



POTATO GROWERS OF CANADA

LES PRODUCTEURS UNIS DE POMMES DE TERRE DU CANADA

Planting Recommendations for the 2020 Potato Crop

April 24, 2020

As growers head to the fields with their potato planters, much uncertainty lies about future demand for the crop and what is the appropriate supply to meet the needs of the public as their buying and eating habits evolve due to COVID-19 distancing requirements.

Processors who manufacture French fries have seen a decline in sales, as fast casual and quick service restaurants have closed sit-down portions of their restaurants. As a result, French fry companies have reduced the volume of potatoes they will need to contract from growers not only in Canada, but from around the world. Unfortunately, depending on which markets these individual factories supply, we understand the cuts could range from 15% to 30% below last year. When fryers are able to make these final estimates available to their growers, producers in turn should only plant what is required for those contracted volumes.

Producers of fresh potatoes which are sold into the table market, should be aware of the following.

Demand for fresh potatoes sold in retail stores at the start of the COVID-19 Pandemic has been very good as more consumers stayed at home and cooked more meals within the household.

More recently however, the closure of sit-down restaurants has dramatically slowed sales of potatoes in the carton category. These larger count size potatoes typically sold into the food service sector have been backing up as a result of fewer consumers able to choose their potato menu selection within the walls of a restaurant.

In addition, some potatoes which had been grown for the processing sector, are now having to find a different home, as factories have slowed production to meet

freezer capacity. Some of the potatoes from that sector are currently being offered to the table market.

The recommendation is that growers plant only those acres for their market which has a known volume at a known price. Although fresh cuts are not as substantial as in the processing sector, information to date suggests the table market may need 10-15% less potatoes than last year. The difficulty in predicting the most accurate model is first of all, the start-up date for return to normal, and secondly, the speed of return to market correction. At this time, it is estimated that it could take from six months to a year, to reach historical consumption and sales levels.

The third important component of our industry is seed production. These seed growers have the very important task of supplying the basic start to processing, table and chip crops. Unfortunately, they in turn will need to adjust their planting intentions, as their markets to some customers in the other sectors have declined substantially below last year.

Growers are asked to consider all available information as they make their planting decisions this spring.

Last year's potato supply was significantly reduced in North America and Europe, due to adverse weather conditions particularly experienced at harvest. With different growing and harvest conditions, the planted acreage could have provided a much larger inventory of potatoes.

Ultimately it is up to each individual grower to make those planting decisions which have the opportunity to provide better prosperity and sustainability for their farm business and family.

Collectively, the industry will need everyone's support to work together as it moves out of these uncertain times in the world.

Good luck in the 2020 season and keep safe!

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