



Very low prices at nearing end of season and 25.000 ha more potatoes projected throughout NEPG zone

Gembloux, 06-06-2025

Official potato hectareage statistics making a breakdown between ware (fresh and processing), seed and starch potatoes are not yet available. The increase in area is provisionally estimated at 5% in the NEPG zone, i.e. 25.000 ha. This estimate will be refined as and when the official statistics come out in the next few weeks.

In spite of some rains during the last days – and already some irrigation limitations - drought is still an important issue. Herbicide treatments in post emergence with some phytotoxicity could also slow down growth and could - alongside drought - impact final yields.

Potato growers still sometimes wonder why producer prices fell so sharply beginning of March... A combination of factors can explain why suddenly nearly all went wrong (see further).

NEPG recalls again why growers should be careful about growing potatoes. Even if sound economically interesting crops and alternatives are scarce. Potato producers thought potato processing was an ever-expanding story (look at all the new and projected processing units!), were baited to expand too and fell into the trap.

Why have producer prices dramatically fallen the last months?

The sharp price falls, from 30 €/100 kg end of February to the current 7,50 €/100 kg is a consequence of multiple factors which developed at more or less the same period.

- Exports of frozen chips and other potato products started slowing down already last year. Conditions on the world market for processed products have deteriorated. Trade in EU-4 products (BE, DE, FR and NL) fell by 1,8% in volume terms between 2023 and 2024 (source: Eurostat), a historic decline (excluding the Covid crisis). The average selling price, which had risen by 64% between 2021 and 2023, stagnated in 2024 and tends to fall in 2025. Competition on Asian markets is real, with China and India having increased their exports tenfold in 5 years.
- It took some time to realize that production costs were ever higher not only for growers, but that prices of European frozen chips were higher than the ones from Canada, China, India or other newcomers in the business.
- New taxes and tariffs decided by the new US president slowed or halted European exports of processed products. Economic uncertainties provoked by the US president also weakened the US dollar and thus made European products more expensive.
- During the last years no other crop helped farmers earn more money than potatoes. Very high free buy prices at the end of spring 2023 and 2024, albeit concerning around only 5 % of the global crop, led farmers to think that low prices could never happen again...
- Some big processing mistakes with the 2024 potato crop have been made, this resulting in poor quality chips and resulting bad sales
- Historic early planting of earlies and maincrop led the sector to realize that the old crop would quickly weigh on the market as the new crop emerged and was announced earlier than usual
- Some rain in April and May, although historically much lower than what usually falls, has temporarily removed the spectre of a severe drought and helped emerging potatoes to develop very quickly. This in turn prevented prices to stabilize earlier or start going up again.
- Drought and warm weather have helped potatoes establish themselves in good conditions, helping them also to be more resilient should more rain be delayed or scarce.

European growers play on an ever more globalized world market with more competition on a fragile market with new frozen chip players in different parts of the world. World markets for frozen potato products is still growing but competition with other world players is getting more important. Collaboration between the different European stakeholders in the potato value chain is essential to improve our competitiveness.

European grower production costs have steadily gone up during the last years. European prices for frozen chips and other processed products, mainly due to higher energy and freight costs, are higher than ~~North American~~ Canadian, and even more Chinese or Indian ones. It costs less for Egyptian, Indian or Chinese processors to export to their neighbours than for European ones with much longer shipping routes.

Not only do European growers have higher production costs, but they also have tougher environmental issues and regulations to cope with. Climate change is also quicker and more important on the European continent (than in other parts of the world), with much more demands from the civil society or governments (to reduce sprays, to comply with nitrate leaching, to use less water, to lower their carbon footprint...) than growers elsewhere in the world.

On top of that and during that time, more soil borne problems (nematodes, wireworm, edible nutsedge...) and upcoming diseases as Stolbur as well as tougher legislation make potato technically and economically more difficult to produce and financially more risky.

Growers probably overestimated the long term profitability of potato growing and should open their eyes on the multiple limits before governments intervene with even more legislation (longer rotations, cultivation ban in some areas at risk (water pollution or erosion risks for example), tougher legislation on pesticide use)...