

MEMORANDUM TO CABINET  
ON EXPORTS OF WARE POTATOES IN 1971

Exports of ware potatoes this year are likely to be around 9,000 tons, that is 3,000 tons short of the average for 1966/70 though in line with the average for 1961/65.

However, exports have not this year been made up of both Arran Banner and Alpha. The market has been one for Alpha exclusively.

The following table shows the movements of the two markets during the last two five-year periods:-

Year	Arran Banner Tons	Alpha Tons	Five-year Average tons	Percentage of Arran Banner and Alpha
1961	6,243	3,387		65:35
1962	4,955	1,106		82:18
1963	8,163	3,174		72:28
1964	6,874	1,923		78:22
1965	3,015	4,457		40:60
1961/65			8,800	67:33
1966	2,874	6,896		30:70
1967	6,247	4,395		58:42
1968	9,272	3,626		72:28
1969	8,099	5,709		59:41
1970	1,502	10,076		13:87
1966/70			12,000	46:54
1971	-	9,000(Est.)		- :100

It will be observed that this year the Arran Banner drew a blank. This is because:-

1. There is no packing station though this is essential. This difficulty therefore is likely to recur since the English market has become more choosy.
2. Potato stocks in U.K. have been at the end of March as much as 1.68 m. tons an exceptionally high amount. Even last year when stocks were just .45 m. tons no more than 1,500 tons were shipped a very small quantity by previous standards.
3. In Malta the dry autumn of 1970 made early planting impossible. To accentuate this setback the Spring 'this' year came too late with the result that there were no potatoes before late April to export.

The prices for Alpha to make matters worse, have been below average and it is most likely too that about a 1,000 tons less than last year, which was a record, would be exported.

Thus the farmer is bound to suffer from (i) reduced exports, about 9,000 instead of the new familiar 12,000 tons, (ii) the price at 21 instead of at 37 skudi if the last five year period is looked at as a guide and (iii) the quantity short shipped remaining on the local market damping down the price significantly.

The average wage in Malta has increased, but if some sort of subsidy is not made to the farmer he will find that his earnings are lower than usual. These different movements in pay packets

are likely to force a larger than average number of farmer on to the town for whom employment would have to be found.

Under similar circumstances, on several occasions subsidies were made to farmers in the relatively recent past and it would be rather out of line with practice not to give financial assistance to farmers this time.

Up to end April the prices for ware potatoes at the pitkali did not move downwards, but an examination of the prices ruling in early May, 1971 shows that the downward trend has begun and is as much as 1/0d per wizna less than the average of the two preceding years.

The Arran Banner potatoes planted this year were 2,038 tons which at the estimate of 1 : 10, the crop should be about 20,000 tons. Assuming that 6,000 are consumed on the farm, the balance for the market should be about 14,000 tons.

Since the price is 1s/0d per wizna less and assuming that this would reduce itself to a 6d. per wizna on the whole throughout the Spring potato consumption season, the loss on the crop is likely to be  $\text{£ } \frac{6 \times 20 \times 12.6 \times 14000}{240} = \text{£ } 88,200.$

If the Government were to bear 50% of this loss, a sum of £44,100 would be required.

It is considered that the best way to deal with this is by allowing farmers the sum of £1 rebate per bag of 112 lbs Arran Banner seed purchased, which is equivalent to £40,760.

This sum could be charged to Vote 45 - Agriculture and Fisheries, Item 7 "Assistance to Farm Development" which is considered appropriate and under which provision funds are available.