

# Europatat

## Activity report 2016-2017



[europatat.eu](http://europatat.eu)



European Potato Trade Association

This Activity Report provides an overview of Europatat's work since the previous Europatat AGM in 2016, which took place on 1 June 2016 in Brussels, Belgium. This work will not have been possible without the leadership of the Europatat Board, the active support of all associations and company members throughout the year.



### Join us

An increasing number of companies have considered joining Europatat to further strengthen the association. Membership fees for companies depend on their type of activity and range from €1.000 to €6.000. Feel free to visit our websites or contact us for more information.

Download the application form now!



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## Foreword

This Activity Report is released on the occasion of the 2017 Annual General Assembly of Europatat (15 June 2017, Antwerp). It provides an outlook of the potato sector, covering business trends and key policy areas that Europatat has been involved in the last twelve months.

I took over the chairmanship of Europatat a year ago after being part of the Board for a number of years. Together with the other Board members we are striving to strengthen the support given by the members to Europatat, so that the association, and the interest of all its members, remains at the centre of all the European discussions.

In the next few years to come, Europatat mission shall remain focused on the trade market, while at the same time being aware of all the supply chain, since Europatat's members work in a connected world and not in isolation. The major objective of the association is to be of service of the general interest of the sector. Europatat counts with an important network of stakeholders which is becoming more solid and active, given the general benefits of finding synergies with like-minded partners. At the same time, the active participation of Europatat members, both national federations and private companies, which can provide technical expertise and valuable information for the work of the secretariat will be promoted.

Close cooperation and good contacts with the European Commission and directorates-general such as DG Agriculture, DG SANTE and DG Trade make sure that the worries, problems and challenges of the potato sector are heard and understood. Europatat is often contacted by the policy makers in order to come to proposals or decisions that are crucial to our sector. Working in close harmony with e.g. ESA, Euppa, Freshfel and Copa Cogeca benefits to all.

There are many topics which get the full attention of our Secretary General, of which promotion, plant health, food safety and food waste are just a few out of many. Our sector meets threats but also many opportunities. I am convinced that our Europatat organisation is the best connection to the interests of our sector.

Furthermore, Europatat has lead the organisation and running of a wide range of popular meetings and other valuable membership benefits. In this occasion I would like also to thank all members which during 2016 have supported the efforts of the association to implement successfully all the activities for the benefit of the sector.

I believe that this activity report is a good snapshot of how active Europatat has been in the past year and hope that you enjoy the reading.

Jos Muyshondt  
President of Europatat





## The Association

### ***EUROPATAT***

Europatat, the European Potato Trade Association, gathers national associations and companies involved in the trade of seed potatoes and ware potatoes from all over Europe. Initially set up in 1952 by national associations to protect the interests of the wholesale potato merchants, since 2010 its membership is also open to individual companies active in the potato trade with a view to play an even more proactive role in the European decision-making process.

Europatat is an international non-profit association according to Belgian law, it is registered in the EU register of interest representatives, a European Commission initiative to increase transparency within the European environment. The Europatat register n° is 16057181340-75.

### ***MISSION***

Europatat is a member-driven association, undertaking multiple representation and coordination of tasks for the overall benefit of the potato trade. The association is located in Brussels and in its day-to-day work the association keeps regular contact with the services of the European Commission as well as the European Parliament. Besides this, Europatat has received since its establishment the encouragement and support of various official organisations such as the UN-ECE, the FAO or the OECD. To collaborate on horizontal matters, Europatat works in close collaboration with other agri-produce trade associations.

Europatat's objectives are:

- to improve the commercial and international activities of the potato trade;
- to protect the professional interests and the commercial function on a European and International level;
- to represent the profession in and at all official and international organisations.

### ***STRUCTURE***

Europatat is structured around a General Assembly, a Board and six commissions. Europatat's organisation enables it, in spite of occasional conflicting opinions and interests, to define with an open mind a common policy defending the profession. To allow Europatat to be continuously updated on trade issues and to respond to all legal developments on the EU level in a quick and efficient way, the activities of Europatat are delegated to specialised commissions composed out of representatives of national associations and individual companies. Potato professionals are encouraged to bring in their knowledge and experience in order to strengthen the position of the sector.

The daily work of Europatat is conducted by the secretariat of the Association based in Brussels. The Association's collaboration with the fresh fruit & vegetable sector, results in a permanently available multilingual staff with various competences. The staff has built up a broad knowledge base and keeps in close touch with various European institutions, such as the European Commission and the European Parliament.

The Board consists of the association's President, Vice-President and the Treasurer, and is assisted by an Advisory Committee composed of the Chairmen of each of the six commissions. Board members are elected for a mandate period of four years, with some adjustments and transitional periods. The current Board took function on the occasion of the General Assembly on 1 June 2016 in Brussels (BE).

#### EUROPATAT BOARD & ADVISORY COMMITTEE 2016-2018

|  |                      |                              |
|--|----------------------|------------------------------|
| President  | Jos Muyschondt       | POMUNI                       |
| Vice-President                                       | Domenico Citterio    | Domenico Citterio & c.s.r.l. |
| Treasurer  | Gilles Fontaine      | Desmazières                  |
| Chairman Seed Potato Commission                      | Tigran Richter       | Norika                       |
| Chairman Early Potato Commission                     | José Pélaez          | Sevillana de Patatas         |
| Chairman Ware Potato Commission                      | Francisco Moya       | Negonor                      |
| Chairman Packers Commission                          | Peter Van Steenkiste | WARNEZ N.V.                  |
| Chairman RUCIP Commission                            | Thomas Herkenrath    | Fritz Jungnickel             |
| Chairman Technical &<br>Regulatory Issues Commission | Jan van Hoogen       | Agrico                       |

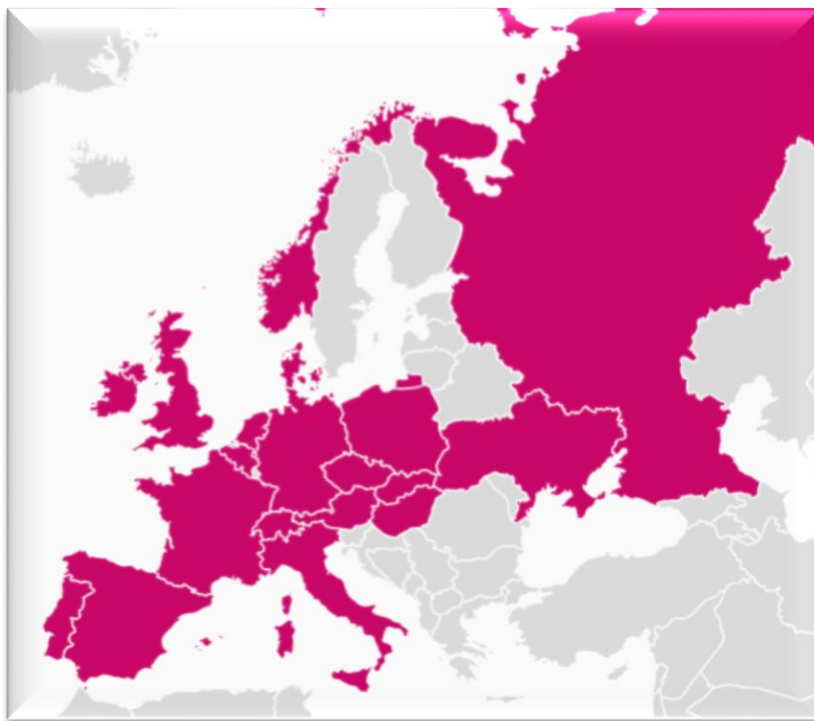




## **MEMBERSHIP & BENEFITS**

Europatat presently incorporates the national associations of the biggest potato trade partners in the EU as well as individual companies active in the potato trade. The association counts 18 national associations, 28 companies and 1 associated member among its members. At present 19 countries are represented within Europatat, the complete list of members is to be found at the end of this report.

The membership of Europatat is balanced between its various membership categories and members' focus. This guarantees a good balance of interest and a wide diversity of expertise available to the association. In the future, Europatat seeks to reinforce even further its cooperation with companies and associations based in Eastern Europe in order to better reflect the reality of the potato trade in the EU-28.



Besides granting to the association the strengths of their support and their professional input, members of Europatat benefit from a wide range of services and advantages enabling them to get a grip on the many challenges the potato sector faces today: trade barriers, increasing concerns over food safety and environment, quality, etc.

Among these services or advantages are:

- Having the ability to influence the European decision-making process and strengthen the position of the potato trade sector on the international trade scene;
- Having the ability to exchange views and develop common positions with colleagues engaged in similar activities;
- Enjoying the networking opportunities offered by an association with an international dimension;
- A regular Newsletter including the latest information on crucial developments in the potato trade and on European legislation affecting the potato supply chain;
- Services of a multilingual Brussels-based Secretariat for fast answers to key questions relating to the potato sector.

**NOT YET A MEMBER OF EUROPATAT? PLEASE CONTACT RAQUEL IZQUIERDO DE SANTIAGO AT THE EUROPATAT SECRETARIAT: [SECRETARIAT@EUROPATAT.EU](mailto:SECRETARIAT@EUROPATAT.EU). EUROPATAT'S RESOURCES ARE EXCLUSIVELY RESULTING FROM MEMBERSHIP FEES. A STRONG ORGANISATION CAN ONLY BE BUILT BY GAINING THE SUPPORT OF ALL THE STAKEHOLDERS IN THE POTATO TRADE. EUROPATAT THANKS ITS MEMBERS FOR THEIR SUPPORT!**

## COMMUNICATION

Information flow is a key for building policy positions, for networking and for accountability. Europatat has therefore developed several tools to communicate on a regular basis with its members and the outside world in the most efficient manner:

- ✓ The *Europatat Circular*, disseminated to members on a regular basis, includes the latest information on crucial legislation and important developments within the potato trade. It also informs members on actions undertaken by the Association.
- ✓ Europatat has also introduced *Thematic Fact Sheets* for its members on a series of topics, which are published given a specific event or development and regularly updated. These are compilations of available information in an FAQ-style on key issues, such as pesticides and food waste. They aim at improving the communication and harmonising the industry message on certain topics.
- ✓ The association's official website is accessible at [www.europatat.eu](http://www.europatat.eu). It is linked to an Extranet for improved communication with members.
- ✓ The official Europatat Congress website is accessible at [www.europatatcongress.eu](http://www.europatatcongress.eu) and is the unique reference for regular congress participants and potential participants.
- ✓ Europatat has its own *Twitter* and *Linked-in* accounts. These are being used as a tool to stay in touch with stakeholders, policy and decision makers and, more generally, to connect with people interested in the sector and the work Europatat is doing.
- ✓ The Secretariat has also created a *Wikipedia* page for Europatat, which gives the most important information about the association at a glance.

Next to the standard communication methods, Europatat also regularly publishes press releases and position papers, whenever necessary. The Europatat position papers (and or official letters) are sent to different EU policy makers on a variety of topics to raise awareness for matters of interest to the potato sector.







To increase Europatat's visibility, Europatat once again had a booth at this year's 2017 Fruit Logistica fresh produce trade show to present the work of the association and multiply contacts with the sector. The stand was well visited over the three days of the exhibition, and the experience will be repeated in 2018.

## Networking

### *REPRESENTING THE SECTOR*

In order to voice the professional views of the sector, Europatat regularly cooperates with the EU institutions as the European representative organisation for the potato trade. The Europatat secretariat and members participate on a regular basis in EU Advisory Groups whose work touches upon the potato trade. Committees of **DG AGRI** include Civil Dialogue Groups on the Common Agricultural Policy, Environment & Climate Change, International Aspects of Agriculture, Organic Farming, Quality and Promotion. In 2016-2017 Europatat has taken responsibility of chairing the CDG on Promotion and Quality. Europatat is also represented in the work of **DG SANTÉ** in particular in the Advisory Group on the Food Chain and Animal and Plant Health and specific ad-hoc working groups. In regard to **DG TRADE**, Europatat regularly attends the Civil Society Dialogue meetings on trade issues and the Market Access Working Group on Sanitary and Phytosanitary Issues. In so far as the **European Parliament** is concerned, Europatat regularly attends Committee meetings of the European Parliament (Committee on Agriculture, Committee on International Trade, and Committee on Environment, Health & Consumer Protection). Besides this, Europatat is also accredited with the United Nations organisations such as FAO and UN-ECE.



Where relevant, Europatat seeks to cooperate with other EU trade associations in order to maximise synergies and raise awareness on common concerns. In this light, the association is member of CELCAA (European sectoral trade associations) and regularly engages with the European Seed Association (ESA), the European Potato Processors Association (EUPPA), the European Snacks Association (ESA), the European Starch industry (Starch Europe), the European Fruit and Vegetable Processors Association (PROFEL) as well as the major roof organisations in the food supply chain (COPA-COGECA, CEJA, FoodDrinkEurope, EUROCOMMERCE, BEUC). More importantly, Europatat enjoys the day-to-day synergies of a shared office with other EU associations involved in the agri-produce trade: FRESHFEL (fresh fruit & vegetables), Growing Media Europe (growing media and soil), FRUCOM (dried fruits and nuts) and UNION FLEURS (flowers). Last but not least, Europatat is also member of the informal Agri-Food Chain RoundTable on Plant Protection, where it currently holds the chair.

## CONNECTING THE SECTOR

Europatat is also a unique place for professional networking. Europatat Commission meetings are consistently well attended, in particular during the annual Europatat Congress. In 2016, co-organised by Europatat and Freshfel Europe, the Europatat Congress took place in Brussels (BE). Under the slogan "Not business as usual", the Congress focused on exploring strategies beyond the conventional planning to position potatoes into a successful bright future. Among the keynote speakers were Diego Canga Fano (Director at DG AGRI) and Ladislav Miko (Director at DG SANTE) that talked about the European response at changing markets and sustainable development.



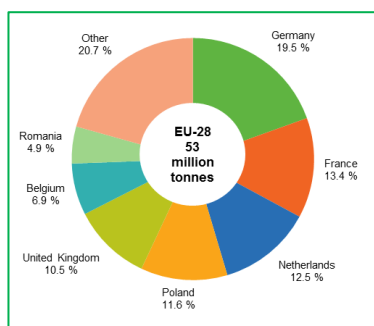
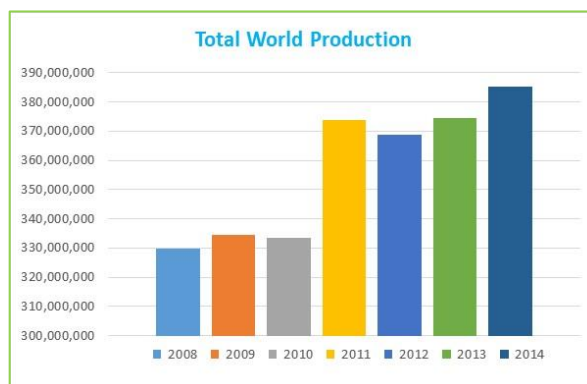
In 2017 the annual Europatat Congress is co-organised by Belgapom (the recognised association for the Belgian potato trade and processing industry) in Antwerp (Belgium) on 15-17 June 2017. Under the provocative slogan "Make the European Potato Trade Great Again! (it's gonna be huge, it's gonna be great, it's true)", the Congress will review the effects of the new legislation on plant health and official controls in the potato sector, as well as trade challenges for both seed and ware potatoes. Besides the professional working programme, the Congress will also offer several social events to reinforce the networking and contact among the European potato community.



## Business trends

### PRODUCTION

Worldwide, potato production is growing. According to Faostat data, in 2014 potato production accounted for more than 384 million T. The main producers in the world in 2014 were China (25%), the EU-28 (15%), India (12%), Russia (8%), Ukraine (6%) and the USA (5%).



In the European Union however, the overall production tends to decline. According to Eurostat data, at 53 million T production in 2015 was 36% lower than in 2000. Production is decreasing although the consumption potato surface and average yield is increasing in Member States with a large processing industry, driven by exports of its products to third countries. Germany was the biggest producer, with a share of 19.5%, ahead of France (13.4%), the Netherlands (12.5%), Poland (11.6%), and the United Kingdom (10.5%). Main producers in Europe in 2015 were Germany (19%), Poland (14%), France (13%), the Netherlands (12%), the United Kingdom (10%) and Belgium (7%).

### INTRA-EU trade

Potatoes were traded mainly on the EU internal market: France, Germany, Belgium and the Netherlands were the leading traders

Intra EU trade in potatoes was quite dynamic in 2016 across all Member States: about 6.3 million tonnes were exported to other EU markets, for a value of more than EUR 1.6 billion. This involved mainly standard table (main crop) potatoes (70.9% of total intra EU potato exports in value terms); seed potatoes accounted for 17.3% and early potatoes for 10.1%, while starch potatoes made up the remaining 1.8%. Three Member States accounted for almost two thirds of intra EU exports in value terms: France (28.7%), the Netherlands (18.1%) and Germany (17.2%), followed at a distance by Belgium (11%). France and Germany primarily exported main crop potatoes (36% and 20.2% respectively in value terms), while 60.7% (in value terms) of all seed potatoes traded within the EU came from the Netherlands. Italy and Spain were the most active intra EU traders of early potatoes, both accounting for a bit more than 22% each.

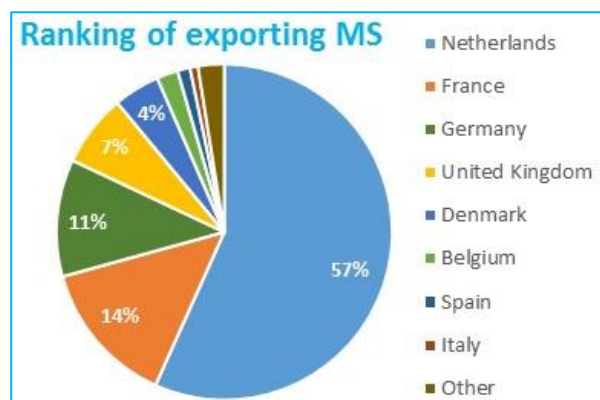
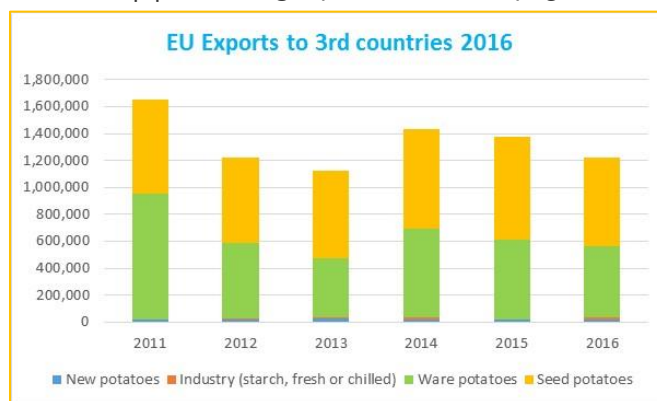
| Intra-EU trade on potatoes 2016 (in 1.000 T) |           |         |         |        |
|--|-----------|---------|---------|--------|
|  | Ware      | Seed    | Early   | Starch |
| France                                       | 1,513,651 | 73,433  | 40,192  | 48,147 |
| Germany                                      | 1,507,390 | 65,482  | 37,304  | 53,293 |
| Belgium                                      | 847,871   | 72,664  | 12,237  | 16,448 |
| Netherlands                                  | 490,327   | 420,637 | 21,727  | 400    |
| Spain  | 177,054   | 18,421  | 70,491  | 3,259  |
| United Kingdom                               | 159,232   | 21,597  | 4,171   | 37     |
| Italy  | 41,883    | 1,990   | 79,668  | 3      |
| Denmark                                      | 90,097    | 23,021  | 494     | 4      |
| Other  | 194,033   | 14,831  | 121,424 | 17,381 |

## EXTRA-EU trade

### EU Export

The EU is a net exporter of seed and main crop potatoes and the Netherlands was the leading trader

The EU is a net exporter of potatoes: **in 2016**, it shipped 1.2 million tonnes for a value of EUR 535 million. These were mainly seed potatoes (66.4% in value and 54% in volume) and some crop potatoes (30.4% in value and 42.9% in volume); thus, exports of early and starch potatoes were almost negligible. Two thirds of seed potatoes were exported to southern and eastern Mediterranean countries. Egypt was the first trading partner both in terms of volume (25%) and value (23%), while Algeria was the second highest importer in volume (14%) and value (15.5%) of European seed potatoes. The EU exported crop potatoes mainly to Senegal (14.8% in value; 14.6% in volume), Norway (14.7% in value; 9% in volume) and Switzerland (14.1% in value and 12.5% in volume). All other partners imported smaller proportions of EU crop potatoes.

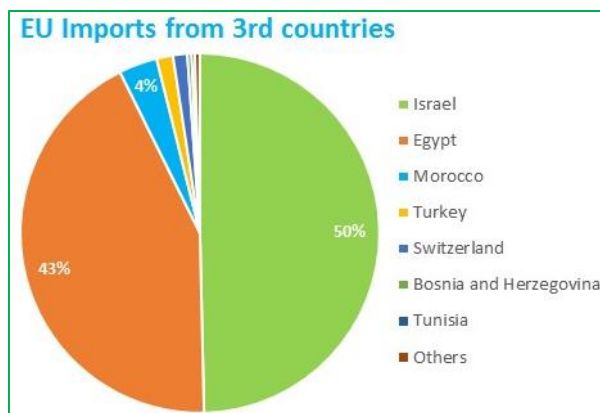


Among the Member States, the Netherlands was the outstanding exporter, with an overall share of 59% in value and 56.7% in volume; France followed at some distance (13.7% in value and 14% in volume). The United Kingdom ranked third in value (9.5%) and fourth in volume (7%) while Germany was fourth in value (7.1%) and third in volume (11.3%).

### EU Import

83.3% of all imported potatoes were early potatoes

**In 2016**, the EU imported few potatoes from non-EU countries: 366 844 tonnes entered the European market from abroad, for a value of about EUR 150 million. These were almost all (83.3%) early potatoes: 305 686 tonnes (worth EUR 125 million) entered the European market from southern and eastern Mediterranean countries; more than half (51.1%) were from Egypt, 44.5% from Israel and 3.1% from Morocco.





# Europatat Activities 2015-2016

## EUROPATAT COMMISSIONS

The six Europatat Commissions allow Europatat to be continuously updated on trade issues and to respond to all legal developments on the EU level in a quick and efficient way and thus carry out the main activities of the association. The commissions are composed of representatives of national associations and individual companies and meet at regular intervals, the frequency mainly depending on particular policy or market developments. In the past year, the commissions have met on:

- Seed Potato Commission: 1 June 2016, 7 February 2017
- Early Potato Commission: 1 June 2016
- Ware Potato Commission: 1 June 2016
- Packers Commission: 1 June 2016, 8 February 2017
- RUCIP Commission: 1 June 2016
- Technical & Regulatory Issues Commission: 1 June 2016



Members' attendance and active participation in these meetings provide an invaluable support for the secretariat day-to-day activities in promoting the potato trade and defending its interests.

Given the fact that certain policy areas are covered by several commissions, the Europatat activities are presented by policy area rather than by separate commission.

## European Commission's White Paper on the future of Europe

The White Paper was the European's Commission contribution to the Rome Summit, the moment when the EU discusses its achievements of the past 60 years but also its future at 27. The White Paper marked the beginning of a process for the EU27 to decide on the future of their Union. To encourage this debate, the European Commission, together with the European Parliament and interested Member States, is hosting a series of 'Future of Europe Debates' across Europe's cities and regions. The White Paper sets out the main challenges and opportunities for Europe in the coming decade, and presents five scenarios for how the Union could evolve by 2025 depending on how it chooses to respond:

- **Carrying On:** The EU27 focuses on delivering its positive reform agenda in the spirit of the Commission's New Start for Europe from 2014 and of the Bratislava Declaration agreed by all 27 Member States in 2016.
- **Nothing but the Single Market:** The EU27 is gradually re-centred on the single market as the 27 Member States are not able to find common ground on an increasing number of policy areas.
- **Those Who Want More Do More:** The EU27 proceeds as today but allows willing Member States to do more together in specific areas such as defence, internal security or social matters.
- **Doing Less More Efficiently:** The EU27 focuses on delivering more and faster in selected policy areas, while doing less where it is perceived not to have an added value.
- **Doing Much More Together:** Member States decide to share more power, resources and decision-making across the board.





## AGRICULTURAL POLICY

The EU Common Agricultural Policy (CAP) was developed in the early sixties to translate in policy terms the objectives defined in the Treaty of Rome (1957), and subsequently taken over in the Treaty on the European Union. Like all other EU policies or programmes, the CAP is also subject to other provisions of the Treaty to ensure coherence with the overall objectives of the Union. The CAP has undergone several waves of reforms, with the latest reform decided in 2013 and implemented in 2015. Since then, the context in which that reform was forged has shifted significantly. In particular: fall of agricultural prices and increase of market uncertainty; move of trade negotiations from multilateral to bilateral deals; and international commitments on climate change and broad aspects of sustainable development.



This has prompted public debate about whether the 2013 reform went far enough to meet broader challenges. Emerging opportunities in the areas of health, trade, the bio economy, the circular economy and the digital economy also need to be further considered. Against this background the Commission is taking forward work and consulting widely on simplification and modernisation of the CAP. The outcome will be presented before the end of 2017 in a Communication that will include conclusions on current performance and further policy options drawn up on the basis of sound and reliable evidence.

Potatoes are one of the few agricultural products for which there is no Common Market Organisation (CMO). The potato sector has often been referred to as a symbol for autoregulation of agri-food schemes by national and international specialists. Since 2008, as a part of simplification rules of the CAP, all the potato areas in the EU can be potentially eligible to receive direct payments. Other legal aspects relevant to the potato sector concern phytosanitary and plant health issues, external trade, CAP promotion policy and a CAP quality policy. Besides the – in the meantime abolished intervention for starch potatoes (a completely different product) – nearly no information nor data on seed or ware potatoes can be found on the website of DG Agriculture, which is not in line with the historic and economic impact of this sector in Europe.

**Unfair trading practices in the food supply chain:** The Agricultural Markets Task Force (AMTF) presented its report on "Improving Market outcomes – Enhancing the position of farmers in the supply chain" at the end of 2016. Amid concerns that farmers are bearing the brunt of price volatility and prolonged periods of low prices, the Task Force's report concludes that the policy framework governing the supply chain "can and should be further improved." Among the other conclusions, the report calls for new rules at EU level to cover certain Unfair Trading Practices (UTPs), as well as the implementation of effective enforcement regimes in Member States such as through the use of an Adjudicator. Specifically, the Task Force report recommended the introduction mandatory price reporting; introducing effective and independent enforcement, and recommendations on mandatory written contracts. On the question of risk management, futures markets offer farmers a further tool, but more needs to be done in terms of raising awareness and training. Europatat is observing the current debate about unfair trading practices carefully. While not neglecting the existence of imbalances in certain supply chains, often these are the result of a sum of different aspects influencing the relationship among the stakeholders within the supply chain.

## PROMOTION OF POTATO CONSUMPTION

The potato sector is facing a decline in consumption among the different age groups. Particularly younger consumers (children – and their families, but also students and young professionals) are eating less potatoes than older generations did at the various life stages. Consumer surveys show that many consumers have a negative perception of the health impact / nutritional value of potatoes. This is largely caused by the influence of “self-declared” food experts. The science based knowledge that potatoes should be part of a healthy and balanced diet needs to be supported, as potatoes can play an important role by offering not only many health and nutritional benefits to the diet compared to other carbohydrates, but also versatility, convenience, taste and, not less importantly, a sustainable choice for consumers. In third country markets, the European potato sector is highly productive and competitive. Unfortunately, many potential export markets remain closed because of various (phytosanitary and political) reasons. Consolidating and further opening new markets is essential to benefit from the potential that the sector offers.



The EU [promotion policy](#) legislative framework has now been in force since 1 December 2015. The most relevant legislative acts are: **Regulation (EU) 1144/2014**: Basic act published on 4/11/2014, in force since 1/12/2015; Delegated and implementing acts: **Commission Delegated Regulation (EU) 1829/2015** and **Commission Implementing Regulation (EU) 1831/2015**; and annually: **Work Programme** and **Call for proposals**.

The EU promotion policy provides budget for information and promotion initiatives in EU and third countries and it will reach €200 million in 2019. The level of co-financing varies according to the type of programme (70% for simple programmes, 80% for multi country programmes, and 85% in case of crisis). Given the competition, programmes must be ambitious and based on a very solid market analysis, which requires a significant investment in terms of time and resources. In order to ensure a common visual identity with the EU's own promotion campaigns, beneficiaries of EU promotion funding have to use the signature “Enjoy! It's from Europe”.



In 2017 over 200 proposals have been submitted to CHAFEA following the call for interest on January 2017. Some 189 proposals were for simple programmes, while for the multi programmes 35 proposals were submitted. Applicants are expected to find out if their proposals have been successful in October 2017. The programmes will focus primarily on fruit and vegetables, meat and dairy products, as well as quality on the EU's quality schemes and on raising awareness of sustainable agriculture and the role of agriculture in climate action.

A key element of the new promotion policy is the establishment of an annual work programme, which sets out the strategic priorities for promotion measures in terms of products, schemes and markets to be targeted, and the corresponding allocated budgets. The objective is to have a dynamic and pro-active policy, adapted each year to emerging market opportunities and the needs of the sector. To secure that the priorities for the calls reflect the particularities of the potato sector, Europatat has contributed to all the annual work programmes that the European Commission has prepared each year since 2016. The latest Europatat position to input on the upcoming 2018 annual work programme provided input for both the priorities for the internal and international markets. The association is also currently investigating with its members the possibility of developing a common action among several members to stimulate consumption in Europe.

## FOOD SAFETY

Food safety remains highly on the agenda of Europatat. The policy of the European Commission and the member states to reduce the usage of pesticides where possible is taken serious by the potato sector. Food safety schemes including good agricultural and/or hygienic practices, traceability from the field to the fork, sampling schemes etc. have been installed on national or company level. Europatat aims for full compliance with the European legislation, while also minimising the use of plant protection products (PPPs) and moving towards better agricultural practices. The high level rate of MRL compliance confirms the commitment undertaken by the sector towards the common goal.



Nevertheless the availability of pesticides to grow and store potatoes is of the highest importance to present a quality product to the consumer and to assure the trade position of the European potato sector. To this end Europatat continuously monitors developments regarding the withdrawal and authorisation of plant protection products and corresponding Maximum Residue Levels (MRL). All the matters related to food safety and quality are discussed together with the membership of Europatat. In recent months the potential ban on use of certain pesticides (neonicotinoids, diquat) are being closely followed to assess the impact for the potato supply chain. Europatat is also actively involved in the activities of the "Agri-Food Chain Round Table for Plant Protection". At the end of 2016 Raquel Izquierdo de Santiago, Europatat's Secretary General, was appointed as a chairman of this platform.

In June 2015, EFSA, the European Food Safety Authority published its opinion on acrylamide, reconfirming previous evaluations that acrylamide in food potentially increases the risk of developing cancer for consumers in all age groups. The European Commission is preparing a Regulation on the application of codes of good practice to reduce the presence of acrylamide in food. The envisaged regulatory measure is based upon the Food Hygiene Regulation (EC) 853/2004. The objective of the Food Hygiene Regulation is to ensure a high level of consumer protection with regard to food safety, including chemical hazards, through the application of food safety management measures to be applied by food business operators. The measure provides for a mandatory application by all concerned food business operators of mitigation measures to reduce the presence acrylamide in food. These mitigation measures contain clear obligations for the food business operators and are integrated as annex in the envisaged regulatory measure.



Benchmark levels set reflect the level which can be achieved on a consistent basis by applying mitigation measures to reduce the presence of acrylamide as low as reasonably achievable. Food business operators are obliged to monitor the effectiveness of the mitigation measures to reduce the presence of acrylamide by sampling and analysis of their production demonstrating that the levels of acrylamide are below the set benchmark levels. It is foreseen in a second phase to initiate the discussion on setting maximum levels for certain foods or food categories are placed on the market ready to eat. In addition to the regulatory measures, it is also important to raise awareness amongst consumers as a significant part of the exposure to acrylamide may come from home-cooking. Europatat has prepared a guidance document for its members to adapt to these changes.

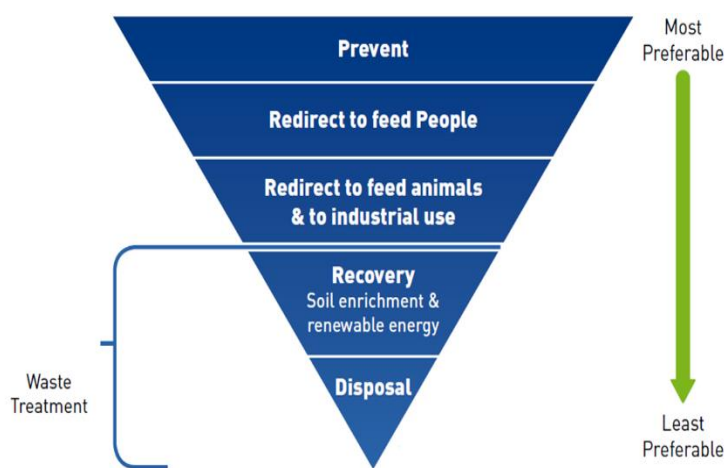
## SUSTAINABILITY



Sustainable development has rapidly shifted upwards the political agenda, and public authorities are now actively promoting sustainable ways of production and the consumption of 'sustainable products'. The notion of sustainability and sustainable food has now also reached down to the level of the consumer, in a way that currently both public authorities and consumers are increasingly concerned and request solutions to achieve a sustainable food production that provides food security while allowing them to also have a sustainable way of consumption and lifestyle. Potatoes are highly nutritious and versatile, while being low on the environmental impact, which makes of them a sustainable and healthy food choice. They also are a crucial product for feeding the growing world's population.

The European Commission has focused particularly on tackling the issue of **food waste**. The EU and Member States have committed to meet the Sustainable Development Goals (SDG), adopted in September 2015, including a target to halve per capita food waste at the retail and consumer level by 2030, and reduce food losses along the food production and supply chains. In December 2015 the European Commission published a collective set of legislative measures on sustainability, called the 'Circular Economy Package', including measures on food waste. Particularly, the 'Circular Economy' calls on the Commission to establish a Platform dedicated to food waste prevention. The EU Platform on Food Losses and Food Waste (FLW) has since been created, aiming to support stakeholders in defining measures needed to prevent food waste; sharing best practice; and evaluating progress made over time.

Europatat is a member of this EU Platform. The potato sector is already moving forward to try and reduce waste in as much as possible, thereby being more sustainable for the future of this planet. Potato growing, and agriculture as a whole, is a highly innovative sector. Operators are continuously looking for the most optimal way of growing potatoes, including many innovative technology to determine the most efficient and sustainable growing methods, to optimise quality during growth and harvesting, to reduce waste and less use of energy during storage, and to reduce waste and enhance quality optimisation for preparation and sale.



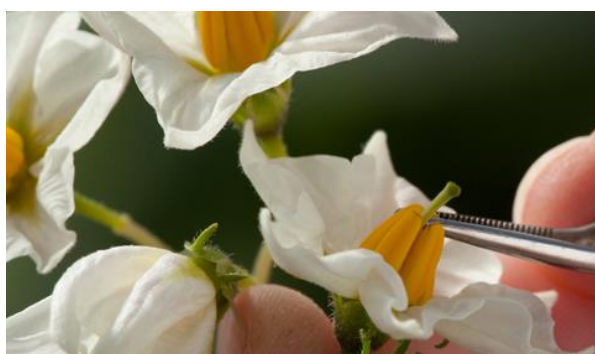
A fact sheet has been developed for the Europatat membership to describe the current situation, bring awareness, and facilitate the exchange of good practice in the sector towards food waste prevention and reduction.



**Organic farming legislation:** In March 2014, the Commission published its proposal regarding new rules for organic production and organic farming. The Council and the European Parliament have been discussing at length their own positions and amendments to the original proposal, via the multiple trialogue discussions that have been taken place under the different EU Presidencies. At the time of printing this report, there is still not a final conclusion adopted, which could satisfy all institutions. A key point for Europatat is the phasing out of current derogations allowing farmers to not use organic seed potatoes and to establish the categories on the species level rather than on varieties.



## **NEW BREEDING TECHNIQUES**



New varieties are central to the health and growth of the European potato industry and for feeding the world's growing population. Research on the genetic improvement of this crop is therefore important.

Breeding techniques are used by the sector to address market and production limiting traits. Indeed, potato breeders aim to produce new cultivars better adapted than existing ones to conditions in which they are going to be grown and stored, and the ways in which they are going to be used.

This leads to several economic, social and environmental benefits:

- More yield of saleable product at less cost of production, whether for processing or table use;
- Reduced use of pesticides, fungicides and sprout suppressants, and increased water and fertiliser use efficiency;
- Reduced pressure on farmers, related to disease control in the framework of weather conditions (e.g. *phytophthora infestans* warning schemes)
- Convenience foods, improved nutritional and health benefits (such as lower glycaemic index, lower potential acrylamide production or higher micronutrient content), improved flavour and novel products.

Modern agricultural techniques are needed to respond to high societal expectations in terms of food quality, sustainability and climate change.

## **RESEARCH AND INNOVATION**

Over the last years, the European Commission spent increasingly more attention to Research and Innovation, via its flagship initiative 'Horizon 2020', running from 2014 to 2020. The programme foresees in €80 billion for funding of Research and Innovation projects, with some projects focussing on research excellence, and others on innovation with special emphasis on the involvement of SMEs. In order to avoid that research outcomes gather dust on the shelves, the Commission created different EIPs (European Innovation Partnerships) which connects researchers, advisors, and end users of the new technologies. Also for agriculture an EIP was created (EIP-Agri). Europatat is often approached by universities or research institutes to collaborate in the dissemination of project results relevant for the sector.



## PLANT HEALTH POLICY

European plant health policy is one of the major issues for Europatat. Europatat is supporting the free trade of seed and ware potatoes with respect of the plant health legislation, which intends to prevent or eradicate the presence of a number of harmful organisms such as *Ralstonia*, *Clavibacter*, *Synchytrium*, *Globodera*, Colorado beetle and others.



The EU has recently reformed its [plant health policy](#). Following the political compromise reached in December 2015, Regulation 2016/2031/EU on protective measures against pests of plants was adopted and will come into force in December 2019. In the meantime, many Implementing and Delegates acts will have to be adopted to provide the practical details of the new rules. In parallel, and given the increased attention given by the European Commission on plant health matters, the annexes of directive 2000/29 are also under scrutiny, to reinforce some of the existing criteria, as well as incorporate new quarantine organisms in the legislation.

Regulation 2017/625/EU on [official controls](#) and other official activities performed to ensure the application of food and feed law, rules on animal health and welfare, plant health and plant protection products, was published in the Official Journal of the European Union on 7 April 2017 and enters into force on the twentieth day following its publication, i.e. 27 April 2017. The new rules will replace Regulation (EC) No 882/2004 on official controls and other legislation which currently governs the control and enforcement of rules along the agri-food chain. A number of implementing and delegated acts will have to be adopted.

Europatat has created a guidance for members to follow the changes introduced by this new legislation, and, with the technical support of members, will actively contribute to the elaboration of the new legislation. A close follow of the implementing acts on plant health certificate and on high risk products, official controls, as well as the search for better reciprocity with third country partners are some of the key priorities and actions for Europatat in the coming months.

In the framework of the daily management of EU plant health policy, the EU Commission introduced in 2012 emergency measures to contain the spread of Epitrix, a pest affecting the potato crop currently occurring in Portugal and Spain. Since then, the UK, Ireland and German authorities have published national legislation to strengthen the protection against Epitrix. The European Commission had the latest visit to Spain in May 2017. Europatat is closely working with members in a dedicated Working Group to monitor the situation, to collect and distribute any relevant information that is made available, and better defend the interest of the sector on this matter.

With regard to the revised [Seed Potato marketing directive](#), all legal are applicable since 1 January 2016. Apart from the legal texts, the European Commission has given to Member States the possibility to set up more stringent requirements in their territory, unless using Union grades. By now Member States have communicated to the Commission their transposition measures. Europatat, via the UNECE Specialized Section on Standardization of Seed Potatoes, has made available for its members a comparative table of implementation of the different directives at national level.



## TRADE POLICY

Globalisation is having year after year a more important impact on trade, and the European potato trade should position itself to keep pace of worldwide evolving consumer demands and to open up new markets. A favourable trade environment should be built on the basis of fair and reciprocal trade opportunities both for import and export.

Europe is an importer mostly of consumption potatoes, and an exporter of seed and consumption potatoes to third countries. As long as a global trade agreement by WTO is not achieved, bilateral trade relations between the EU and certain regions or third countries are of high importance. As such, Europatat generally welcomes the European Commission's initiative to promote free trade through the establishment of a network of bilateral and regional free trade agreements. Regular participation in DG TRADE's Civil Society Dialogue meetings allows Europatat to put forward the views of potato trade in ongoing trade negotiations. With regard to market access opportunities, the Europatat secretariat regularly takes part in DG Trade's SPS working groups. While exports of seed and ware potatoes are subject to bilateral agreements between the individual EU member states and third countries, Europatat tries to facilitate coordination at EU-level where appropriate.



Since March 2014, the EU and Russia have progressively imposed restrictive measures. The Russian government decided on at the end of June 2016 to prolong the ban on EU food imports until the end of 2017. While the European Council, meeting on 15 December 2016, assessed the implementation of the Minsk agreements and decided to extend the sanctions until 31 July 2017. With regards to potato exports to Russia, the numerous efforts to harmonise at the EU level the modalities for exports to take place after the embargo have so far been unsuccessful. This lack of progress, together with the fact that the import ban is seen as mostly political in nature, has led to continue talks on a bilateral level between the various Member States and Rosselkhoznadzor (the Russian Federal Service for Veterinary and Phytosanitary Surveillance). Europatat is also in direct contact with its counterpart in Russia. EU seed potato exports are currently taking place under a somewhat unpredictable and burdensome system. While prospects for ware potato exports to Russia remain bleak.

In the meantime, the conclusion of free trade agreements with North American countries have been a high priority for the European Commission to create improved market access for European countries. The conclusion of CETA went through a difficult ratification period, illustrating the complexity of preserving the different European member states interest. Nevertheless, the trade part of CETA, including improved rules on SPS, tariff dismantling and the protection of geographical indications will come into force in 2017. Concrete coordination efforts with members continue to be undertaken with a view to authorise the export of mini-tubers to Canada. A different challenge ahead is the modernisation of the free trade agreement with Mexico, concluded in 2001. While Mexico has benefitted from the open plant import system to the EU and the tariff dismantling, exports from the EU to Mexico remain disappointing. This is mostly a result of very restrictive and excessive SPS measures and obligations at market access, which hinder reciprocal results for the trade. Finally, the finalisation of the TTIP agreement has been disrupted by the current change of administration. Negotiations are frozen for the time being.

Asian countries have been always a high priority, but gained a new momentum with the current change of administration and political priorities in the U.S. and the cancellation of TTIP. The European Commission is fiercely working to conclude free trade negotiations with Japan, which have been stuck on SPS matters and market access for agricultural products, which are sensitive topics on the Japanese side. The Commission is further reinforcing the trading relationship with China, using economic diplomacy tools on various hierarchical layers. This includes intensified exchange with officials, the organisation of technical workshops, exchanges and increased partnership. Also the trade relationship to India is currently under review. New trade agreements are planned with the Philippines and Indonesia, which remain promising markets with a challenging regulatory environment, ranging from SPS conditions over certification and food safety requirements.



The British Government has triggered Art. 50 at the end of March 2017 and with this set the deadline for the conclusion of the negotiations by 29 March 2019. The European Commission and the Council have agreed on a two-phased negotiation approach, settling first certainties for citizens and businesses, and only after widening the scope of the negotiations to the future relationship. Acknowledging the complex challenges of the upcoming negotiations, Europatat has created an inventory of challenges for the potato trade between the EU-27 and the United Kingdom.

Several areas of concern have been identified, which will need to be closely followed, as soon as negotiations uptake. Among the biggest challenges will be, to maintain the existing potato trade with UK, including fast customs and control operations at the entry points, as well as the clarification of the policy line followed with regard to duties and fees after the leave. Also, it must be of outmost importance to maintain the competitiveness of the remaining EU-27 as an import destination with regard to potential upcoming changes on plant health, food safety, and tariff and tax requirements, which could distort trade from a logistic perspective. Europatat had the opportunity to present the status quo of the inventory to members of the Task Force on Art. 50 and will continue to work to ensure the most positive outcome for the potato trade possible.

## **RUCIP**

Europatat has been the founder of RUCIP, the rules and usages for inter European potato trade, of which the first version has been created in 1956. This was the start of encoding the usages in the potato trade in a simple and efficient procedure for expertise and arbitration. Since then, RUCIP has been modified several times, which resulted in a RUCIP adapted to the demands of the trade and the technical evolution within the potato sector.

The most recent version entered into force on 1st of January 2017. The RUCIP 2017 rules are available for free on the website of RUCIP: [www.rucip.eu](http://www.rucip.eu), and Europatat: [www.europatat.eu](http://www.europatat.eu).



## Conclusion

This report provides a summary of the main activities conducted by Europatat during the last twelve months. Most of the issues are evolving and will remain on the agenda in the coming months. Several issues are becoming increasingly complex and technical. Collectively much progress can be achieved, and with its increased expertise and know-how, Europatat remains the ideal vehicle for handling the dossiers that can advance the potato trade at the European level.

The role of the association will therefore remain of paramount importance in the coming months. Europatat will more than ever require the full support of all its members, and relies on the unique expertise of the members' representatives in its day-to-day work. On the basis of this collaboration and despite the difficulties experienced by the sector, we are convinced that progress can be made to provide the most favourable environment for the potato sector.





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