

China: Frozen fries production increases

Detail Introduction :

Fresh potato production in the marketing year 2021/22 (September-August) is forecast at 94 million tons (MMT), down 5% from 2020/21 marketing year production of 99 million tons, due to a reduction in planted area. According to industry sources, potato acreage has declined in the northern monocrop area as very high corn prices have caused farmers to switch between crops.



Incentivized by lucrative returns, many farmers turned to corn production. In addition, less potato area is expected to be planted in the southwest mixed-crop area from September to November 2021 due to low potato prices. Potato prices fell by more than 25% in the first half of 2021 compared to the same period in 2020 due to increased production. The increase in production in 2021 is due to high potato prices in 2020, which supports the increase in planted areas.

According to the 2021 China Agricultural Outlook report, the average wholesale price of fresh potatoes in 2020 was 2.62 yuan/kg (\$0.18/lb), an increase of 9.2% over 2019 and the highest level in the past decade. Potato prices were particularly high in the first half of 2020 for two reasons: 1) 2019 stocks were low; 2) in spring 2020, potato producing areas (mainly southwest mixed crop areas, including Yunnan Province) suffered from unfavorable weather conditions (freezing damage), resulting in lower-than-normal levels of potato production and higher prices. Potato prices fell in the second half of 2020 due to ample supply from northern monocrop areas.