

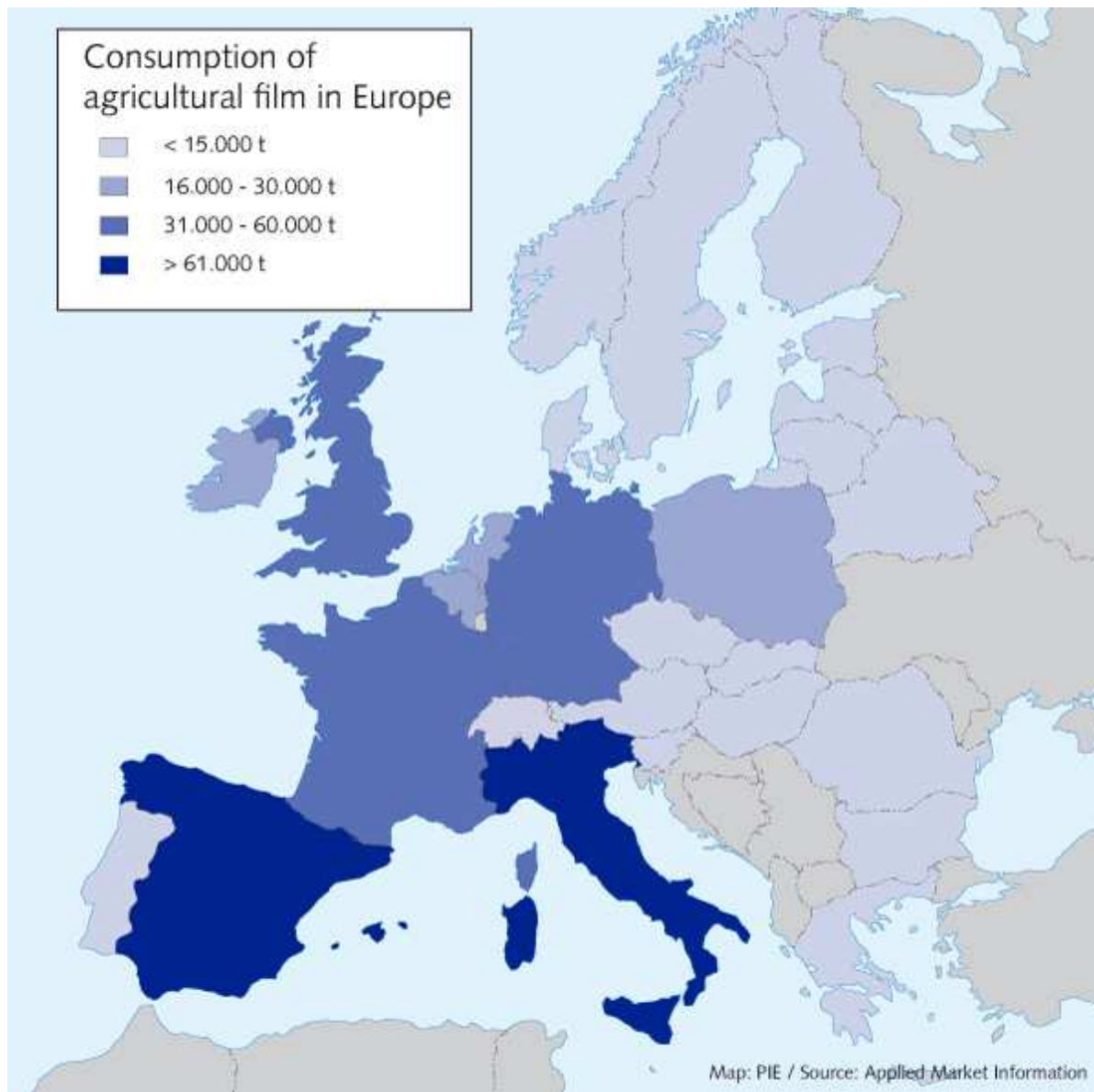
AGRICULTURAL FILMS

Innovation drives Europe's oversupplied market / Spain and Italy account for 40% of demand / AMI report

Europe's agricultural films demand is increasingly being driven by value rather than volume, as companies strive to develop innovative products in an oversupplied market. Companies are focusing on customised high performance thinner multilayer films, says AMI Consulting a division of **Applied Market Information** (Bristol / UK; www.amiplastics.com). Plastic films protect the crops, helping to improve crop quality, as well as increasing farming efficiencies by reducing the amount of chemicals, water and energy used.

Demand for agricultural films will be supported by the world's growing population, which is predicted to exceed 9 bn by 2050, with about 70% of the global population expected to be urban compared with 50% today. To feed the world's growing population, food waste needs to be reduced, distribution of food improved and food production increased, AMI says in a new report, Agricultural film market in Europe 2014. "At the same time agriculture faces challenges due to changing economic and environmental trends including climate change, biofuel expansion, slowing agricultural yields, rising meat demand and ever increasing calorie intake from a growing global middle class," it states.

Although the population increase in Europe is going to be only marginal, European agriculture will continue to play its part in global food production, while at the same time fighting for its existence in the face of competing pressures for land use, AMI says. "The agricultural sector in Europe is being forced to produce more food of increasing quality on less land within a shorter space of time using less resources, while generating minimum waste," it states. Extending the growing season and increasing yields per hectare of land have been and will remain the main drivers for the use of agricultural films.



The European market for agricultural film has been experiencing steady growth over the last decade, exceeding 500,000 t in 2013. Spain and Italy are the largest markets, accounting for almost 40% of demand, primarily driven by their intensive horticultural activity where large quantities of greenhouse and mulch films are used. In contrast, northern Europe with vast areas of grass land is a major producer of animal fodder and consumes significant amounts of silage films – both sheet and stretch wrap.

The chart shows that Spain and Italy each consume more than 61,000 t/y, while France, Germany and the UK each consume more than 31,000 t/y. Ireland, the Netherlands, Belgium and Poland each consume more than 16,000 t/y.

Consumption of silage film is forecast to grow by just over 1% per year over the next five years, led primarily by booming biomass production. Other growth drivers include rising demand for higher quality fodder, reduction of spoilage, the increased number of dairy cows, rising nutritional intake per cow, silage being increasingly fed to horses and the increased wrapping of haylage bales.

Consumption of conventional mulch film is forecast to decline slightly over the next five years as a result of the relative maturity of the market, combined with a shrinking of the area for crop cultivation and the need for the reduction of post-use plastic waste (by downgauging or by using biodegradable films instead).

Demand for greenhouse films is also decreasing. Market trends are similar to those of mulch films as both film types are increasingly used in combination, AMI says. The European market for greenhouse films is a mature one, and with one-season films gradually being replaced by films lasting up to five years, the market is expected to continue decreasing for the next five years.

Film companies continue to see opportunities for further consolidation, the report says. Recent deals include the takeover by **RKW** (Frankenthal / Germany; www.rkw-group.com) of **Hyplast** and **Biofol Film**, the acquisition by US-based **Carlyle Group** (Washington, D.C.; www.carlyle.com) of **ITW Mima's** (www.itwmima.eu) industrial films business and the takeover by **Moreira & Vallejo** (Seville / Spain; www.morerayvallejo.es) of the bankrupt **TPM** in Spain. In addition, **Unterland** was acquired by the **Britton Group**, now part of **Coveris** (Chicago, Illinois / USA; www.coveris.com).

Published on 28.07.2014

 [German version of this article...](#)

© 2001-2019 by Plasteurope.com, Bad Homburg

Date of print: 30.04.2019 10:12:38 (Ref: 1029786731)

Text and images are subject to copyright and other laws for protection of intellectual property.

Any duplication or distribution in any media as a whole or in parts requires prior written approval by Plasteurope. URL: <http://www.plasteurope.com/news/detail.asp>