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New Zealand

Post: Wellington
New Zealand Potato Sector Annual Update 2012

Report Categories:
Potatoes and Potato Products
Agricultural Situation

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Report Highlights:

Bumper Production of 586,000 MT was a result of very good growing conditions over the 2011/2012 growing season. This has resulted in an overhang of produce in the domestic market and is depressing prices. The Tomato/Potato Pysllid is still a significant problem but growers are learning to live with it. Exports jumped up to 103,000MT in CY2011.

New Zealand Potato Sector 2012 Report

Overview NZ Potato Industry

Planted Area:

New Zealand Potatoes - Planted Area in Hectares						
2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
10,850	..	10,050	..	11,398	..	10,724

Source: Statistics New Zealand, **..** – figures not available

Production: Usually 500,000 to 550,000 metric tonnes

Product Streams: Approx 33% of area grown goes to table potato production; 56% of the area grown is destined for processed products; and 11% of the area produces seed potatoes.

Main growing areas: Pukekohe, Hawkes Bay, Manawatu and Canterbury, Fresh potatoes can be harvested all year round. Most potatoes in Manawatu, Hawkes Bay & Canterbury are grown with irrigation.

Number of Growers: Approximately 200

Most common commercial varieties are: Russett Burbank, Innovator, Rua, Nadine, Agria, Moonlight, Desiree, Ilam Hardy, Red Rascal, Ranger Russet and Shepody.

Main Processors: Frozen processing is dominated by McCain Foods of Canada, which has a plant in Timaru (potential output 140,000MT), and Simplot/Mr Chips with plants in Auckland and Christchurch. The crisping industry is small in New Zealand with the main three processing companies operating here: Bluebird, owned by PepsiCo-Frito Lay; ETA owned by PEP of Australia; and New Zealand company, Fresher Foods, now being joined by grower owned Heartland.

2011/12 Season

Growers right around New Zealand enjoyed benign growing conditions from September 2011 through till May 2012 and consequently produced a bumper national harvest estimated at 586,000MT. Consequently there is now an overhang of surplus produce in the market which is depressing fresh table prices. It is thought that the main processors are hanging onto significantly increased levels of inventory. One processor has indicated it will decrease its intake by 10,000MT next season at one factory which currently produces approximately 60,000MT of frozen french fries.

Trade

Exports

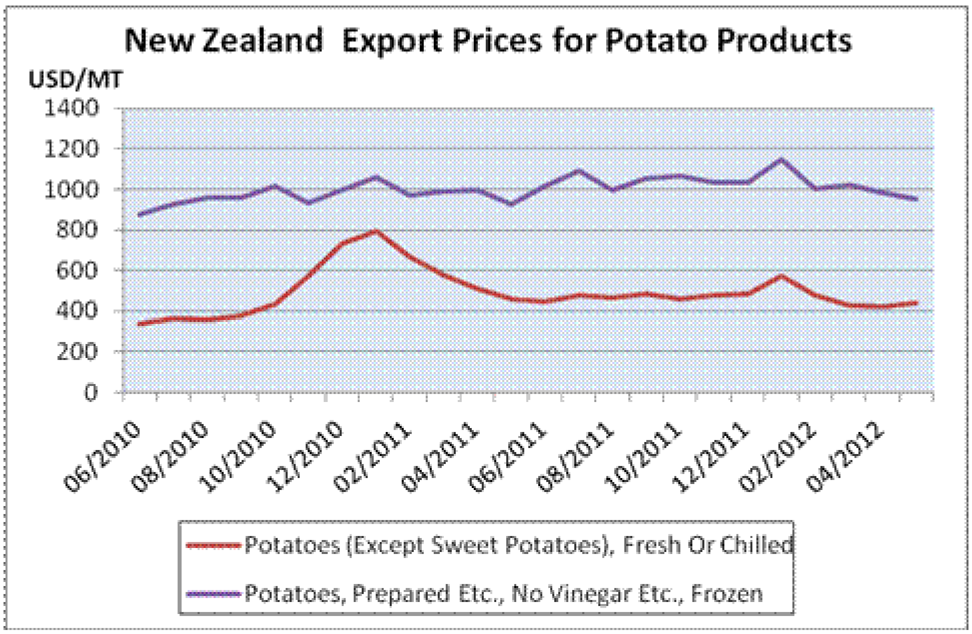
New Zealand Potato and Potato Product Exports										
Destination Country	Quantity in Metric Tons for Calendar Year								% total in 2011	% change 10 to 11
	2004	2005	2006	2007	2008	2009	2010	2011		
World	87275	87431	109193	102223	94031	101357	98660	103050	100.0%	4%
Australia	20961	21867	46530	48170	48908	44962	40556	51647	50.1%	27%
Fiji	20653	20236	21916	20587	18041	19359	18996	18238	17.7%	-4%
Thailand	2652	3413	4151	2875	1244	2804	1296	4955	4.8%	282%
Japan	4323	3398	3995	4515	2835	3882	4011	4526	4.4%	13%
French Polynesia	3885	3810	4300	4808	4104	4093	4622	4313	4.2%	-7%
Papua New Guinea	876	1087	1010	1806	1886	2242	2912	3454	3.4%	19%
New Caledonia	2229	1541	1556	1569	2599	2013	1856	3098	3.0%	67%
Malaysia	7381	9629	9019	5849	3908	6945	9739	3016	2.9%	-69%
Indonesia	3318	4948	3366	1442	1086	793	2152	2840	2.8%	32%
Philippines	7559	5176	1443	1338	1311	2550	2359	1633	1.6%	-31%
Rest of the World	13438	12325	11909	9264	8111	11716	10162	5331	5.2%	-48%

Source: Global Trade Atlas

New Zealand Potato and Potato Product Exports by Product Type										
Description	Quantity in Metric Tons for Calendar Year								% total in 2011	% change 10 to 11
	2004	2005	2006	2007	2008	2009	2010	2011		
Fresh, Frozen, par-cooked, preserved, Total	87275	87431	109193	102223	94031	101357	98660	103050	100.0%	4%
Potatoes (Except Sweet Potatoes), Fresh Or Chilled	27295	27167	27346	25576	25666	29393	30245	29973	29.1%	-1%
Potatoes Uncooked/Cooked By Boiling In Water, Frozen	349	516	99	33	161	179	114	688	0.7%	504%

Potatoes, Prepared Etc., No Vinegar Etc., Frozen	58892	59395	81462	76386	67869	71488	68014	71035	68.9%	4%
Potatoes, Prepared Etc. No Vinegar Etc, Not Frozen	740	352	285	229	335	297	287	1354	1.3%	372%

Source: Global Trade Atlas



Source: Global Trade Atlas

New Zealand Import Statistics Commodity: Potatoes all HS codes, Fresh, Frozen, par-cooked, preserved								
Calendar Year: 2009 - 2011								
Partner Country	Unit	Quantity			% Share			% Change
		2009	2010	2011	2009	2010	2011	2011/2010
World	T	18636	14893	14046	100.00	100.00	100.00	- 5.69
Australia	T	13927	10710	9019	74.73	71.91	64.21	- 15.79
United States	T	239	533	1813	1.28	3.58	12.91	240.25
Belgium	T	1858	1453	1349	9.97	9.75	9.60	- 7.16
Canada	T	754	883	912	4.05	5.93	6.49	3.28
Netherlands	T	954	576	422	5.12	3.87	3.01	- 26.70
China	T	746	450	197	4.00	3.02	1.40	- 56.35
Germany	T	3	37	58	0.01	0.25	0.41	56.17
New Zealand	T	1	0	51	0.01	0.00	0.37	0.00

Switzerland	T	0	106	45	0.00	0.71	0.32	- 58.13
Mexico	T	0	31	31	0.00	0.21	0.22	0.88
Rest of World	T	153	115	149	0.82	0.77	1.06	29.57

Source: Global Trade Atlas

New Zealand Import Statistics From World Commodity: Potatoes all HS codes, Fresh, Frozen, par-cooked, preserved							
Calendar Year: 2009 - 2011							
Description	Quantity (MT)			% Share			% Change
	2009	2010	2011	2009	2010	2011	2011/2010
Total Fresh, Frozen, par-cooked, preserved	18636	14893	14046	100	100	100	-5.69
Potatoes, Prepared Etc., No Vinegar Etc., Frozen	17484	13509	12161	93.82	90.7	86.58	-9.97
Potatoes Uncooked/Cooked By Boiling In Water, Frozen	356	807	1126	1.91	5.42	8.02	39.63
Potatoes, Prepared Etc. No Vinegar Etc, Not Frozen	795	578	758	4.26	3.88	5.4	31.18
Potatoes (Except Sweet Potatoes), Fresh Or Chilled	0	0	0	0	0	0	n/a

Source: Global Trade Atlas

Market Comment & Policy/Market Access

Australia – The Potato sector's, main export market, took a volume increase of 27% in 2011. Frozen potato chips comprise 98% of the total volume and crisps make up the other 2%. Australia still prohibits all unprocessed potato imports. The New Zealand industry is seeking access for potatoes to processing facilities (as quarantine approved premises) for the manufacture of potato crisps and secure disposal of wastes. Some progress has been made with DAFF just having released a report which recommends fresh potatoes could be imported into approved premises for processing subject to a set of phyto-sanitary conditions. The Australian industry has 60 days to make submissions.

Japan - New Zealand has requested access for potatoes for processing in secure facilities (e.g., French fries or potato crisps factories). (The US obtained access to Japan in 2006.) Despite the processing of these products it is likely that Japan will require specific phyto-sanitary measures for potato cyst nematode. No progress has been made with this request.

Korea –While New Zealand's potato growers have finally got a protocol for exporting fresh potatoes to South Korea the severe phyto-sanitary, and crop sustainability conditions for access have so far continued to block access. It is likely that NZ Authorities will go back to Korean officials to try to renegotiate parts of the protocol. Seed potato exports are not included. The main interest in fresh potatoes will be for processing. Korea imports about 16,000 tons of fresh potatoes annually, mostly for "chippies".

Malaysia – This market had been identified as having considerable potential for future growth for NZ exports. In 2010 exports to Malaysia really kicked off, increasing by 40% on the back of increased frozen processed product. However in 2011 exports have slumped by 69%, back to 3,016MT on account of virtually all frozen product exports ceasing. Fresh exports were up 77% to 2,525MT. It is likely the frozen product manufacturers in NZ were able to get better prices from exporting to Australia.

South East Asia – It is still considered that generally SEA holds considerable potential for receiving increased exports from NZ, especially as cheaper Chinese product is disappearing out of the markets. One of the other markets specifically identified by PotatoesNZ was Singapore. In the past Singapore has been one of the top ten destinations by volume reaching 5,449MT in 2010, with 85% of the volume being frozen processed product. However in 2011 exports slumped to 599MT. Again the major casualty was the frozen processed product where it is likely better prices in Australia meant product was redirected.

Middle East - United Arab Emirates, and Saudi Arabia have also been identified as having significant potential but to date no market development work has been carried in either of these destinations.

Potato/Tomato Psyllid

Potatoes NZ is undertaking a range of research and extension projects to help growers deal with the tomato/potato psyllid, Liberibacter, and Phytoplasma complex which includes workshops; conferences; the establishment of a psyllid working party, and Government funded Sustainable Farming Fund research and extension projects. Control of this one pathogen alone is costing growers NZ$500-700/ha per year, and crops in all growing regions can be affected.

The voluntary $1/T levy to raise funds for research and information extension has been successful but has been terminated now. The Sustainable Farming Fund research and extension projects will continue for at least another year.

Click here for additional information: http://potatonz.org/psyllid.html

Additional Information

Horticulture NZ: http://www.hortnz.co.nz/
Potatoes NZ: http://www.nzpotatoes.co.nz/
Ministry of Foreign Affairs and Trade: http://www.mfat.govt.nz/Trade-and-Economic-Relations/Trade-Relationships-and-Agreements/index.php

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