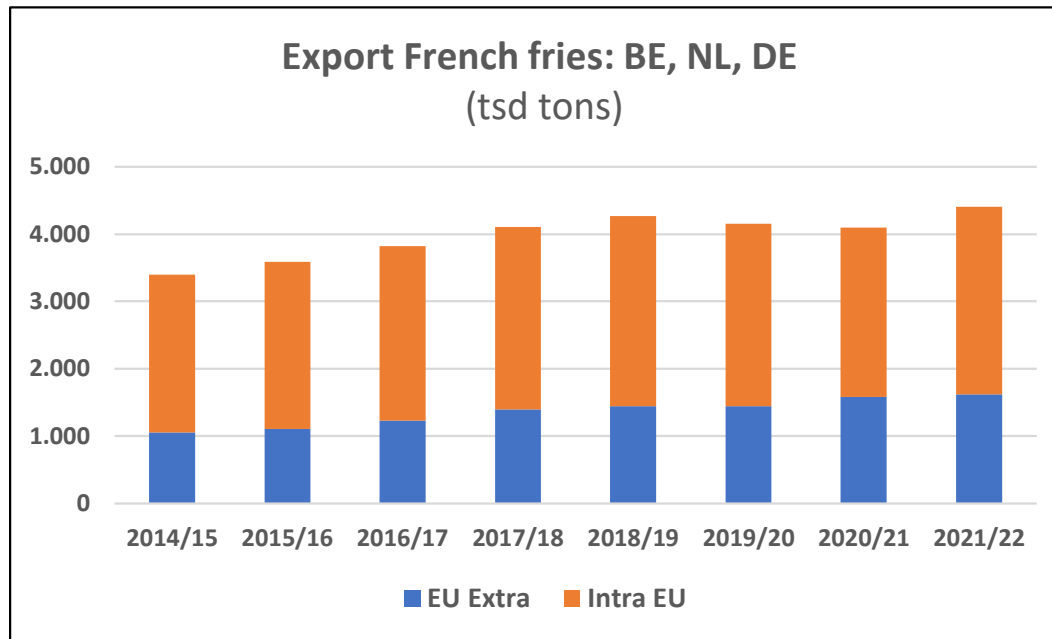
From 2018 including peas to pea starch

Source: Fachverband der Stärke-
Industrie/StarchEurope



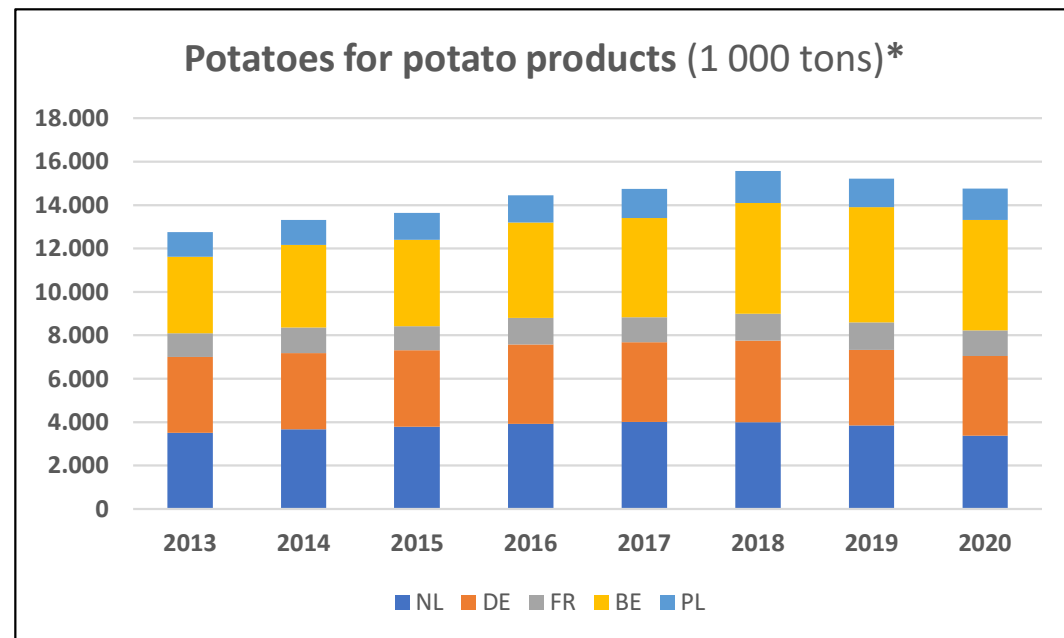
Source:
NEPG

- acreage: + 3,2% (15.800 ha) to 2021
+ 1,7 % to 5 year average
- estimated production (12 Sept): 21 - 22 mio tons, similar to 5 year average



French fries:

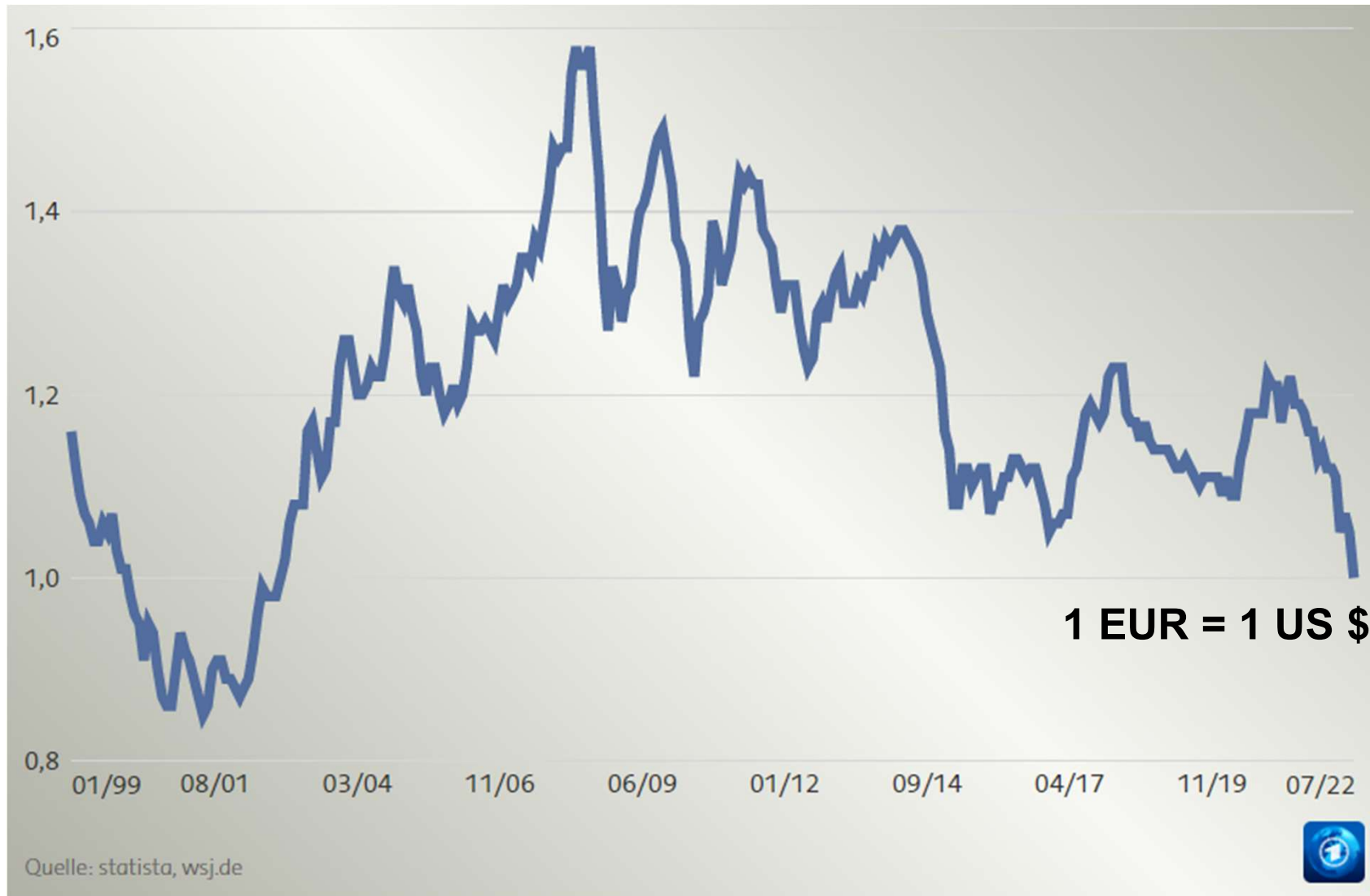
- markets very absorptive, recovery after decline due to Covid-19
- 2021/22: 4,4 mio tons exported = new record, thereof 40% to third countries
- share of Belgium: more than 2,7 mio tons



* excluding starch

Source:
AMI

A strong Dollar



Prices (1st October week)

	2022	2021	2020	2019
Ware potatoes (DE, fresh market)				
Producer prices (EUR/100 kg)	21 - 30	12 – 20	7 – 13	17 – 20
Consumer prices (vf) (EUR/kg)	0,90	0,62	0,57	0,72
Potatoes for feeding (EUR/100 kg)	1 - 3	1 - 3	1 - 2	6 – 20
Processing (EUR/100 kg)	40+	40+	35/40+	40+
Fontane, Innovator and other (DE)	24 - 25	11,50 - 13	3 – 3,50	10,50 - 11
Fiwap/PCA	25 – 26	12	3	10 – 12,50
Belgapom Fontane/Challenger	25 - 26	11 - 12	3	10
Potato NL	20,50 – 25,50	11 – 14	2,50 - 3,50	10,50-12,50

Euronext Paris, futures contracts (€/t)

Wheat, Dec	345	269	198	175
Maize, Nov	337	244	172	164
Rapeseed, Nov	617	676	385	386

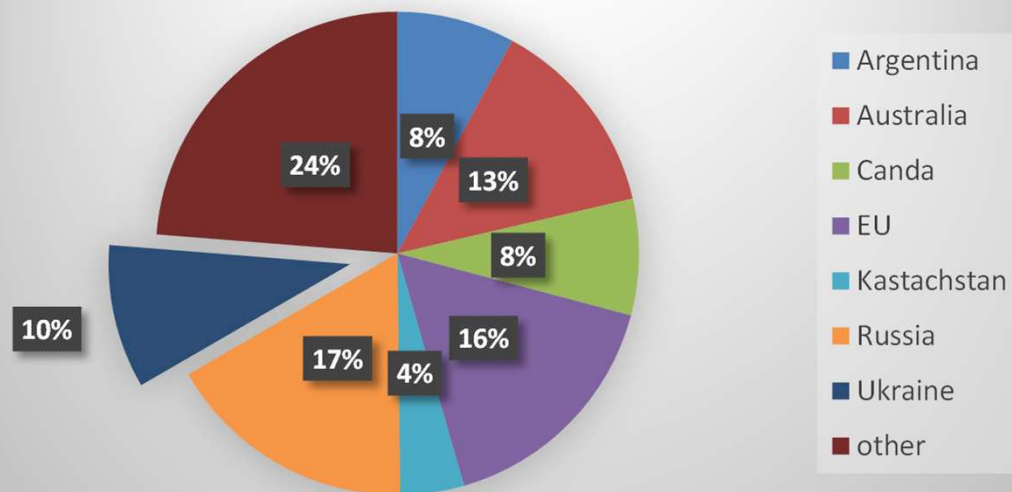
World estimates for grains (mio tons)

Total Grains ¹⁾	2019/20	2020/21 est.) ⁴⁾	2021/22 (f'cast) ⁴⁾	2022/23 (proj.) ⁴⁾	2022/23 to 2021/22 (in %)	thereof Ukraine	
						2022/23	2021/22
Production	2.192	2.226	2.291	2.256	98	58,9	86,8
Trade	397	426	424	409	97	31,8	48,2
Consumption	2.199	2.239	2.289	2.274	99	23,7	27,7
Carryover stocks	616	603	606	587	97	19,2	15,9
year/year change	-7	-13	3	-18		3,3	10,8
Major exporters ²⁾	153	132	145	143	99		
Wheat	2019/20	2020/21	2021/22	2022/23	2022/23 to 2021/22 (in %)	thereof Ukraine	
						2022/23	2021/22
Production	761	773	782	792	101	21,5	33,0
Trade	185	190	197	193	98	12,9	18,8
Consumption	745	770	781	785	101	8,2	8,7
Carryover stocks	275	278	279	286	103	7,6	7,2
year/year change	16	4	1	6		0,4	5,6
Major exporters ²⁾	61	59	64	70	109		
Maize	2019/20	2020/21	2021/22	2022/23	2022/23 to 2021/22 (in %)	thereof Ukraine	
						2022/23	2021/22
Production	1.132	1.136	1.219	1.168	96	36,8	44,1
Trade	175	188	179	172	96	17,0	23,5
Consumption	1.160	1.155	1.213	1.191	98	10,9	13,8
Carryover stocks	298	279	285	269	94	8,9	6,9
year/year change	-28	-19	6	-23		2,0	4,9
Major exporters ³⁾	63	43	55	56	102		

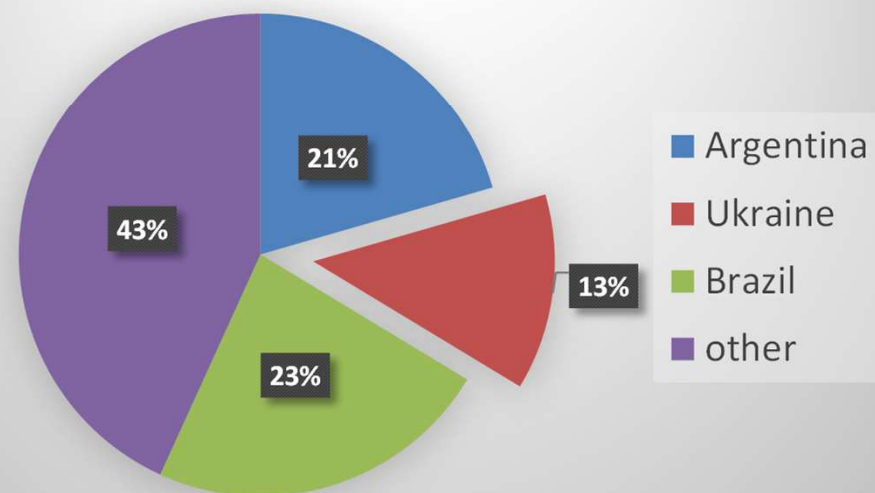
Remarks: 1) Wheat and coarse grains 2) Argentina, Australia, Canada, EU, Kazakhstan, Russia, Ukraine, USA. 3) Argentina, Brazil, Ukraine, USA; 4) Stand: 22.09.2022
Source: IGC

Ukraine – an important exporter

Wheat export 2021/22: 196,7 mio tons



Maize export 2021/22: 179,2 mio tons



...such as:

- Development of production prices
- Energy supply during winter (processing)
- Trends in consumption (more fresh potatoes, less processing products?)
- Exchange rate EUR : USD
- Inflation, depression
- Adjustments in agricultural policy (Sustainable Use Regulation, New Breeding Techniques...)?



Committee of the European Starch Potato Producers' Unions

Thank you

