

# Scope for Potato Processing Industry in Bangladesh

DR. SAIFULLAH KHANDKER AND ASHISH BASAK

**I**T'S high time we rethought about the processed potato products and markets diversification for the sake of the farmers. The production of potato is increasing in Bangladesh, but excess production is creating havoc due to a glut in the market. Although, Bangladesh is the eighth largest potato producer in the world and third biggest in Asia, potato is consumed as a vegetable here, where in many countries it is a staple food.

According to Bangladesh Bureau of Statistic, over 10 million tons of potato was produced in 2017, and 5.3 million tons was kept in 390 cold storages across the country to maintain a sustainable supply all the year long. Unfortunately, up until December 2017, 60% of the potato is sitting in the cold storages due to the downward trend of potato price. Moreover, new potato started to enter the market from December. In this situation, what the farmers would do with the potato stored in storages is a question! Currently, farmers are discouraged to store the produce in cold storages as the storage cost is higher than the cost of the produce. However, at present two-thirds of the total produce do not find any space in the cold storage and a part of which is consumed shortly after harvest and the rest is kept in traditional storage at home under room temperature and humidity at farm level. In most cases the excess production goes to waste.

In Bangladesh most of the potatoes consumed is unprocessed. Only 2% of the potatoes are processed mainly in the form of chips and crackers. Bangladesh Agriculture Research Institute (BARI) has so far developed 44 potato varieties. But the majority of Bangladesh's potato production is used for direct consumption. The varieties used for table potatoes are not appropriate for processing (the dry matter

content is too low) or export (foreign consumers have different tastes). Moreover, the quality of the potato seed also is an influencing factor, the formal sector seed potato production is only 5-9% of the total requirement. Both private and public sector together supply only 5% quality seed of the total requirement. Remaining 95% is the low quality seed potato which is produced by the farmers themselves. Potato produced on the basis of low quality seeds is not preferred for processing and export.



Though the record amount of potato is produced, the quantity of export is insignificant. According to Bangladesh Bureau of Statistic, the revenue generated from exporting potato was \$33.8 million in 2013-2014 financial year whereas the amount came down to \$13 million in 2016-2017. Currently, there are only a few, around 8-10 established private companies that export fresh or processed potatoes, mostly to Singapore, Malaysia and the UAE and very recently to Russia, Vietnam and Sri Lanka.

Currently, overproduction of potato

is seen as a burden from the viewpoint of the farmers. We are concerned about the matter as the poor farmers in Bangladesh work hard to produce the crop but get only financial distress at the end of the day instead of making profit. On the other hand, contribution of this sector to the GDP is dwindling though it has a potential to contribute to the economy. We believe overproduction of potato is not a threat; rather it could be turned into an opportunity by utilising the resources in the process-

ing industry. The increasing demand for processed food products may drive the proper utilisation of the excess potato which can lead to product diversification. Companies should consider making much diversified processed potato products such as potato soup, hash brown, mashed potato, French fry. And as a precondition, the farmers should consider to produce the suitable varieties for processing using high quality seeds.

To solve the storage problem, natural cold storage for potato preservation need to be invented across the country

to avoid the problems with the current cold storage system. Wageningen University, the Netherlands has invented a unique method to store potato using natural cold storage system which is a combination of technology and nature. By using the method potato crops could be preserved for six months. Natural wind and light is basically the key to the success where automation is only a means to manage. Moisture and ventilation is maintained through computer programmes. In Bangladesh, we are lagging behind from doing it and to save farmers from wastage of their produce, public-private partnership and funding would make it easier to build such platforms. This is not a costly venture and through this we can save a lot of farmers and a lot of their produce.

Moreover, frequent undue price fluctuations create uncertainty about the market price and enhance risks in potato production as well as potato business. For stabilising potato prices, forecasting of potato prices and target production should be made in time before sowing, so that the farmers can adjust potato acreage accordingly. With successful operation of a buffer stock, price instability may be reduced. The government should take necessary steps so that the market price of potato remains uniform round the year and all over the country. This may be possible through price control mechanism of the government. Organising proper processing and logistics (find new markets) are badly needed. Potato is consumed as a vegetable in Bangladesh; if percentage of potato consumption is increased pressure on rice would reduce. Hence potato can play an important role in the food security of Bangladesh.

*The writers are Professor and lecturer respectively, German University Bangladesh*