

POTATOES

Introduction

Globally potato is fourth largest food crop after rice, wheat and maize. It is traded under HS Code # 0701. The major countries are Afghanistan, Russian Federation, U.A.E, Malaysia, Sri Lanka, Indonesia and Singapore. The geographical distribution of Potato cultivation has been widely spread from plains of Punjab to slopes of Karakorum. It has also being grown in the coastal belt of Sindh province. Similarly the seasonal spread of potato crop is broadly distributed too. Thus all the year fresh potato supply comprehensively meets the nation's demands. However during few off season months, potatoes from cold storages replenish the exhausting fresh supplies. Therefore, Potato is one of the main cash crops for the farmers as well as among the main exportable horticulture commodities from the country.

Concerned Trade Association

All Pakistan Fruit & Vegetable Exporters, Importers & Merchants Association was established in 1986. Due to the enormous potential of Pakistan's horticulture products in the global market Create an export orientated environment facilitated through procedures and quality standards through regulations and incentive schemes. Being an Agricultural State Pakistan Produces Best Quality Fruits & Vegetables. In order to promote export of fresh fruits & vegetables up till now the Association has been successful in its efforts and still striving hard for further expansion in the volume of exports. The Association is member of Federation of Pakistan Chamber of Commerce & Industry.

Potato Producing Districts:

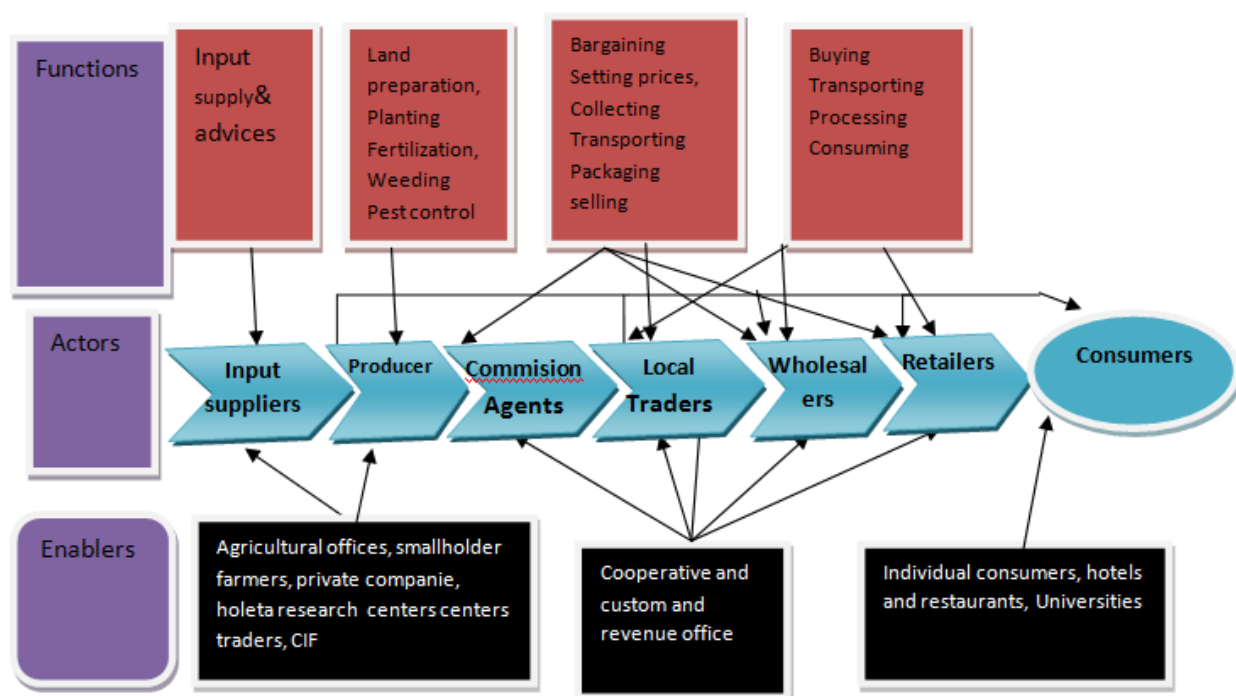
Pakistan annually produces approximately 2 million tons of potatoes. The area and production of potatoes in Pakistan have exhibited an increasing trend especially in Multan and Sahiwal region. Details are as follows:

Punjab	Okara, Sahiwal, Pakpattan, Sialkot, Kasur, Jhang & Lahore.
KPK	Nowshera, Mardan, Swat, Dir & Mansehra
Balochistan	Killa Saifullah, Kalat & Pishin.
Sindh	Khairpur & Shikarpur.

About 5000 varieties of potato exist worldwide. In Pakistan both white and red skin varieties are cultivated but red skinned are mostly liked by consumers.

RED SKIN POTATOES	WHITE SKIN
Desiree	Diamant
Ultimus	Patrones
Lal-a-Faisal	Multa
Raja Symphonia	Santana
Asterix	Sante
Cardinal	Ajax

Potato Production Value Chain



Pakistan's Exports of Potatoes

US Dollar Thousand

Sr.	Importers	2014	2015	2016	2017	2018
1	Afghanistan	35,428	70,501	26,970	52,022	60,618
2	UAE	5,934	13,797	17,807	9,550	16,342
3	Sri Lanka	4,820	14,234	15,002	7,527	16,251
4	Qatar	64	1,620	3,203	2,676	6,729

5	Oman	1,339	1,909	3,189	1,823	4,346
6	Malaysia	658	4,012	5,829	3,905	4,331
7	Russian	776	13,031	1,369	810	3,433
8	Iraq	-	-	-	472	2,000
9	Bahrain	417	1,482	2,007	1,018	1,923
10	Kuwait	1,246	1,171	1,341	340	1,645
World		51,211	122,499	78,187	80,972	120,882

(Source: Trade Map)

Top Ten World Importers of Potato (US \$ 000)

	Importers	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018
S#	World	4350382	3830468	4266536	4529501	4586781
1	Belgium	345713	287843	463471	505908	545538
2	Netherlands	307806	299492	342619	354126	365298
3	Spain	201908	179667	253731	250015	247306
4	United States of America	184773	168182	217656	232289	243601
5	Germany	248070	204208	268448	245637	241439
6	Russian Federation	382523	256244	107635	220413	217926
7	Italy	207376	167913	205377	191939	187551
8	Iraq	5792	138939	79357	103938	157050
9	Portugal	91820	86010	122081	97157	130207
10	United Kingdom	136030	128614	122511	120214	110925

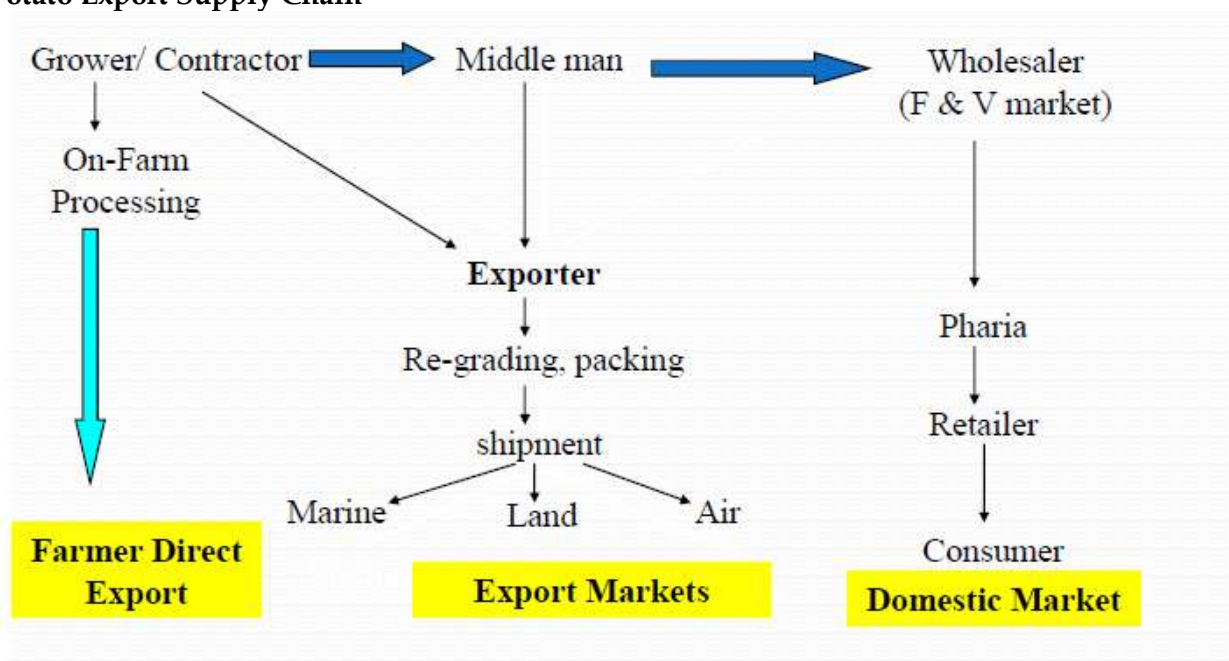
Top Ten World Exporters of Potato (US \$ 000)

	Exporters	Exported value in 2014	Exported value in 2015	Exported value in 2016	Exported value in 2017	Exported value in 2018
S#	World	4338925	3675763	4021252	4334696	4341199
1	Netherlands	901209	708528	805356	796796	793942
2	France	527297	464232	607314	587527	645164
3	Germany	345470	282478	349234	392969	384549
4	China	271994	227442	226453	280758	261240
5	Canada	200206	180157	226951	237548	252214

6	United States of America	200088	183506	204430	239857	235790
7	Egypt	326791	232897	162009	272730	206858
8	Iran, Islamic Republic of	160609	222364	109628	144335	202954
9	Belgium	197634	160858	210198	209898	199266
10	Spain	85753	103062	136229	105543	152414

The above tables show that the latest export figures & export trends of Potatoes and its products, which has been fluctuating during the previous years. However, the major share of Potatoes exports is 0.5% in total exports of Pakistan. Also, with an export figure of US \$121 million in 2018, Pakistan is also the 12th largest exporter of Potatoes in the world.

Potato Export Supply Chain



Key Issues on Potato production & export

- Sowing of virus contaminated uncertified seed, imbalanced use of NPK fertilizers, low level use of potassium, occurrence of copious diseases and insect pests are factors responsible for low yield.
- More than 18 potato diseases have been reported in Pakistan, White fly is the major vector of potato viral diseases.
- Potato viruses damaging the crop above threshold level include potato virus X, potato virus Y, potato leaf roll virus and potato mop top virus.
- Seed involves about 35-40% of total cost of production so virus free seed gains attention. Although, certified seed production in country is limited due to lack of technical, economical and managerial skills and is unable to meet total seed requirement, yet

Punjab Seed Corporation is a milestone from public research sector which started sale of virus free seed by using modern tissue culture technology.

- Limited quantities of caroda, santee, burna, easterx, desiree, cardinal and diamente produced by tissue culture are supplied to farmers. Major importers and distributors of potato seed are PEPSICO, AGRICO and Bari Seeds.
- The decline in export is attributed to stiff competition from China, India and Bangladesh, which recently emerged as leading exporters of potato, exporters said, adding they are offering lower rates per ton to attract buyers.
- In India, the government allows 50 per cent subsidy on premium to small and marginal farmers. Crop insurance is purchased by agricultural producers, including farmers. India has always been a major player in the field and is expanding both production and export of potato internationally and regionally. The situation is challenging for Pakistan, particularly Punjab which produces almost 90 per cent of the crop.
- India is, logically and geographically, our premium export destination for all fruits & vegetables, which is closed off to the growers & exporters of Pakistan due to geopolitical reasons.

Constraints of fruits and vegetables

- Small landholdings of more than 80% farmers.
- Quality and availability of inputs (seeds/ nursery/fertilizers/pesticides).
- Contractual marketing, absence of market information system, and lower returns to growers.
- Large price fluctuation (domestic market) and export price gap
- Lack of technical labour.
- Lack of modern packing grading and storage facilities.
- Compliance issues (Quality standards).
- Food safety, Pesticide residues, Traceability).
- Non availability of independent Food Testing Laboratories.
- Poor transportation means and absence of cold chain infrastructure.
- Absence of any standard R&D facility for postharvest and cold chain.
- Lack of integration between research, academia and extension.

Recommendations of fruits and vegetables

- Pakistan Government may encourage private sector to invest in the value addition industries to meet the local as well international demands.
- Training for farmers to produce quality products.
- TDAP may organize seminars/workshops for awareness of fruits and vegetables growers and exporters.
- Participation in the international fair of fruits and vegetables in the potential markets.
- Installation of processing units for fruits and vegetables in producing regions.
- Changing industry from production based to quality and export based.
- Intelligent Marketing: Improving quality for compliance, exploring new markets and developing Market Intelligence System. Today, EureGAP certification is required for fruit and vegetables export by a considerable number of retailers, especially super markets. It also offers a great chance for farmer groups to introduce sustainable agricultural practices based on integrated crop and pest management principles.

- Establishment of Auto controlled refrigerated storage and preservation for, vegetables & fruits. Because of technology advancements and logistic strategies, the cold storage of perishable items has become an important stage in the distribution between manufacturers/processors and retail locations.
- Value addition has direct correlation with the enhanced export earnings and provides the surplus needed to re-invest in R&D, brands, market development. By Providing subsidy of Government for installing processing units for potato/onion products to ensure that an industry's range of products can retain competitive edge while still giving adequate returns to the providers of capital.
- Required Infrastructure development (Physical: Farm to market roads, railway, airways and shipping, cold chain, packing, storage, reefer containers) and involving private sector investment in cold chain infrastructure will ensure the increased availability and improved quality of high value perishable fruits and vegetables for both export and local sale
- The countries across the world are engaging themselves in the different regional and bilateral trading agreements to get the preferential or free market access. The Government should also enter into such Preferential Trade Agreement (PTAs) and Free Trade Agreement (FTAs) along with successful implementation of the agreements.
- **What to do next:** Conducting of Awareness workshops and preparation of proposals by trade bodies for the government to support Potato/Onion growers to ensure effective development of their production, Marketing plans and value addition. By the virtue of these endeavors, proactive approach by the industry can be ensured to grab enhanced market share in the international market.