The role of the potato trade and its added value

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Europatat
European Potato Trade Association

Who we are, what we do?

- EU trade association since 1952
- EU potato trade in seed potatoes, early potatoes, ware potatoes

- Improve the commercial & international activities of the potato trade;
- Protect the professional interests & the commercial function on a European & international level;
- Represent the profession in and at all official & international organisations

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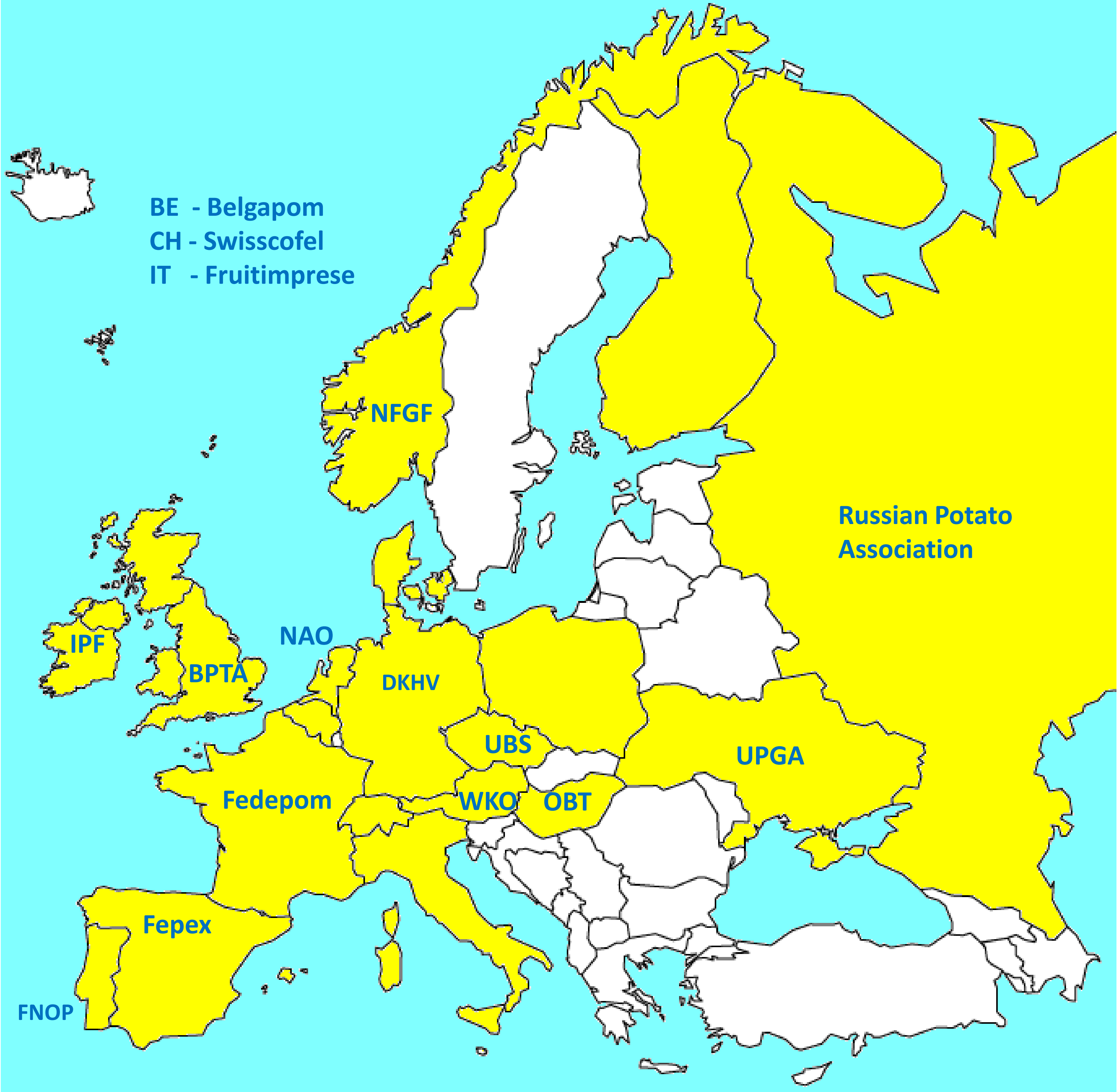
Europatat Membership

16 Nat. Associations



Europatat Membership

22 Companies

Food chain perspective

- Consumers logic:

Producer → Packer Processor → Retailer → Consumer

- Reality:

  Trade involved in every step

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Potato variety breeding

- Almost 100% by or in connection with (seed) **potato traders**
- Main breeding companies in AT, DE, DK, FR, NL and UK

- Result:
  - 1.500 varieties registered in EU Catalogue
  - Best suitable varieties for any climate/circumstance in the world
  - Differentiation in consumers taste, cooking types
  - Potato production possible in difficult climates in developing countries

MOST ESSENTIAL AND HIGHLY INNOVATIVE

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Seed potatoes

- EU 27 produces 110.000 ha of seed potatoes
- High quality product
- Exported within Europe, and 100 countries worldwide

BASIS FOR A HEALTHY ECONOMICAL CROP FOR FARMERS

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Fresh potatoes

- 75% of all potato production in EU is consumed as fresh potatoes
- 75 % of all fresh potatoes is washed, packed and distributed by Potato Traders
- Potato traders fill in the consumers wishes, translated through the retailers
- A good, healthy product at a correct consumer price!

CONSTANT INNOVATION IN QUALITY, TASTE, APPLICATION

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Fresh potatoes

- Source: Consumer panel / Supply balance*

  WKÖ, Belgapom, DKHV, Fruitimprese, NAO, FEPEX, SWISSCOFEL, Potato Council

kg/capita	2009	2010	2011	2012	2013
Austria* (all)	51,5	49,2	49,4	46,6	NA
Belgium	28,7	28,0	27,7	28,0	26,2
Germany*	33,1	31,4	31,7	33,8	
Italy*	31,8	35,8	33,7	31,9	30,9
Netherlands	19,1	18,7	18,0	18,0	16,8
Spain*	25,1	23,1	22,2	22,8	23,2
Switzerland*	27,7	27,4	26,0	25,7	NA
UK		27,2	26,6	25,8	25,2



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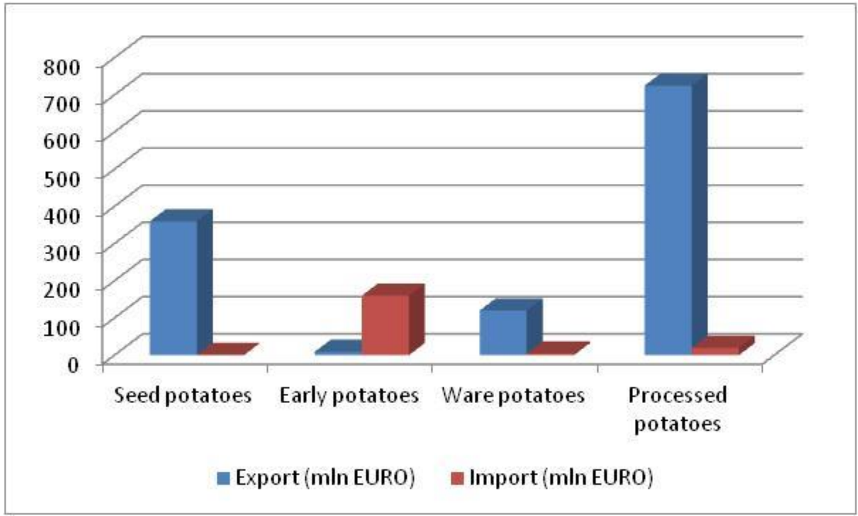
Trade flows

- International trade dominated by seed potatoes and processed potatoes
- International trade of consumption potatoes to balance supply and demand
- Intra-EU trade consumption potatoes represents 6 mln MT, 10% of total production

NEVER A SHORTAGE!!!



The added value

- Potato traders are the owners and drivers of potato breeding
- Potato Traders are supplying the world with new innovative varieties
- Potato Traders are the Consumers supplier of Fresh Potatoes
- Potato Traders ensure an efficient distribution
- Potato Traders export and import huge volumes of potatoes

POTATO TRADE FORMS BRIDGES WITHIN POTATO CHAIN



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Conclusions

- Strong & competitive segment of EU agriculture, without any subsidies or market intervention
- Trade adding value all along the supply chain
- Room for further development export markets
- Development internal market
  - Tackling consumption decline
  - Way forward: convenience, consumer education, promotion, …

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Position of the Potato Trade

Strengths

Competitive, market focused and export oriented sector

Self-regulated, no market regulation nor subsidies

Innovation-driven sector

Healthy & sustainable product

Weaknesses

Stagnating consumption

Pest-sensitive product

Pesticide use

Consumer perception

Opportunities

Development export markets

Consumer education

Research

Harmonisation standards

New breeding techniques

Threats

Market regulations

Product supply

Emerging pests

Inappropriate protection intellectual property