NR. 9 – 2ND OCTOBER 2015

FARM POTATO MARKET UPDATE

A PUBLICATION OF FARM FRITES INTERNATIONAL B.V.

POTATO MARKET EUROPE

The last month can be characterized by heavy showers in the EU potato growing areas. Harvest has started, but continues to be patchy because of the rain. The weather of the coming weeks will determine the progress of the harvest and a dry period could provide a welcome respite. In the central EU-5 countries, the potato harvest 2015 is likely to be marginally above 26 million tons, which is 10% lower than last year. This decrease is caused by an area reduction (-3,4%) and a decrease of expected yield (-6,5%). In the coming weeks exact yields will become more certain and will determine the final harvest.

Over the past month potato futures prices stabilized around €180/ton after the big price fluctuations in July and August. Last couple of days futures market is rising towards 18,30-18,70€/100kg, delay in harvest and impact on the rotten areas in the Netherlands is the main cause of this. Spot market prices of processing potatoes are currently between €120/ton and €160/ton ex farm for field delivery.

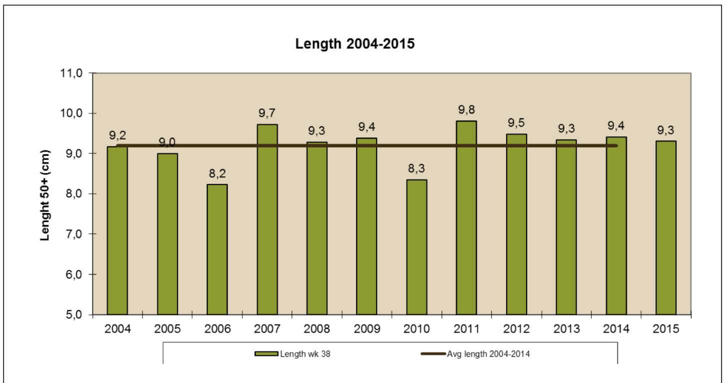
Area, yield and production of ware* potatoes in the EU-5, 2009 to provisional/forecast 2015

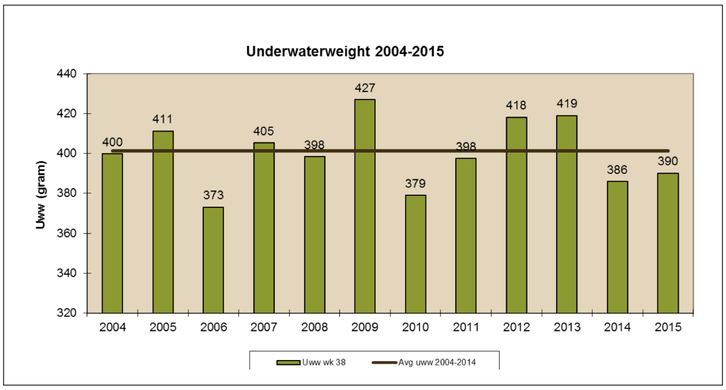
	2015f	% ch'ge	2014	2013	2012	2011	2010	2009
Area ('000ha)								
France	121110	-2.4	124100	115804	109381	112303	111376	112083
Netherlands	71700	-3.2	74068	71568	67452	72231	71852	70365
Belgium	68110	-3.1	70320	65197	57364	64558	65934	59114
Total EU-3	**260920**	**-2.8**	**268488**	**252569**	**234197**	**249092**	**249162**	**241562**
Germany	*186000*	*-1.9*	189600	182403	173028	188770	182267	185518
UK	*131060*	*-6.6*	140388	139293	148771	146123	138303	144438
Total EU-2	***317060***	***-3.9***	**329988**	**321696**	**321799**	**334893**	**320570**	**329956**
EU-5	***577980***	***-3.4***	**598476**	**574265**	**555996**	**583985**	**569732**	**571518**
Av. yield (t/ha)								
France	43.40	-13.0	49.87	44.11	41.42	48.84	43.34	45.17
Netherlands	*50.50*	*-3.4*	52.27	48.64	50.16	53.40	49.35	51.82
Belgium	*48.70*	*-6.5*	52.08	46.59	42.68	53.60	43.99	46.32
Total EU-3	***46.73***	***-8.6***	**51.11**	**46.03**	**44.25**	**51.39**	**45.24**	**47.39**
Germany	*46.50*	*-4.0*	48.45	43.14	48.06	46.62	42.47	45.70
UK	*39.42*	*-6.1*	42.00	41.07	31.12	43.01	43.60	44.07
Total EU-2	***43.57***	***-4.7***	**45.71**	**42.25**	**40.23**	**45.05**	**42.96**	**44.99**
EU-5	***45.00***	***-6.5***	**48.13**	**43.91**	**41.92**	**47.75**	**43.96**	**46.00**
Harvest ('000 tonnes)								
France	5256.0	-15.1	6189.0	5107.8	4531.1	5484.4	4827.0	5062.4
Netherlands	*3620.9*	*-6.5*	3871.5	3481.2	3383.6	3857.3	3546.0	3646.5
Belgium	*3317.0*	*-9.4*	3662.4	3037.4	2448.1	3460.2	2900.2	2738.4
Total EU-3	***12193.8***	***-11.1***	**13722.8**	**11626.4**	**10362.8**	**12801.9**	**11273.3**	**11447.3**
Germany	*8649.0*	*-5.9*	9187.0	7869.7	8315.6	8801.0	7740.3	8477.3
UK	*5166.0*	*-12.4*	5896.3	5721.3	4629.5	6284.7	6030.2	6365.8
Total EU-2	***13815.0***	***-8.4***	**15083.3**	**13591.0**	**12945.1**	**15085.7**	**13770.5**	**14843.1**
EU-5	***26008.8***	***-9.7***	**28806.1**	**25217.4**	**23307.9**	**27887.6**	**25043.8**	**26290.4**

Note: *WPM* forecasts for 2015 in italics. *Ware and seed for Germany and UK; France and Belgium exclude earlies.
Sources: National statistical authorities; AMI.

Sampling results

During week 40 sampling data have been collected from 100 fields of Farm Frites' main varieties in the Netherlands and Belgium. These data turned out 5% lower than long term average yield. Length is showing a big spread between both batches and varieties. Long varieties show a length around the average, but short varieties show lengths below average. Furthermore the sampling results showed an average dry matter content below the multi-annual average and some secondary growth.





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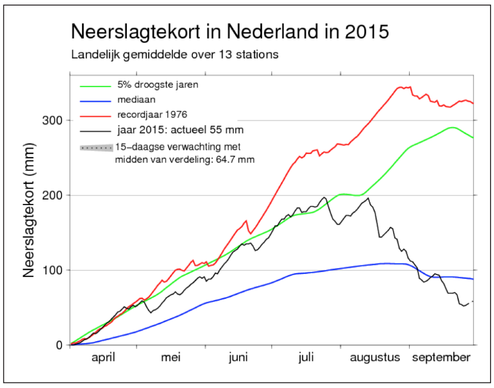
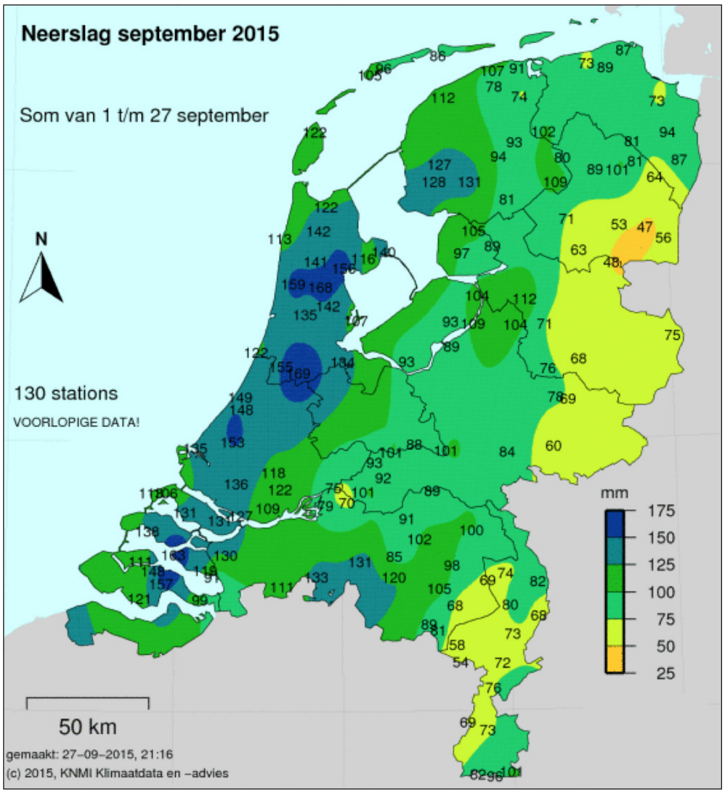
THE NETHERLANDS AND BELGIUM

The rainfall deficit in July is converted in a rainfall surplus today, because of the heavy rains of the last period. A long dry period is needed to ensure the harvest.

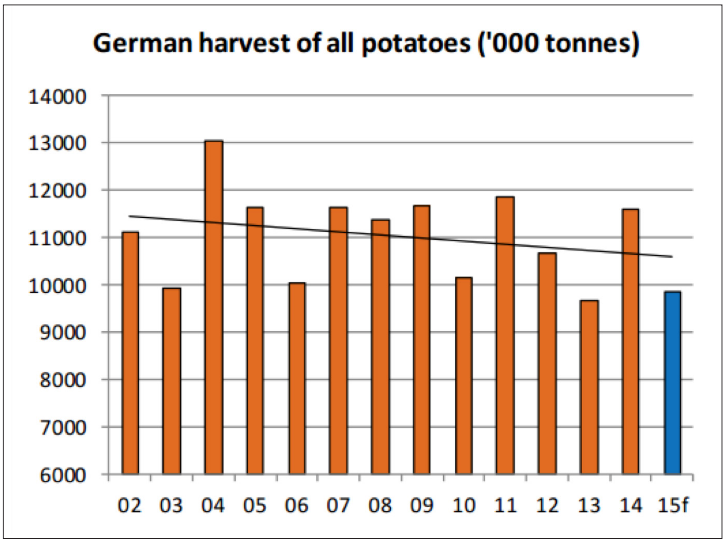




Excessive rain has an impact on the potato quality. Many fields are damaged because of rotten tubers. The impact of the losses will be more clear while harvesting and will depend on the weather of the coming weeks.

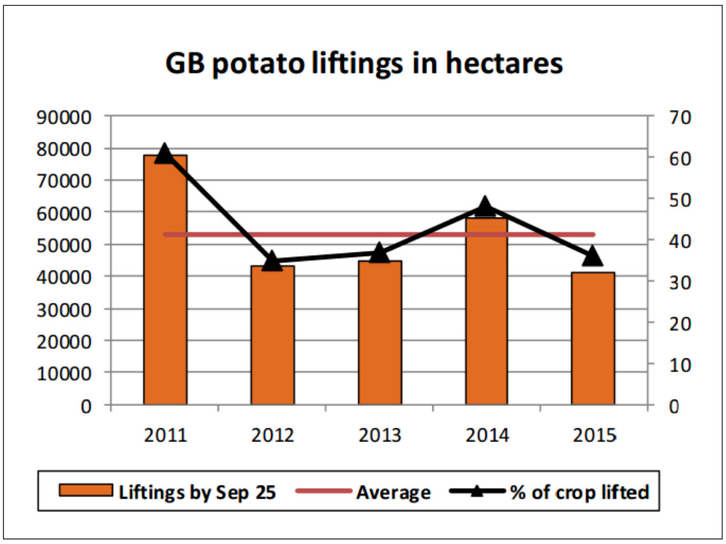
GERMANY

The total harvest of Germany is estimated at 9.853 million tons, which is 15.1% smaller than last year. This smaller harvest is the effect of a 4.4% decrease of plantings and an 11.2% decrease of the average estimated yield. Last season's poor prices resulted in a cutting of the plantings in almost all areas in Germany, with exception of Lower Saxony.



GREAT BRITAIN

The prospect of a week fine weather allows growers to lift. The total liftings in hectares are behind the average lifted area of the last years on 25th of September. It is estimated that in total 41 000 hectares were lifted before 25th of September.



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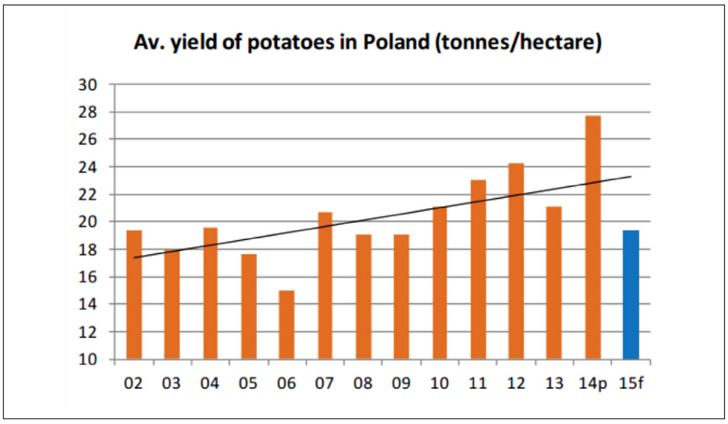
POLAND

The total Polish harvest is thought to be 6.2 million tons, which is 19.4% lower than last year. There is an estimated yield reduction of 30%, but in the meanwhile the planted area was 15.6% higher than last year. A large part of the total Polish harvest is still fed to livestock. That reduces the importance of the harvest reduction of Poland.



Polish area, yield and production of potatoes, 2010 to provisional 2015

	2015p	% ch'ge	2014	% ch'ge	2013	2012	2011	2010	2009
Area (hectares)	320000	+15.6	276900	-20.0	346134	372976	406438	400696	507952
Yield (t/ha)	19.38	-30.2	27.77	+31.8	21.06	24.24	23.03	21.08	19.10
Harvest (tonnes)	6200000	-19.4	7689200	+5.5	7290472	9041300	9361848	8448180	9702800

Sources: Central Statistical Office; IERIGZ; IAFE-NRI.

POTATO MARKET DEVELOPMENT PRICE

A strong export of fries in combination with lower expected harvest all over Europe will push up the potato prices. Quality issues could give a short-dated downward pressure on the spot prices in the coming months, however on the long term a driving up effect for futures prices is expected. In the coming month the effect of water damage will be clear and subsequently the final harvest figures will be determined, which will be leading for the price development of the coming season.