# Overview of world potato markets

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The last year has been a good one for the global potato industry, with the value of potato trade soaring to new highs. The European Union's (EU) five main frozen fry exporters – Belgium, Netherlands, France, Germany and Poland – exported a record €5.905 billion in 2022; this is 42.2% higher than 2021.

The North Western European Potato Growers (NEPG) alliance is expecting greater consumption of potatoes in Germany, France, Belgium and Netherlands as buyers respond to higher contract prices.

In March this year, the EEX European futures price had recovered some of the ground it lost and prices were headed for a settlement of €300/ton (R5 898/ton), up €5/ton (R98.3/ton) on the week and the first time the price had been at that level since late January.

A larger consumption potato area is expected in the four Western European potato growing countries, but this could be at the expense of a smaller starch and seed area, which could create problems for the 2024 crop.

## Demand slower as prices soared

Much higher prices led to a slight weakening in the demand for EU-5 frozen fries and other potato products in December, but annual demand increased by 7.8% to a record 6.036 million tons, despite prices rising by almost a third to €978/ton (R19 237.26/ton). By December the average price had hit €1 216/ton which was 55.6% more than in December 2021 and the highest on record.

Even though the 489 175 tons shipped during December 2022 was 1.4% less than in December 2021 and 10.3% less than the all-time record volume of 545 700 tons set in September, the value of exports was at a record €594.9 million, 53.4% more than the year before. Annual exports were worth €5.905 billion which was 42.2% more than the year before and a new all-time 12-month high.

## The Netherlands

The demand for processing potatoes dropped to 334 300 tons in February after having reached an all-time high in January of 360 700 tons. Some of the previous month's intake found its way into February's output of pre-cooked potatoes. The volume of frozen fries and similar pre-cooked product exceeded January's output by 6 200 tons to reach 156 400 tons, which was 4 100 tons more than the previous February record set in 2020. The current sustained demand for higher priced fries on the international market continues to drive demand.

The good news for the Dutch industry is that this year they are continuing to source a higher proportion from domestic growers. This February some 104 300 tons of imported potatoes were used by the country's processors; this represents 31.3% of the total volume used. A year

ago it was 114 300 tons. Demand for dehydrated potato products remains high.

### France's potato production

Tight stocks are pushing up prices in France. The lack of potatoes is pushing prices to new highs, with the export market particularly strong, according to RNM figures. The benchmark Agata bulk price jumped another €20/ton to €450/ton (R8 847/ton) during mid-April, which represents a €70 increase on last month.

The only market not to have moved was the processing market. Fontane was going for €300/ton (R5 898/ton) on the free market. There is a €305/ton (R5 996.3/ton) premium on Innovator.

### Shortages in Germany

The lack of German potatoes may be feeding through to the export market. Exports of ware potatoes were 26.8% lower in January than in the same month last year at 136 815 tons, with sales over the July to January period 4.9% lower at 1.168 million tons.

The Netherlands remains Germany's largest market, but has had a slowdown in orders. In January they bought 56 529 tons of potatoes, 27.4% less than in January 2022. Belgium is increasing its demand for German potatoes – exports to Belgium were more than double in January compared to January 2022 at 36 774 tons.

### Slow progress in Belgium

The very first crops have been planted under fleece in the west of the country. Progress is reported to be behind normal with variable temperatures and some seed quality issues, mainly as a result of last year's hot and dry conditions at harvest. Growers are also being urged to look out for disease issues in their seed. Planting progress may be hampered due to rain.

### Winter in Spain

Frost during winter will influence the size of potato yields produced in Spain. Harvesting may begin two weeks later than usual, starting in mid-April in Cartagena and mid-May in Sevilla. The area planted this year may be slightly lower than that of 2022. Dutch seed is mostly used in Spain and according to figures, less seed was planted for export to Spain.

The average ex-farm price in Spain was at €493.70/ton (R9 706.14/ton) in the week to 12 March, a 12.7% increase from the previous weeks value of €438.20/ton (R8 615.01/ton).

### Low hectares in Portugal

The potato area in Portugal was only 14 000 ha last year, the lowest to date, and the question remains whether it will be able to recover.

There may be a small increase in the area planted, but there is still some uncertainty around this claim. The beginning of the potato harvest in Portugal may be delayed by two weeks, starting in the middle of May. Portugal is currently importing more than they are exporting. The average ex-farm potato price for white-skinned potatoes was €600/ton (R11 796/ton) in the week of 12 March.

### United Kingdom

A €40/ton (R786.4/ton) price increase pegged back fry imports into the United Kingdom (UK) in April to 64 982 tons. This was 6 000 tons less than the previous month and 14.6% down on a year ago.

The decrease in demand may be down to price increases. The price of the UK's two biggest suppliers, Belgium and the Netherlands, has increased by 33% and 27.3% respectively over the past year.

UK fry imports were 500 tons down in December at 2 194 tons, which was still 23.1% up on last year. The Republic of Ireland continues to account for the lion's share of the market, taking 1 756 tons, 275 tons less than last month. The Irish price was €17 higher than December, but still looked good with a value of €993/ton (R19 522.38/ton), just €400 less than the Irish export price to the UK.

Sales to Brazil, the UK's second largest customer, were down 72.7% to 69 tons, despite selling at just £774/ton (US$946/t; 2 885/t). The price has risen by only 11.2% over the past year. The Dutch export price has actually fallen by 7.9% over the past year to £1 272/ton (US$1 555/t; €1 454/t). Sales remain steady at 70 tons, but over the past year this export market has contracted by 41.4% to 1 110 tons.

### South Korea

A 14% rise in import prices saw a drop in imports for the month of February to 11 301 tons. Imports from the People's Republic of China (PRC) halved from 1 001 to 598 tons, while imports from the USA were 288 tons higher than the previous month at 6 889 tons.

German fries continue to gain ground in this important Southeast Asian market. February's sales of 451 tons were there highest of the year and overtook Canada's sales of 357 tons, despite having increased its price by kW176 during the month to kW2 040/ton (US$1 559/t; €1 455/t). This still meant it was the cheapest fry on the market, selling below the Belgian price, and kW517 lower than the Canadian import price. Sales of German fries for the year are up to 1 865 tons.

### Philippines market recovers

December 2022 marked the final recovery from Covid for the Philippine's fry import market, with total imports for the year reaching 160 132 tons, exceeding 2019's 151 456 tons. So have the main players, with India and China taking over from New Zealand, Canada and the Netherlands. India and China accounted for 40% of 2022's imports. Back in 2019, their share of the market was just 3%.

December 2022 was a particularly strong month for Belgium imports, which fought their way back into second place with sales of 3 758 tons, more than double their November performance and a 483.5% increase on a year ago.

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