

Seminars Improve U.S. Potato Processing Practices in Central America

Technical training for potato chip processors is helping pave the way for increased usage of U.S. fresh chipping potatoes by regional manufacturers in Central America. Potatoes USA completed a series of chip-stock training seminars for four different processors during October 2017 that resulted in improvements in product selection, handling and processing. The seminars were particularly valuable in helping two brand new users of U.S. chip-stock. Funded by MAP, the seminars were held in Honduras, Guatemala and Costa Rica and consisted of tailored events held with purchasing, storage, R&D, and production management at each company.

In Honduras, a seminar with Industrias Dinant solidified and maintained previous successes. Dinant is a major chip processor that supplies potato snacks to the region. Previously, in MY 13/14, Potatoes USA was able to convince them to begin using U.S. fresh chipping potatoes for the first time. At the time, U.S. fresh potato exports to the entire market averaged only about 200 metric tons annually. Since Dinant became a major customer, U.S. potato exports have benefited from the company's growing snack production, with exports during the July 2016-June 2017 fiscal year totaling 9,756 metric tons. Currently, Dinant imports about 34 containers of U.S. chipping potato varieties a month. However, it has recently experienced quality issues. The October 2017 seminar was able to provide insight into the reasons for this, and guide the company toward the best types of varieties to purchase at different times of the year for their needs. This is helping maintain sales with this important customer.

In Guatemala, a seminar with a snack producer that has not previously worked with potato snacks helped provide overall guidance for proper purchasing, handling and processing. A key issue for them was storage, and Potatoes USA technical engineers were able to help them determine protocol to manage and maintain the fresh potatoes prior to processing. The company, Alimentos S.A., is a new user that is now receiving one container a month.

The market of Costa Rica was newly reopened to U.S. chip-stock in 2016, but access obstacles remain. Potatoes USA's seminars complemented ongoing market access work by supporting internal demand for U.S. chipping potatoes. One seminar was with Productos Kitty S.A., called "Papas Kitty," a manufacturer that is currently processing about 300 metric tons a month of U.S. chip-stock. During the seminar, Potatoes USA helped identify the reason for quality issues in their most recent shipment, and provided much-needed guidance about which varieties to request and the importance of measuring specific gravity for optimal chips. A second seminar targeted Alimentos Bermudez, a company that is relatively new to the snack industry and has little experience with potatoes. They were struggling to find a U.S. supplier that could meet the specifications they had been requesting. The seminar helped identify that the specs themselves were incorrect, so that no U.S. supplier could meet their request. The company is now negotiating with U.S. suppliers for their first U.S. chip-stock purchases.

Central America's food manufacturing sector holds good potential for U.S. potato export growth. Market trends continue to call for higher quality end-products, which opens opportunity for the U.S.' high quality fresh potatoes if product knowledge constraints can be overcome. Exports of U.S. fresh potatoes to these three markets, which include potatoes for processing and fresh consumption, have been steadily climbing, reaching \$7 million during the July 2017-June 2017 fiscal year. This is nearly four times their level five years prior. So far during the first six months of the current fiscal year, U.S. exports to the three countries rose 3% to \$3.3 million.