



“Highlights”

Sector Policy Potatoes

Training BPR Agribusiness Team

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BPR – Irish Potato Sector Training



Rabobank



Irish Potato Sector – Warm-Up Quiz

The plant and food

- Which parts of the Irish potato plant can be consumed?

Leaves – Flowers – Fruit – Seeds – Roots

- How tall is an Irish potato plant?

30cm – 50cm – 75cm – 1m – 2m – more

- Which food does Irish potatoes replace?

Flour – Vegetables – Nuts – Meat – Fish – Dairy

- Which planting material is used for Irish potatoes?

Seeds – Cuttings – Roots – Tubers - Other



“Highlights” Sector Policy Irish Potatoes

- Value Chain
- Key Risks
- Target clients
- Financing Needs



Irish Potato Sector – General

Why do we focus on the potato sector?

- Strong government support
- Very significant in economy of main growing regions

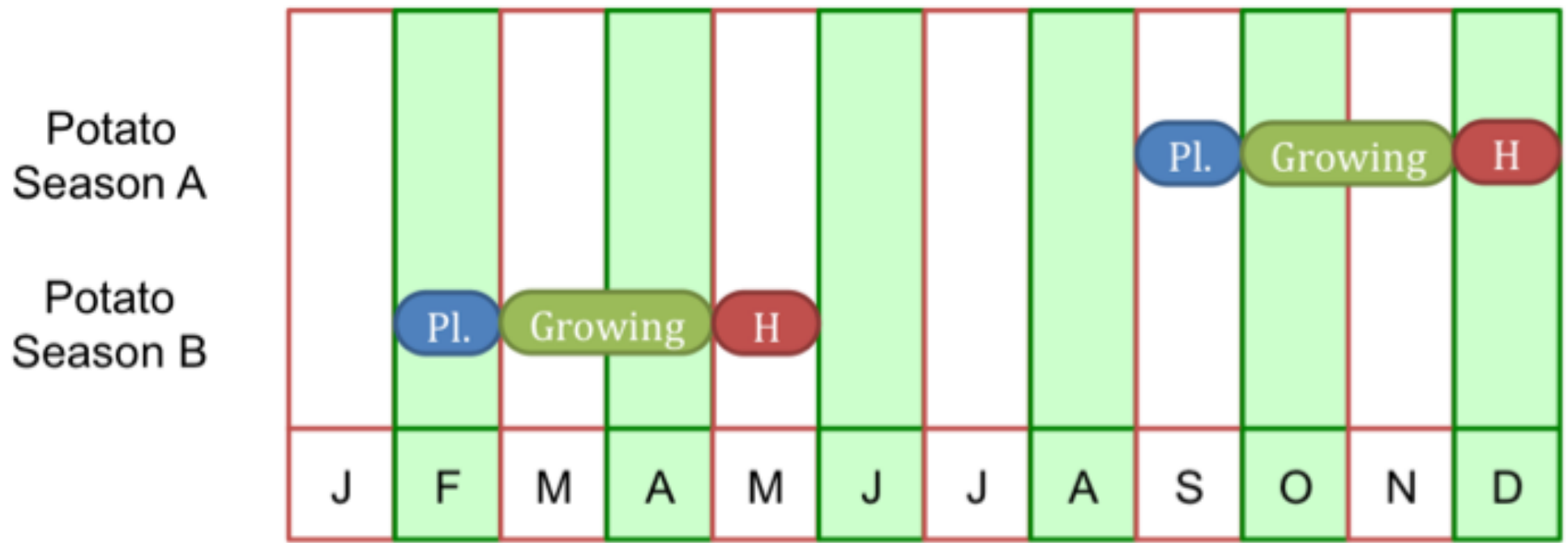
Characteristics potato sector:

- High production costs
- Competitive production

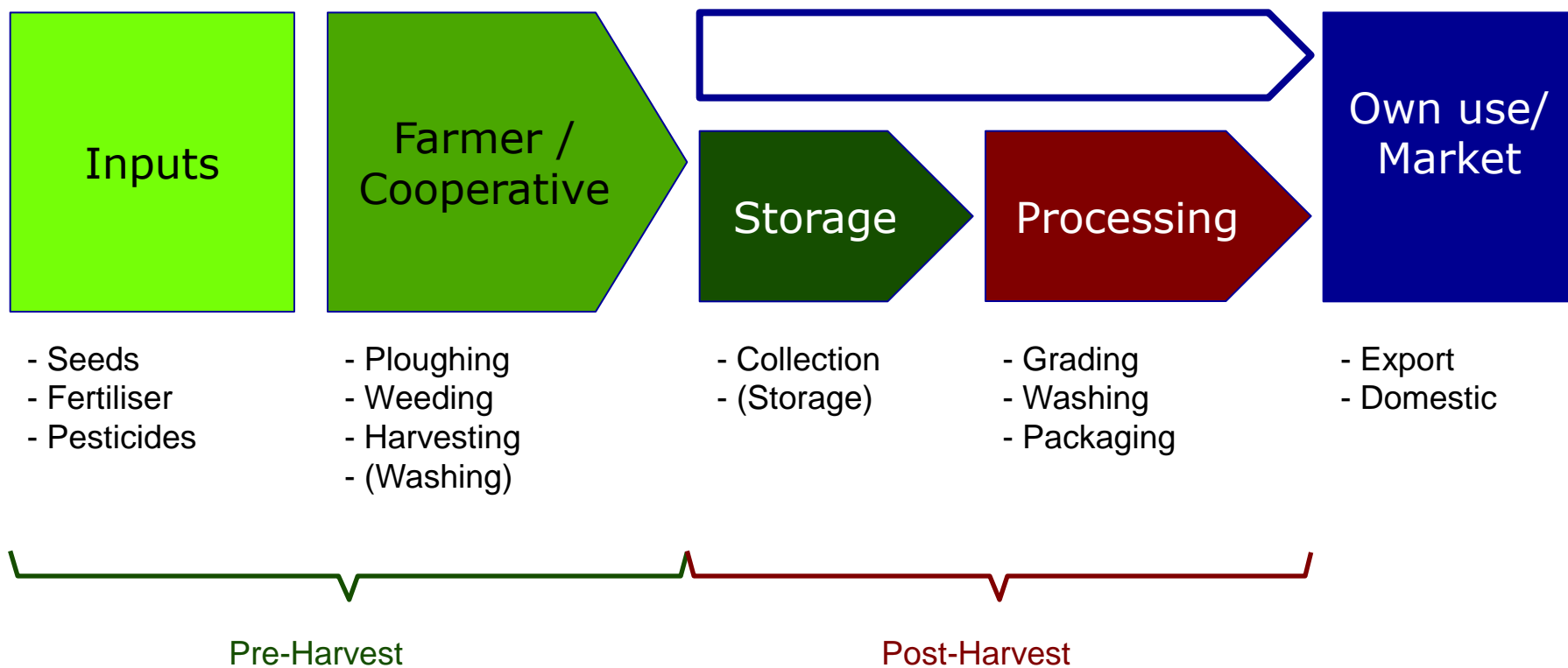


Irish Potato Sector – Growth Seasons

Potato Growing Seasons in Rwanda



Irish Potato Value Chain





Irish Potato Value Chain - Inputs

- Seeds: farmers use own seeds for up to 4 cycles before buying seeds (2-2.5 MT/ha at RWF 250-300/kg = RWF 500-750,000/ha)
- Fertilisers: potato yield significantly improves with fertilisers, but it is not always used in very fertile soils (volcano region)
- Pesticides: crop heavily reliant on pesticide usage (RWF 100-200,000/ha)


Input supply generally through cooperatives, but also direct to large farmers





Irish Potato Value Chain – Cooperative

- Role of cooperative is mainly for input supply
- Farmers sell their harvest or part of it directly to middlemen, traders or markets
- Farmers may only register part of their fields with the cooperative
- Lack of storage or processing reduces potential post-harvest value-added of cooperative



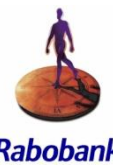
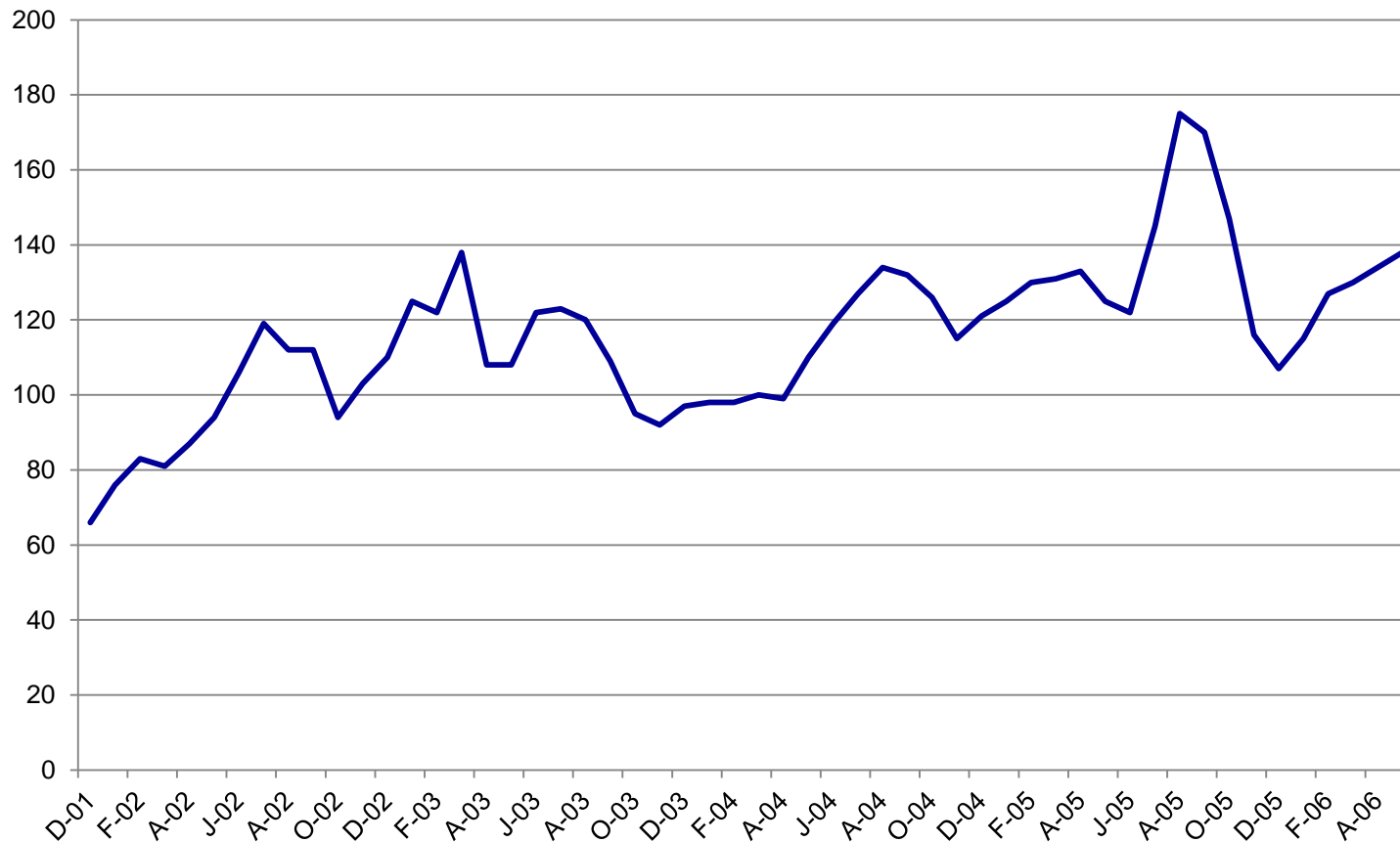
Irish Potato Sector – Storage/Processing

Potato storage & processing in Rwanda

- There is no potato storage facility in Rwanda
- Only pilot potato processing trials exist at present



Irish Potato Value Chain – Market





Irish Potato Sector - Market

- Highest consumption is in regions of production
Significant part is own consumption
- Urban areas consume high quantities of potatoes
=> 80 kg / person / year
- Price volatile with range of RWF 100-150/kg for past 4 years

Irish Potato Sector – Financing Needs

	Input finance	Raw material collection finance	Inventory finance	Asset Finance
Farmers	X			X
Cooperatives	X			X

- Input finance (seeds, chemicals)
- Asset finance (equipment, transport)



Irish Potato Sector – SWOT

<p><u>Strengths</u></p> <ul style="list-style-type: none">- Suitable soil & climate for potato- Short production cycle (4 months)- High yields- Strong market demand- Cost competitive with neighbouring countries	<p><u>Weaknesses</u></p> <ul style="list-style-type: none">- High usage of pesticides- Volatility and unpredictability of prices- Unavailability of seeds- Absence of storage or processing
<p><u>Opportunities</u></p> <ul style="list-style-type: none">- Export markets- Potential for processed products such as chips, starch, etc.	<p><u>Threats</u></p> <ul style="list-style-type: none">- Soil degradation and disease build-up due to lack of adequate rotation- Risk of crop loss due to unfavourable weather (excess rain)

Irish Potato Sector – Risks

Key risks	Mitigants
Perishable crop	Transport and sell quickly
Price risk	Use low prices to calculate repayment capacity, off take contracts
Losses (drying in sun, sand or soil, damage at harvest during transport, loss during transport, etc)	Take into account losses when calculating repayment capacity
Climate risk	Take into account lower yields, repayment of loan next season
Diseases	Crop rotations, pesticides
Soil degradation	Crop rotations, organic and chemical fertilisers