Re: Effects of the COVID-19 measures on the potato sector in Europe and call for DG AGRI to support the sector

Dear Director-General,

Copa and Cogeca wish to alert you to the seriously disrupted and unbalanced situation that the potato market is facing as a direct result of the various measures to tackle the spread of the virus.

World and European potato production can qualify as good this year (see Figure 1). In Europe, supply is at a similar level to last year and is increasing slightly due to an increase in surface area. This is the result of plantings that took place in March last year, or at the start of the crisis, when no one was able to reasonably gauge the shock and consequences of the pandemic.

The entire sector recognises the legitimacy of the public authorities’ measures to close out-of-home food services in most countries. Nevertheless, the sector cannot remain silent in the face of the exceptional economic consequences that these measures caused.

The major drop in these outlets, which in normal circumstances represent approximately half of the potato production volume in certain Member States, resulted in processing factories reducing their level of production for frozen products. The most affected segments are those of frozen products (e.g. fries, Dauphine potatoes, croquettes), for which 50% of purchases usually come from out-of-home food services.

Given that the presence of this virus has affected all countries across the world, global demand for processed potato-based products is declining. This has therefore had a profound impact on the export levels of the major producing countries over the past few months.

As global demand has been lower, industrial production has progressively adapted. Today, several hundreds of thousands of tonnes of potatoes that should have been processed will not be.

An outlet must be found by the end of the marketing year for the potatoes that are currently being stored by producers. The current alternatives are:

- food donations to associations;
- redirecting them into animal feed;
- processing them into starch;
- methanisation;
- compost.
There is still a lot of uncertainty as to the feasibility of all these alternatives, notably given the unfavourable economic conditions that they offer. Furthermore, they do not allow for all the stocks of potatoes to be absorbed.

Without any alternative outlet, producers could be inclined to deposit these potatoes directly on their fields, which would pose health, parasite, environmental and societal risks.

In this context, Copa and Cogeca calls on you to acknowledge the exceptional nature of the situation by renewing the implementation of Article 222, paragraph 1, first subparagraph of regulation (EU) No 1308/2013 granting exemption from competition rules in order to be able to carry out indispensable measures to stabilise the sector with all legal certainty.

Yours faithfully,

Cc: Mihail Dumitru, Michael Scannell,
Figure 1: world potato production developments

Figure 2: developments in exports of frozen fries from the top five producing countries (the Netherlands, Belgium, Germany, France and Poland)

Source: World Potato Markets