



**No, you're wrong:
frozen potato products are value added**

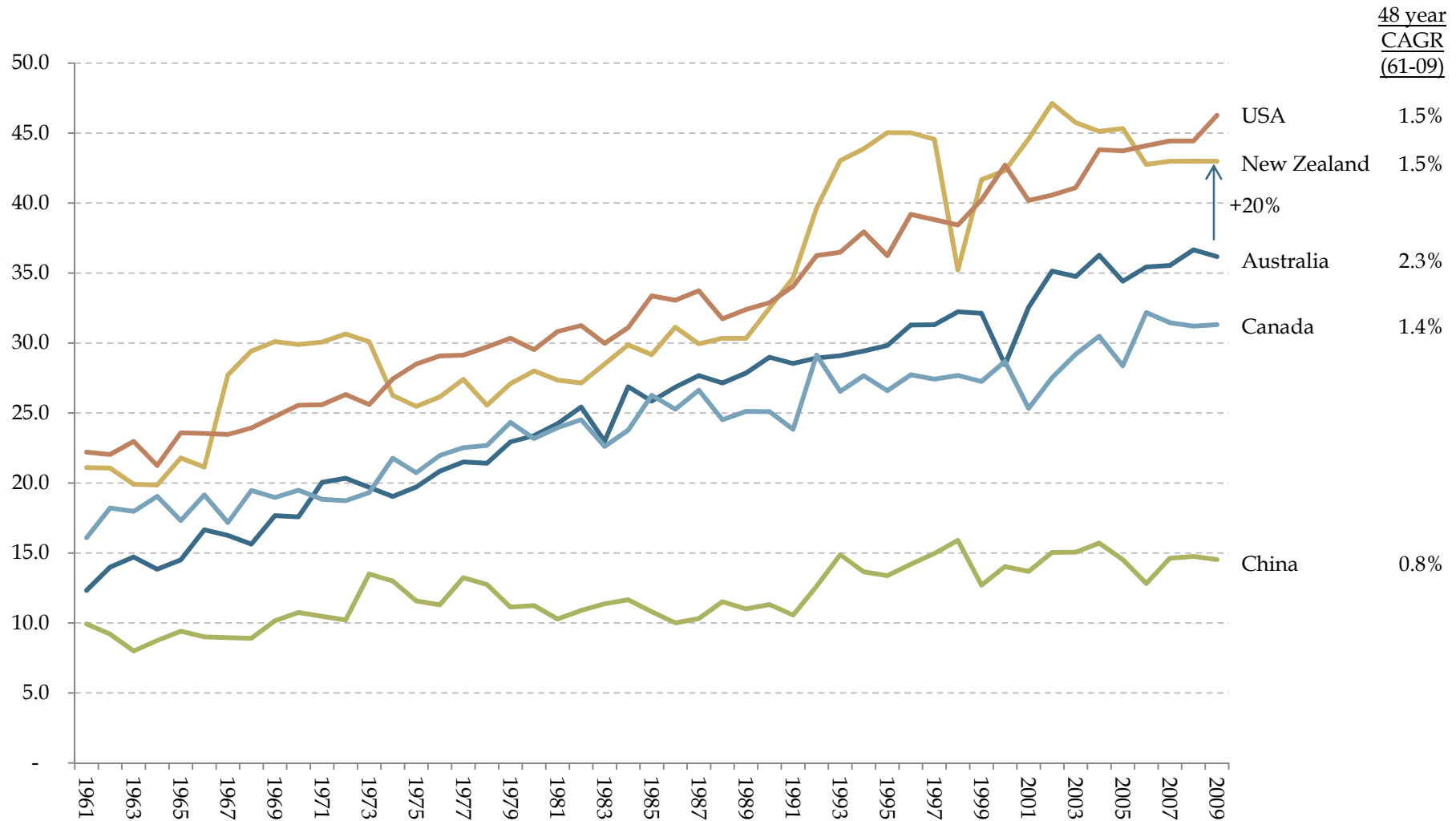
Discussion document
October 2010

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POTATO YIELD PER HECTARE

New Zealand achieves world class potato yields per hectare; yield is 20% higher than Australia

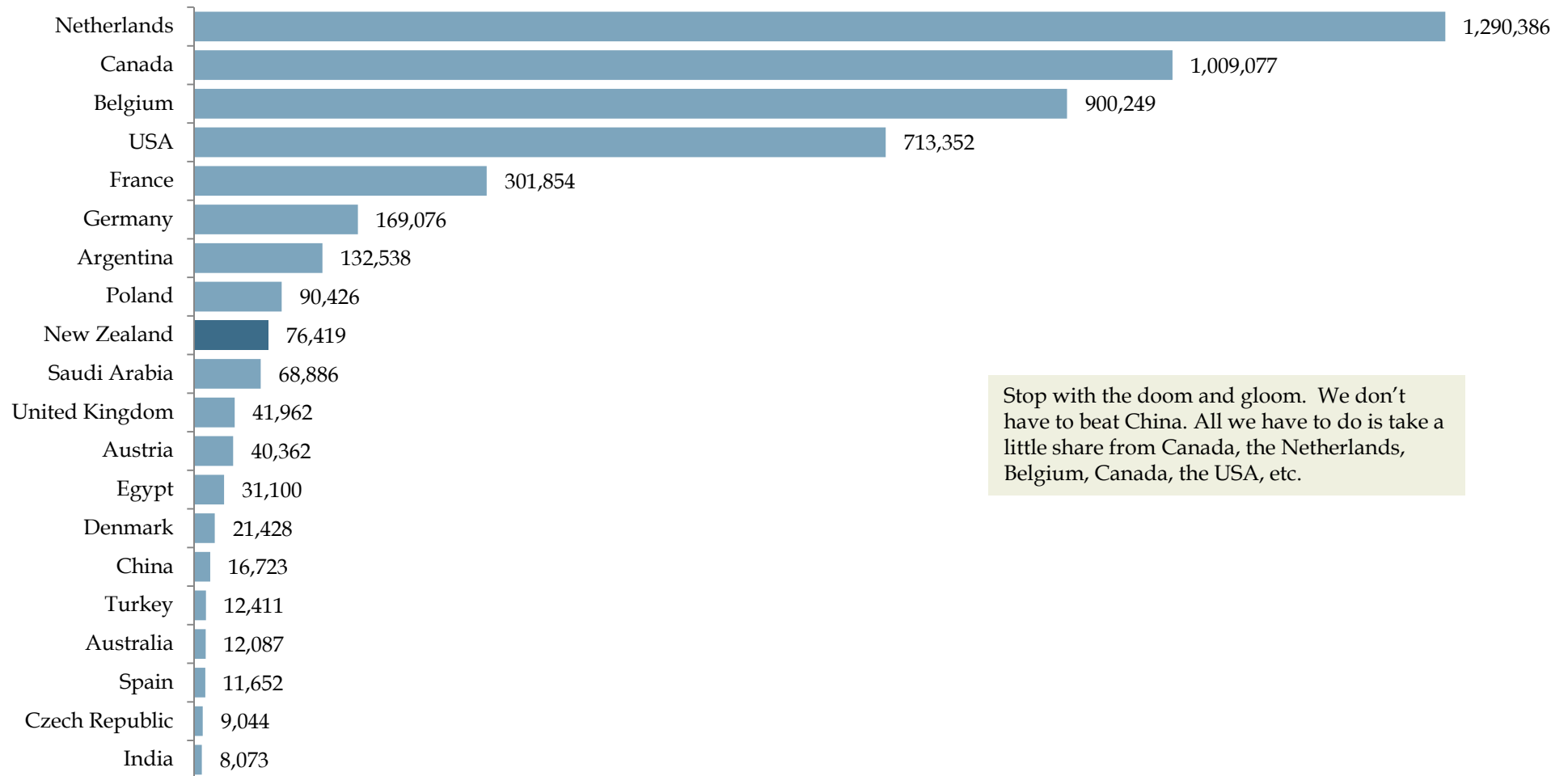
Potato yield in tonnes per hectare: New Zealand vs. select peers and China
(t/ha; 1961-2009)



FROZEN POTATO EXPORT VOLUME

New Zealand is the 9th largest frozen potato exporter in the world; competitors are primarily rich, developed countries

Frozen potato export volume in tonnes
(tonnes; 2007)



Stop with the doom and gloom. We don't have to beat China. All we have to do is take a little share from Canada, the Netherlands, Belgium, Canada, the USA, etc.

CAPITAL INTENSIVE

Potato farming is highly mechanised and capital intensive



Rice farmers



Potato Harvester

VALUE ADDED

Consumers are willing to pay 6-8 times as much for value added potatoes

Relative price per kilogram in Australia: raw potatoes versus select value added items
(NZ\$/kg)

