

Overview of potato market and new Belgian industry records

Belgapom reports that in 2017, 4.57 million tons of potatoes were processed into french fries and other potato products. The growth in processing (+3.6%) is particularly important for products other than fries: tater tots, chips, flakes and other specialties: 690,000 tons processed against 470,000 tons in 2016; an increase of 47.5 %.

In 2017, investments (more than €300 million) also increased, almost as much as in 2016. The 18 processing companies employ 4,410 workers (+7.1%), and export 2.2 million tons of frozen potatoes, Making Belgapom the world's leading exporter.

Belgium

Fiwap/PCA market message:

Industrial varieties: Fontane still is an obvious priority in demand, with most factories buying it. Various problems in quality (all varieties affected, although Bintje less than others) Are reported, ranging from rotting, internal germination, to the problems of shoots, or signs of frying too high (due to cold batches). The extra qualities should logically strengthen. Small volumes are going for export.

General price, 35 mm +, min 60% 50 mm +, min 360 gr / 5kg of EPS, bulk, friable, selling price, excluding VAT, direct delivery:

Bintje : Quiet market (supply greater than, or equal to, demand). 2.00 to 3.00 €/a depending on quality and destination; still little interest on behalf of the industry, unlike peelers, who target the best batches (ratio of 50 mm +, length, beautiful frying results). Some buyers have double the supply of what they can sell.

Challenger : Sustained market (supply equal to demand). Price around €3.00/a;

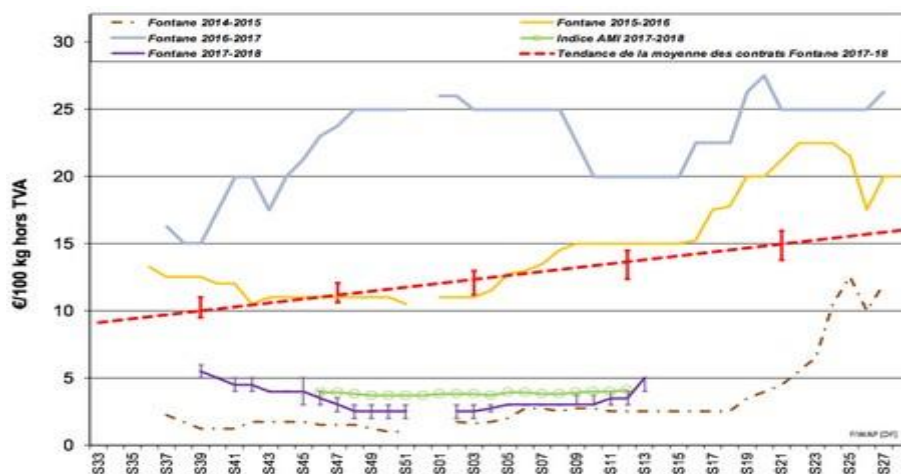
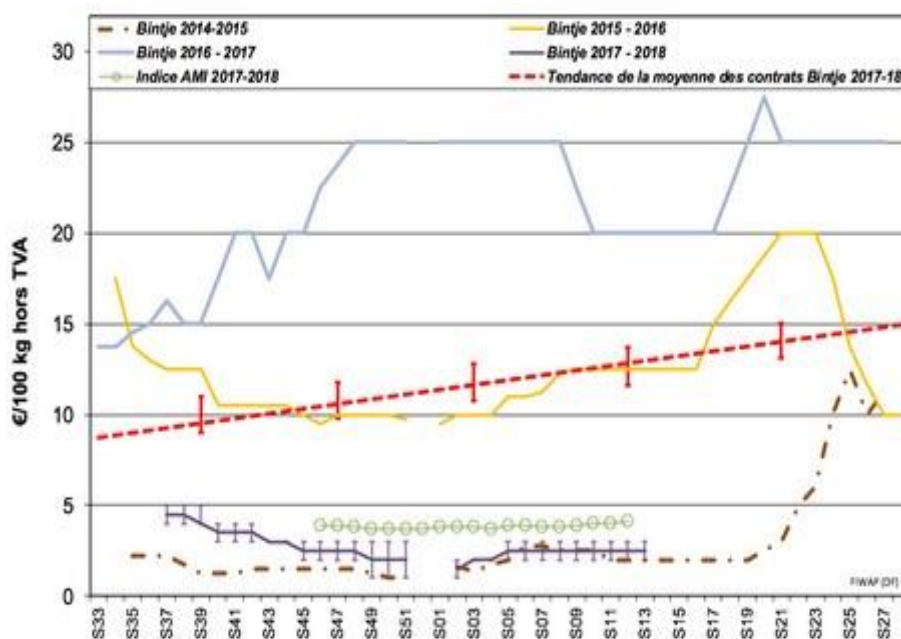
Fontane : strong market (demand greater than supply): 3.00 to 4.00 €/q depending on destination;

Innovator : 4.00 to 5.00 €/a. Stronger market, with shipments to Poland (following the big problems of quality and conservation they have there). There were very low volumes headed to Sweden. The industry tries to cover itself by buying at higher prices (1 to 2 € more) for delayed deliveries.

Fresh market: The market is dominated by taken out lots, and the free market, being reduced, is quiet. Compared to the end of the year, prices are slightly down, with still a lot of goods in boxes and/or fridges, in the Hexagon, and putting pressure on our prices. Moreover, the qualities are generally good. The first "Cyprus" batch was announced for the Easter holidays; it's mostly Annabelle, Nicolas and Allians.

Firm pulp varieties (Charlotte, Nicola, Annabelle, Allianz, Jazy, Marylin): indicative range from 8.00/10.00 to 12.00 €/a. Chips in the box around 25 €/a, cost a little more.

Soft pulp varieties (Artemis, Marabel, Milva, Alegria, Challenger, Victor): rare transactions as well, between 5.00 and 7.50 €/a, depending on variety, quality and destination.



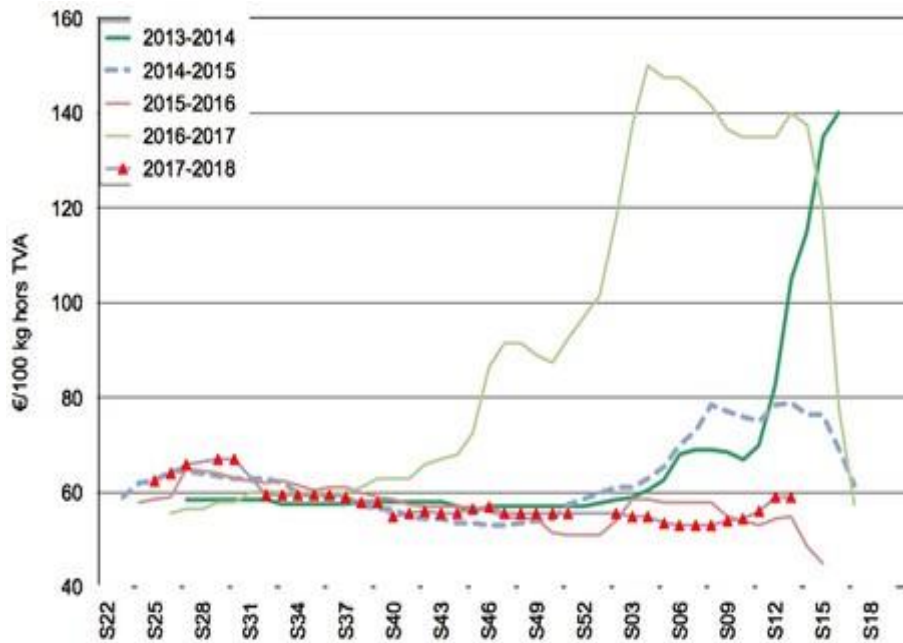
European physical markets

Summary of rates (source: NEPG):

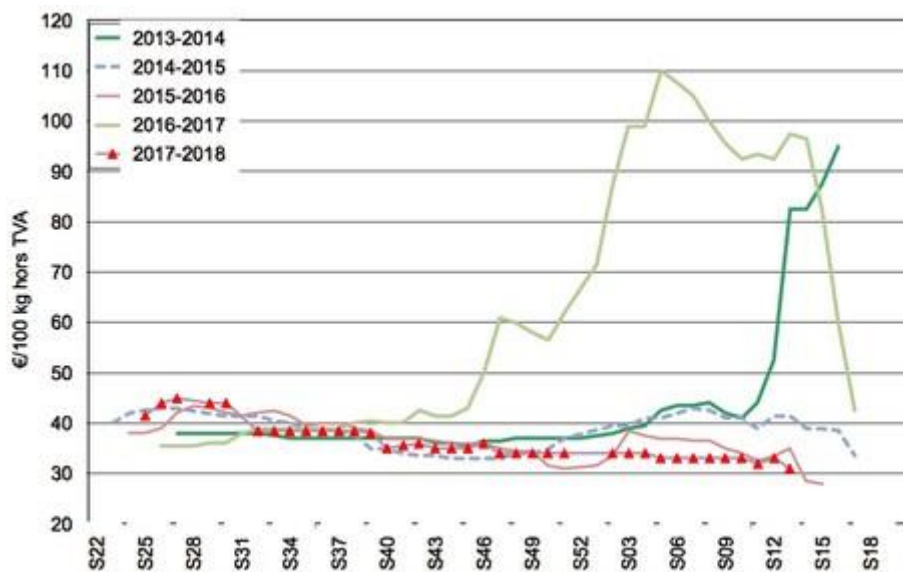
€/ton		Week 10	Week 11	Week 12	Week 13	Trend
<u>Belgium</u>	Bintje	20,00 - 30,00	20,00 - 30,00	20,00 - 30,00	20,00 - 30,00	→
	Fontane	30,00 - 37,50	30,00 - 40,00	30,00 - 40,00	40,00 - 50,00	↑
	Challenger	30,00	30,00	30,00	30,00	→
	Innovator		40,00 - 50,00	40,00 - 50,00	40,00 - 60,00	↑
<u>Netherlands Potato</u>	NL fries for NL/B/D	30,00 - 45,00	30,00 - 50,00	30,00 - 45,00	-	→
	VTA industry fries NEPG	-	30,00 - 55,00	40,00 - 60,00	-	↑
<u>France</u>	Bintje	20,00 - 25,00	20,00 - 25,00	20,00 - 25,00	20,00 - 25,00	→
	Fontane	30,00 - 40,00	30,00 - 40,00	30,00 - 40,00	30,00 - 50,00	↑
<u>Germany</u>	Fontane, Challenger Inno, Fontane	35,00 - 42,50	35,00 - 42,50	35,00 - 42,50 40,00 - 47,50	-	→
<u>Great Britain</u>		105,31 € (92,60 €)	Non coté	-	-	→
<u>Belgium (Fiwap/PCA)</u>	General price 35 mm +, friable, bulk, selling price, min 360 g/5 kg PSE, min 60 % 50 mm +, charged, excl. VAT.					
<u>Netherlands (Quotation Potato NL + quotation VTA)</u>	Destination: French fry manufacturing: general price, bulk, friable, selling price, 40 mm +, min 60 % 50 mm+, min 360 g/5 kg PSE, excl. VAT. Export: general price, bulk, selling price, 40 mm +, min 60 % 50 mm+, excl. VAT.					
<u>France (RNM)</u>	Bassin Nord, unwashed, 360g/5 kg PSE, general price 35mm +, friable, excl. VAT					
<u>Germany (Reka-Rhineland)</u>	Friable, 40 mm+, bulk, selling price, excl. VAT (Reka-Rhineland). In certain periods, 10,00 €/t is to be deducted for sorting!					
<u>Great Britain (AHDB Potatoes)</u>	Average free market price: all varieties, selling price (bag or bulk), no sales agreement before July 1st. Each transaction is part of the average free market price of the delivery week.					

Bintje plant/other varieties "fries": low supply of small sizes. Dutch plant, class A, made in March 2018, per 5 tons, in bags, excl. VAT. Rise of "small sizes" (28-35mm) due to higher demand of "less stems and bigger" sizes. A little firmer in 35 - 45 mm. In other varieties, a fairly unpredictable and complicated market: we "find" the plants 'Fontane' and 'Innovator' (on which some big buyers have speculated), while some turn away from the Challenger, following the quality problems seen in recent weeks in consumer lots (particularly in West Flanders). The opinions and echoes of the sellers sometimes diverge according to their positions in the market

Size 28 - 35 mm : 58,00 – 60,00 €/a



Size 35 – 45 mm : 32,00 – 34,00 €/a



Future market: EEX in Leipzig (€/a) Bintje, Agria and various related for conversion, 40 mm+, min 60 %
50 mm +:

	20/02	21/03	22/03	23/03	26/03 : €/a closing-Volumes-Open positions		
April 2018	5,50	5,60	5,80	5,60	5,50	63	6599
June 2018	7,50	7,60	7,80	7,80	7,80	43	1614
November 2018	10,00	10,00	10,00	10,00	10,00	0	9
April 2019	14,70	14,70	14,80	14,90	15,00	6	1122

Netherlands

The main PotatoNL rating (fries cat. 1, NeBeDe) last Thursday was appreciated, as was the long fries variety group (Inno group). Other ratings remained unchanged. A batch of Markies sold for € 6.25/a.

New VTA ratings since last week (provided below)

Quotation PotatoNL : also available on www.potatonl.com

PotatoNL (€/a) :	15/03	20/03	22/03
I) Cat. 1- friable, 40 mm+ destination NL/B/D	3,00 - 5,00	3,00 - 5,75	3,00 - 4,50
II) Cat. 2 - friable, 40 mm+ <u>others</u>	5,00 - 7,50	5,00 - 8,00	5,00 - 8,00
III) <u>Agria - fresh fries</u>	4,00 - 7,00	4,00 - 7,00	4,00 - 8,00
IV) Var. type <u>Innovator (elongated friables)</u>	4,00 - 5,00	3,75 - 8,00	4,00 - 4,50
V) Var. type <u>Fontane (rounder friables)</u>	3,00 - 3,50	3,00 - 3,50	3,00 - 3,50
VI) <u>Export, 40 mm+, general price, bulk, per truck load</u>	4,00 - 5,00	4,00 - 4,50	3,00 - 5,00
VIII) <u>40 - 50 mm, friable, sorted, per truck load</u>	2,50 - 3,00	2,50 - 3,00	2,50 - 3,50
IX) <u>Production of flakes, > 330 g/5 kg PSE</u>	1,25 - 2,50	1,25 - 2,00	1,25 - 2,50
X) <u>Production for livestock GMP+</u>	0,50 - 1,25	0,50 - 1,25	0,50 - 1,25

VTA quotation (Verenigde Telers Akkerbouw)

The VTA is now replaced by 3 different notations (€/a), in order to stick a little more to the bi-weekly quotations of PotatoNL:

www.vtanederland.nl	Week 11	Week 12
Fries	3,00 - 5,50	4,00 - 6,00
<u>Extra quality fries</u>	5,50 - 7,50	6,00 - 8,00
Export	4,00 - 5,00	4,00 - 5,00

France

For the industry, the market's still weak, although a little more dynamic for Fontane, as well as Innovator. Delivery contracts stagnated between 6.5 and 7 to 8.00 €/a in May. Fresh market and export: Agria and Markies (and even the beautiful Fontane) are in demand in Southern Europe (fryable quality), with prices up to 11.00 €/a. "Heavy" market for firm pulp

Unwashed industrial potato, bulk, selling price, excl. VAT, North Seine, €/a, min – max (avg) (RNM) :

Industrial production, North Seine, unwashed, in €/100 kg	13/03/18 (week 11)	20/03/18 (week 12)
Bintje, 35 mm+, friable	2,00 - 2,50 (2,00)	2,00 - 2,50 (2,00)
Fontane, 35 mm+, friable	3,00 - 4,00 (3,00)	3,00 - 4,00 (3,00)
Various friable varieties, 35 mm+	3,00 - 5,00 (4,50)	3,00 - 5,00 (4,50)

Germany

On the fresh market, producer prices are unchanged. On March 13, they stood at 11.67 €/a (=) for firm pulp, and 11.00 €/a (=) for mainly firm pulp/mealy (= soft pulp). For potatoes for the industry (fries) the markets remain unchanged in Rhineland (and elsewhere in Germany). For Challenger, Innovator, and Fontane producer prices are between 3.50 and 4.25 €/a. Agria and Innovator are around € 7.00. Chips/crisps undergo firm prices, especially in the east of the country.

In organic potatoes, producer prices are always around 48,00 €/a. The trade is good, and a better demand for the Easter holidays is expected, without price increases for the moment. The South of Germany (mainly Bavaria) supplies the North, with additional supply coming from Austria and the Netherlands.

The cultivation of organic potatoes spread through Spain (500 hectares in 2016, plus last year). German trading has made more contracts for the upcoming season.

The first organic potatoes were planted in the South West (Baden Württemberg, West Bavaria).

In 2016/2017, 29% of organic potatoes sold in Germany came from abroad: 12% of organic (early) potatoes came from southern Europe (mainly Spain, followed by Italy), as well as from Egypt and Israel. 17% of organic potatoes (consumption) came from neighboring countries (mainly Austria, Denmark, the Netherlands, and a few from Belgium, etc.).

	06/03 (W10)	13/03 (W11)	20/03 (W12)
Price REKA Rhineland: producer price*, excl. VAT			
Industry, 40 mm+ : Challenger / Inno / Fontane	3,50 - 4,25	3,50 - 4,25	3,50 - 4,25
Rhineland Firm pulp (long / oval)	11,00	11,00	11,00
mostly firm pulp (round)	11,00	11,00	11,00
Retail sales on the farm (25 kg bags):			
Firm pulp	6,50	6,50	6,50
mostly firm pulp (soft pulp)	6,00	6,00	6,00

Great Britain

Average producer price (all markets combined) for the end of week 10: 9,26 €/a. The market's a little worse, due to the fact that in the price "bin", there are a few more batches of lower quality. Some conservation problems in Agria and Ramos, due to rotting, are reported. Planting in Cornwall is delayed more and more due to bad weather.

Lien article : <http://www.freshplaza.com/article/191654/Overview-of-potato-market-and-new-Belgian-industry-records>