

NEPG uncertain about pending potato season



NEPG (North-Western European Potato Growers) is unsure of the current potato situation and does not expect major changes in the demand side of the market in the coming weeks. Due to Corona there is hardly demand for free potatoes by the potato processing industry and the prices are on an extremely low level. Another large challenge is the actual sprouting threat reported by all the 5 leading potato countries. This could change the supply-side situation in the coming months.

Due to the pandemic, the processing industry works at 80 to 90 % of their normal capacity which will remain till the European Horeca will re-open again. At the start of 2021 mainland growers and processors will negotiate about the contracts for the season 2021/22 and it is expected that fewer contracts will be signed. The NEPG on the continent upgrades their earlier area advice of 15 % less, towards a smaller desired potato area of 15 – 20 % less.

The continental producers are facing greater technical and economic risks and increased societal demand for sustainability. Producers would like to meet these desires but fear that the additional costs of meeting this extra demand will not be covered.

Sprouting

This season is the first where CIPC is not allowed as anti-sprouting anymore, however, the alternative protection is working less easily or is not enough available. Growers are testing and experimenting however all NEPG countries report sprouting stocks. Storing has become much more expensive (amenities in storages, higher cost for the “new” anti-sprouting products, cost for the treatments) than it ever was, especially for the longer storage till the summer of 2021. The new anti-sprouting has become too expensive for the free potatoes marketed at the actual low-price level and is not feasible to use.

Many free potatoes have already left the stores or will leave soon towards the export, cattle feed, starch industry and biogas, keeping them longer is seen as a risk at the actual price level.

More home consumption

The positive remark is that in all NEPG countries consumer researches show a growth in the home consumption of fresh potatoes, on average 11 %. The actual export is also on a good level. Remarkable is the growing export of fresh potatoes to Africa. The Netherlands reported an increase to Africa from 30.190 towards 58.200 tons with Senegal as the major client with 21.600 tons.

The NEPG is following the last negotiations between Great Britain and the EU as a no deal Brexit will bring extra challenges in the export markets.

For the NEPG it is impossible to make conclusions or advices as there is too much uncertainty this season.

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