



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

**Date:** 12/12/2007

**GAIN Report Number:** AS7074

## Australia

### Frozen Potato Products

### Potato Report

### 2007

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**Report Highlights:**

In CY 2006, Australia produced 1,255 TMT of potatoes from 35,485 hectares, suggesting an average yield per hectare of 35.4 MT. Recently industry restructure and drought has resulted in a potato trade deficit, with growth in imports outstripping exports. New Zealand is Australia's major trading partner taking around 40% of Australian exports and supplying 62% of imports.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
Canberra [AS1]  
[AS]

## SECTION ONE: SITUATION AND OUTLOOK

### General

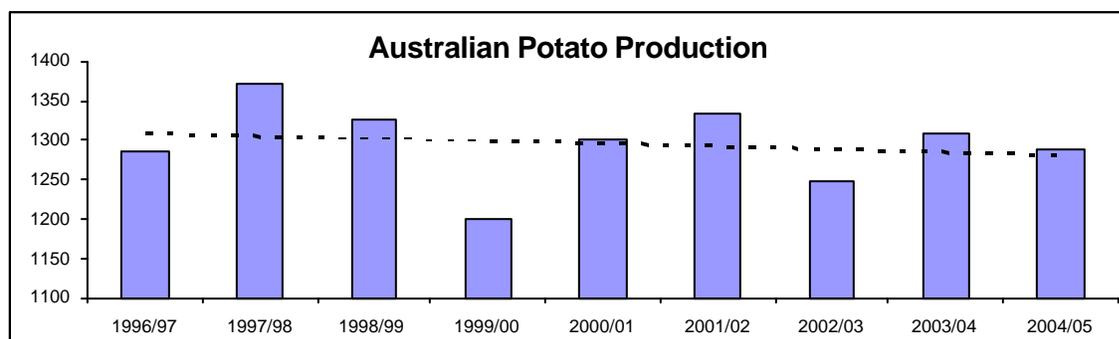
Despite potato production steadily falling, industry reports potatoes as Australia's largest vegetable crop by value, representing around 17 percent of total Australian vegetable production. The steady decline in production is believed to be linked to declining consumption in the domestic market, which has been the main focus for growers. Industry sources suggest that growth in exports is limited by trade barriers and imports of processed potato products are placing pressure on locally manufactured product.

Industry sources report consumption of potatoes at around 62 kg per capita per annum and believe this number to be steadily falling. Australians are believed to consume around 168 kg of vegetables per year, suggesting that vegetables make up around 37 percent of total vegetable consumption.

### Production

According to industry sources, in 2006 Australia produced 1,255 TMT of potatoes from 35,485 hectares. This suggests an average yield per hectare of around 35.4 MT.

Potato production is mostly located in the cooler southern states of Australia. South Australia (31%), Tasmania (23%) and Victoria (22%) account for over three quarters of the national crop. Tasmania produces potatoes mostly for processing while other states continue to focus on fresh production. Tasmania's production has been mostly affected by imports of potato products and so has declined significantly in recent years.



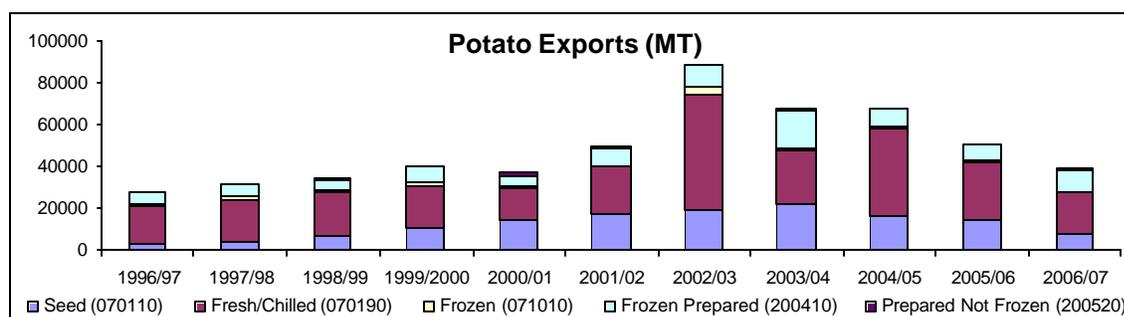
Source: DAFF

### Consumption

The Australian domestic market can be separated into four basis segments. The fresh market, processed frozen market, processed crisps and seed potatoes. The fresh market consumes Sebago, Coliban, Nadine and Desiree potatoes while the frozen market consumes Russet Burbank, Ranger Russet, Kennebec and Shepody. The crisp market consumes Atlantic, Denali, Trent and Kennebec. Australia produces its own seed potatoes for domestic production and also for export.

## Trade

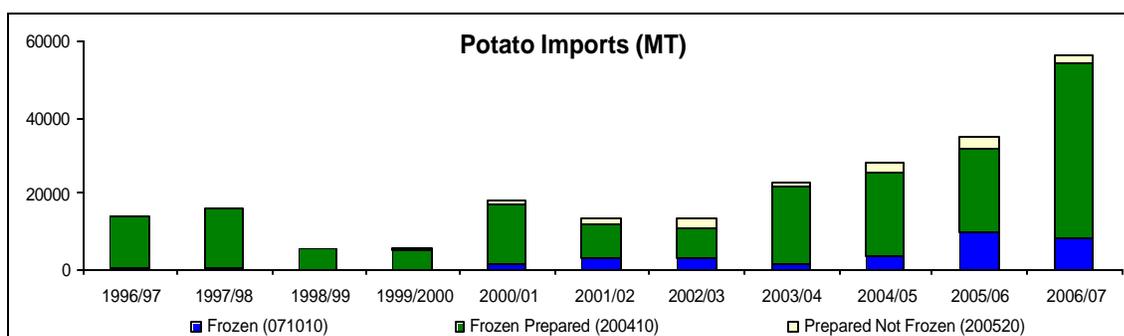
In 2006/07 (July-June), Australia exported a total of 39,011 MT (according to official trade data). This figure was down sharply from the 50,451 MT exported in 2006/07 and the 68,030 MT exported in 2005/06. Australian potatoes are exported under four main tariff categories. In 2006/07, Potato categories (and share of exports) were Seed (19 percent), Fresh Chilled (52.9 percent), Frozen (0.6 percent), Frozen Prepared (26.9 percent), and Frozen Unprepared (0.7 percent). The decline in total exports has been driven by declines in almost all categories.



Source: World Trade Atlas

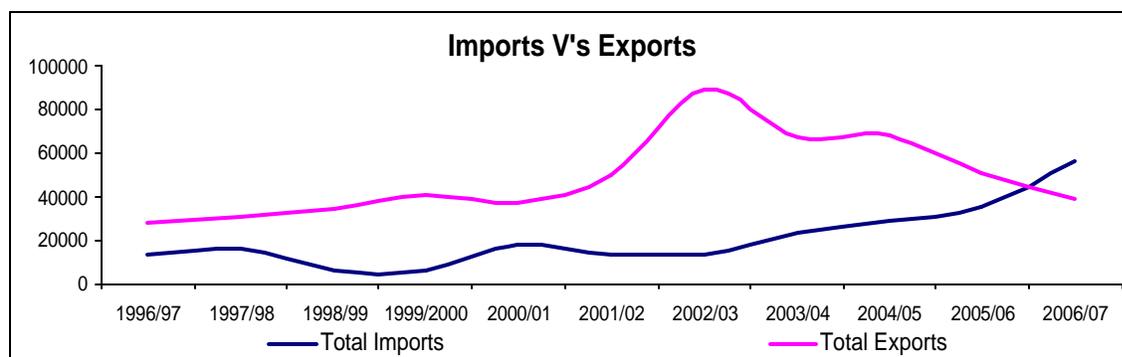
In 2006/07 (July-June), Australia imported a total of 56,451 MT. This figure was up sharply on the 35,163 MT imported in 2005/06 and the 28,168 MT imported in 2004/05. Potatoes are imported under three main categories. In 2006/07, these categories (and share of total imports) were Frozen (14.3 percent), Frozen Prepared (82 percent) and Prepared unfrozen (4 percent). The increase in total imports has been mostly driven by Frozen Prepared potatoes, although other categories have shown remarkable increases in recent times.

According to Australian quarantine regulations, imports of fresh potatoes (including seed potatoes) are prohibited. Each consignment of frozen potato products must be accompanied by documentary evidence verifying the freezing process. This also applies to quick-frozen foodstuffs. Freezing involves preparation, packaging and storing at temperatures well below freezing, i.e. for 7 days at  $-18^{\circ}\text{C}$ .



Source: World Trade Atlas (July-June)

According to industry reports, Australia maintained a potato trade surplus, consistently exporting more potatoes than were imported until recent years. However in recent times industry restructure and drought have seen a potato trade deficit, with growth in imports outstripping exports. New Zealand is Australia's major trading partner taking around 40 percent of Australian exports and supplying 62 percent of imports.



Source: World Trade Atlas (July-June)

### Recent Reports from FAS/Canberra

The reports listed below can all be downloaded from the FAS website at:

<http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp>.

Report Number	Title of Report	Date
AS7072	Ag DownUnder Vol. 14	12/06/07
AS7071	GM Moratoria to be Lifted in Two States	11/29/07
AS7070	Cotton Quarterly Update	11/29/07
AS7069	Ag Down Under Vol. 13	11/26/07
AS7068	Fresh Deciduous Fruit Report	11/21/07
AS7067	Retail Sector Report	11/08/07
AS7066	Citrus Annual	11/07/07
AS7065	Ag Down Under Vol. 12	11/02/07
AS7063	Dairy & Products Annual	10/24/07
AS7062	Issues Paper – Safeguards Inquiry into Imports of Pig Meat	10/24/07
AS7061	Govt. Announces Safeguards Inquiry into Imports of Pig Meat	10/22/07
AS7060	ALP Wheat Marketing Proposal	10/15/07
AS7059	Ag Down Under Vol. 11, 2007	10/15/07
AS7058	Export Wheat Commission Established	10/15/07
AS7057	Sugar Semi-Annual	10/10/07
AS7056	Biosecurity Australia – Transitional Arrangements for Import Work Program	10/09/07
AS7055	October Grain Lockup	09/28/07
AS7054	Ag Down Under Vol. 10, 2007	09/21/07
AS7053	Livestock Annual	09/20/07
AS7050	Ag Down Under Vol. 9, 2007	08/31/07
AS7049	Australia Battles Equine Influenza Outbreak	08/28/07
AS7048	New Import Conditions for Seafood Products	08/20/07
AS7047	New Regulations for Applying to Amend the Food Standards Code	08/20/07
AS7046	Cotton Quarterly Update	08/20/07
AS7045	New Report Released Supporting GM Crops	08/20/07
AS7044	FAIRS Export Certificate Report	08/20/07
AS7043	Exporter Guide	08/15/07
AS7042	Ag Down Under Vol. 8, 2007	08/06/07
AS7041	Grain Quarterly Update	08/01/07
AS7040	FAIRS Country Report	07/31/07