

Potatoes for human consumption

1. Product characteristics

The potato is commonly considered a cool season crop. It is suited to at high temperatures when water is supplied in uniform quantities and can grow well on a wide variety of soils. Planting time varies considerably from region to region depending not only on local climatic conditions but also on intended market use. This entails that potato production can be obtained in many different areas and, indeed, explains why potatoes are grown in all the EU countries.

Potato markets are becoming increasingly segmented as new varieties are created to satisfy particular needs of the chain. However, as a starting point some broad categories of potatoes can be identified: early potatoes, main crop potatoes, seed potatoes and starch potatoes.

Potatoes for human consumption, that is early and main crop potatoes, can be used as table potatoes, when they are supplied fresh to the consumer, or as raw material for the food processing industry.

The UNECE defines "early potatoes" as potatoes harvested before they are completely mature, marketed immediately after their harvesting and whose skin can be easily removed without peeling.

Early potatoes from the EU's and non EU's Mediterranean area (Spain, Italy, Cyprus, Greece, Malta, Portugal, Morocco, Israel and Egypt) are harvested and then commercialised in the first semester of the calendar year while the season of earlies obtained in the Continental and Northern part of Europe starts in late May-June and has its pick in July-August. In Southern Europe, the process is characterised by relatively low yields and high costs and, by consequence, the utilisation of early potatoes from the Mediterranean area is not very attractive to the processing industries.

The harvest of main crop potatoes starts later (normally in September) and production costs are lower. The technical progresses in storage operations have allowed a prolongation of the main crop potatoes' season till May-June. As a consequence, there is an overlap of the season of main crop potatoes with that of early potatoes from the Mediterranean area.

The food industry can require potatoes for different types of products:

- pre-cooked products (mostly French fries),
- de-hydrated products (i.e. potato flours, potato flakes or potato granules),
- snacks,
- other products (gnocchi, salads, ready prepared meals, etc.).

Seed potatoes are propagation material intended for re-production. Once planted, they grow into new crops of potato varieties for human consumption or for starch.

The geographical distribution of potato production within the European Union is characterised by 4 main aspects:

- The Mediterranean part of the EU is relatively more specialised in early potatoes that are commercialised in the first semester of the calendar year;
- Earlies cultivated in Northern, Eastern and Central European countries are brought on the market between late May and August. However, these countries are relatively stronger in the marketing of main crop potatoes;

- Trend towards the concentration of potato supply in five Member States: Germany, the Netherlands, France, UK, Belgium (so called EU-5). Poland has been for a long time the first potato producer in the EU but its production is strongly declining, while EU-5 countries are strengthening their position on the EU markets;
- The new Member States' potato production underwent a drastic process of structural change following the disruption of the former central planning economy. The path towards a modern system of market economic relationships is bringing about some developments but the re-organisation of the sector is still not completed.

2. Potatoes for human consumption from a legal perspective

Potatoes for human consumption are one of the few agricultural products for which there is no common market organisation. In 1992 and 1995 the Commission put forward proposals for a common market organisation, but no agreement was reached in the Council.

For many years this sector has not benefited from any financial support of the CAP. This situation ended with the enlargement of 2004 and the establishment of a simplified model of direct payments for EU-12 (Single Area Payment Scheme) in which potato areas are eligible for support. In 2005 the EU started implementation of the CAP reforms agreed in 2003. The most important aspect of these reforms was so called "decoupling" which enabled breaking the link between the subsidies and farm production. The farmers are to base their production decisions on market signals and not on expected combination of subsidies. Some EU-15 Member States opted for a "regionalised" model of decoupled direct payments, which created also a possibility for potato producer to benefit from income support. Other MS applied so called "historical" model which prohibited growing potatoes for human consumption (and fruit and vegetables) by farmers receiving direct payments to prevent distortion of competition. The reform of the Common Market Organisation in fruit and vegetables of 2007 made all potato (and fruit and vegetable) areas in the EU eligible for direct payments. MS can decide to keep the exclusion to grow potatoes in place for up to three years i.e. until 2011.

As a side effect enhancing the scope of CAP support to potatoes for human consumption, its special status regarding the Community rules on state aids has ended. Since 1 January 2008 all state aids to the potato sector must be in compliance with the standard rules for other agricultural sectors. By derogation, MS may continue existing state aid schemes until the end of 2011.

Other legal aspects relevant to the potato sector concern phytosanitary issues, external trade, CAP promotion policy and a CAP quality policy.

The main objective of EU plant health legislation is to protect the safety of food derived from plants and to secure the health and quality status of crops in all Member States. It also regulates the trade of plants and plant products within the EU as well as imports from the rest of the world in accordance with international plant health standards and obligations. The legislative framework for the EU Plant Health Regime is laid down in Council Directive 2000/29/EC of 8 May 2000 on protective measures against the introduction into the Community of organisms harmful to plants or plant products and against their spread within the Community. The EU supervises the sale and use of plant protection products, or pesticides and sets standards to monitor and control pesticide residues. It also ensures quality conditions for the sale of seeds and propagating material within the EU. Finally, the EU legislation also covers the intellectual property rights granted to plant varieties, as well as the conservation and use of genetic resources. The Directorate-General for Health and Consumer Protection of the European Commission manages legislation in these areas.

Although potatoes for human consumption are not covered by the single Common Market Organisation (except for Community state aid rules), some aspects of the CAP are pertinent to this product, namely promotion and quality policy.

Potato operators could profit from the EU actions on promotion aimed at positioning EU's agriculture and agri-food industry to seize new market opportunities. The legal framework for these actions is laid down in Council Regulation (EC) No 3/2008 of 17 December 2007 on

information provision and promotion measures for agricultural products on the internal market and in third countries.

The currently running EU co-financed promotion projects comprise: Potatomania (proposing organisations VLAM+APAQ-W+CNIP+AGF Promotie Nederland from Belgium, France and the Netherlands) and Merpotatis.nu (proposing organisation Svensk Potatis from Sweden).

In 1992, the European Union created systems known as PDO (Protected Designation of Origin), PGI (Protected Geographical Indication) and TSG (Traditional Speciality Guaranteed) to promote and protect food products. Acquiring the PDO/PGI and TSG registration does primarily produce a better definition of a product's specificity and enhances market opportunities. Potato producers are entitled to benefit from these systems.

Examples of potatoes that are registered as PDO/PGI comprise among others: "Patata Kato Nevrokopiu" (PGI - Greece), "Pomme de terre de Merville" (PGI - France), "Pomme de terre de l'Île de Ré" (PDO - France), "Opperdoezer Ronde" (PDO - Netherlands), "Lapin Puikula" (PDO - Finland), "Jersey Royal potatoes" (PDO - UK).

More on PDO/PGI and TSG at http://ec.europa.eu/agriculture/quality/schemes/index_en.htm