AHDB Agriculture & Horticulture DEVELOPMENT BOARD

POTATO COUNCIL

GB Potatoes

Market Intelligence 2014-2015

Contents

Foreword

A high potato stock position, combined with changes in fresh consumption across Europe, put our industry under extreme pressure through 2014/15. Favourable growing conditions resulted in a total production of 5.74Mt, up 3% from the previous year. Following a wet and stormy winter season, the weather of spring 2014 was encouraging for potato planting. This continued with an exceptional summer of record breaking temperatures and - in most areas - adequate rainfall.

A shift in consumer trends and the changing dynamics of import and export markets is putting pressure on the ware market; however the processing sector is seeing predictable steady growth. Changes in consumption have affected all developed nations. France, Germany and Spain have all publically reported declines in fresh consumption this year. GB retail consumption volumes have begun to stabilise, with total fresh retail volumes rising 2% (year-on-year comparison of latest quarter to 4 Jan) but are still down 2% for the 52 weeks ending 4 January compared with the previous year.

While we can't control the market we can ensure that the market information we provide equips our levy payers and stakeholders with the information needed to make the best possible business decisions. Compiled by the AHDB Potato Market Intelligence team, the aim of this annual potato publication is to provide trusted, key information about the GB potato market in order to inform decision-making and provide answers for common questions about the industry. This publication provides final figures for the 2013/14 crop year and latest provisional figures for the 2014/15 season (as of December 2014). The AHDB Market Intelligence (MI) division's role is to communicate accurate, timely, independent and transparent information on potato markets and prices. Senior Analyst Sara Maslowski and Analyst Arthur Marshall provide potato expertise in the Market Specialists team, an integral part of the MI division. They can draw on the support of consumer specialists and database teams to give their work context and assured quality. Their role is to provide information to help growers and purchasers understand the business environment for potatoes, giving them the tools to make fully informed business decisions. The information they provide also aims to support a sustained demand for potatoes grown by AHDB levy payers. We would like to express our thanks to the many individuals and organisations that have provided us with information and support for this publication.

Rob Clayton
Director, Potato Council

Season overview

The potato industry has experienced unprecedented recent volatility. In the last three years alone, GB production has fallen to its lowest level in twenty-five years, farmgate prices have reached exceptional high and also low levels and consumer demand has seen significant shifts.

Following last season's recovery in production from the challenges of the 2012 season, the 2014/15 crop year has largely been a relatively typical year in terms of production. The latest estimate places total GB production in line with the five and ten year average at 5.7Mt.

The 2014 crop got off to a prompt start last spring with few delays during the planting window. Favourable conditions dominated much of the growing season, contributing to strong growth and yield potential, with irrigation in use to alleviate the stresses of hot, dry summer conditions.

Maincrop lifting progress nationally remained around a week ahead of 2013 progress throughout this season. Beginning in early August, almost two-thirds of the planted area was harvested by the first week in October. Field and weather conditions at the time only giving rise to slight lifting hindrances for some.

In summary, the whole planting, growing and harvesting period for the 2014 season has generally been benign, at times even ideal. However, with a large GB crop there was no tightness in supply needed to drive farmgate prices upwards.

The strength of yields led to storage space challenges for some growers. Exceptionally warm weather continuing through October added further market pressure, especially for those growers with ambient stores. This added impetus to the movement of some supplies into an already well-supplied market during the autumn. This inevitably added downward pressure to farmgate prices. Beyond this, stocks in stores have continued to remain in reasonable condition, with odd reports of breakdown and sprouting principally in stocks in remaining ambient stores requiring management beside otherwise typical seasonal deteriorations.

Low farmgate prices have been a dominating feature of the 2014/15 season. Price levels are similar to that experienced in 2009 and 2011, other years where production was strong. A differential between the free-buy and overall price trend which developed during the second half of the 2013/14 season has been maintained throughout this season.

With supplies increasing off the field, there was a gradual and typical decline in farmgate values. After the completion of harvest, the GB average price stabilised, supported by generally stronger contract than free-buy prices. The GB average free-buy price retained some weakness, with strong supplies across Europe adding pressure to GB prices and adequate grower held GB stocks giving further weight.

GB pricing trends this season have been further exacerbated by weakened consumer demand, particularly in the fresh market with both volume and value declines. UK fresh imported volumes so far are much lower than last season, but UK fresh exports are also weaker with little need for UK supplies elsewhere in Europe.

Given the current dynamics, the need for up-to-date, accurate and independent information to support business decisions, which this document aims to provide, is ever evident.

Section 1

The GB potato industry

- After 2012's production fell to a 36-year low, the 2013 season saw production recover to around 5.58 million tonnes. This was largely driven by an increase in the planted area, up to 122,400 hectares, but also strong yields of 45.8t/ha.

- In 2014, planted area fell to 121,100 hectares, the lowest level since records began.

- However, favourable growing conditions led to average yields of 47.4t/ha and an overall production estimate of 5.74 million tonnes, a 3% increase on 2013 levels.

- Considering long-term trends, while the planted area has decreased considerably, production has remained at around the 6 million tonne mark. This is because yields have risen over the same period and compensated for the reduction in area.

- The increase in yields has been driven largely by improved agronomy, crop protection, fertiliser regimes, change in varieties and irrigation.

- However, as demonstrated by the 2012 season, weather conditions remain the largest driver of short-term annual fluctuations in yield and production.

Figure 1: Yield per ha and total production 1960-2014

Source: AHDB/Potato Council Grower Panel (Crop Data Forms)
*2014 data provisional as at December 2014

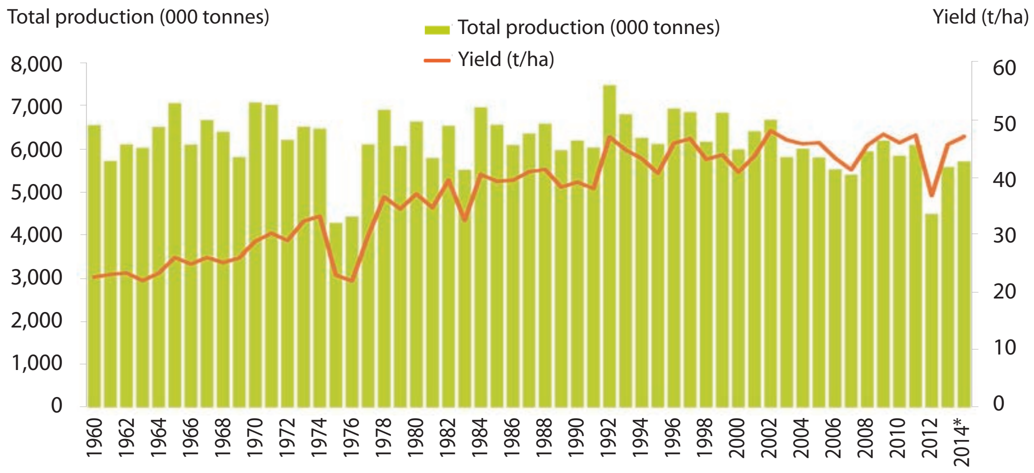
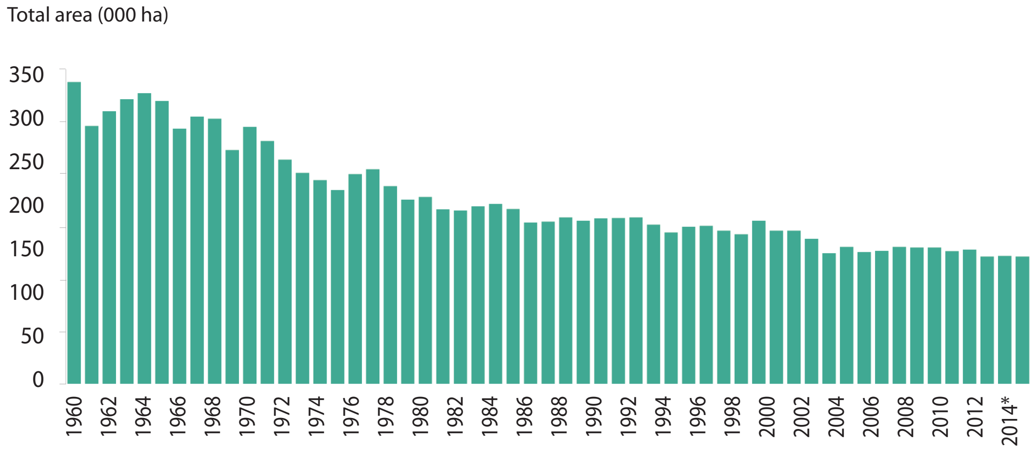


Figure 2: Planted area 1960-2014

Source: AHDB/Potato Council Planting Returns
*2014 data provisional as at December 2014



Trends in planted area

- In 2013, the planted area increased to 122,400 hectares while the number of registered growers continued to decline, down to 2,190.
- In 2014, the planted area fell to around 121,100 hectares but with the provisional estimate of the number of growers down slightly at 2,150.
- The area per grower has been steadily increasing since the 1960s. However provisional estimates suggest that the area per grower in 2013 and 2014 has remained steady at 53.2 hectares. This may indicate that the consolidation of the industry is slowing however it is too early to know for sure.
- Potatoes grown intended for the pre-pack sector remains the largest proportion of the planted area with 36% in 2014.
- Potatoes grown for the processing sector make up the second largest area with 28% of the total area in 2014. This has increased from 25% in 2005 at the expense of the fresh sectors.

Figure 3: Planted area and number of growers 1960-2014

Source: AHDB/Potato Council Planting Returns
*2014 data provisional as at December 2014

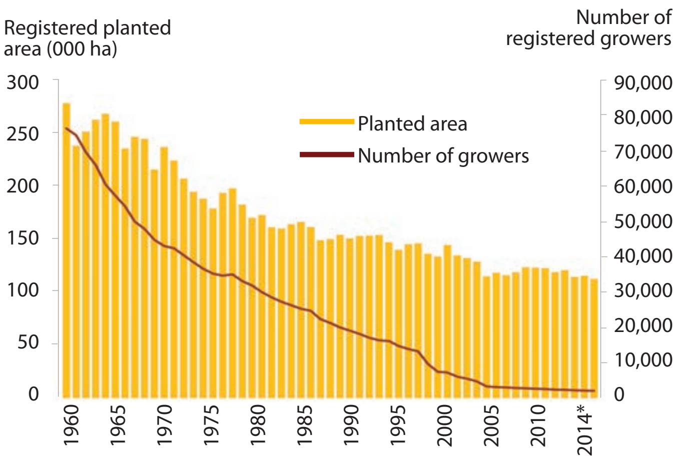


Figure 4: Planted area per grower 1960-2014

Source: AHDB/Potato Council Planting Returns
*2014 data provisional as at December 2014

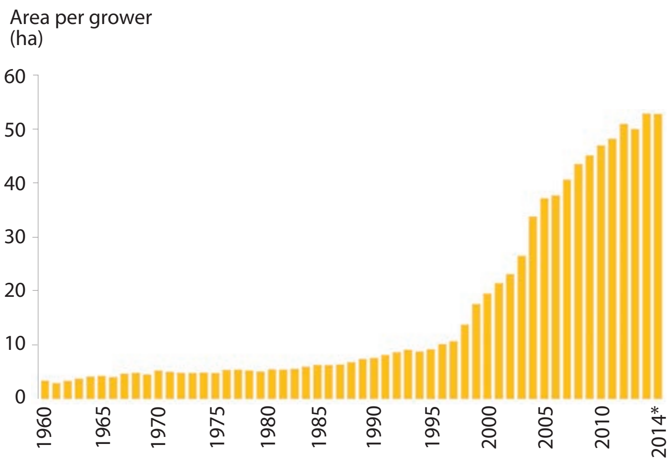


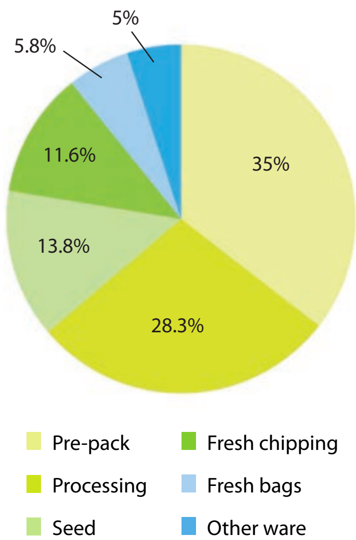
Table 1: Planted area by market sector in hectares*

Source: AHDB/Potato Council Planting Returns
*2014 data provisional as at December 2014

Market sector	2010	2011	2012	2013	2014
Fresh bags	7,960	7,680	6,920	7,040	7,060
Fresh chipping	15,420	15,830	14,530	14,380	13,990
Pre-pack	46,500	47,710	44,960	46,030	42,950
Processing	34,790	35,560	34,630	33,790	34,310
Other Ware	6,260	5,180	4,750	5,210	6,090
Seed	15,980	16,470	16,040	15,990	16,660
Total	**126,890**	**128,430**	**121,820**	**122,440**	**121,070**

Figure 5: Planted area by market sector 2014*

Source: AHDB/Potato Council Planting Returns
*2014 data provisional as at December 2014



Consolidation of the industry

- In 2014, 14% of all registered growers are estimated to have planted 100ha of potatoes or more, representing over half of the total planted area (54%). This compares to just 4% in 1999, representing 28% of the planted area.
- Smaller growers are in decline, with an estimated 22% of registered growers planting 3-9ha in 2014, compared to 37% of growers in 1999.

Figure 6: Number of potato growers by size band in hectares

Source: AHDB/Potato Council Planting Returns
*2014 data provisional as at December 2014

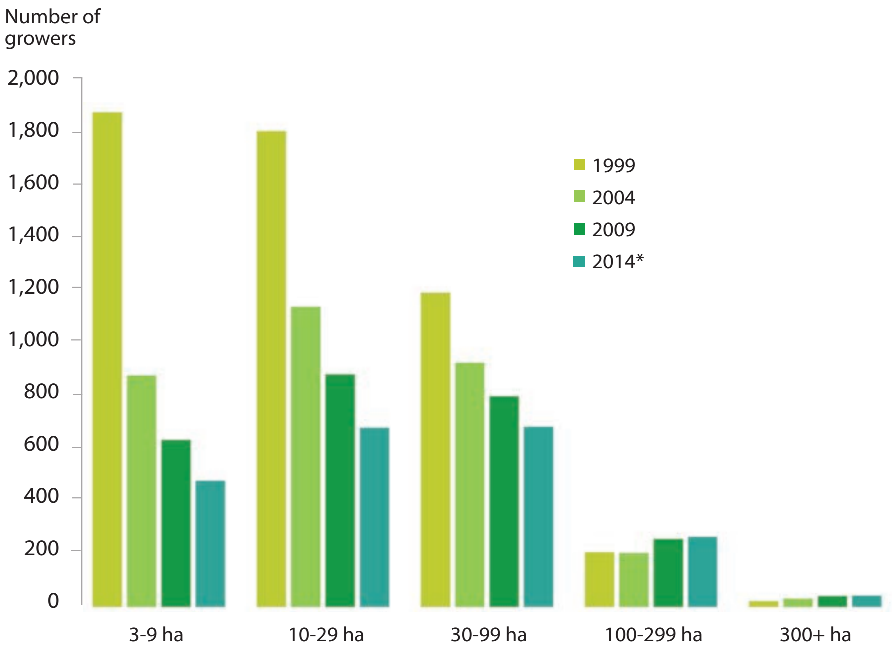


Figure 7: Total number of potato growers (>3ha)

Source: AHDB/Potato Council Planting Returns
*2014 data provisional as at December 2014

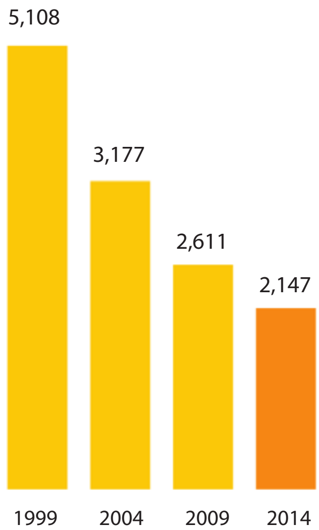
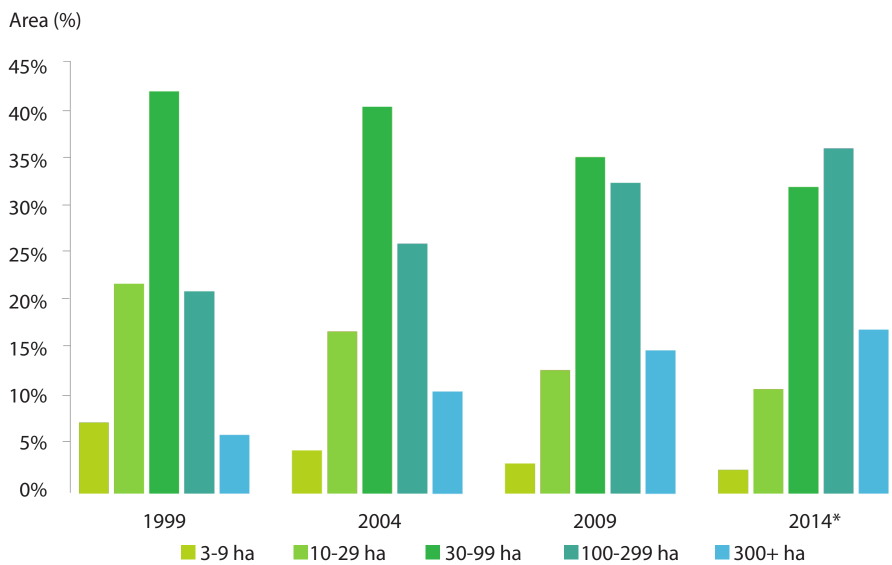


Figure 8: Percentage of area grown by size band in hectares

Source: AHDB/Potato Council Planting Returns. *2014 data provisional as at December 2014



32%

decline in total number of registered potato producers growing over three hectares in the last decade

14%

of the grower base planted just over half of the potato area in 2014

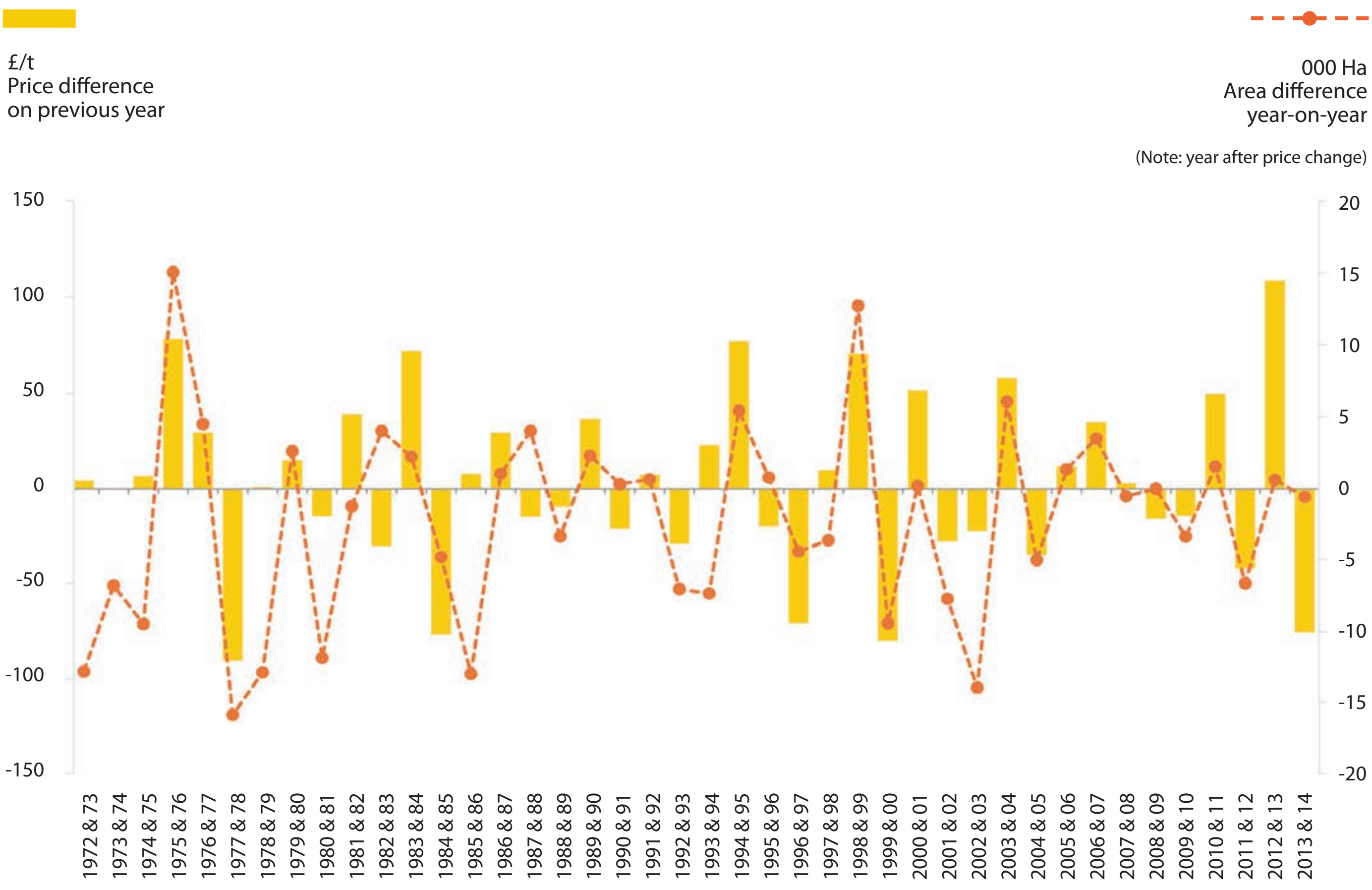
How price affects planting decisions

A range of factors drive planting decisions such as price, grower confidence and contract arrangements. The chart below illustrates the lagged relationship between price and planted area, comparing the influence of the previous year's price on the following year's area.

In 2011, for example, the planted area increased slightly, by 1.2% on the previous year. This increase, coupled with favourable growing conditions, resulted in higher yields and a larger crop. The subsequent market conditions resulted in the average price in 2011 being 25.7% below 2010. In turn, the lower value of the crop contributed towards growers' planting decisions, influencing a reduction in the 2012 planted area of 5.1%. This example emphasises the potential volatility in supply and prices, with weather conditions, grower planting decisions and the prevailing level of market demand being key drivers.

Figure 9: Price and area relationship (price movements compared to planted area)

Source: AHDB/Potato Council Planting Returns and Weekly Average Price Survey



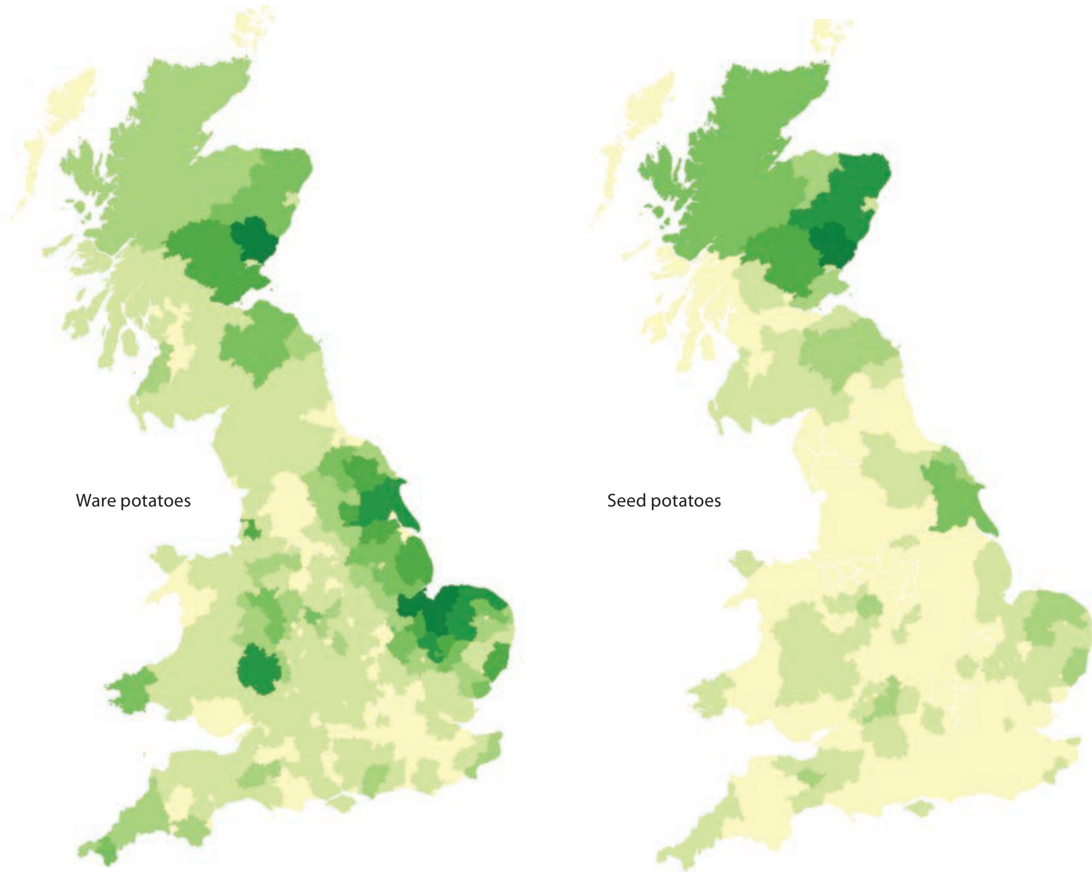
The first year refers to the price difference from the previous year
and the second year refers to the difference in area from the previous year

Figure 10: Main production areas

Source: AHDB/Potato Council Planting Returns
Please note: These maps are based on the proportion of growers in each county/unitary authority and show the spread in planted area rather than illustrating precise grower locations.

PROPORTION OF GROWERS

- No plantings
- 1-9%
- 10-29%
- 30-49%
- 50-69%
- 70-89%
- 90+%



22% of the total GB potato planted area is in Scotland, with 45% of this area seed potatoes

12% of plantings are in the West Midlands

53% of plantings are in East of England and Yorkshire and the Humber

14% of plantings in the remainder of England and Wales

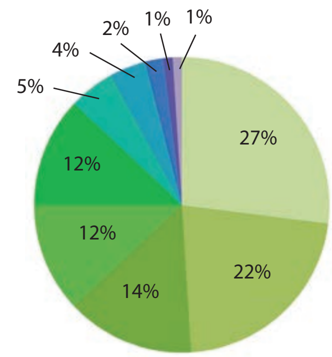
Table 2: Plantings by region (hectares)

Source: AHDB/Potato Council Planting Returns. *2014 data provisional as at December 2014

GB region	2010	2011	2012	2013	2014
North East	1,140	1,120	970	920	1,030
North West	5,520	5,090	5,250	5,830	5,580
Yorks and Humber	13,860	14,520	13,810	13,940	14,350
East Midlands	17,370	17,590	16,570	16,480	16,860
West Midlands	15,160	16,030	14,620	14,720	14,120
Eastern Counties	34,390	33,870	32,790	32,800	32,550
South East	3,110	3,280	3,110	3,190	3,020
South West	6,380	6,650	5,850	6,040	5,470
Scotland	28,400	28,880	27,470	26,910	26,330
Wales	1,560	1,400	1,390	1,600	1,760
Total	**126,890**	**128,430**	**121,820**	**122,440**	**121,070**

Figure 11: Plantings by region 2014*

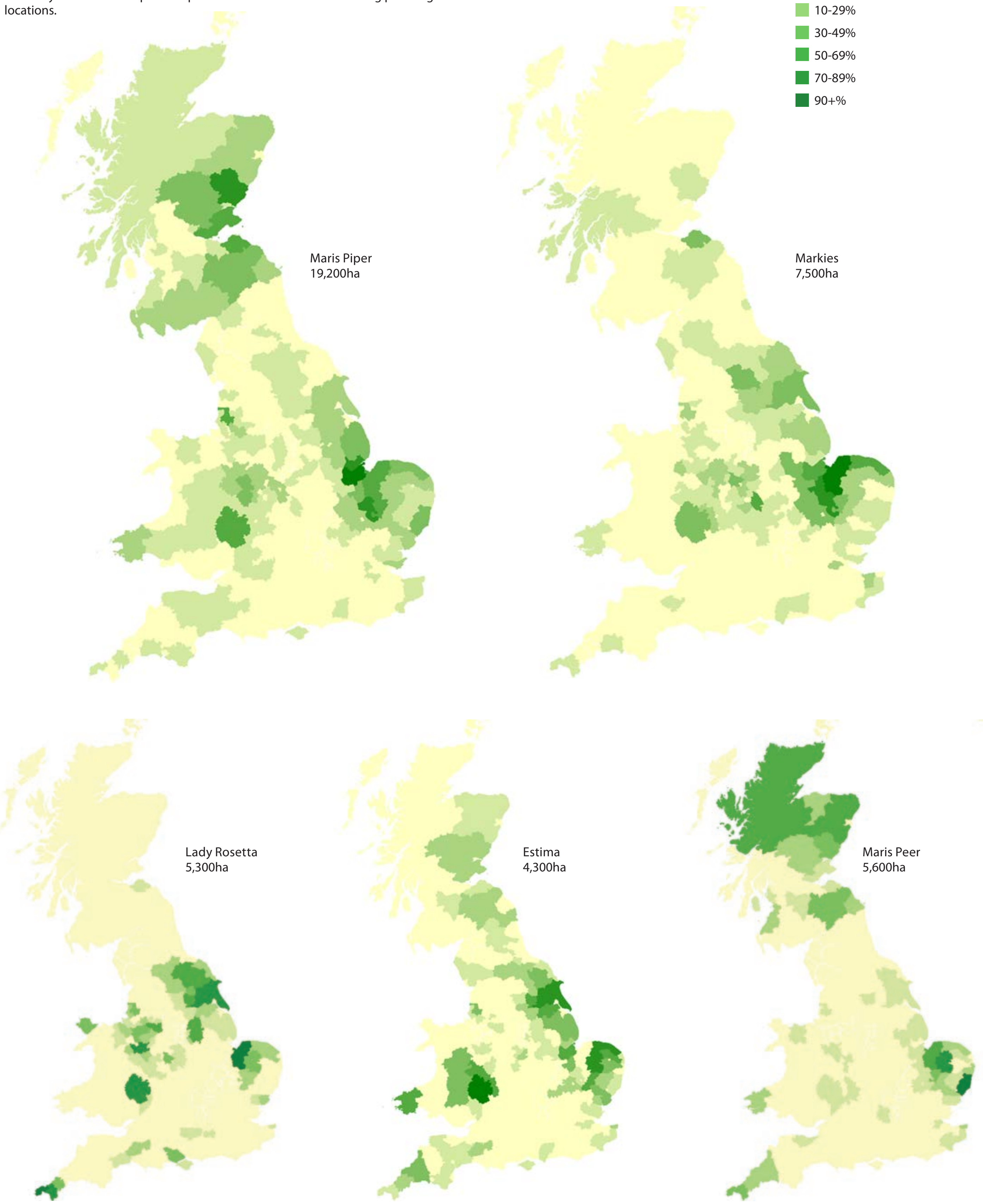
Source: AHDB/Potato Council Planting Returns



- Eastern Counties
- Scotland
- East Midlands
- Yorks and Humber
- West Midlands
- North West
- South West
- South East
- Wales
- North East

Figure 12: Planted area of most popular varieties (ware potatoes)

Source: AHDB/Potato Council Planting Returns
Please note: These maps are based on the proportion of growers in each county/unitary authority and show the spread in planted area rather than illustrating precise grower locations.



Most popular variety by planted area

- A combination of factors influences the choice of varieties grown. This could include disease resistance, potential yields, soil type, irrigation availability, storage or farm set-up, or end-market requirements.
- Markies, for example, have become more popular for chip shops. The variety maintains frying qualities longer in store than other varieties and generally produces strong yields.
- Harmony has become more popular, chosen for its uniform shape and size and being a good 'all-rounder'. The variety is high yielding with long dormancy and good disease resistance, making it popular with growers.
- Melody is similar to Harmony with excellent cooking and storage qualities. The variety is also high yielding and has good all-round resistance to many diseases.
- Both Harmony and Melody have enabled production costs to reduce, producing a higher yield with less waste.

47% of the planted area comes from top ten varieties

16% of the planted area is Maris Piper

Table 3: Top varieties by area in 2014

Source: AHDB/Potato Council Planting Returns
*2014 data is provisional, estimate as at mid-August 2014

Rank	Variety	2014 ha	Final 2013 v 2014 change in rank		Proportion of GB area (%)	Principal use
1	Maris Piper	19,220	0	▶	16	Maincrop multipurpose (mainly chipping but also popular packing and bags)
2	Markies	7,527	+1	▲	6	Maincrop chipping
3	Maris Peer	5,611	+1	▲	5	Second early pre-pack (mainly salad or new potato)
4	Lady Rosetta	5,322	-2	▼	4	Maincrop crisping
5	Estima	4,299	0	▶	4	Second early pre-pack
6	Melody	4,050	+1	▲	3	Maincrop pre-pack
7	Harmony	3,388	-1	▼	3	Maincrop pre-pack
8	Marfona	3,175	+1	▲	3	Second early pre-pack
9	Hermes	2,724	-1	▼	2	Maincrop crisping
10	King Edward	2,479	+1	▲	2	Maincrop pre-pack

Further details of the top 50 varieties can be found at www.potato.org.uk/publications/updated-2014-crop-estimate-total-potato-plantings-gb-and-variety-breakdown

Weekly average price

- After the unprecedented price levels of 2012, 2013 weekly average prices returned to more typical levels. However, with strong production which outstripped demand, the season ended in an oversupply situation putting pressure on prices.
- At the start of the 2014 season, with the promise of another strong production year and little change to the weak demand, prices continued to fall. From November 2014, the prices have steadied.
- Figure 14 shows the difference between the overall average prices (including both free-buy and contract tonnages) and the free-buy average prices. This demonstrates the volatility of prices from the free-buy market.

In 2012, for example, free-buy prices were pushed up to around £110/t higher than the overall average price with insufficient free-buy supplies to satisfy demand. While for the 2014 season, the plentiful free-buy supplies on offer can be seen to drive free-buy prices lower by up to £50/t compared to the overall average price.

Figure 13: GB Weekly Average Prices

Source: AHDB/Potato Council Weekly Average Price Survey (WAPS)

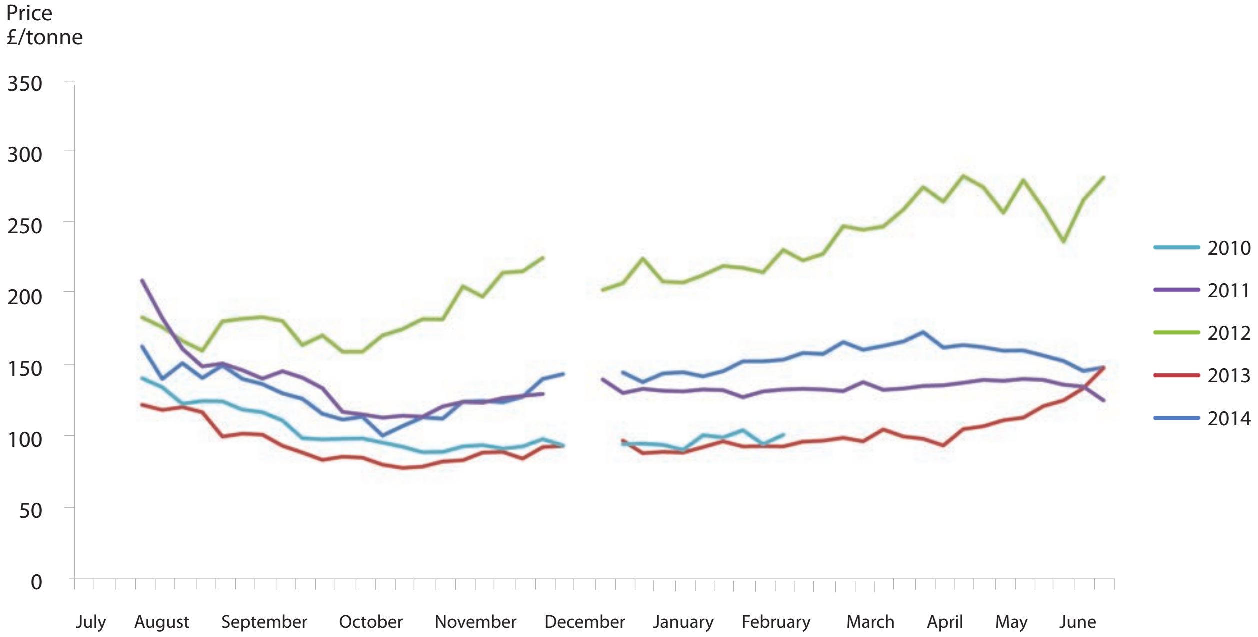


Figure 14: GB Weekly Average and Free-Buy Price Trends

Source: AHDB/Potato Council Weekly Average Price Survey (WAPS)

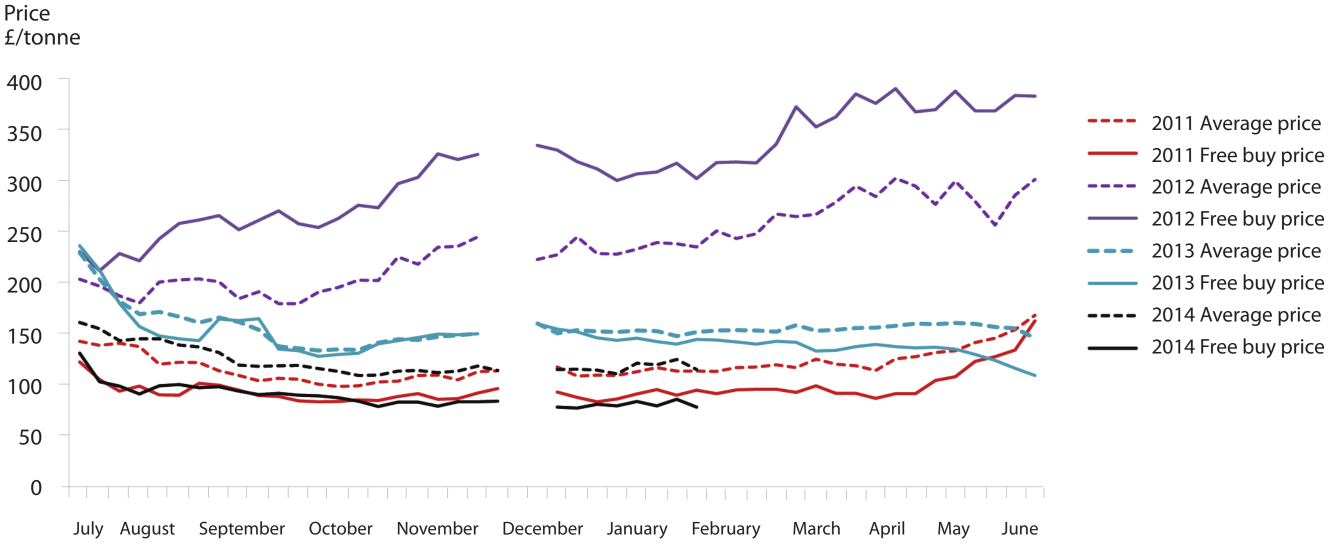
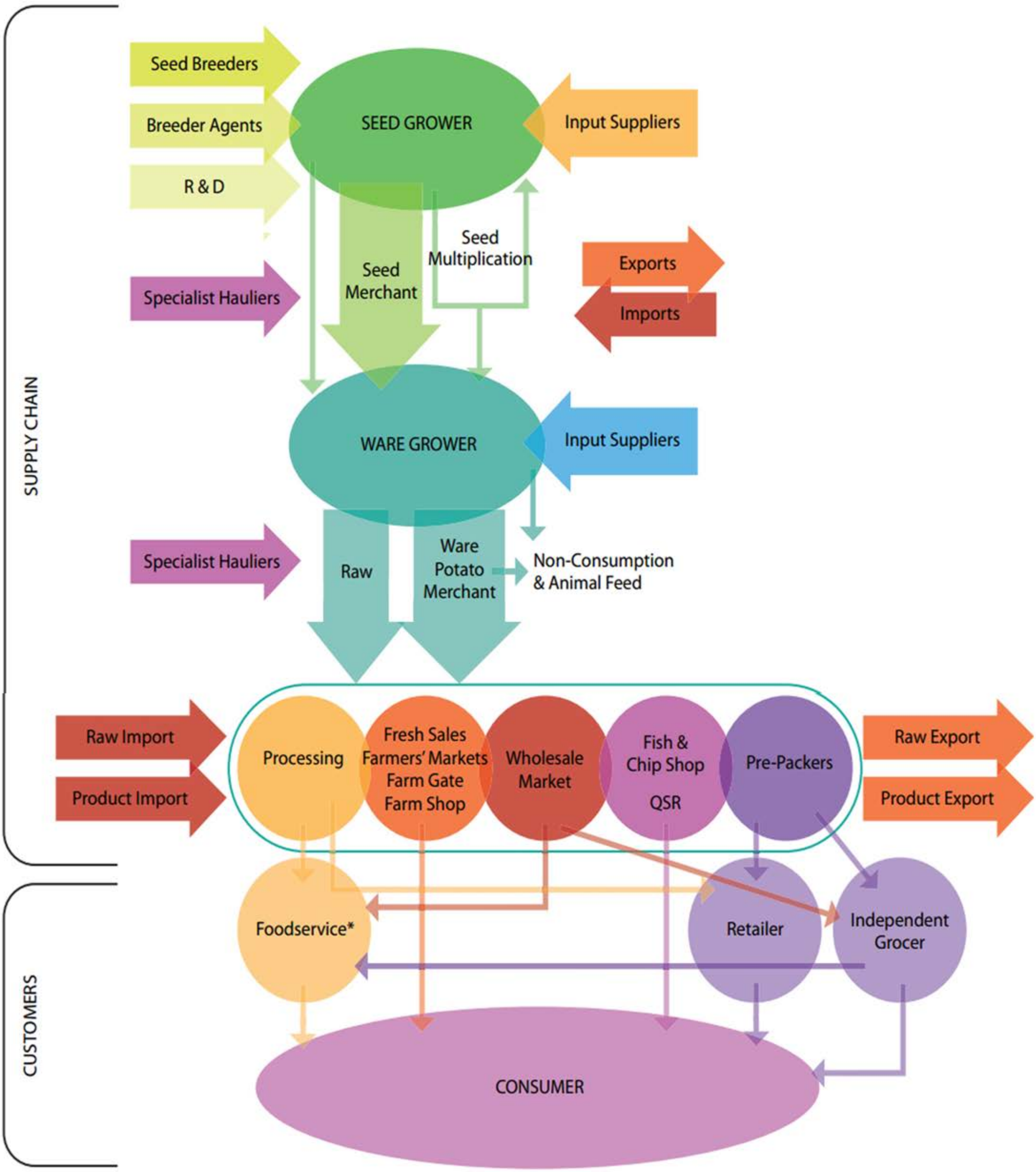


Figure 15: Potato supply flowchart
Source: AHDB/Potato Council



*Pubs, Restaurants, Leisure, Government, Quick Service Restaurants (QSR), Contract Catering/Public Sector (Schools, Hospitals, Workplace, etc)

GB potatoes imports and exports

- In 2013, season fresh imports to the UK reduced significantly compared to 2012 when increased imports were needed to supplement low home-grown supplies. However, 2013 import levels were still slightly higher than 2010 and 2011.
- Imports of processed potato products (raw equivalent) continued to increase steadily up to 1.56 million tonnes in 2013/14. Over half of imports of processed potato products come from the Netherlands. However, latest HMRC data for the first half of the 2014 season indicates a decrease in processed imports compared to the same period in 2013.
- For the 2013 season, fresh exports increased by 30% as production recovered. The main export destinations for fresh potatoes were Ireland and Spain.
- In 2010, exports of GB fresh potatoes were unusually high due to higher demand across North Europe as a result of poor yields from the Russian crop.

Figure 16: UK exports and imports of potatoes by sector

Quantities in metric tonnes raw equivalent. Seasons from 1 June of year shown to 31 May of following year. Source: HMR&C

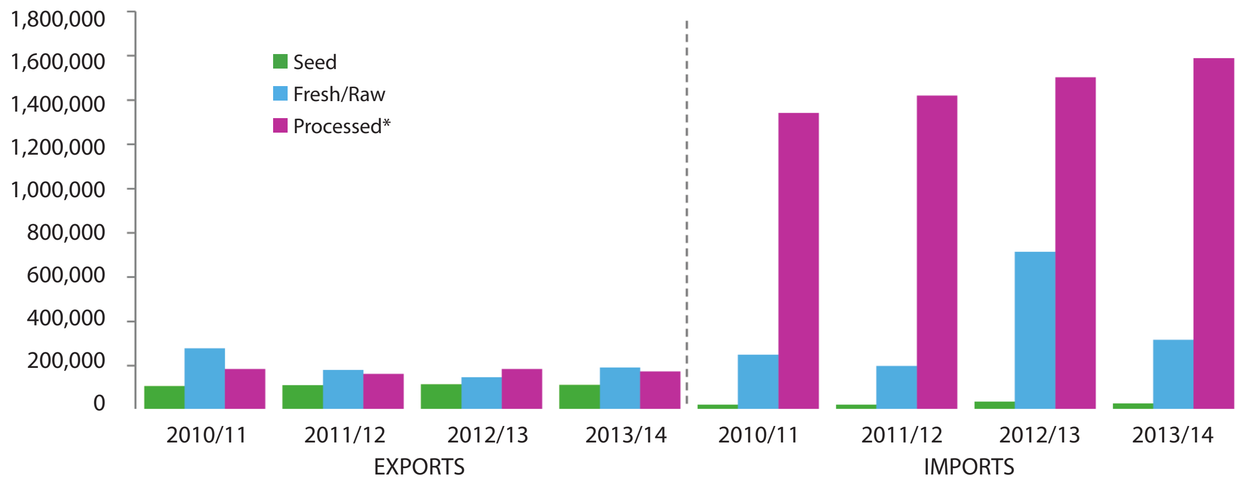
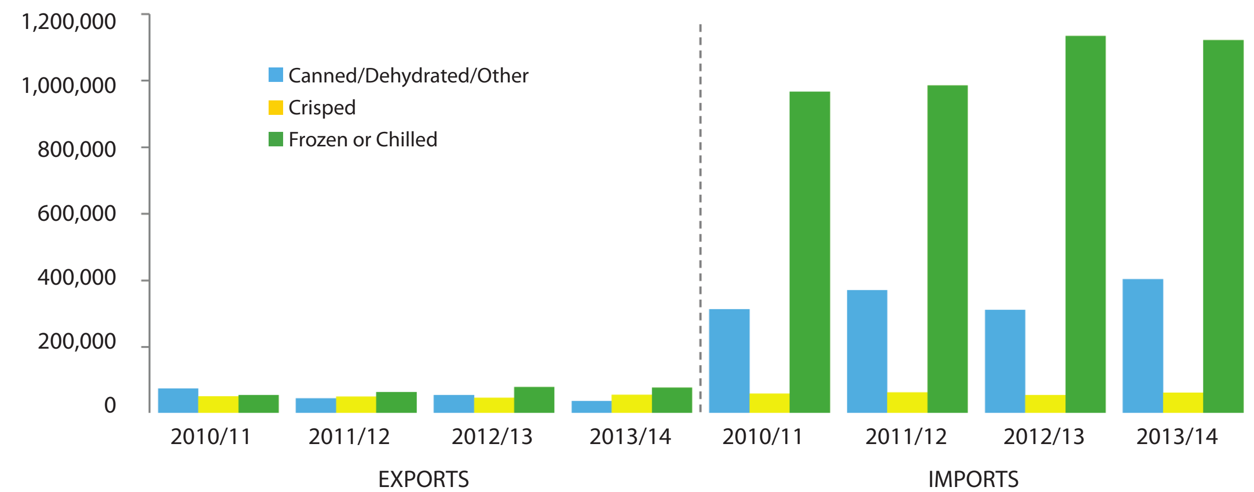


Figure 17: UK exports and imports of potato products by segment*

Quantities in metric tonnes raw equivalent. Seasons from 1 June of year shown to 31 May of following year. Source: HMR&C



*Processed to raw weight conversion ratios used detailed in appendix 4

GB potato purchases

- According to Defra's Family Food Survey, UK household purchases of fresh potatoes in 2013 were 27% lower than 10 years ago, at an average of 439 grams per person per week. For processed potato products, however, the decline over the past decade was much less pronounced, with purchases steadier at around 240-250 grams per person per week. These, however, will not include eating-out purchases.
- On average, food prices overall rose by 4.1% in 2013, with the highest rises in price recorded against potatoes, along with fruit, beef, bacon and pork. Defra's survey indicated that consumers reacted to the higher food prices between 2007 and 2013 by purchasing less, particularly fresh potatoes.

Figure 18: UK household purchases of potatoes (grams per person per week)

Source: Defra Family Food Survey.
Please note: These charts replace the previous potato consumption estimates published. This is because, following a review, it has become apparent that some of the assumptions used to calculate the previous estimates are becoming out of date and therefore there is a risk that the data will not be accurate.

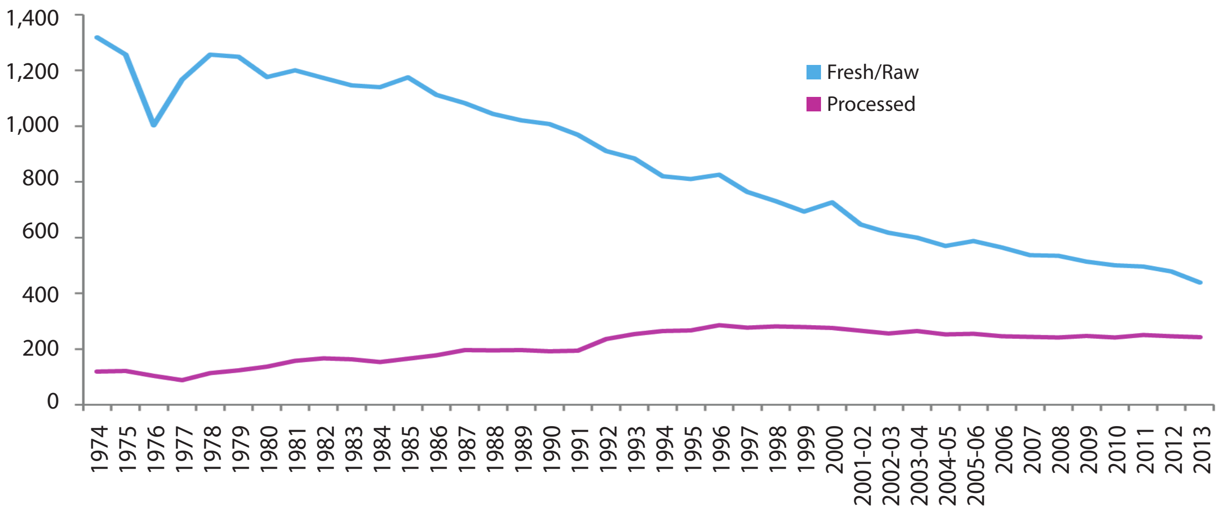
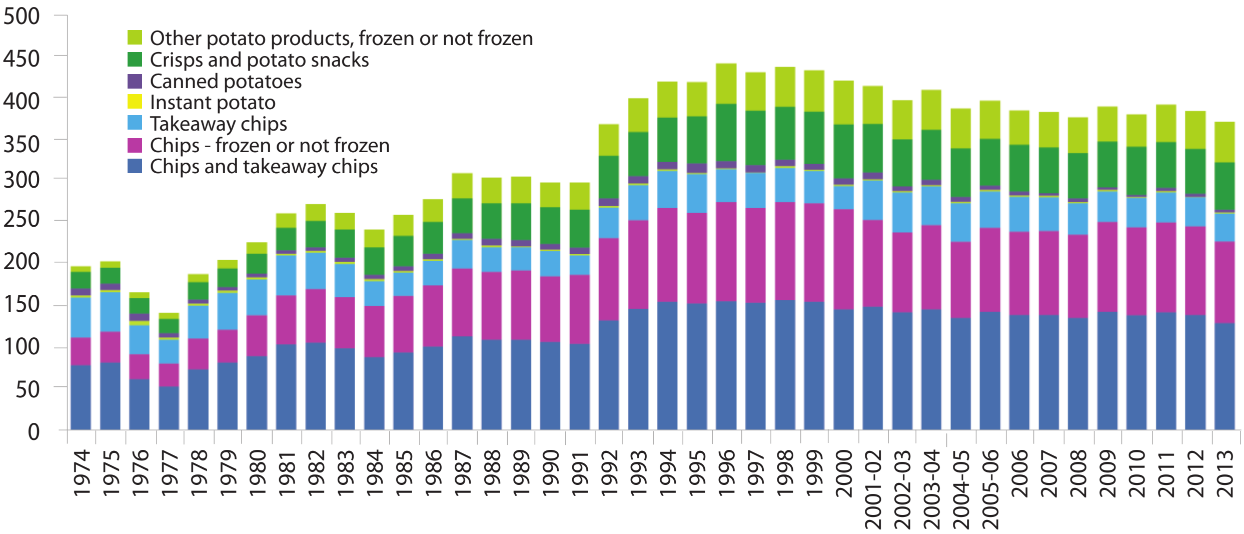


Figure 19: UK household purchases of potato products (grams per person per week)

Source: Defra Family Food Survey

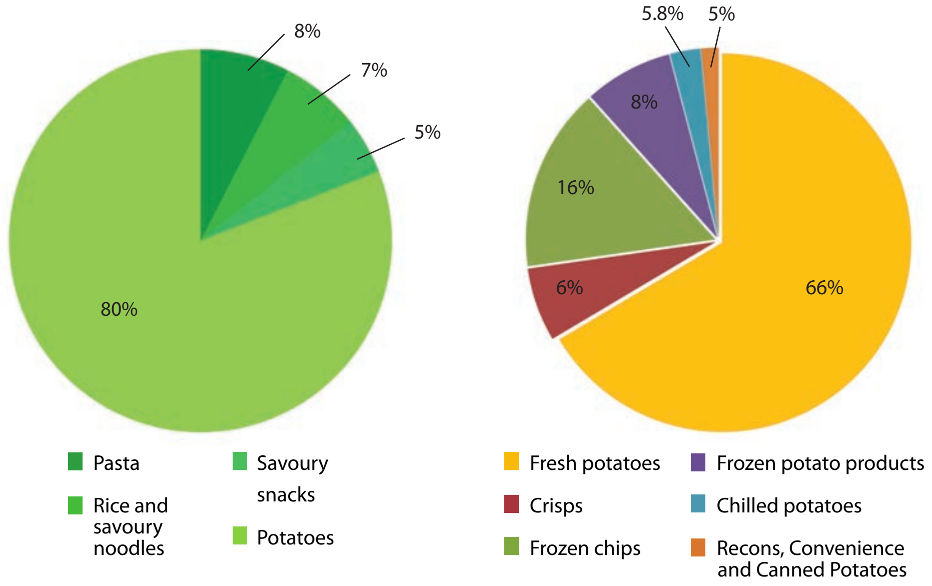


GB potatoes retail market

- Fresh volume sales have fallen over recent years and were down 15% between 2010 and 2014. However, this was largely due to the steep decline in 2013 and this downward trend has lost pace in 2014. Fresh volume sales were 4% behind last year.
- Fresh potatoes account for more than half of the carbohydrates market in volume terms, with other products representing a small share in comparison.
- According to analysis by Euromonitor, the UK frozen potatoes category was one of the strongest performing frozen categories in 2014. It has been boosted by sales from new product launches with a focus on convenience as well as strong advertising campaigns.

Figure 20: Size and share of the carbohydrates market by volume of sales

Source: Kantar WorldPanel (52 weeks to November 2014).



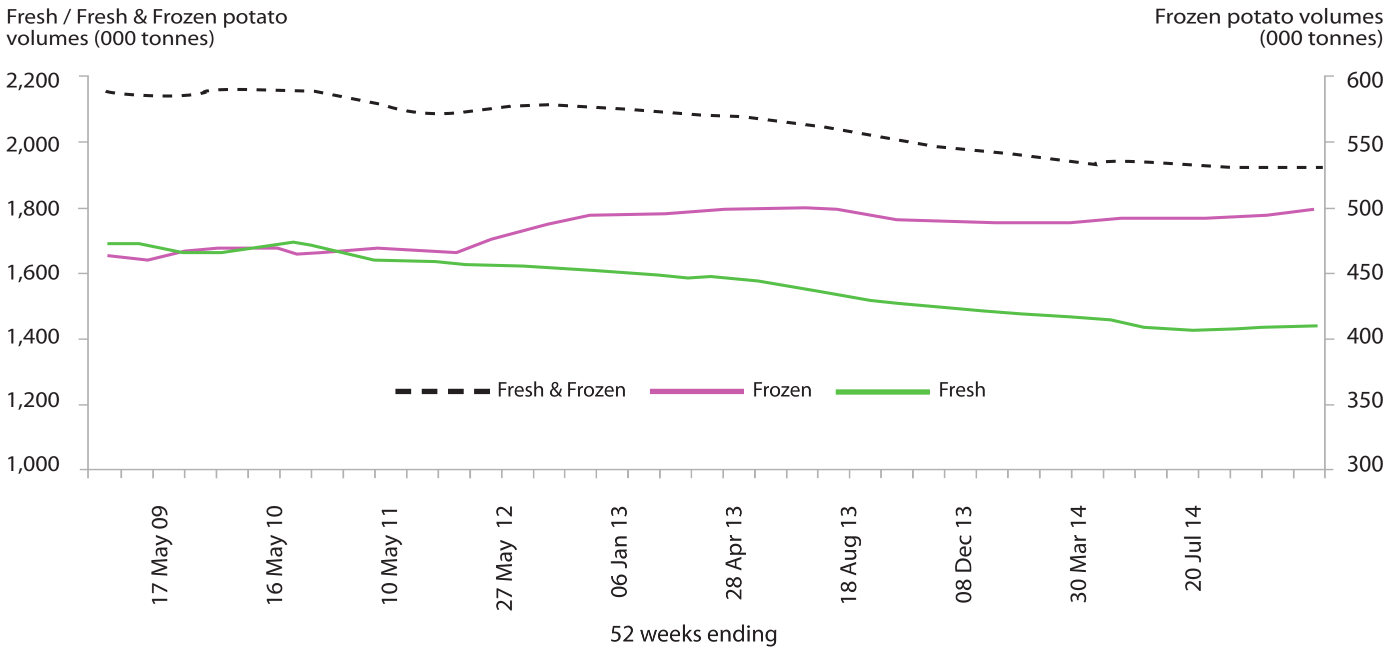
£6.87
average retail price of crisps per Kg

£0.84
average retail price of fresh potatoes per Kg

£1.34
average retail price of frozen chips per Kg

Figure 21: Fresh potatoes and frozen potato products sales trends

Source: Kantar WorldPanel (Retail sales)



GB potato retail sales

- The value of the fresh potato market decreased 11% over the last year, primarily due to lower average retail prices.
- Chilled potato products performed particularly well in 2014, with volumes up 4% year-on-year.
- Over the last five years, the volume of processed potato products has risen by 2% per year on average.
- Processed potato products, including frozen and chilled products, provide 61% of the value to the potato market.

Figure 22: Volume v. value relationship.

Source: Kantar WorldPanel (52 weeks to November 2014).

*Includes crisps, chips, frozen, chilled and reconstituted, convenience and canned

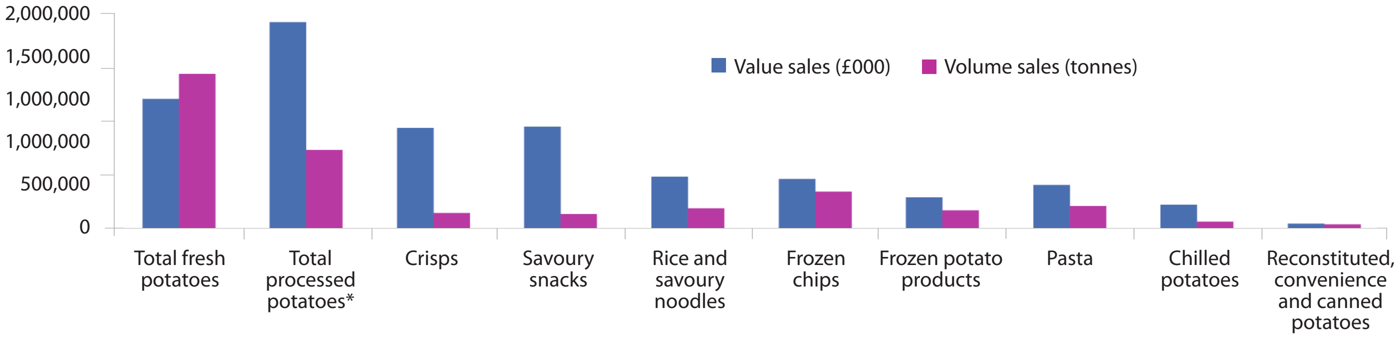


Figure 23: Value sales of carbohydrates market (£000)

Source: Kantar WorldPanel (52 weeks to November 2014).

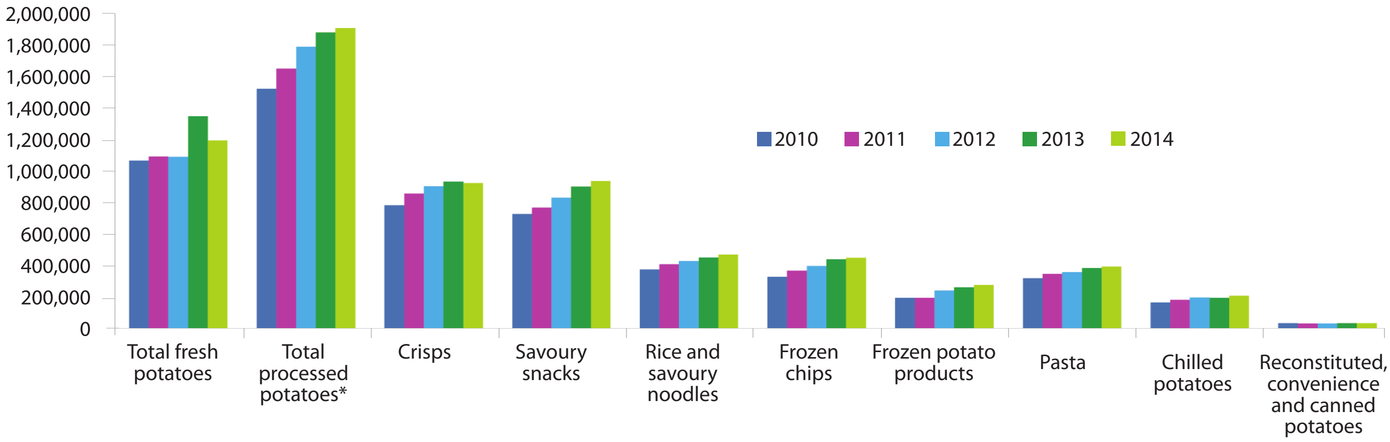
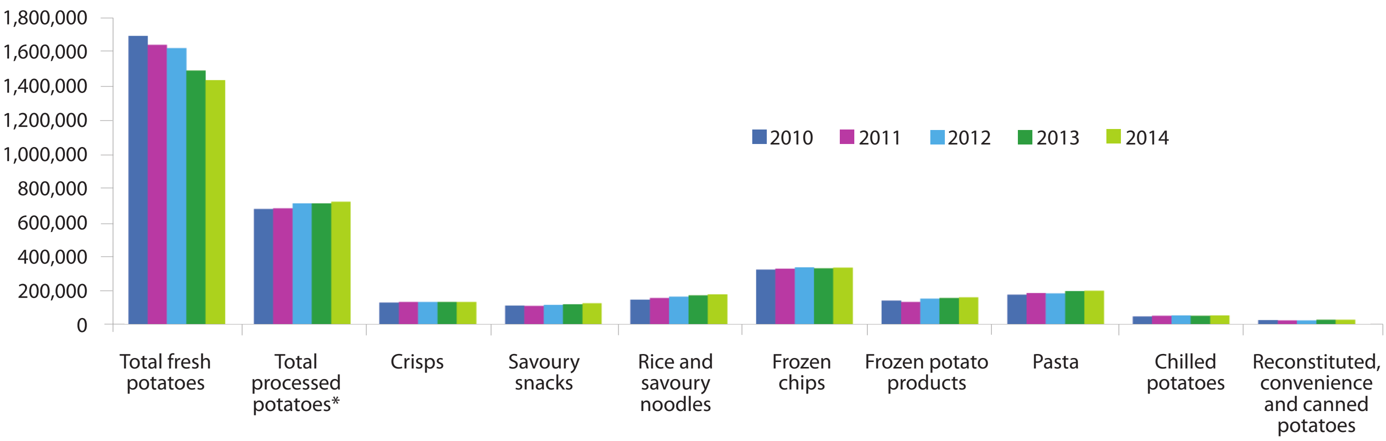


Figure 24: Volume sales of carbohydrates market (tonnes)

Source: Kantar WorldPanel (52 weeks to November 2014).



Section 2

The European market

The GB market is increasingly influenced by EU potato producer activities and supply chain structure. Volatility in potato supply and price, due to issues such as weather, means that imported European product is a factor in the GB market. Price, quality and variety, as well as currency fluctuations, influence the level of imports in a particular season.

The North-Western European Potato Growers

(NEPG)

Established in 1997, representing the five leading potato growing countries, the NEPG aims to facilitate the communication of up-to-date and accurate business information for the benefit of the industry. It also aims to improve the stability of the EU processing supply chain through information provision and exchange. AHDB/Potato Council is a member of the NEPG and, as such, gains unique insight into the dynamics of the North-West European potato market. Privileged access is also given to information on production as well as technical and marketing aspects of NEPG countries. More information is available at www.nepg.info

The Belgian potato market

(Source: Fiwap)

- The processing industry has expanded tremendously during the last 20 years, from 800,000t in 1994 to more than 3.7Mt in 2013. To fulfil industry requirements, the potato area has increased from 52,000ha in 1994 to 76,200ha in 2013. However, more recently, the Belgian industry has imported 500,000-800,000t annually from neighbouring countries (mainly the Netherlands and France but, increasingly, also Germany) to fulfil strong processing demand.
- One variety, Bintje, still represents around 50% of the planted potato area in Belgium although this has declined in recent years. Bintje used to be sold for the fresh potato market, chip shops and export as well as for the processing industry. However, sales of Bintje for the fresh market and for export are now in decline, with the exception of years when other European countries have poor harvests.
- Belgium is the second largest producer of earlies after Germany. The Première crop starts going to the chipping industry from mid-June until the end of August, depending on the season.
- The fresh market is heavily dependent on imports from mainly France but also the Netherlands. For the last decade, the Belgian potato sector has used new varieties, irrigation, packaging and marketing, to increase the amount of Belgian fresh consumption potatoes sold in supermarkets.

The French potato market

(Source: UNPT)

- The total French planted area of 155,000ha (consumption, seed and starch) is grown by 16,495 potato growers. Twenty-two per cent of potato growers (about 3,600) plant 80% of the French potato area and the industry still continues to consolidate and specialise.
- About 1.1Mt of potatoes, or a quarter of French potatoes, are processed in factories every year. 70% of these are contracted, between 10-15% are free-buy purchased and around 15-20% imported. Unlike Belgium and the Netherlands, the processing industry development is steady with little new capacity introduced over the past few years.
- About 1Mt of fresh potatoes for the French market are produced each year. Even if there was a development of quality, washability, cooking segmentation and marketing, consumption slowly declines. Eighty per cent of the fresh potatoes bought are from retailers/supermarkets, with 20% from specific stores and markets.
- There has been major development of fresh exports over the past 15-20 years, but now quite steady at about 1.7-1.8 Mt. The main importers are Spain, Italy and Portugal. Many potatoes (1/3 of the total export) are also exported from France to be processed (Belgium, the Netherlands), being imported as French Fries, flakes or crisps. The trade balance for fresh market is very positive, unlike the trade balance for final products.
- There is virtually no early processing potato market in France, while around 100,000t of earlies are grown for the fresh market.

The German potato market

(Source: REKA)

- Germany remains the largest North-Western European potato producer, producing around 7.5Mt each year. The total planted area is 241,000ha this season. Of this, about 145,000ha are processing potatoes including starch. The area for starch and fresh consumption potatoes is decreasing as fresh consumption decreases, while French fry raw material is increasing slightly.
- Similar to the whole of NEPG, the German industry is consolidating with the number of potato producing farms decreasing every year. Farms are getting more specialised and increasing in size. Over 30% of German potato producing farms now grow more than 20ha of potatoes annually.
- Germany usually exports between 1.3-1.4Mt per year with Germany and Belgium the largest importers of German potatoes in 2012/13.
- The early processing potato area has been relatively unchanged in recent years at around 15,000 to 18,000ha. Variations in the planted area are largely dependent on the offered contract conditions.
- The area for early fresh potatoes has also stayed relatively constant over the last few years.

The Netherlands potato market

(Source: VTA/Phaff Export Marketing)

- The Netherlands grows about 7Mt of potatoes from a planted area of around 160,000ha. These include around 2Mt of starch potatoes and 5Mt of seed, fresh for retail and the processing industry.
- Bintje, once the most popular variety grown, has been overtaken by processing varieties such as Fontane, Markies and Agria.
- There is a trend towards larger farms to achieve economies of scale, however, compared with GB and Northern France the growers are still relatively small. Land for growing potatoes is more expensive than in other north-western potato growing countries so high yields, economies of scale and a good strategy are key for Dutch growers.
- The majority of Dutch potatoes are used for processing, with around 3.5Mt of potatoes processed each year. The Dutch processing industry has grown enormously over the last 15 years, offering growers an efficient outlet for their crop. The current Dutch harvest is not enough to fulfill the demand of the processing industry and so imports from Belgium, northern France and Germany are necessary to fulfil requirements.
- The fresh retail potato market is estimated at a maximum of 350,000t a year. A quarter of all Dutch consumers never buy fresh unpeeled potatoes, while consumption of fresh, chilled potato convenience products shows an upwards trend. Unlike GB, the foodservice market, such as restaurants, rarely use fresh potatoes, only finished products. Until recently, the Netherlands was the largest fresh potato exporter in the world, with Germany and France now larger exporters.
- The Netherlands is by far the largest seed potato exporter in the world, with 798,000t exported last season. The main seed variety grown is the early Spunta.

Thank you to our colleagues at Fiwap, UNPT, REKA, VTA and Phaff Export Marketing for providing information for this section.

Figure 25: North-Western European potato production (excludes seed and starch)

Source: NEPG (Belgium, France, Germany, GB and the Netherlands)

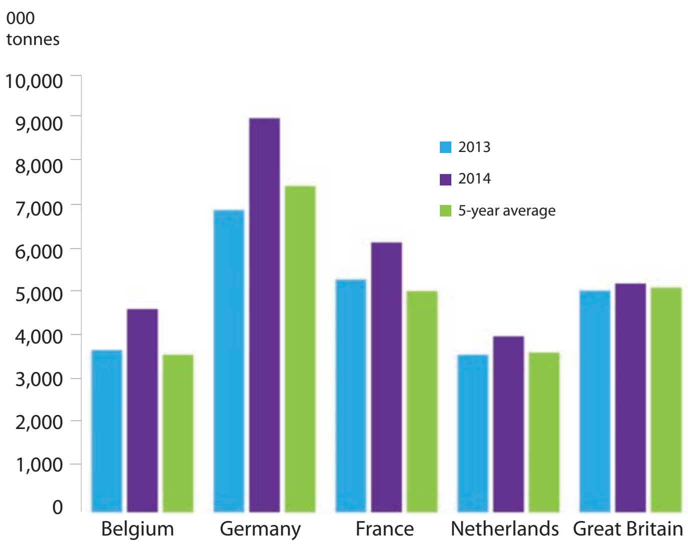


Figure 26: North-Western European potato area (excludes seed and starch)

Source: NEPG (Belgium, France, Germany, GB and the Netherlands)

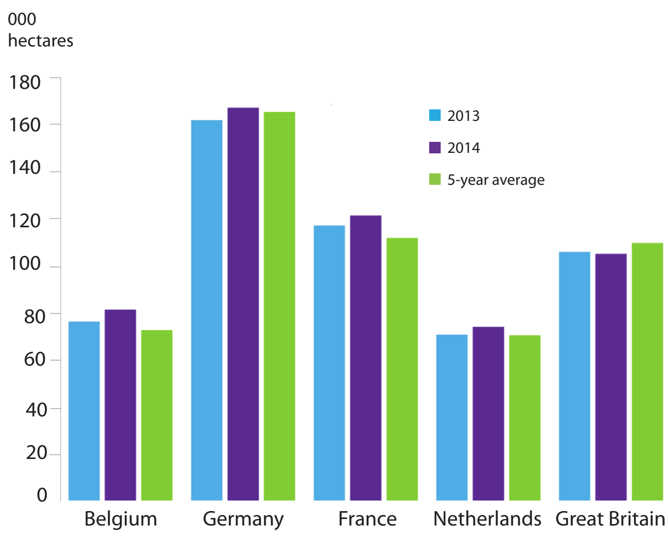
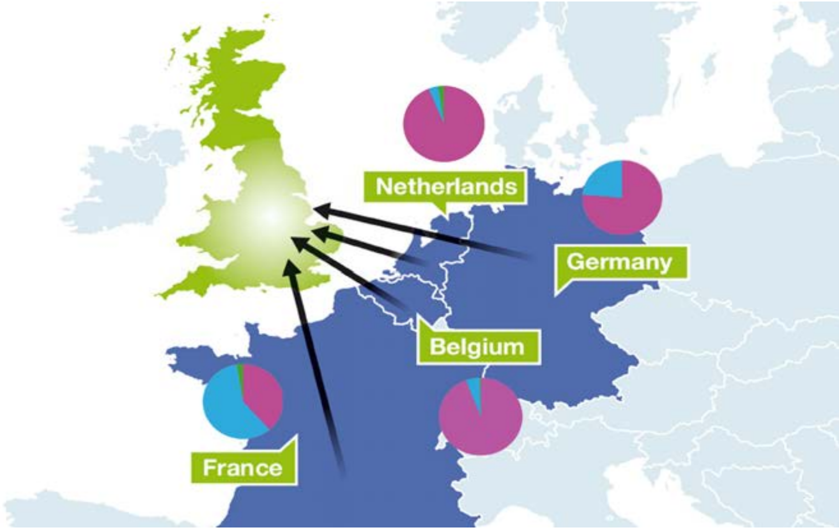


Figure 27: North-Western European imports to UK

Source: HMR&C 2013/14



Imports (Kt)

Belgium
- 412 Processed*
- 23 Fresh
- <0.5 Seed

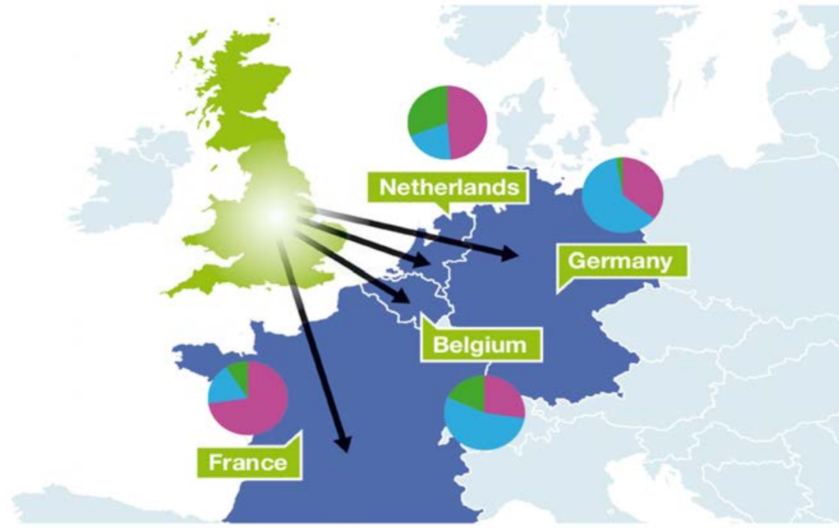
Germany
- 87 Processed*
- 27 Fresh
- 0 Seed

France
- 45 Processed*
- 69 Fresh
- 3 Seed

Netherlands
- 938 Processed*
- 40 Fresh
- 22 Seed

Figure 28: North-Western European exports from UK

Source: HMR&C 2013/14



Exports (Kt)

Belgium
- 3 Processed*
- 6 Fresh
- 2 Seed

Germany
- 7 Processed*
- 12 Fresh
- <0.5 Seed

France
- 8 Processed*
- 2 Fresh
- 1 Seed

Netherlands
- 19 Processed*
- 8 Fresh
- 12 Seed

*On this page: Processed to raw weight conversion ratios used detailed in appendix 4

Figure 29: EU-27 imports to UK

Source: HMR&C
Please note difference in scale

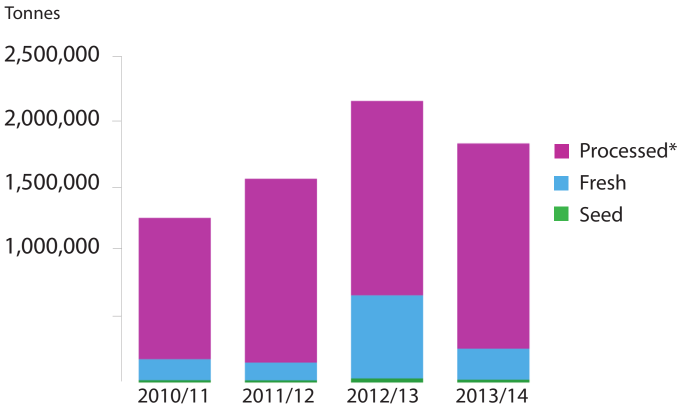


Figure 30: EU-27 exports from UK

Source: HMR&C
Please note difference in scale

Section 3

World overview

According to HMR&C, the dominant exporter of fresh potatoes to the UK from non-EU countries was Israel, while for processed potato products the UK imported the largest amounts from USA and Canada of non-EU countries in 2013/14.

For exports (non-EU), the UK exported the largest amount of seed potatoes to Egypt, fresh potatoes to Norway and processed potatoes to Nigeria in 2013/14.

Table 4: World top 20 potato consumers

Source: FAOSTAT. (Kg/capita/year) raw equivalent

	Country	2011**	2001	% difference
1	Belarus	185.2	172.7	7 ↑
2	Ukraine	139.8	139.7	0 ↑
3	Poland	114.7	131.1	-13 ↓
4	Kazakhstan	114	131.8	-14 ↓
5	Russian Federation	111.5	109.4	2 ↑
6	Ireland	108.2	80.1	35 ↑
7	Malawi	106.8	113.2	-6 ↓
8	Estonia	105.9	112.9	-6 ↓
9	Kyrgyzstan	102	130.8	-22 ↓
10	**United Kingdom**	**100.8**	**122.9**	**-18** ↓
11	Latvia	100.8	121.7	-17 ↓
12	Rwanda	99.9	99.6	0 ↑
13	Lebanon	99.3	88.9	12 ↑
14	Lithuania	93.9	90.9	3 ↑
15	Romania	92.6	94.6	-2 ↓
16	Netherlands	90.1	119.1	-24 ↓
17	Azerbaijan	82.4	60.8	36 ↑
18	Peru	78.4	79.5	-1 ↓
19	Bosnia and Herzegovina	75.1	42.2	78 ↑
20	Belgium	75	91.9	-18 ↓

*FAO data includes the whole of the UK so will be different from Potato Council GB data
** Latest consumption data available

Table 5: World top 20 potato producers (tonnes)

Source: FAOSTAT

	Country	2013	2003	% difference
1	China, mainland	88,925,000	68,095,000	31 ↑
2	India	45,343,600	23,161,400	96 ↑
3	Russian Federation	30,199,126	36,746,512	-18 ↓
4	Ukraine	22,258,600	18,453,000	21 ↑
5	United States of America	19,843,919	20,783,557	-5 ↓
6	Germany	9,669,700	9,915,679	-2 ↓
7	Bangladesh	8,603,000	3,385,910	154 ↑
8	France	6,975,000	6,348,126	10 ↓
9	Netherlands	6,801,000	6,468,762	5 ↓
10	Poland	6,334,200	13,731,500	-54 ↓
11	Belarus	5,913,706	8,649,583	-32 ↓
12	**United Kingdom**	**5,580,000**	**5,918,000**	**-6** ↓
13	Iran (Islamic Republic of)	5,560,000	4,210,637	32 ↑
14	Egypt	4,800,000	2,039,351	135 ↑
15	Canada	4,620,000	5,282,420	-13 ↓
16	Peru	4,570,673	3,143,874	45 ↑
17	Malawi	4,535,955	1,884,197	141 ↑
18	Algeria	4,400,000	1,879,918	134 ↑
19	Turkey	3,948,000	5,300,000	-26 ↓
20	Pakistan	3,767,200	1,946,300	94 ↑

*FAO data includes the whole of the UK so will be different from AHDB/Potato Council data

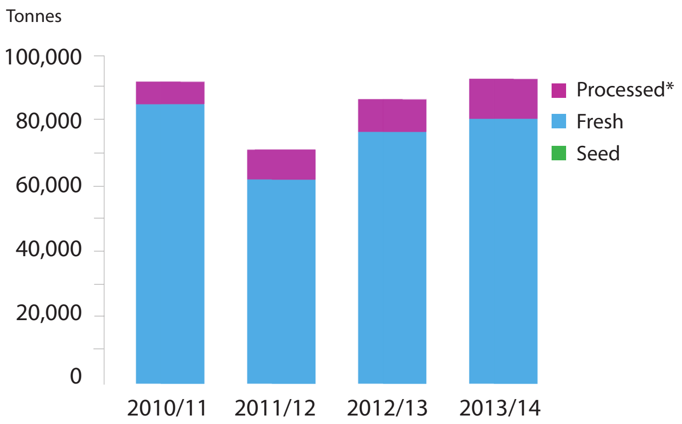
Table 6: World production by commodity (tonnes)

Source: FAOSTAT

	Commodity	2013	2003	% difference
1	Sugar cane	1,877,105,112	1,379,086,253	36 ↑
2	Maize	1,016,736,092	645,164,993	58 ↑
3	Rice, paddy	745,709,788	587,030,625	27 ↑
4	Wheat	713,182,914	560,128,836	27 ↑
5	**Potatoes**	**368,096,362**	**314,758,486**	**17** ↑
6	Sugar beet	276,721,584	192,190,110	44 ↑
7	Cassava	276,406,003	190,651,604	45 ↑
8	Soybeans	267,550,532	150,143,852	78 ↑
9	Oil, palm fruit	250,191,362	232,627,053	8 ↑
10	Barley	144,755,038	142,565,460	2 ↑
11	Sweet potatoes	110,746,162	130,982,918	-15 ↓
12	Seed cotton	73,037,565	55,847,046	31 ↑
13	Rapeseed	72,532,995	36,775,505	97 ↑
14	Coconuts	61,965,165	54,195,192	14 ↑
15	Sorghum	61,384,559	59,037,430	4 ↑
16	Yams	60,196,312	44,258,592	36 ↑
17	Oil, palm	55,800,940	28,677,264	95 ↑
18	Cottonseed	45,225,332	36,315,167	25 ↑
19	Groundnuts, with shell	44,753,264	27,563,345	62 ↑
20	Sunflower seed	44,541,457	35,035,605	27 ↑

Figure 31: Non-EU imports to the UK

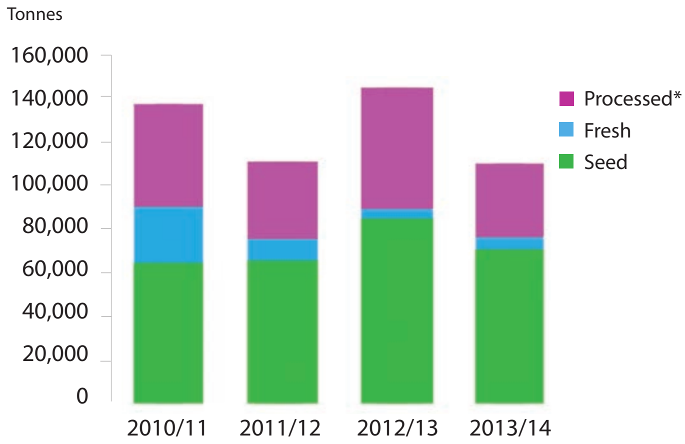
Source: HMR&C



* Processed to raw weight conversion ratios used detailed in appendix 4

Figure 32: Non-EU exports from the UK

Source: FAOSTAT



Appendices

Appendix 1: The Potato Council Market Information Committee

The Potato Council Market Information Committee's role is to peer review Market Intelligence (MI) data and deliveries in order to ensure that the information provided continues to meet industry needs.

More specifically, the functions of the MIC are:

To help identify industry needs and benefits

To help develop the Potato Council's strategies for disseminating statistics and market information, and for improving market knowledge and ensure that the most appropriate collection methods are used

To ensure statistical validity and relevance

To secure effective integration with the industry

To stimulate trade through objective and independent information

To work with AHDB MI team to ensure that sector requirements are delivered in full and benefit from best practice arising from the centralised function.

The Committee is made up of around 20 members including potato growers, packers, processors, industry bodies, seed suppliers and Potato Council/AHDB colleagues. Committee members are appointed for three years. Members are appointed in their own right, to represent the potato industry, not particular sectors or companies.

If you are interested in becoming a member of the Committee, please contact Sara Maslowski, Senior Analyst at Sara.Maslowski@ahdb.org.uk or telephone 0247 647 8953.

For further information, including a list of current members, please go to www.potato.org.uk/node/13102

Appendices

Appendix 2: Data sources

Levy collection data (Planting and Merchant Return)

The Agriculture and Horticulture Development Board Order 2008 requires AHDB to raise levies relating to each sector. Details can be found at the following web address: www.ahdb.org.uk/about/LevyRates.aspx

The information provided in the Planting Return for grower levy collection and the Merchant Return form for potato buyer purchases for human consumption is not only used to calculate area levies, but is also a very important source of market intelligence. Using the return data avoids the need for separate forms and helps save levy funds. The market sector information gives us useful knowledge about the GB potato market; it helps us develop our communication strategy and enables us to provide information and feedback to growers in a more targeted and cost-efficient manner.

Weekly Average Price Survey (WAPS)

The Weekly Average Price Survey provides top-line economic indicators of the GB potato industry. The survey consists of WAPS forms (purchaser data) and a field telephone survey of growers and merchants. The WAPS survey is open to all purchasers buying potatoes direct from growers. A sample of purchasers complete a form each week summarising total tonnage and value of purchases, categorised by bags/bulk and contract/free-buy. For the field telephone survey, the AHDB Market Intelligence price collection contractor team collects weekly data of actual, confirmed, free-buy sales from growers and merchants not participating in the completion of WAPS purchaser forms. Similar to the WAPS forms, details of total volume and value, ex farm, are collected. Both the WAPS forms and the field survey are combined by the Market Intelligence team to calculate the WAPS average price and free-buy average price. This ensures that the WAPS index is as fair, robust and representative as possible. This data is subject to regular auditing to ensure accuracy.

For further information on joining the WAPS survey, please call the AHDB Market Intelligence department on 0247 647 8953.

The Potato Council Pricing Panel

The Panel is open to growers who wish to contribute price information; to ensure wide and accurate coverage of the pricing situation from week to week. A total of 200 regular contacts – a combination of growers and purchasers – are called on a weekly basis. These contacts represent the key supply areas for the different markets of the potato supply chain and varieties grown across different regions of GB.

Potato Council Grower Panel Survey

What is Grower Panel?

The Potato Council Grower Panel is a group of growers who give information on seed use, yields and sale pathways from selected fields under their management. The data is used to provide national crop statistics on potato production.

What does the Grower Panel survey involve?

The survey involves completing a single form for each sample crop. It covers seed and planting details, yields sold and stored, sold price if known, wastage and intended markets and sale dates. The form is sent out in the autumn for completion and returned once the crop has been harvested. There is also a storage stocks survey involving completion of a single form four times a year.

These forms can either be completed on paper or online via the Grower Panel website at www.potato.org.uk/growerpanel

Survey members also participate in telephone surveys relative to their potato crop and storage.

What are the benefits?

The information collected is used to provide key market information about the potato industry and in doing so supporting our levy payers to make informed business decisions.

How to get involved?

Please contact a member of the AHDB Market Intelligence Market Specialists team on 0247 647 8953.

Figure 33: Grower Panel crop

Source: AHDB/Potato Council Grower Panel

Appendix 3: GB areas, production and prices 1960-2014

Source: AHDB/Potato Council (Planting Return, Grower Panel, Weekly Average Price Survey)

Year	Registered growers >3ha	Registered area, ('000 ha)	Total area** ('000 ha)	Area per grower (ha)	Average Net Yield (tonnes/ha)	**Total production ('000s tonnes)**	Average price ware (£/tonnes)	Retail Price Index	Average £/tonnes 2013 £s	Gross turnover (£ per Grower)
1960	76,830	280.2	287.2	3.6	22.8	**6,560**				18,620
1961	74,930	239.6	245.6	3.2	23.3	**5,730**				20,550
1962	70,060	253.0	259.4	3.6	23.6	**6,110**				22,480
1963	66,380	264.4	271.0	4.0	22.2	**6,020**				24,400
1964	60,940	270.0	276.7	4.4	23.5	**6,510**				26,330
1965	57,730	262.7	269.2	4.6	26.2	**7,070**				28,260
1966	54,700	237.1	243.0	4.3	25.1	**6,100**				30,190
1967	50,310	248.1	254.3	4.9	26.2	**6,670**				32,120
1968	48,240	246.2	252.4	5.1	25.4	**6,400**				34,040
1969	45,130	217.2	222.6	4.8	26.1	**5,820**				35,970
1970	43,350	238.6	244.6	5.5	28.9	**7,080**	14	19	187	30,510
1971	42,760	225.7	231.4	5.3	30.3	**7,020**	15	20	177	29,130
1972	40,760	208.5	213.7	5.1	29.1	**6,210**	19	22	213	32,520
1973	38,750	196.0	200.9	5.1	32.4	**6,520**	19	24	192	32,290
1974	36,870	189.4	194.1	5.1	33.3	**6,470**	25	28	224	39,320
1975	35,480	180.2	184.7	5.1	23.2	**4,290**	104	34	739	89,240
1976	34,940	194.9	199.8	5.6	22.2	**4,430**	133	40	814	103,170
1977	35,290	199.4	204.3	5.6	29.9	**6,110**	43	46	227	39,370
1978	33,390	183.9	188.5	5.5	36.7	**6,920**	44	50	214	44,320
1979	32,150	171.4	175.7	5.3	34.6	**6,080**	59	57	252	47,660
1980	30,230	174.0	178.3	5.8	37.2	**6,630**	44	67	161	35,420
1981	28,760	162.4	166.5	5.6	34.8	**5,790**	84	75	271	54,640
1982	27,500	161.3	165.3	5.9	39.6	**6,540**	53	81	160	37,970
1983	26,500	165.2	169.3	6.2	32.6	**5,520**	126	85	359	74,850
1984	25,480	167.4	171.6	6.6	40.6	**6,970**	49	89	134	36,660
1985	24,950	162.7	166.8	6.5	39.4	**6,570**	57	95	146	38,520
1986	22,570	150.1	153.8	6.7	39.6	**6,090**	87	98	215	57,920
1987	21,440	151.1	154.9	7.0	41.0	**6,360**	72	102	171	50,750
1988	20,160	155.1	158.9	7.7	41.5	**6,590**	63	107	146	47,850
1989	19,270	151.8	155.6	7.9	38.4	**5,970**	99	115	215	66,690
1990	18,330	154.1	157.9	8.4	39.3	**6,200**	78	126	155	52,440
1991	17,230	154.4	158.2	9.0	38.1	**6,030**	86	134	161	56,190
1992	16,510	155.0	158.9	9.4	47.1	**7,480**	57	139	102	46,380
1993	16,310	148.2	151.9	9.1	44.8	**6,810**	80	141	141	59,010
1994	14,900	141.0	144.5	9.5	43.3	**6,260**	157	144	272	114,430
1995	14,020	146.3	150.0	10.4	40.8	**6,120**	137	149	230	100,380
1996	13,400	147.1	150.8	11.0	46.0	**6,940**	66	153	109	56,400
1997	9,770	137.1	146.4	14.0	46.8	**6,850**	76	158	121	84,960
1998	7,530	134.6	142.8	17.9	43.2	**6,170**	147	163	226	185,160
1999	5,110	145.5	155.6	28.5	44.0	**6,840**	67	165	102	136,430
2000	4,550	133.9	146.2	29.4	41.0	**5,990**	119	170	175	230,200
2001	4,210	131.6	146.4	31.2	43.8	**6,410**	91	173	132	200,510
2002	3,910	128.4	138.7	32.9	48.2	**6,680**	69	176	98	168,130
2003	3,380	115.2	124.8	34.0	46.6	**5,810**	127	181	176	301,650
2004	3,180	119.3	130.9	37.5	45.9	**6,010**	93	187	124	234,470
2005	3,070	116.9	125.9	38.0	46.1	**5,800**	104	192	136	256,390
2006	2,920	119.7	127.2	40.9	43.4	**5,530**	139	198	176	332,160
2007	2,840	124.4	130.8	43.8	41.4	**5,410**	142	207	172	327,120
2008	2,730	124.1	130.2	45.5	45.7	**5,950**	126	215	147	320,190
2009	2,610	123.6	130.2	47.3	47.5	**6,190**	112	214	131	310,400
2010	2,470	119.8	126.9	48.6	46.1	**5,850**	162	224	181	428,900
2011	2,370	121.7	128.4	51.3	47.4	**6,090**	120	235	128	328,240
2012	2,290	115.3	121.8	50.4	36.9	**4,490**	229	243	236	463,470
2013	2,190	116.3	122.4	53.2	45.6	**5,580**	154	250	154	392,710
2014*	2,150	114.2	121.1	53.2	47.4	**5,740**				

*2014 season data are provisional estimates as at December 2014 and will be updated in June 2015.
**Total area includes an allowance for unregistered area.

Appendix 4: Glossary

Conversion rates
The following ratios have been used to convert processed potato product weight to raw equivalent tonnage:

- 1988-2011 – Canned 1:1, Dehydrated 6.2:1, Crisped 4:1, Frozen 1.9:1;
- 2012-2013 – Canned 1:1, Crisped 3.5:1, Dehydrated 6.2:1, Frozen/Chilled 1.84:1;
- 2014 – Canned 1:1, Crisped 3.5:1, Dehydrated 6:1, Frozen/Chilled 1.8:1.

Earlies
Refers to all potatoes harvested on or before 31 July each year.

Fresh
Raw consumption potatoes.

Maincrop
Potatoes are denoted as being maincrop if harvested after the end of July each year.

Plantings
All references to plantings imply the measurement of planted area. Refers either to Registered Area from registered producers or Total Area which includes an allowance for undeclared/unregistered area.

Pre-pack
Washed potatoes in bags.

Prices
All prices are ex-farm and exclude the price of bags.

Processed
All references to processed products have been converted to their raw equivalent tonnages.

Trend
In this context, the word trend is used to highlight the line or curve of best fit.

Years
All crop years are June/May unless otherwise stated.

Yields
All potato yields quoted in this publication relate to harvested tonnage and are expressed in terms of tonnes per hectare.

Contacts

We are always keen for feedback on the outputs and information that we provide in order to ensure that we continue to meet industry needs. To give us your feedback on the report or for further information about our Market Intelligence services, please contact:

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Compiled by the Potato Market Intelligence Team, the aim of this annual potato publication is to provide trusted, key information about the GB potato market in order to inform decision-making and provide answers for common questions about the industry.

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