WORLD POTATO MARKETS
INDISPENSABLE MARKET NEWS AND ANALYSIS FOR WORLD POTATO PROFESSIONALS

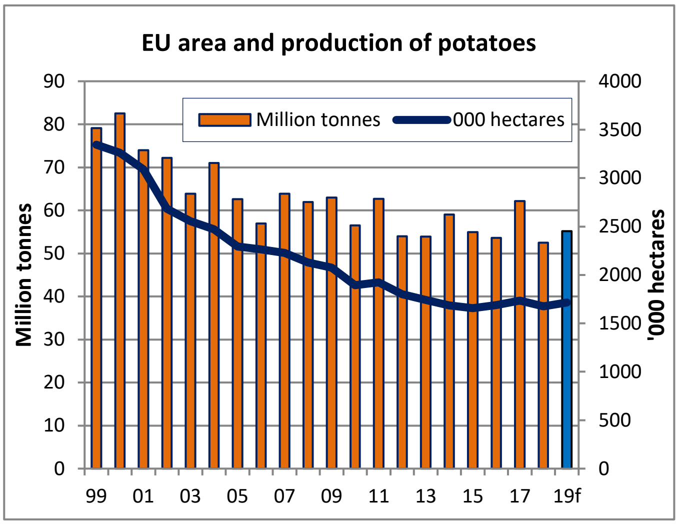
## A special report for Europatat members. October 2019

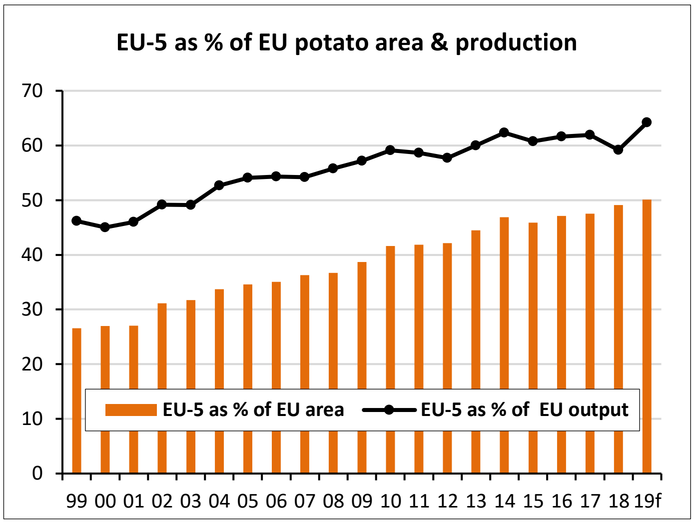
# EU production

## Only a limited recovery in 2019 potato output

There could be only 5% more potato production in the EU this year than was seen in the drought-affected 2018 crop, exclusive analysis by *World Potato Markets* suggests. A severe drought in Poland and pressure on yields elsewhere means that production has not been able to recover from last year's record low production for the 28 countries (we are keeping the UK in our EU estimates for the time being).

Total EU plantings are estimated at 1.717 million hectares, 2.4% more than in 2018. There has been a 4.2% increase in the area in the five main north-western European countries – Germany, France, the Netherlands, UK and Belgium – to an all-time high of 860 331 hectares. This is more than half the overall total for the first time ever. Our estimates suggest that other countries have increased their areas by less than 2%, while there has been a reduction in others, including Italy and some Eastern European countries.




Yields are improved in the EU-5 countries but are not back to the long-term average, something that will be of concern to growers and potato buyers. Yields in the Netherlands could be up by as much as a fifth on last year's figures but, at less than 42t/ha, this is still 4t/ha off the 2017 figure. Belgian yields are looking as though they could be 15% higher, with an improvement of less than 10% in France, Germany and the UK. There is some confusion over the German figures. The German government estimates that the country planted its largest area since 2005, while market newsletter AMI estimates the area to be 10 000 hectares less than that figure. However, both predict production of a little over 10 million tonnes – 1.3 million tonnes less than in 2017.

Using the estimates, the EU crop should be in the region of 55.2 million tonnes, seven million tonnes less than in 2017. An EU-5 crop of 35.4 million tonnes would be a little above the average for this century. However, the figure would still be the highest proportion of production ever at 64.2% of the total.

| EU-28 area of all potatoes ('000 hectares) | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2019f** | **% change** | **2018** | **% ch'ge** | **2017** | **2016** | **2015** |
| Netherlands | 167.611 | +0.7 | 166.400 | +3.5 | 160.790 | 155.590 | 155.660 |
| France | 196.400 | +2.8 | 191.100 | -1.5 | 194.060 | 179.000 | 167.260 |
| Belgium | 97.370 | +5.0 | 92.770 | -0.1 | 92.850 | 89.210 | 78.685 |
| Germany | 276.300 | +9.6 | 252.200 | +0.7 | 250.500 | 242.500 | 236.700 |
| UK | 122.650 | +1.4 | 120.941 | -4.7 | 126.840 | 120.564 | 115.636 |
| **EU-5** | **860.331** | **+4.2** | **823.411** | **+0.2** | **825.040** | **786.864** | **753.941** |
| Poland | 310.000 | +2.5 | 297.480 | -9.7 | 329.320 | 300.360 | 292.500 |
| Spain | 68.287 | +1.6 | 67.220 | -5.2 | 70.880 | 72.140 | 71.680 |
| Denmark | 43.747 | +0.8 | 43.400 | -12.7 | 49.700 | 46.094 | 42.820 |
| Italy | 45.223 | -2.6 | 46.430 | -4.4 | 48.570 | 48.140 | 50.420 |
| Sweden | 23.810 | 0.0 | 23.810 | -3.1 | 24.570 | 24.210 | 23.110 |
| Austria | 24.235 | +2.0 | 23.760 | +3.3 | 22.990 | 21.220 | 20.370 |
| **EU-15** | **1134.709** | **+2.9** | **1099.541** | -1.1 | **1115.305** | **1072.454** | **1038.703** |
| NMS EU-13 | 582.167 | +0.8 | 577.364 | -7.0 | 621.013 | 598.145 | 604.910 |
| **EU-28** | **1716.876** | +2.4 | **1676.905** | **-3.2** | **1736.318** | **1689.035** | **1656.977** |
| **EU-28 average yields of all potatoes (tonnes/hectare)** | | | | | | | |
| Netherlands | 41.9 | +20.6 | 34.8 | -24.4 | 46.0 | 42.0 | 42.7 |
| France | 42.8 | +4.1 | 41.1 | -6.6 | 44.0 | 38.9 | 42.5 |
| Belgium | 44.0 | +15.5 | 38.1 | -19.9 | 47.6 | 38.2 | 46.6 |
| Germany | 37.7 | +6.6 | 35.37 | -24.4 | 46.79 | 44.42 | 43.81 |
| UK | 43.0 | +4.7 | 41.09 | -15.9 | 48.86 | 44.57 | 48.41 |
| **EU-5** | **41.2** | **+9.1** | ***37.73*** | **-18.7** | ***46.41*** | ***41.99*** | ***44.30*** |
| Poland | 21.5 | -14.3 | 25.1 | -9.7 | 27.8 | 21.0 | 27.0 |
| Spain | 31.6 | +6.0 | 29.8 | -5.7 | 31.6 | 31.1 | 31.9 |
| Denmark | 38.6 | -9.6 | 42.7 | -2.3 | 43.7 | 42.4 | 40.8 |
| Italy | 27.5 | -2.5 | 28.2 | +1.6 | 27.7 | 28.4 | 26.9 |
| Sweden | 34.0 | +12.3 | 30.2 | -12.8 | 34.7 | 35.6 | 34.7 |
| Austria | 31.1 | +5.8 | 29.4 | +3.4 | 28.4 | 36.2 | 26.3 |
| **EU-15** | **38.7** | **+7.4** | **36.0** | **-15.7** | **42.7** | **39.3** | **40.5** |
| NMS EU-13 | 19.4 | -13.5 | 22.4 | -4.4 | 23.4 | 19.1 | 21.3 |
| **EU-28** | **32.1** | **+2.6** | **31.3** | **-12.6** | **35.8** | **31.7** | **33.2** |
| **EU-28 production of all potatoes ('000 tonnes)** | | | | | | | |
| Netherlands | 7022.9 | +21.4 | 5782.6 | -21.8 | 7391.9 | 6534.3 | 6651.7 |
| France | 8408.7 | +6.9 | 7862.5 | -8.0 | 8547.4 | 6959.6 | 7114.5 |
| Belgium | 4284.3 | +21.2 | 3534.5 | -20.0 | 4416.7 | 3404.6 | 3665.5 |
| Germany | 10416.5 | +16.8 | 8920.8 | -23.9 | 11720.0 | 10772.1 | 10370.2 |
| UK | 5274.0 | +6.1 | 4969.0 | -20.1 | 6218.0 | 5373.0 | 5598.0 |
| **EU-5** | **35406.4** | +14.0 | **31069.4** | **-18.9** | **38293.9** | **33043.7** | **33399.8** |
| Poland | 6665.00 | -10.7 | 7466.85 | -18.4 | 9155.18 | 6307.46 | 7897.50 |
| Spain | 2156.3 | +7.7 | 2002.9 | -10.6 | 2239.5 | 2246.2 | 2284.1 |
| Denmark | 1686.5 | -8.9 | 1851.3 | -14.7 | 2171.0 | 1954.0 | 1748.0 |
| Italy | 1241.8 | -5.0 | 1307.6 | -2.9 | 1346.9 | 1368.9 | 1355.4 |
| Sweden | 808.7 | +12.3 | 720.2 | -15.5 | 852.5 | 861.3 | 802.5 |
| Austria | 753.2 | +7.9 | 697.9 | +6.8 | 653.4 | 767.3 | 536.5 |
| **EU-15** | **43897.3** | +10.8 | **39601.6** | **-16.9** | **47654.5** | **42169.7** | **42078.3** |
| NMS EU-13 | 11272.5 | -12.7 | 12917.0 | -11.1 | 14537.0 | 11450.4 | 12905.7 |
| **EU-28** | **55169.8** | **+5.0** | **52518.6** | **-15.6** | **62191.5** | **53620.1** | **54984.0** |

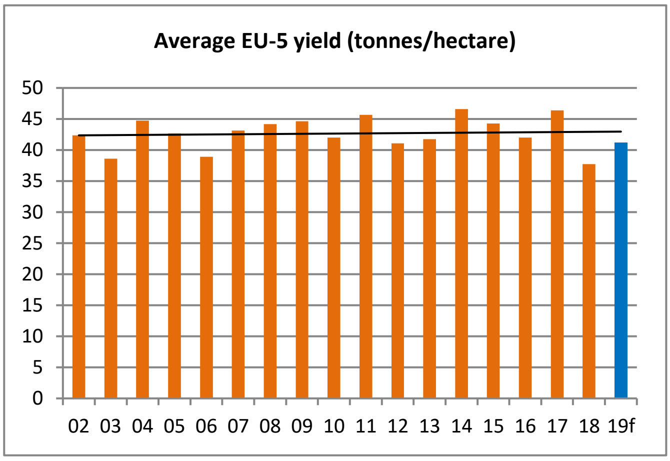
**Notes:** EU-15= Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands Portugal, Spain, Sweden, UK. EU-13= Bulgaria, Croatia, Cyprus, Czechia, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia. The figures used are reported data or estimates with yield estimates for the non EU-5 countries based on five year averages **Source:** National Government agencies and associations.

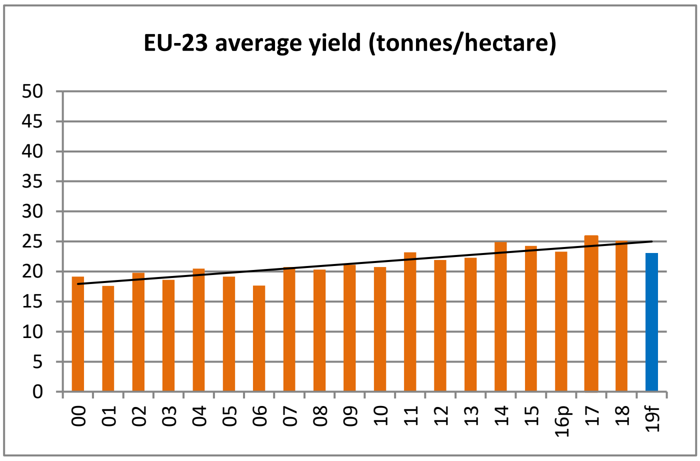
## Long-term yield concerns

The 2019 yield figures will be of concern to the potato industry, with more evidence that yields are struggling to increase, especially in the five main established potato-growing nations. In 2002 the average trend yield in the five was 42.5 tonnes/hectare. It had only risen to 43t/ha by 2019, despite the development of new varieties and technology in that period. In Belgium average trend yields of consumption potatoes were at 51t/ha in 2008, but in 2019 that had dropped to 46t/ha by 2019.

In years when there is adequate rainfall in the potato-growing season Belgium still delivers yields of above 50t/ha but in dry years the crop suffers – less than 10% of the national crop can be irrigated. By contrast, growers in the Britain, where more than half the crop – and a higher proportion in drier regions – is irrigated, trend yields have been maintained at 42.5t/ha for all potatoes since the beginning of the century.

Although drought conditions were nothing like as bad as they were in 2018, the 2019 crop did have to contend with record-breaking temperatures, with France, Germany, the Netherlands and Belgium all seeing highs above 40C in the summer. There is more anecdotal evidence that, when rain falls, it falls in large quantities over a short period of time. This can be damaging for crops at all stages of planting, growing and lifting.




Yields outside the five were down on last year, largely driven by reduced output in the east of Europe. Trend yields remain up, from 18t/ha in 2000 to 25t/ha today. This is mainly because of the consolidation of potato production to fewer, larger farms, which have more resources to invest in varieties and agronomy.

# Ware trade

In the year to June 2019, EU potato exports came under pressure with prices rising rapidly because of reduced supplies from the drought-affected 2018 harvest. France was able to maintain sales, shipping 2.081 million tonnes of potatoes in the 12-month period. Reasonable supplies in the Netherlands also allowed it to export more than a million tonnes of crop, almost 20% more than the year before. Small crops in Germany and Belgium meant they reduced exports by more than 10%, while sales of EU potatoes outside the EU fell by 41%.

Other countries benefitted from the shortage of supplies across Europe with the UK and Italy seeing a significant increase in demand. Under a no-deal Brexit, the UK would not be able to export ware or seed to EU countries until it gains third-country status. The price of exports jumped by as much as 75% in the case of France, with increases of more than a third in a large range of countries. In contrast, the price of Danish potatoes increased by less than 10%.

| Ware exports by key EU countries in year ending June | | | | | | | |
|---|---|---|---|---|---|---|---|
| **A. Tonnes** | | | | | | | |
| | **18/19** | **% change** | **17/18** | **16/17** | **15/16** | **14/15** | **13/14** |
| France | 2081055 | +0.5 | 2070535 | 1713143 | 1710843 | 1810480 | 1835805 |
| Germany | 1668527 | -13.8 | 1935209 | 1814953 | 1626335 | 1618090 | 1794730 |
| Netherlands | 1035653 | +18.7 | 872642 | 881241 | 910836 | 752398 | 752976 |
| Belgium | 760212 | -18.5 | 932525 | 872417 | 924618 | 885252 | 950622 |
| EU 28 External Trade | 376102 | -41.1 | 638706 | 507245 | 567623 | 739917 | 528264 |
| Spain | 269829 | +5.8 | 254961 | 272018 | 272797 | 242099 | 253270 |
| United Kingdom | 197488 | +15.6 | 170823 | 165173 | 168132 | 144305 | 186321 |
| Denmark | 114830 | +4.3 | 110076 | 96962 | 112408 | 113299 | 131387 |
| Italy | 106447 | +49.2 | 71331 | 125089 | 124407 | 96513 | 113930 |
| **B. Price €/tonne** | | | | | | | |
| France | 305 | +75.1 | 174 | 289 | 272 | 154 | 224 |
| Germany | 196 | +40.9 | 139 | 167 | 155 | 116 | 163 |
| Netherlands | 306 | +32.4 | 231 | 303 | 261 | 168 | 251 |
| Belgium | 183 | +27.8 | 143 | 186 | 168 | 129 | 150 |
| EU 28 External Trade | 376 | +68.3 | 224 | 320 | 315 | 186 | 291 |
| Spain | 429 | +63.9 | 262 | 391 | 384 | 293 | 324 |
| United Kingdom | 463 | +54.9 | 299 | 399 | 417 | 286 | 333 |
| Denmark | 260 | +9.6 | 237 | 244 | 272 | 280 | 269 |
| Italy | 549 | +15.9 | 473 | 439 | 480 | 413 | 428 |
| **Notes:** List includes countries exporting more than 100 000 tonnes a year. **Source:** TDM | | | | | | | |

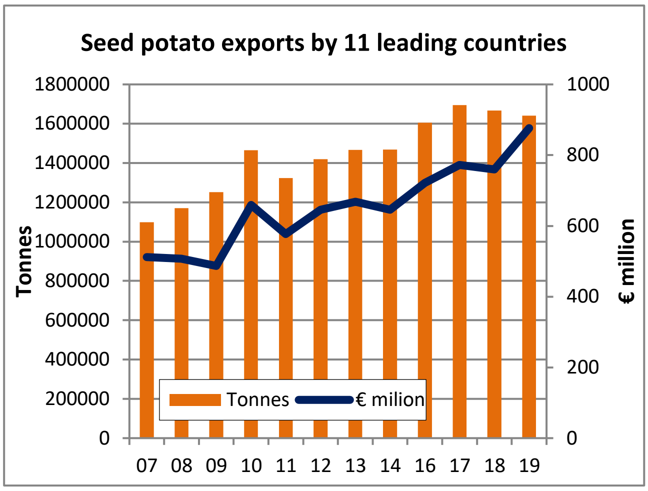
| Ware imports by key EU countries in year ending June | | | | | | | |
|---|---|---|---|---|---|---|---|
| **A. Tonnes** | | | | | | | |
| | **18/19** | **% change** | **17/18** | **16/17** | **15/16** | **14/15** | **13/14** |
| Belgium | 2658427 | +25.1 | 2124624 | 1950411 | 1748661 | 1450916 | 1417428 |
| Netherlands | 1710403 | +2.8 | 1664065 | 1743778 | 1510575 | 1408467 | 1453020 |
| Spain | 736262 | -2.6 | 755630 | 703146 | 635052 | 609564 | 566748 |
| Germany | 604610 | +13.5 | 532605 | 482408 | 464857 | 448461 | 818258 |
| Italy | 539220 | -4.4 | 563835 | 517278 | 602336 | 557443 | 596463 |
| Portugal | 402290 | +12.7 | 356996 | 364208 | 385992 | 317392 | 356014 |
| France | 353862 | -3.7 | 367516 | 412292 | 384912 | 358269 | 389939 |
| **B. Price €/tonne** | | | | | | | |
| Belgium | 205 | +35.0 | 152 | 206 | 181 | 129 | 177 |
| Netherlands | 198 | +27.2 | 156 | 171 | 155 | 120 | 164 |
| Spain | 349 | +89.2 | 184 | 313 | 294 | 155 | 260 |
| Germany | 411 | +37.5 | 299 | 398 | 427 | 280 | 276 |
| Italy | 313 | +58.0 | 198 | 277 | 274 | 180 | 261 |
| Portugal | 447 | +25.4 | 357 | 372 | 408 | 373 | 387 |
| France | 247 | +62.9 | 152 | 248 | 205 | 111 | 190 |
| **Notes:** List includes countries exporting more than 100 000 tonnes a year. **Source:** TDM | | | | | | | |

Import demand in the year ending June was up strongly in Belgium, Germany and Portugal, with the Belgian processing industry requiring 25% more stocks that the year before to help fuel its processing industry – demand has almost doubled in the last six years. Demand in Italy, Spain and France fell a little over the year. Spanish buyers would have been put off buying more potatoes by a 90% increase in price.

# Seed

## Dutch seed exports slip in 2018/19

A reduction in Dutch seed exports contributed to a decline in total shipments in the year ending June 2019. The 11 largest exporters sold 1.641 million tonnes of seed in the 12-month period, which was 1.5% less than in the previous 12 months and the lowest total since 2015/16. The value of seed exports was up 15.3% to €876.373 million, the highest total ever. A 17.1% increase in the average price of seed exports was responsible for the increase in the value of shipments.




| **Seed potato exports by leading countries, latest 12-month periods in tonnes** | | | | | | | |
|---|---|---|---|---|---|---|---|
| **A.Tonnes** | **2018/19** | **% ch'ge** | **2017/18** | **2016/17** | **2015/16** | **2014/15** | **2013/14** | **2012/13** |
| Netherlands | 889179 | -9.9 | 986334 | 981713 | 969830 | 871078 | 878021 | 850518 |
| France | 213504 | +4.5 | 204213 | 169370 | 164183 | 146322 | 139768 | 124199 |
| Belgium | 111870 | +48.3 | 75435 | 112789 | 100275 | 68566 | 66591 | 64783 |
| UK | 90762 | -11.4 | 102479 | 100542 | 95833 | 123818 | 110968 | 96640 |
| Germany | 88198 | -3.6 | 91449 | 104324 | 92000 | 90057 | 91594 | 106569 |
| Denmark | 57814 | +7.6 | 53713 | 59384 | 53532 | 52668 | 50933 | 50410 |
| **B. €/tonne** | | | | | | | | |
| Netherlands | 556 | +21.6 | 458 | 479 | 466 | 453 | 477 | 461 |
| France | 494 | +21.4 | 407 | 428 | 433 | 401 | 423 | 423 |
| Belgium | 402 | -10.0 | 447 | 278 | 270 | 329 | 329 | 278 |
| UK | 615 | +23.3 | 498 | 539 | 616 | 513 | 509 | 731 |
| Germany | 519 | +11.4 | 465 | 476 | 459 | 439 | 491 | 376 |
| Denmark | 538 | +16.6 | 461 | 464 | 441 | 439 | 452 | 445 |
| **Note**: Products covered by Harmonised System code 070110. **Source**: TDM. | | | | | | | | |

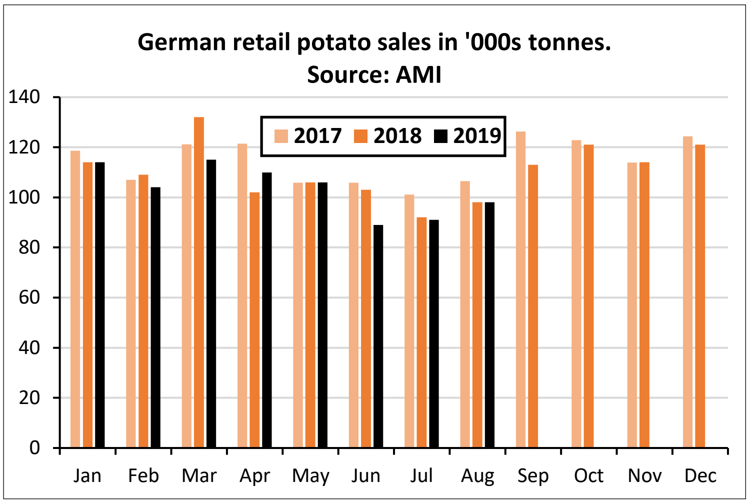
| **World top 10 seed potato export destinations by leading countries (tonnes) in year ending June/July** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Rank:** | | **Total** | **Netherlands** | **France** | **Belgium** | **UK** | **Germany** | **Canada** |
| | | | **June** | **July** | **June** | **July** | **July** | **July** |
| 1 | Belgium | **184296** | 152996 | 30271 | 0 | 0 | 1029 | |
| 2 | Germany | **115848** | 111255 | 3918 | 28 | 647 | 0 | |
| 3 | Neths. | **115500** | 0 | 51175 | 48252 | 4375 | 11698 | |
| 4 | Egypt | **103000** | 33369 | 21769 | 2675 | 42078 | 3109 | |
| 5 | Algeria | **102516** | 89254 | 13262 | 0 | 0 | 0 | |
| 6 | France | **93951** | 47971 | 0 | 44196 | 959 | 825 | |
| 7 | Italy | **71639** | 59900 | 6235 | 1045 | 445 | 4014 | |
| 8 | USA | **70015** | 0 | 0 | | 0 | 0 | 70015 |
| 9 | Spain | **67306** | 47714 | 7804 | 1518 | 8663 | 1607 | |
| 10 | Morocco | **33257** | 20790 | 2307 | 219 | 9866 | 75 | |
| **Note**: Products covered by Harmonised System code 070110. **Source**: TDM. | | | | | | | | |

The small drought-affected harvest of 2018 meant there was pressure on seed supplies, while expanded areas in 2019 in countries such as the Netherlands and Germany also squeezed volumes available for export.

# Consumption

## Retail sales hold up

Despite a shortage of potatoes and high farmgate and consumer prices, consumption largely held up in the 2018/19 season. Total retail sales in France dropped by just 0.9% in the year to the middle of August 2019, according to data from research company Kantar WorldPanel for French potato organisation CNIPT. The data does not reveal actual volumes, but the average price of retail prices rose by 34.5% to €1.17/kg.



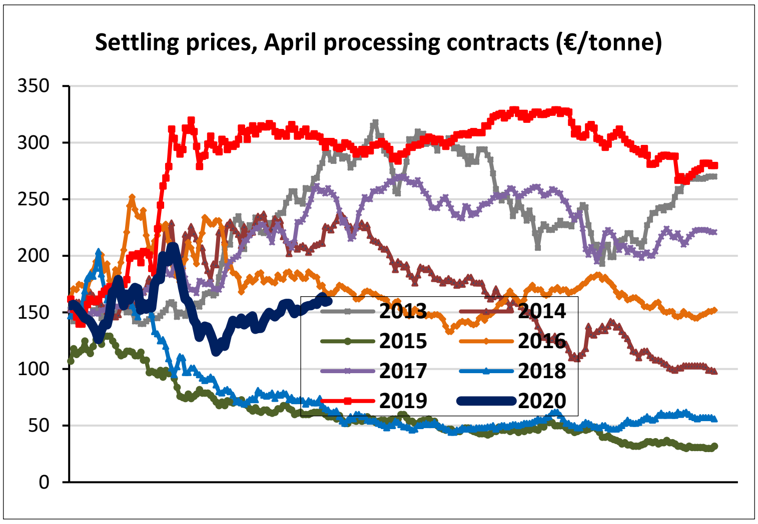

In the UK sales of fresh potatoes rose by 0.1% to 1.317 million tonnes, according to Kantar WorldPanel figures for AHDB Potatoes. The average price of those potatoes was little changed, at £0.77/kg.

German retail figures show that national annual retail consumption of potatoes was down 4.1% to 1.296 million tonnes.

# Prices

## Increases expected

Early 2019/20 season prices have been significantly lower than last year – more than half what they were in many cases. They have not fallen as more stocks have come onto the market, however, and there is some expectation that values will increase over the coming months. The April 2020 EEX futures price is hovering around €160/tonne. The quotation is based on future processing-potato values. The current April 2020 futures price compares to a physical market price of €110/tonne.




The April 2020 futures index was at more than €200/tonne in July 2019, when temperatures were high and old crop stocks had run out. Less than a month later, the price bottomed out at €115/tonne, before rising to €160/tonne in recent weeks.

## World Potato Markets

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