

May 2013

Mother Nature Delays Planting of the 2013 Potato Crop



At press time, the planting season was running about two weeks behind the spring of 2012 in almost all areas across Canada. This creates an entirely different marketing season for spud growers this year. Not many areas have early plantings to feed the start of next year's shipping period. With a good supply of processing potatoes in storage to reach the end of the year, fry companies are not pushing for an early start to the next season either. This is a big change from last year, when fry potatoes had to be imported at the end of the storage season to keep plants running.

Canadian acreage is expected to be down around 5% this year. In addition to fresh growers cutting back after only a year with fair pricing, cuts in processing and chip volume are big drivers as well. Acreage reduction will probably be limited by this year's late planting start, as shorter growing seasons tend to limit the yield potential for this year's crop.

With processing volumes still up in the air, growers should consider not planting 100% of their acreage until they have a firm commitment, and preferably a signed contract, with their buyers. Scenarios may be different for individual growers depending on where they place in a matrix model.

In his May 1st issue, Bruce Huffaker, editor of North American Potato Market News provided the following estimate for the 2013 Canadian Acreage:

May 1st, 2013 Estimate of Canadian Potato Acreage

Province	2013	2012	2011	% Change
PEI	85,000	89,500	86,600	-5.0%
New Brunswick	51,000	53,500	51,800	-4.7%
Nova Scotia	1,800	1,900	2,000	-5.3%
Newfoundland	500	500	500	0.0%
Quebec	42,000	42,300	42,500	-0.7%
Ontario	37,000	39,800	37,400	-7.0%
Eastern Canada	217,300	227,500	220,800	-4.5%
Manitoba	70,000	76,000	72,000	-7.9%
Saskatchewan	7,000	7,000	7,200	0.0%
Alberta	54,000	55,900	53,400	-3.4%
British Columbia	7,000	7,000	7,100	0.0%
Western Canada	138,000	145,900	139,700	-5.4%
Canada	355,300	373,400	360,500	-4.8%

Source: North American Potato Market News



Seed Bed Preparation in Quebec

**Softball game tonight?
Probably not.**

**Worry about blight?
Definitely not.**



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May 1 Canadian Potato Storage Holdings by Province

Expressed in Thousands of Hundred Weights (cwt)

Province	2012-2013	2011-2012	2010-2011	% Change
PEI	8,186	8,198	8,939	-0.2%
New Brunswick	4,762	2,990	6,373	+59.3%
Quebec	2,801	2,743	2,699	+2.1%
Ontario	1,384	1,091	1,207	+26.9%
Eastern Canada	17,133	15,022	19,218	+14.0%
Manitoba	5,459	3,283	5,740	+66.3%
Saskatchewan	N/A	N/A	N/A	N/A
Alberta	5,292	3,653	2,448	+44.9%
British Columbia	80	117	16	-31.6%
Western Canada	10,831	7,053	8,204	+53.6%
Canada	27,964	22,076	27,422	+26.7%

Source: www.agr.ca/infohort

Highlights:

- ▶ At first glance, Canadian Stocks seem considerably higher than a year ago. Remembering that the previous year was an “off” year for yield in many areas, it is more accurate to compare the last three years.
- ▶ May 1, 2013 holdings are very similar to those of May 1, 2011 (close to half a million cwt.)
- ▶ UPGC and the PEI Potato Board initiated discussions with Statistics Canada to alleviate concerns that the initial production estimate released in November may have been too high. As a result, PEI has decided to utilize a revised production estimate of 1,000,000 cwt less than the original Stats Canada estimate. Manitoba has also revised its holdings with the addendum that destruction of non-saleable process potatoes has begun.

The Value of an Electronic Voting System

Up until three years ago, many in the industry were not familiar with an amazing piece of technology for electronic voting. The Potato Processing Committee (PPC) of the PEI Potato Board purchased E-Voting Technology in the 2011-12 season with some assistance from the Canada-PEI Growing Forward Program.

The purpose of this technology is to help get feedback and direction very quickly from a wide cross section of growers attending a meeting, while maintaining the utmost in confidentiality. Some of us are uncomfortable speaking out in a public session, yet our opinions are not only valuable but essential to reaching a consensus with the critical mass. Sometimes the course of direction can be swayed either by what is said or not said. The Electronic Voting System allows the meeting to remain impartial, while removing any hint of dominance or persuasion.

Scott Howatt, Processing Coordinator with the PEI Potato Board, reports that the PPC first used the E-Voting Apparatus (EVA) in January 2012 to get feedback from a smaller group of company storage growers. Since then, they have used the EVA devices at every processing grower meeting and at the board district meetings this winter. At the PPC annual meeting in November, PEI growers passed a motion to use the Electronic Voting system for actual contract offer votes this season, and that occurred for the first time in early May.

The software/hardware are excellent, but a good IT person makes it work with ease. Training tutorials and webinars are available from the company. Once set up, it is as simple as projecting questions on a screen and the growers vote in confidence. The equipment tallies the results immediately. Options such as percentages, numbers voting, etc. are only a click away.

In addition to Potato Board and processing meetings, the devices have also been used at industry functions including the PEI potato research priority setting workshop and the PEI AgriAlliance's inaugural Agri-Insights conference this past winter. There is more than one company supplying these systems, but the PEI folks went with the company they felt would provide the greatest level of support.

Left: UPGA Chairman Russ Wysocki visits with Marlon Kuhl at the Southern Manitoba Potato Company.



Processing Contracts Settled

E-Voting Technology is just one option in a toolbox to help growers finalize contract negotiations and settlements. The United Potato Growers of Canada is pleased to assist in providing information in an articulate process which ultimately determines price and profitability for the upcoming crop.

The method of negotiation has changed considerably in the last few years. As many areas pursue paths of mediation and arbitration, more detailed data is required to make a representative submission. United's role is not an out front one, but rather a supportive one, working behind the scenes. Data such as imports of finished product into Canada, frozen product exported from Canada, and the freight on either one is now very relevant.

Information is key to making good management decisions and it is hoped that grower organizations will make full use of our ability to exchange information among growers of processing potatoes in Canada and the US.

To sum up contract settlements, it would be fair to say most areas accepted offers for the same price they received for their product one year ago.



Speakers at the 2013 United Potato Partners Seminar in Prince Edward Island.

From left: Kevin MacIsaac, General Manager, United Potato Growers of Canada; Graham Kempton, Territory Sales Manager for Bayer Crop Science; Blair Geisel, President of Gaia Consulting Ltd.; David Tolton, Sales Manager, Horiculture, for Bayer Crop Science; Dr. Joe Guenthner, Economist from the University of Idaho; Dale Lathim, President of the Potato Marketing Association of North America; Ray Keenan, Chairman, United Potato Growers of Canada

Breakdown of Supply by Sector

Expressed in Thousands of Hundred Weights (cwt) as of May 1st, 2013

Province	2012 / 2013 Split by Category			2011 / 2012 Split by Category		
	Fresh	Process	Seed	Fresh	Process	Seed
PEI	1,292	5,056	1,838	1,249	5,151	1,798
New Brunswick	758	2,249	1,755	1,078	765	1,147
Quebec	1,400	988	413	1,502	1,015	226
Ontario	311	970	103	225	841	25
Eastern Canada	3,761	9,263	4,109	4,054	7,772	3,196
Manitoba	179	4,217	1,063	315	2,869	99
Saskatchewan	N/A	N/A	N/A	N/A	N/A	N/A
Alberta	99	4,595	598	42	3,411	200
British Columbia	11	35	34	17	46	54
Western Canada	289	8,847	1,695	374	6,326	353
Canada	4,050	18,110	5,804	4,428	14,098	3,549

Source: www.agr.ca/infhort

Highlights:

- ▶ Canada's fresh holdings on May 1 were down 8.5% from one year ago.
- ▶ Canadian potatoes for processing are up close to 4,000,000 cwt from 2011/12's very tight supply situation.
- ▶ Seed holdings are also up by 2.2 million cwt., however this is explainable by the lateness of the season and delayed delivery of seed, and a return to more normal production levels after very poor weather in some areas in 2011/12.
- ▶ Please note that the breakdown by sector includes all potatoes remaining in storage, and not just marketable potatoes. Cullage levels vary from year to year and can impact the volumes that end up on the market.



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YOUR FIELDS AND ORCHARDS WERE A GIANT SMORGASBORD.
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THEN MAKING SURE THEY NEVER EAT AGAIN?"**

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Young Growers Program

Keystone Potato Producers Association

Attracting young people to agriculture, and in particular the business of farming, is essential for succession, continuity, and progress. One area in the country has begun a program to help develop the knowledge and skills of the next generation of potato growers. The vision of Andrew Ronald, Extension Agronomist with KPPA in Manitoba, this program last year managed to attract between eleven and twenty participants at bi-weekly sessions held both in the field and the classroom. Attendees came from a wide range of backgrounds, roles, and experience.



Different topics were covered at each session and the topics were left intentionally broad so that they could be adjusted based on the growing season as it developed and the different issues that came up. Participants had the opportunity to learn the basic agronomy behind the growing and storing of a quality potato crop, in addition to meeting and developing relationships with their peers and other expertise within the industry. By using different growers' fields to show the crop being managed in the region, participants were exposed to production practices that were different from their own farms, and thereby broadening their horizons.

Here was **last season's agenda**:

DATE	TOPIC(S)
1. June	Introduction. Seed and Planting. Cultivation and Hilling.
2. June	Weed Management. Irrigation Introduction
3. July	Irrigation, Nutrient Management Introduction
4. July	Nutrient Management
5. August	Pest Management
6. August	Attend a CMCDC Field Day; Carberry or Winkler
7. August	Late Season Crop Management
8. September	Harvest & Storage Management
9. Nov/Dec	Simplot Portage Factory tour. Visit AgWorld grading lab.

Andrew says feedback was positive and he intends to continue the program in 2013. What a great idea for other provinces to consider; in fact, the timing couldn't be better as we get organized for a new crop season. We need these kinds of potato activities to attract our young people so they will understand the complexity of growing potatoes and feel comfortable among their peers, eventually providing the succession plan everyone needs.

Agriculture More Than Ever - Join the Conversation!

United Potato Growers of Canada has joined the conversation as a partner of **Agriculture More Than Ever**, and we hope our members will too. This new initiative underway champions the agriculture industry and will play a role in changing perceptions about agriculture. To attract the people, skills and investment needed to meet the growing demand for food, those of us involved in agriculture have a responsibility to promote the industry.



Agriculture More Than Ever is a multi-year industry initiative to improve perceptions of agriculture in order to assist the industry to reach its full potential and ensure its long-term viability. We can't ignore challenges; however, when we discuss agriculture, we can choose to focus on the optimism and positive side of the industry. **Agriculture More Than Ever** asks those involved in the industry to champion agriculture by engaging in more frequent discussion regarding what's going well within the industry: filling in information gaps, responding to misguided perceptions and telling the success stories about the industry, online and offline. The way we portray agriculture has a direct and powerful effect on how the public views our industry. We know that Canadian agriculture is a modern, vibrant and diverse industry, filled with forward-thinking people who love what they do. So, the role of **Agriculture More Than Ever** is to serve as a catalyst to get people talking about the opportunities and promising future that the industry has to offer.

How can you get involved?

The potato industry can start today with a simple commitment to help share positive stories and change the conversation about the industry with friends, family and others. You can also check out the **Agriculture More Than Ever** website at www.AgricultureMoreThanEver.ca. The site was launched last spring to provide a forum for visitors to share their stories about agriculture, hear from others and even learn something new about agriculture that they may not have known before in the facts section. While on the site, take a few minutes to share your story about agriculture – whether it's why you love the industry, what you do or just a few lines about what agriculture means to you. And, this doesn't just have to be in writing – photos and videos are also welcome.

Agriculture has never mattered more to Canada and the world. It's time to tell the real story about agriculture and we welcome you to join us to help champion the industry!

Executive of United Potato Growers of Canada elected for 2013

United Potato Growers of Canada held its 2013 Annual Meeting at the Westin, Ottawa on March 13, 2013. 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.

The Board of Directors elected the executive for the 2013/14 year, and they are:

2013 EXECUTIVE OF UNITED POTATO GROWERS OF CANADA

Chairman	Ray Keenan	Rollo Bay, PEI
Vice Chairman	Wayne Rempel	Winkler, MB
Secretary	Matt Hemphill	Grand Falls, NB
Treasurer	Brenda Simmons	Charlottetown, PEI

Farm Credit Canada Partnership

Ray Keenan, Chairman of the United Potato Growers of Canada is pleased to announce a new partnership has been formulated with Farm Credit Canada. Farm Credit is well recognized across the country as a leader in the lending business community. "With both of our organizations being national in scope, we will be able to offer support to one another in different parts of the country," adds Ray. We look forward to working with the Farm Credit team in the future!



Crop Transition Conference

June 11-12, 2013 – Minneapolis, Minnesota

Wednesday, June 12

8:00 am to 12:00pm:	Red Crop Transition Conference
12:00 pm to 1:00pm:	Luncheon
1:00 pm to 4:00pm:	Russet Crop Transition Conference

Location:

Crowne Plaza Minneapolis International Airport
Three Appletree Square, Bloomington, MN

For more information, contact kevin@unitedpotatocanada.com

Points To Ponder

All farmers look forward to leaving an old crop year and planting a new crop. Depending on where your farm is located in Canada, you may have experienced a very good year or a very poor year. I recently talked to farmers who told me that in two years they experienced their very best year (last year), and their very worst year (the year previous). Yield, quality, and price are determinant factors of which category they fitted into. Yield and quality are definitely under the power of Mother Nature; however, the third component is one that our organization has received extensive questioning on this past winter and spring.



Kevin MacIsaac

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Why is the price of fresh potatoes so low and what is United doing about it, we are asked? Firstly, consumption of table potatoes has dropped. Secondly, the supply of fresh potatoes is greater than demand. We know we will not be price positive when this occurs.

Why did some of our neighbours to the south expand their acreage last year? There are many reasons for this including: reinvestment after profitable years, packing shed capacity, and the influence of growers who do not believe in the United movement. Processors contracted higher volumes and the dehy sector also sought increased acres in 2012. We also planted too many acres in Canada last year. No one is happy with the outcome but I feel the most important point is that we must continue to be part of the discussion. Furthermore, no one can expect to be part of a good solution without good dialogue. A further question being directed to us this past season asks what United is specifically doing for the processing sector. As outlined earlier in this newsletter, we have an increased mandate to provide more and better information, so growers can negotiate the most profitable contract possible.

Finally, I have enjoyed meeting many of you at our United Potato Partner Seminars over the winter. These seminars were very well attended and continue to provide much food for thought as you plant your next crop. Good luck this season!



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