Euro-Potato

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Potato Council Report

NORTHERN EUROPE

NEPG estimates a higher Ware potato area for coming potato season

The North-western European Potato Growers (NEPG) estimates a higher Ware potato area in the 5 North Western countries in 2009, compared with 2008. These first estimates indicate an increase of plantings by 1,7%, compared to last year. Most of the extra plantings can be found in Belgium and The Netherlands. In Belgium the main increase is for the early processing crop of which the harvest recently started. This crop will all be utilised mainly in July and the beginning of August. GB is the only country where the planting estimate shows a decrease of potato area.

So far maincrop varieties are growing well in most countries. However, the NEPG stresses that dry soil conditions are reported in many regions, tuber development in some cases has only recently started, yields have yet to develop and the crop still has to be harvested. The NEPG therefore is not at this time able to estimate yields or total production for 2009.

Nevertheless any potential rise in the crop amongst the 5 North West European Countries could provide supplies for the rapidly growing processing capacity within North West Europe, particularly Belgium and for export trade from NEPG countries, particularly France, which has increased in recent seasons.

*** EU 5 MAIN CROP POTATOES (Excludes Earlies, Seed and Starch)**

Country	Area (ha)					
	***2009**	**2008**	**2007**	**2006**	**2005**	**2004**
Belgium	55,632	50,575	52,790	52,866	51,516	52,600
Germany	161,600	160,000	169,100	153,000	155,000	159,000
France	107,520	107,390	104,700	105,100	104,700	104,900
Netherlands	72,753	69,955	72,464	69,000	66,000	72,600
GB	107,324	108,400	108,200	106,978	105,686	108,800
Total	**504,829**	**496,320**	**507,254**	**486,944**	**482,902**	**497,900**

*** Provisional Estimates NEPG June 2009**

This report looks at the end of the 2008 trading season, estimates of Ware plantings and the start to the 2009 early crop season across Northern Europe.

HOLLAND

Processing — Maincrop prices during early June were steady but threatened by weaker physical markets in France and Belgium. Downward pressure resulted from the expectation by Belgium and Dutch buyers of the early arrival of first processing crops during early July. However, movement to local factories, and to Belgium for packing and processing, was still required during the month and growers were in hurry to sell remaining stocks, particularly where fry colours were good.

At the start of June surplus contract and free market material prices for 40 mm+ were £77-£90 for Bintje and up to £97/t for higher quality Agria, Fontane and Victoria ex farm. Smaller 35 mm+ material was in a range of £75-£97/t.

By the end of the month a good demand from local processors was maintained, but prices were lower than expected. Factories are expected to use mainly old crop supplies until next week. Prices are easing with Bintje 40 mm+ samples at £68-£85, Victoria £90 and best Agata, from the polders, at £102/t. Smaller grades (40-50 mm) have fallen to £57-£68/t.

Early processing crops look well and full of potential this season. This followed early planting and rain at the end of May and early June from which crops benefited as bulking increased. Processors will be moving to use 2009 early crops, mainly from Germany, from next week, with local crops not expected until mid July.

Export — Ware trade remained strong from Eastern Europe at the beginning of June, although interest was seen in only low value stocks. As the month progressed orders became more limited, particularly from Russia and West Africa. Prices for 40 mm+ Maritiema and Bintje finished the season at around £80/t.

Seed exports for the 2008/09 season to the end of April have been estimated at 385,551 t, a slight increase of 3.9% from the previous seasons 370,905 t. Orders from UK however are up almost 14% from last year at 27,908 t.

Fresh — Limited supplies for the fresh market remained during June with final prices steady at £80, up to £124/t ex grower, depending on quality and size.

Early crops started to be lifted during early June, but in very limited volume. Quality was excellent but first prices at auction were 30-40% lower than the start of lifting in 2008. Consumers in Holland appeared to be less quality and more price orientated in the current economic turmoil. Ample supplies of new import potatoes, mainly from Spain, also dominated supermarket shelf space during June.

Planting — Seed area plantings are estimated to be 2.4% up on 2008 at 36,490 ha. The largest variety remains Spunta at 4,469 ha (up 13.8%) followed by Agria at 1,982 ha (up 6.4%), Bintje 1,973 ha (no change) and Desiree 1,551 ha (down 12.2%).

First estimate of Ware plantings for the 2009 crop has been made with a 4-5% increase predicted. However, the first official estimate from the CBS in the Netherlands will be published early in July. The increase appears to result from a reduction in Sugar Beet area and an increase in new potato growers in order to receive area payments.

Early processing crops have started to be harvested in Belgium, with supplies from Germany to follow and then from the Netherlands early in July. Early crops have had sufficient rain in recent weeks and the developing dry conditions are not expected to affect the first processing crops. However, maincrop have also growing well in the top, but many are just starting to form tubers. If there is no rain in July and into August there could be a large impact on crop output.

<u>BELGIUM</u>

Processing — Markets were quiet and under pressure at the start of June. Demand slowed and quality of remaining stocks continued to deteriorate, mainly due to sprouting and poor fry colour. Movement was maintained during June with mainly French and Belgian buyers showing interest, as well as local demand. Adequate stocks remained which were estimated to be higher than usual for late season trading. Prices depended on size and quality in a range £75-£80/t.

The first 2009 early processing crops are starting to be harvested, with good interest from local and neighbouring countries. These first crops were planted between 17-22 March and are returning around 35 t/ha. Harvest is around 14 days ahead of last year and more supplies will be lifted in the next two weeks, with increased loading pressure expected in July. Growers are clearing ground rapidly to get follow on crops (vegetables) planted. Prices are much lower than in 2008 and last week were £93-£102, but have eased to £72-£85/t this week. Last year the season started in early July with prices around £135/t. However, Belgian factories have also been working with Germany imported earlies recently. As from next week Dutch processors will also be on the market for early crops and demand may therefore increase and possibly a steadier market develop.
In later crops the current dry hot conditions may possibly have an impact ahead. Meanwhile most fields look well as sufficient rain was reported in all regions during June. Conditions in the West are wetter than in the centre of the country. This week high temperatures have been recorded in un-irrigated fields, particularly between potato ridges. In some cases an increase of 6°C has been noted in the rows, from early morning to maximum afternoon levels. Average ridge temperatures are around 22°C.

Planting — Total planting of Ware potatoes in Belgium is estimated to be just under 10% higher than last year at 55,635 ha. Early crops (for processing) are predicted to be 10-20% up on last year at around 12,000 ha, compared with 10.600 in 2008, but similar to the 2007 level of 12,600 ha.
Early crops are growing well with reports that some, recently tested, are indicating 28 t/ha after 87 days growth, with dry matters rising from around 17%. These were slightly higher results than at the same time last year.

FRANCE

Processing — Maincrop markets at the start of June were under pressure as demand slowed and expectations of a positive end to the season disappeared. Final sales towards the end of June were mainly from Champagne and Beaunce regions from £60-£93, up to £102/t for best quality.

Export — Ware export trade came to a close at the beginning of June as the market waited for the start of the new crop season. New crop exports are under way, mainly to Russia.

Export trade during April was good and lifted the overall figure to almost 2% higher than last year. The total from 1 August 2008 to end of April 2009 was estimated at 1.54 million tonnes, compared with 1.51 m t for the same previous period. Deliveries to UK remained lower at 60,300 t, compared with 130,300 last year. However, deliveries to Spain and Portugal were higher than in 2008 at 655,300 and 257,600 respectively.

Fresh — Earlies from local regions and imports continue to be limited in supermarkets due mainly to the competition with 2008 maincrop supplies. Production of earlies from Normandy, Brittany and the South West is behind last year, as a result of a weak demand. Movement has increased each day this week but with larger volumes becoming available the overall market situation is little improved. Prices in Brittany have eased to £150/t. There has also been some export movement to Russia of Ostara (not wanted on the French market), but at lower prices. French organisations have been carrying out a marketing campaign recently but there have been reports that no answer has been found to increase sales.

Planting — A similar area of Ware potatoes to last year is expected for the 2009 crop at around 107,500 ha. However there are wide variations between regions. In Normandy planting is expected to be 8% higher, due mainly to growers giving up Flax crops.
Growing conditions have been good with crops looking full of potential at present.

GERMANY

Processing — Processors continued to work to capacity during early June which maintained firm prices for clearing remaining maincrop stocks.

Early processing crops started to be delivered to Belgium and Holland last week with local programmes also starting early. Crops have received adequate rain during June and yields are expected to be high, but many are showing low dry matters. Prices are being described by Rheinland growers as *"not bad but not good"* at £93-£102/t for 35 mm plus samples, larger 50 mm samples are up to £130/t. However, prices are expected to come under pressure from early July.

Fresh — The packing sector continued to utilise imported new supplies into June, mainly from Egypt, Spain and Israel at £360-£400/t delivered. The early crop season in Germany made an early start in Southern regions at the end of May. Prices in the bag sector eased back regularly to £400-£430/t during early June. The first German produced potatoes suitable for packing were offered in the South West at the start of June in limited volume, and made around £400/t. Crops grown under plastic were reported to have fewer tuber numbers, and were lower yielding than last year. Open ground crops however, were better with adequate moisture so far and good yields expected. Growers began burning off crops ready for set skin material to be available in larger volumes from mid June. Early movement to packers increased by the end of June with set skin prices easing to £250-£300/t. Demand from supermarkets is still limited due to imported earlies from Israel and Egypt which are making £300-£340/t delivered. However, imports are expected to finish next week with local supplies becoming stronger on the market. In Lower Saxony only a few loads are selling in 25 kg bags and in Rheinland odd loads to packers (loose skin) are making £210-£250/t. Some loads to peelers made £125/t.

Crops — Ware planting estimates in Germany are expected to be similar or possibly 1% higher than in 2008. In Lower Saxony area is predicted to be 1% up, in Bavaria 2% up and in Rheinland similar to 2008. Growing conditions have been excellent this season, although in many Western and Northern regions soils are becoming very dry. Irrigation is limited and there is concern that many crops will produce low tuber numbers as a result. Conditions in the South are much wetter.

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