

PLANTING INTENTIONS FOR 2012

At this time of year, United Potato Growers of Canada would like to refocus its attention from last year's crop towards some key points for growers to consider before finalizing planting plans for this year's upcoming crop.

Almost all areas of Canada received decent prices for the 2011 potato crop. The price received by growers had everything to do with the tight supply of potatoes available for the marketplace in 2011/12. The tight supply occurred as a result of reduced yields and/or harvested acres due to weather-related issues in almost all areas of Canada, and lower than expected yields in the US as well in 2011.

What will the weather be like in 2012? Will it be hot and dry; or will it be cool with excessive moisture? More importantly, will it be a beautiful growing season with lots of sunshine, perfect moisture levels, and moderate temperatures to sustain plant growth?

The law of averages would suggest that we're due for more "normal" conditions, and with that, a return to trend line yields across Canada and in the U.S. With the increases in acreage in both countries in 2011 and again in 2012, a return to trendline or even average yields will create a potato pile that will challenge the best of marketing wizards.

The potato acreage devoted to processing use in Canada deserves attention. Consumption of frozen processed products started to rebound over the past two years.



Whiteside Farms working ground in Southern Ontario

Some processors contracted additional acreage in 2011 to address this, after successive years of contract cuts in some areas.

Despite the increased acreage, challenging weather conditions meant contracts were short and there were also less open potatoes for processing use during 2011/12. The pipeline was extremely tight, and processors spent additional money to move potatoes from the U.S. into Canada. Many growers are again being offered increased volume for the 2012 crop on both sides of the border. This is excellent news for those growers, but we urge people to use their "normal" yield estimates when determining the acreage to plant to meet those contract requirements.

PLANTING INTENTIONS FOR 2012 (CONTINUED)

After the challenges of the past two years, there is temptation to plant additional acres to ensure the contract is not short. However, with the cost of production so high, open acres will contribute to lower returns and could eat into the contract returns.

For example, not so long ago, a grower commented that it took the profit from three of his contract acres to cover the losses on one open acre (in one particular year). That was a few years ago, so maybe it would take even more contract acres to cover the loss on one open acre in 2012. Please consider this carefully when making your plans. While processors may be able to use the production from some open acres in 2012/13, potatoes purchased at low open prices will decrease the requirement for contract price potatoes from the 2013 crop year.

The fresh sector has been called the shock absorber for the potato industry. We've seen some encouraging signals re improving consumer perceptions on the nutritional value of potatoes, but this has not yet translated into stronger demand. Higher yields across North America could lead to surplus production which traditionally drags down fresh market returns. We urge caution as you approach planting for this important segment in 2012.

The final factor which has major implications for potato planting in 2012 is the value of other crops. Rotational crops such as wheat, corn, canola, and soybeans are at very high cyclical levels.

There is profitability in growing these crops. Even hay for dairies in the U.S. is capturing a phenomenal price.

At United Potato Growers of Canada, we continue to ask growers to plant their acreage based on matching your known market requirements for the upcoming season. With today's cost of production, the stakes are high. As our United Potato Partner Seminars pointed out this winter, equity has been built over the past couple of seasons. Growers should take the steps necessary to minimize its loss. The 2012 crop could be one that gobbles equity for those with open acres. Please give it lots of thought before you finalize your crop plans for this season.



Planter Filling in New Brunswick

APRIL 1ST CANADIAN POTATO STORAGE HOLDINGS BY PROVINCE

(Thousands of Hundredweights (cwt))

	2011-2012	2010-2011	% CHANGE
Nova Scotia	0	0	NA
P.E.I.	10,082	11,561	-12.80%
New Brunswick	4,164	7,716	-46.04%
Quebec	4,159	3,925	5.96%
Ontario	1,671	2,011	-16.91%
Eastern Canada	20,076	25,213	-20.37%
Manitoba	5,712	7,391	-22.72%
Saskatchewan	415	651	-36.22%
Alberta	5,576	4,195	32.92%
British Columbia	280	97	188.66%
Western Canada	11,983	12,334	-2.80%
CANADA	32,059	37,547	-14.62%

Source: AAFC's InfoHort website.

BREAKDOWN FROM INTENDED UTILIZATION CHART (NOT SHOWN):

FRESH

- Eastern Canada down 26.1% or 1,755,000 cwt
- Western Canada up 25.5% or 136,000 cwt
- PEI leads the decline with 52.7% less than one year ago

PROCESSING

- Eastern Canada down 15.5% or 1,992,000 cwt
- Western Canada remained the same
- New Brunswick leads the decline with 56.4% less than one year ago

SEED

- Eastern Canada down 25.9% or 1,393,000 cwt
- Western Canada down 15.3% 479,000 cwt

APRIL 2012

NATIONAL CAR RENTAL AND ENTERPRISE RENT-A-CAR PARTNERSHIP

We are pleased to announce **National Car Rental and Enterprise Rent-A-Car** as the primary rental car suppliers for the United Potato Growers of Canada, effective **01/15/2012**. This partnership allows United to provide UPGC, its members and affiliates **discounted car rental rates**. All United growers, their farming partners, immediate family members, fulltime farm employees, and sales and marketing agents are eligible to take advantage of the discounts and free rewards program. Our Contract ID# **XZ47290 / XZ47499** can be used at both Enterprise and National Car Rental locations world-wide for business use (**XZ47290-discounted flat rate with full coverage insurance included**) and personal use (**XZ47499- 10% discount on all rates and declines full coverage insurance**).

We are pleased to offer each UPGC member complimentary membership in the **Emerald Club**. To enroll visit emeraldclub.ca or call 1 800 328 1234.



As an Emerald Club member, you will receive the following benefits, among others:

- Bypass the counter - Bypass the rental counter and go directly to the Emerald Club Aisle® at more than 50 major airports in the U.S. and Canada.
- Choose your own car - Don't waste time looking for your assigned car - just choose any car from the Emerald Club Aisle, which is stocked with mid-size or larger vehicles, and pay the reserved mid-size rate.
- Speed up returns with an E-Receipt - There's no need to wait around for a piece of paper when you return your car. Sign up to receive this benefit and we will automatically email your receipts to you within 24 hours of each returned rental.
- Free Day Rewards. **Earn one free rental day with every seven days rented at both National and Enterprise** locations to be redeemed at National for either business or personal use.



You May also Use your Emerald Club Membership at Enterprise to receive the following benefits:

- + Faster Reservations
- + Faster Rentals with more free upgrades
- + Credit Card pre-populated in Emerald Club profile
- + Free Day Rewards. **Earn rental credits towards free days based on rental car volume at both National and Enterprise locations** to be redeemed at National for either business or personal use.

If you have any questions regarding the United Potato Growers of Canada car rental program provided through National Car Rental or Enterprise Rent-A-Car, please visit the UPGC website under membership benefits.

EXECUTIVE OF UNITED POTATO GROWERS OF CANADA ELECTED FOR 2012

United Potato Growers of Canada held its 2012 Annual Meeting at the Chateau Laurier, Ottawa on March 12, 2012. The annual meeting is usually held in conjunction with the Canadian Horticultural Council's annual meeting in order to minimize travel costs for those who attend both meetings. Among the highlights of the past year for United were the hiring of our new General Manager Kevin MacIsaac in October, the dismissal from an anti-trust lawsuit in the United States, and strengthened communications with growers across Canada. The Board of Directors elected the executive for the 2012/13 year, and they are:

2012 EXECUTIVE OF UNITED POTATO GROWERS OF CANADA		
Chairman	Ray Keenan	Rollo Bay, P.E.I.
Vice-Chairman	Joe Brennan	Bath, New Brunswick
Secretary	Edzo Kok	Taber, Alberta
Treasurer	Brenda Simmons	Charlottetown, P.E.I.

UNITED POTATO PARTNER SEMINAR UPDATE

A very successful season of United Potato Partners Program seminars, held in conjunction with our United partner Bayer CropScience and our provincial member organizations, has just wrapped up. The first 2012 seminar was held in New Brunswick on January 17, 2012, and the final one occurred in Quebec on March 30, 2012. Attendance was excellent and growers seemed very appreciative of receiving timely information. We welcome any suggestions for improvements and we'd like to hear from growers about the topics they would like us to cover in future events.



Planting in Kinkora P.E.I.

APRIL 2012

BAYER CROPSCIENCE LAUNCHES NEW LIQUID POTATO SEED-PIECE TREATMENT IN CANADA

GUELPH, ON – April 11, 2012 – Bayer CropScience is introducing Titan™ Emesto™, a complete liquid insecticide and fungicide potato seed-piece treatment for protection against major insects and diseases. Titan Emesto features a new coloured formulation to ensure growers can uniformly and safely apply it to potato seed-pieces to maximize pest control and yield potential. The product provides excellent fusarium protection, superior seed-borne rhizoctonia control, good activity on silver scurf and unsurpassed insect control.

“Titan Emesto is a co-pak of Titan, the broadest spectrum potato seed-piece insecticide, and Emesto Silver, a new potato seed-piece fungicide with two new modes of action protecting against major diseases,” says David Kikkert, Portfolio Manager, Horticulture, Bayer CropScience. “Growers will benefit from the outstanding protection provided by Titan Emesto against fusarium tuber rot including current resistant strains, seed-borne rhizoctonia, silver scurf, Colorado potato beetle, leafhopper, aphids and flea beetle, and reduces the damage caused by wireworms.”

Key benefits include:

- New coloured formulation that facilitates safe and uniform application
- New fungicide chemistries for potato seed-piece treatment. Two new modes of action contributing to the fight against disease resistance.
- Excellent fusarium tuber rot control (including current resistant strains)
- Superior control of seed-borne rhizoctonia (black scurf, stem and stolon canker)
- Good activity on silver scurf (*Helminthosporium* spp.)
- Unsurpassed insect control
- Low dose rate

“To achieve optimal disease and insect control, growers must ensure good uniform coverage of the potato seed-piece,” says Andrew Dornan, Field Development Rep, Eastern Canada, Bayer CropScience. “Our coloured formulation is a unique feature making it easy for growers to see and experience the difference Titan Emesto makes.”

Products from the Emesto family are expected to be granted approval in more than 40 countries, in particular in the growing markets for seed treatments in Latin America and Asia.

For more information regarding Titan Emesto, visit: BayerCropScience.ca



Introducing Titan Emesto.
The **ONLY** coloured liquid potato seed-piece treatment.


TITAN™
EMESTO™

POINTS TO PONDER



Kevin MacIsaac, GM
United Potato Growers
of Canada

A few weeks ago, I found myself in an awkward position over the origin of a baked potato. Potato growers from several provinces were sitting around a table enjoying baked potatoes with their meal after a meeting. As the potatoes tasted excellent, every grower commented that it must have come from their province (I was reprimanded for not being impartial).

This got me thinking: What does make a potato taste better? Is it higher levels of Vitamin C? Is it higher potassium content? Does a certain area have better growing conditions to produce all of the above?

The answer of course, is the pride of ownership in that potato; all of the blood, sweat and tears that went into its production, to make it most pleasing to the taste buds of the consumer.

British Columbia has a smaller but very diverse industry which I got to know a bit better during my recent visit. Last month I learned a new term: **potato pitting**. Their storages are referred to as pits, so this is comparable to filling a cellar in Western Canada or filling a warehouse in Eastern Canada. One of their challenges is the increased cost of tillage. Living in an area where the temperature is above freezing in the winter means there is no frost to provide the free tillage that other parts of the country enjoy. The result is that certain fields could need ten or fifteen passes to achieve a proper seedbed. This deep soil however, does not contain stones; an Achilles heel for many of us in other parts of Canada.

The price of French Fries back to grower dollars. A friend of mine from Maine sent me the following calculations: A small order of French fries (brand x) sells for \$1.07. Each serving weighs 2.7 ounces, so for 100 pounds of fries(cwt.), the fast food restaurant receives \$600.00/cwt. The French fry processing company receives approximately \$50.00 per 100 pounds of finished fries sold to the quick service restaurant. The government received \$42.00 per 100 pounds for its 7% tax. My friend, the farmer in Maine, received \$15.30 per 100 pounds of finished fries. So it's all about "**Lovin it**". (These calculations assumed the average price of raw in 2011-12 to be \$9.00/cwt. and 1.7 cwt. of raw needed to make 1 cwt. of finished potatoes).

Finally, this newsletter will be the last one to reach your attention before you head to the fields and be too busy to even read one. I would like to leave you with a sobering thought. We know that cost of production increases this year, are a reality, with fertilizer (25%) being one of the largest. Cost of production to grow one acre of potatoes varies across Canada, however we will use \$2600.00 /acre for the following scenario. Similarly, we will use an average yield of 280 cwt./acre. If for some reason 2012-2013 prices are low and we are only able to achieve, say \$5.00/cwt. for our speculative portion of the crop, our income would only be $280 \times \$5.00 = \1400.00 per acre. Our net loss from costs of \$2600.00 would be \$1200.00 per acre.

Be careful and have a great spring season.



Planting in New Brunswick

APRIL 2012



**"Providing potato industry information,
intelligence and analysis that allows
producers to make timely, informed
production and marketing decisions."**