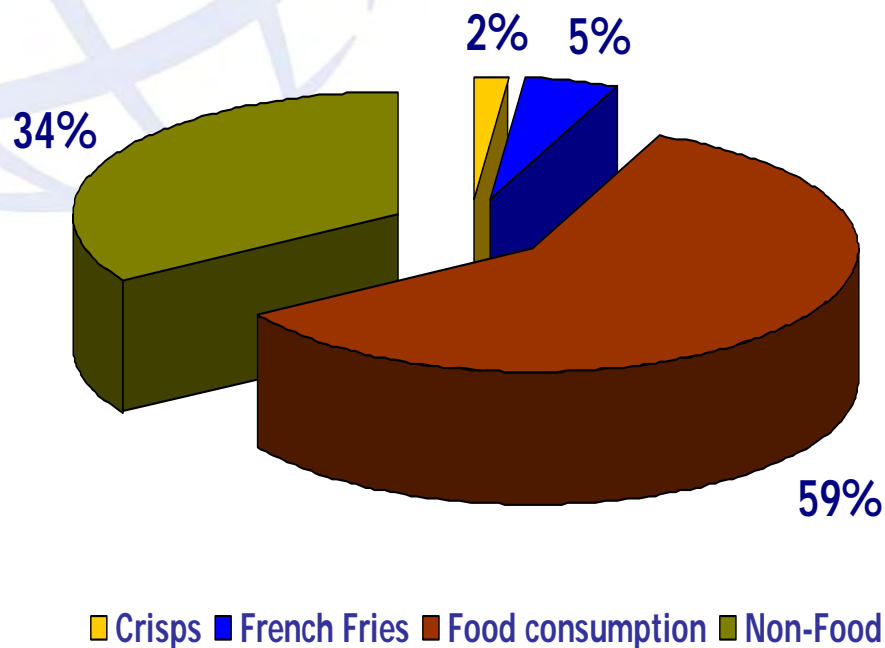


“Global Potato Processing”

Market metrics for potato processing

**Global potato production:
320 million tonnes (FAO)**

- Potatoes consumed as food = 66%
- Processing Market for potatoes is relatively small and accounts for 7% of total potato production
- Includes a global spread by core major companies



Global Processing of Snackfoods

The Global Processing market for Snacks is not just confined to Potato,



but also includes an increasing range of other agricultural raw materials





But for PepsiCo, potato is the core

FL 1953 - Spain 2000



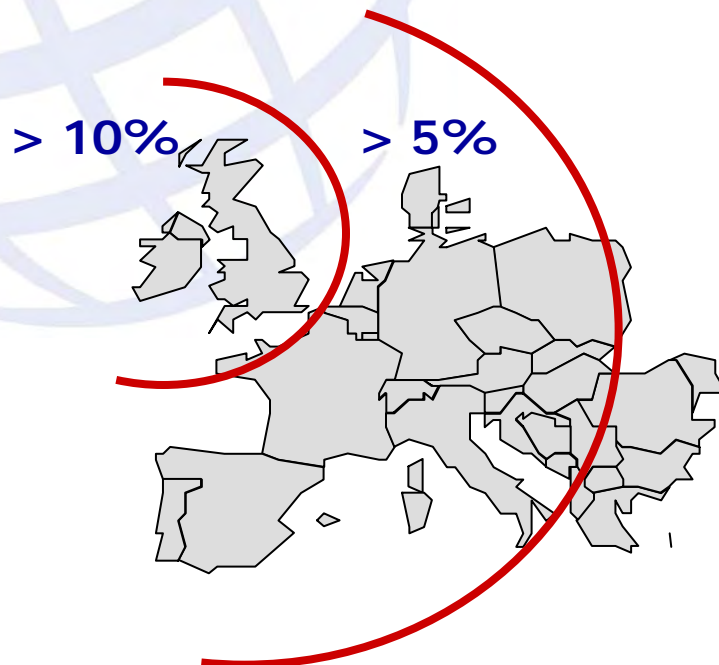
**Building
Global
Brands**





Market dynamics have moved

1990's

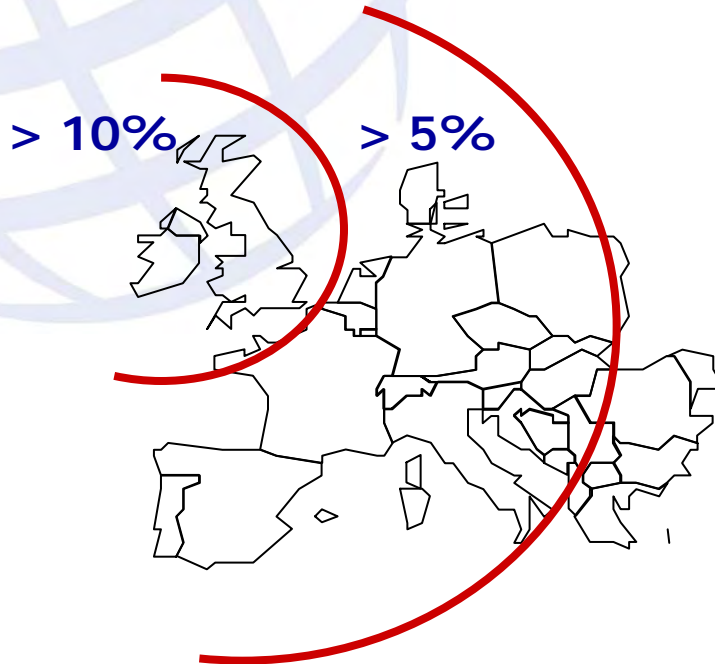


Last decade saw strong growth in traditional markets

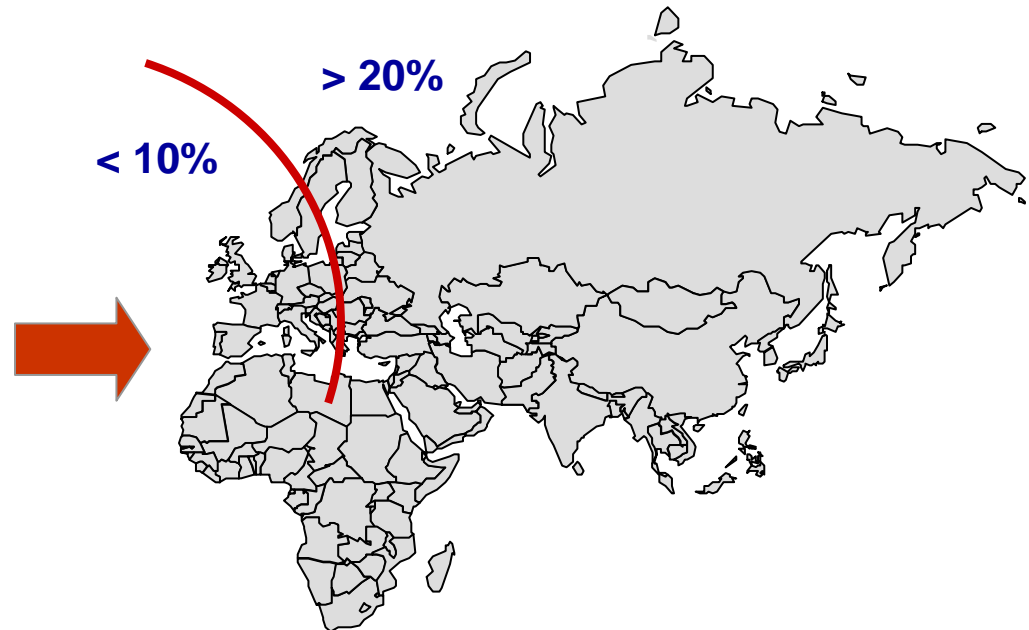
Moved East.....

2000's

But this growth has moved East. 

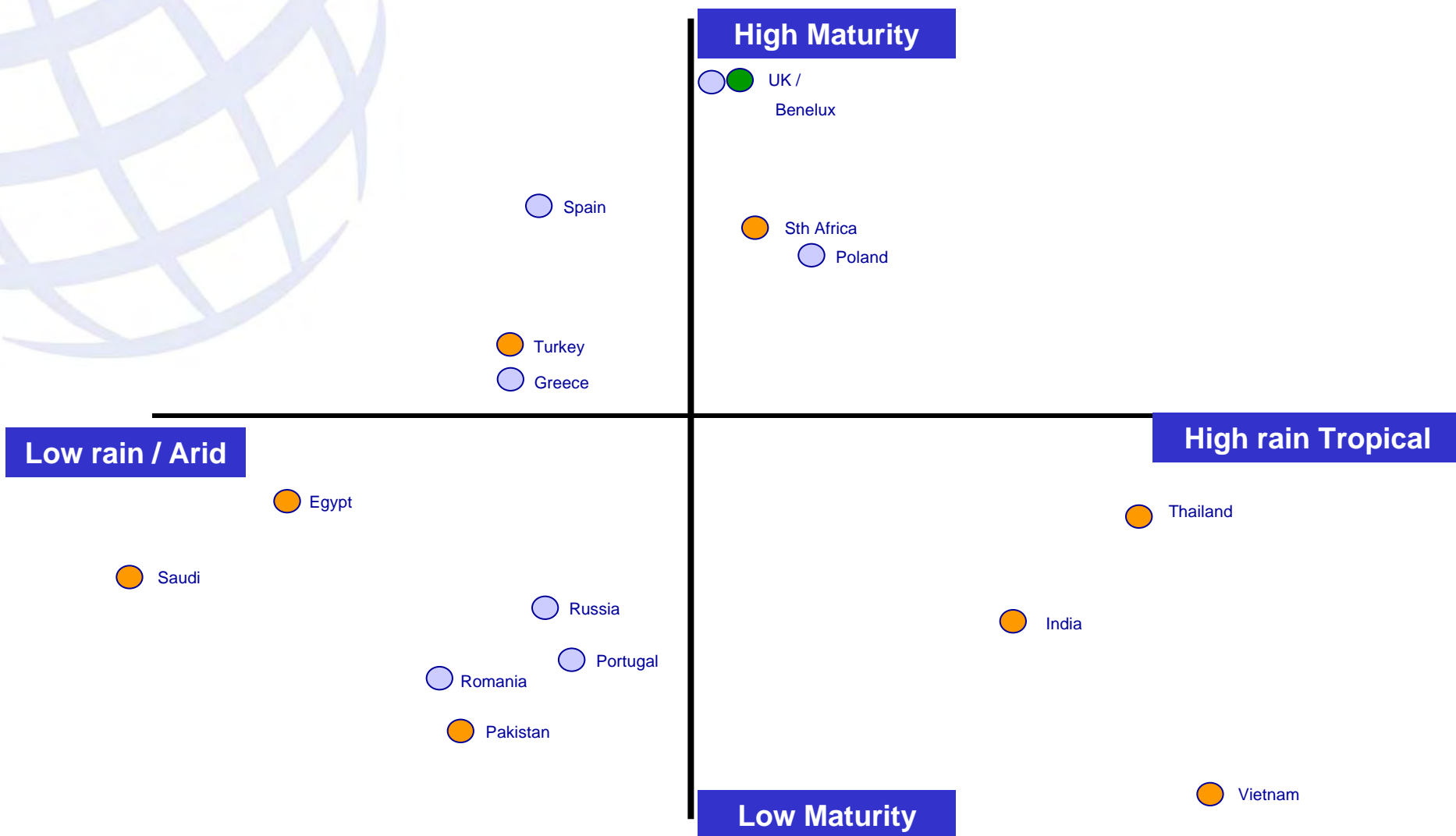


Last decade saw strong growth in traditional markets

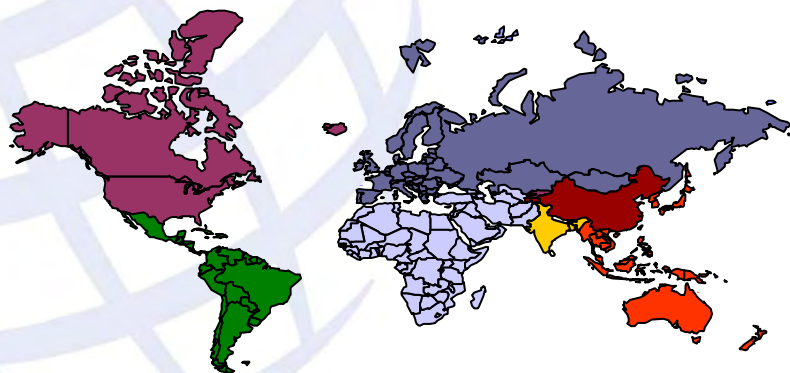


And new markets have become established

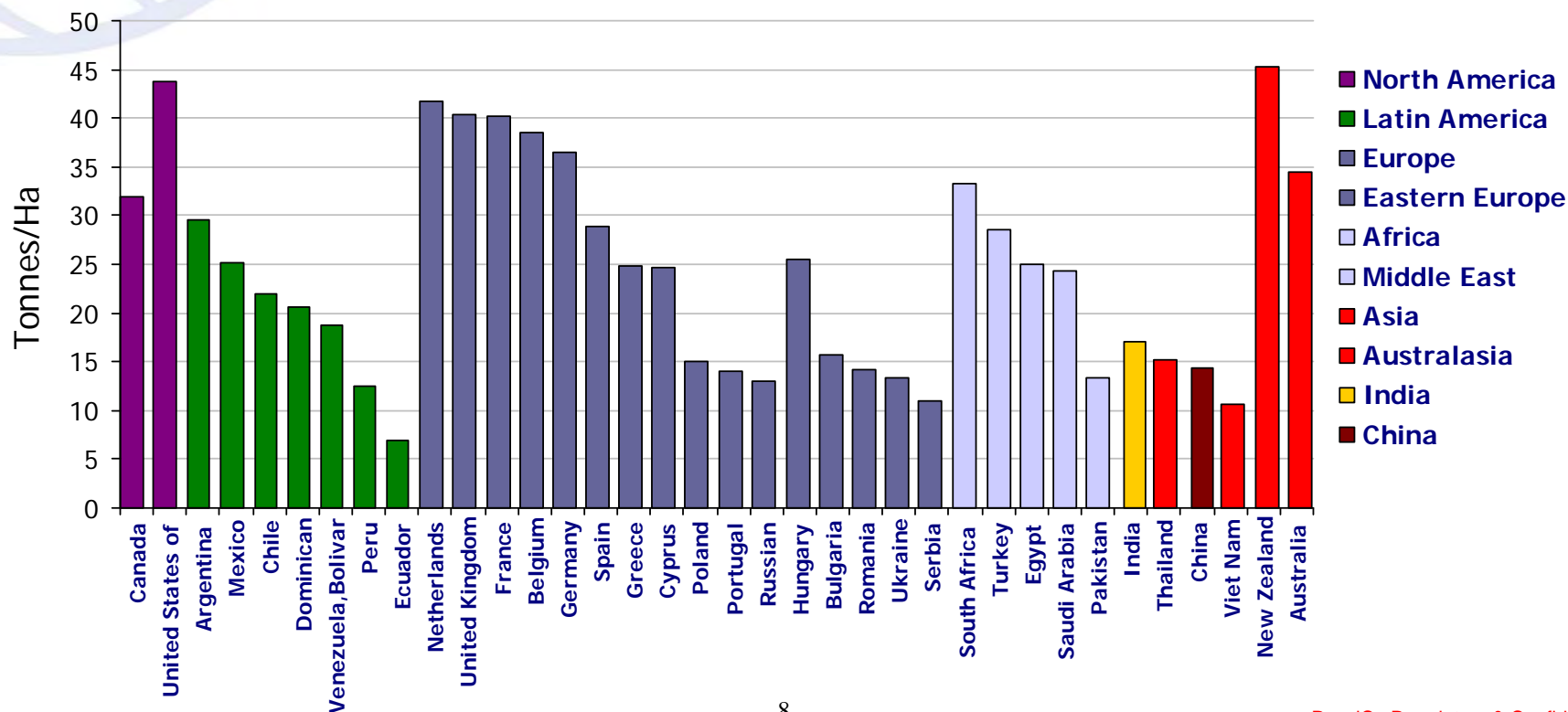
This market movement creates challenges as we experience a large range of Agricultural complexities



Highlighted by the large range of field yields



- > 2x the difference across the same region
- >4x the difference between continents





PEPSICO
INTERNATIONAL

And where a range of field solutions are created....

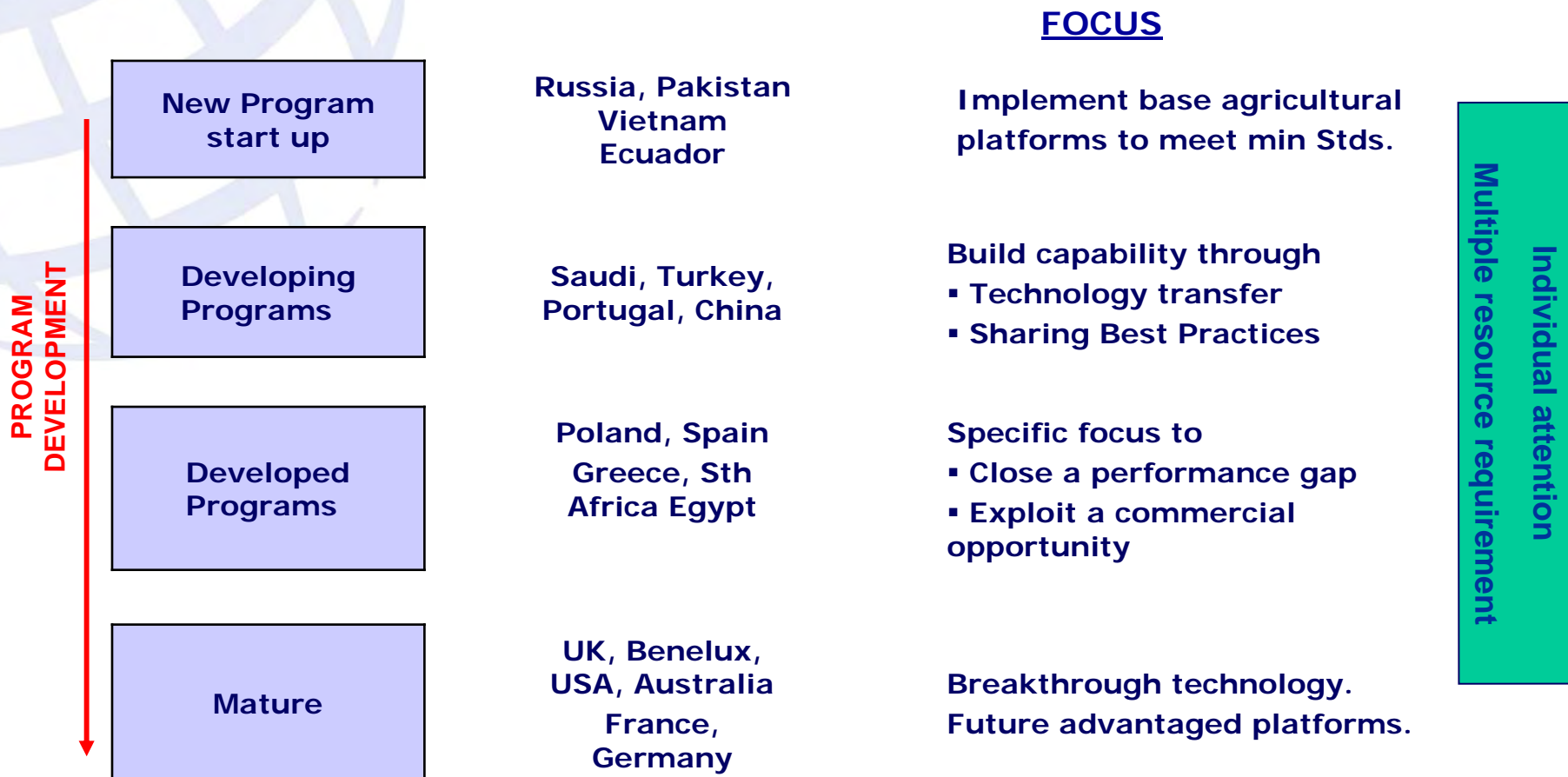


To deliver a consistent global quality





Each Country demands a different focus to fit their capability and market conditions





**Co-operation between a number of entities is required
in creating success in any market**

- **The Commercial business**
- **The Government**
- **The Industry**
- **The Farming communities**
- **Research Institutions**



The Commercial business

Business start- up investment:

- Creating a market structure for consumer goods:
- Operating facilities, warehousing and distribution
- Employment opportunities

Supply chain for raw materials

- Stable pricing and long-term purchasing commitments
- Market focus for required quality
- Investment in agricultural infrastructure
 - Storage / mechanisation / seed / varieties

Technology transfer

- Training and development
- Technology transfer of best practices





The Government

Departmental structures

- Available Governmental Departments and legislation, e.g..
 - Seed standards and testing
 - Quarantine
 - Registration for new varieties and chemicals etc



Technical facilities

- Manage and control diseases
- Local solutions
- Interface with Global institutions

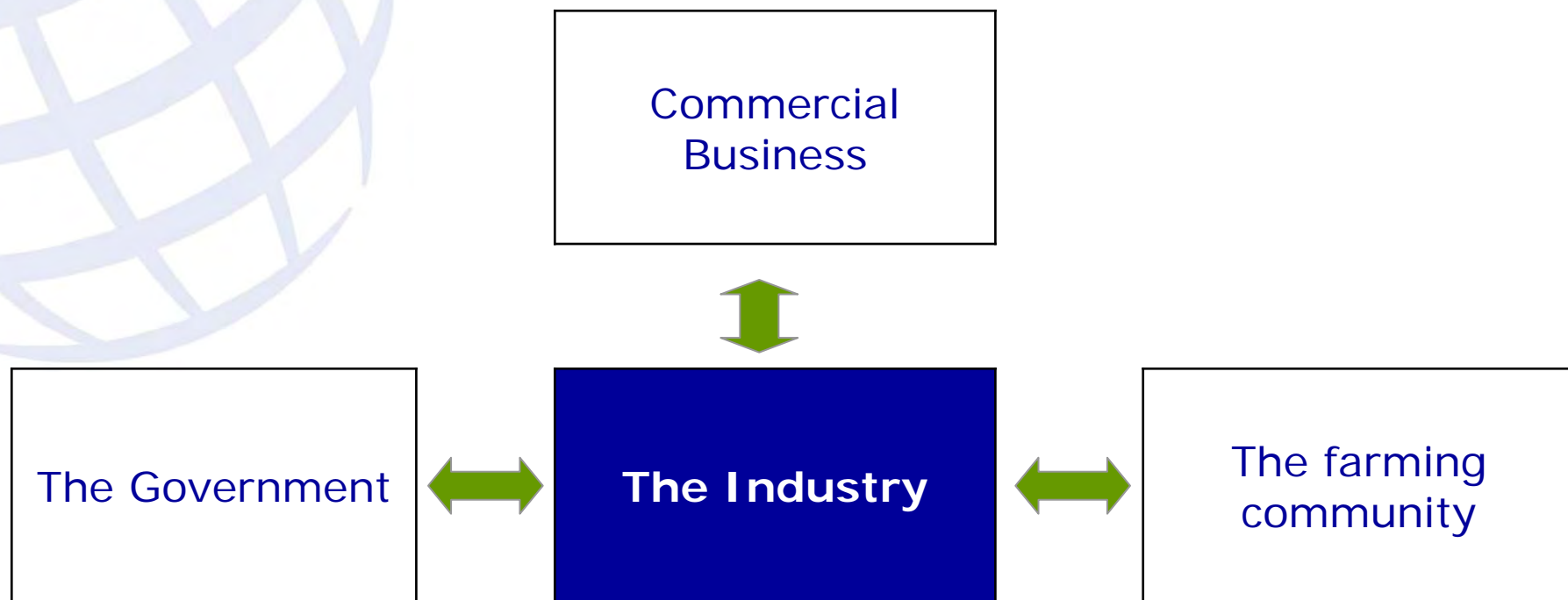


Field support

- The connection between business and the farming community, facilitating development



The Industry



A great enabler to facilitate growth and development of the market



The Farming Communities

**The most important element: Progressive farmers
Ready to embrace and work with new challenges and
opportunities**





What lies ahead.....challenges and opportunities

Some challenges to consider:

- ❑ **Consumer expectations continually move.**
 - Demand for quality: we compete with products with consistent quality always.
 - Health and wellness
 - Food safety: a tightening regulatory environment

- ❑ **Resource depletion and input inflation.**
 - Land, water and cost of crop inputs = focused agronomy

- ❑ **Weather volatility**
 - Extremes are becoming normal.



What lies ahead.....challenges and opportunities

Some opportunities exist

- ❑ **Technology advancements are being made**
 - Global Industry needs to continually compete for research \$'s
 - Research is now more focused and accountable for the market, it needs to remain this way.
- ❑ **The Global coverage enables us to respond**
 - Transfer of best practices and technical solutions move quickly between countries
 - We are responding to consumer trends to keep market viability
- ❑ **Farming systems are supporting new markets**
 - Crop intelligence systems, machinery, varieties are now available globally



The global market for potato processing is expanding and through joint co-operation will continue to create opportunities for the Potato Industry

Thank you