



Foreign Agricultural Service

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Germany

Frozen French Fries

German Potato Situation

2001

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Report Highlights:

Inferior growing and harvesting conditions for potatoes result in shortage and quality problems of processing potatoes in Germany and other European countries

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
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Summary

German and European potato crops in 2001 are foreseen to be significantly smaller than in previous years. Current rainy weather also endangers crop quality. Potato processors association warns of sizeable shortfalls in processing potatoes beginning January 2002.

Crop Situation

In 2001, German farmers planted only 280,000 hectares to potatoes, a reduction of about eight percent compared to 2000. This is the smallest potato production area ever recorded for Germany. The farmers' planting decision was in reaction to record yields and consequently low potato prices in the fall of 2000. Average yields are forecast to be about ten percent lower than in 2000. The main concern is that producers fear that their potatoes will be of inferior quality. Crop volume is forecast at 10.0 to 10.5 million tons in 2001 versus 12.6 million tons in 2000.

The planting season started a few weeks later than normal due to rainy weather. Extreme summer temperatures in August then stopped growth development. Above average rains during all of September resulted in some production regions with above normal water content in potato tubers. As potatoes became ready for harvest, many fields were oversaturated with water which prohibited timely harvesting. The described situation has already led to quality problems. Additional rains may further deteriorate the situation.

The shortened growing season due to late planting and the extreme August temperatures resulted in a particular shortage of big size potatoes (tubers of more than 60 millimeters in diameter) for chip production. During the past six weeks, potato prices already went up by about 30 percent on the futures markets. Compared to one year ago, potato futures are currently about 150 percent higher. One of the major local food discounters also reacted to the situation by raising his prices for frozen french fries by 30 percent.

Market Situation

Industry experts fear that market supplies will become very tight by the beginning of 2002 when most of this year's crop will be used up. Supplies in neighboring European countries are reported to be also significantly shorter than in 2000.

The shortage in processing potatoes is particularly important for the German market as well as for other EU countries since consumption of fresh potatoes has been continuously shrinking while demand for potato products continues to grow. This may provide an opportunity for American suppliers to sell processed products to Europe. Exports of fresh potatoes are not possible because of phytosanitary restrictions.

German Potato Statistics				
	Potato Area	Potato Production	Fresh Consumption	Processed Consumption
	1,000 ha	1,000 MT	kg per capita	kg per capita
1991	341.8	10,201	46.0	29.0
1995	315.2	9,898	40.8	32.0
1996	335.8	13,100	44.2	29.1
1997	303.6	11,659	43.9	28.4
1998	297.3	11,338	40.6	30.0
1999	308.5	11,568	39.0	31.0
2000	301.8	12,633		
2001*	280.0	10,500		
* AgBonn Forecast				
Source: ZMP				