



POTATO GROWERS OF CANADA

LES PRODUCTEURS UNIS DE POMMES DE TERRE DU CANADA

Crop Update July 23, 2020

The UPGC Board met this week to discuss crop growing conditions, markets, and analysis of the recent potato acreage from Statistics Canada. Here is a snapshot across the country:

Prince Edward Island:

The crop is ahead of same time last year due to earlier planting and excellent growth. Crop stage is at row closure with many fields in blossom. The crop is also at the tuber initiation stage in many fields, so the dry, hot conditions are of concern at this very critical stage. A significant rainfall was received two weeks ago breaking the drought however more is needed.

Movement of old crop has responded to better demand and improved pricing this month with tens moving up 10 cents on an FOB basis. Fresh sheds are winding down and processors will finish in September. Processors have been able to utilize some seed lots and smaller profile potatoes to help get them to a better level of comfort with their supply.

Based on grower surveys conducted by the PEI Potato Board, acreage had been expected to be down an additional 1,500 acres below the number reported by Statistics Canada.

New Brunswick:

Growing conditions have been good in NB after a hot and dry month of June. Timely rains have kept the crop growing but more moisture is needed now.

Old crop is cleaning up with limited supply left on the fresh side. Fry plants have been busy with the resumption of demand. The dehy

plant has been extremely busy in recent months cleaning up excess supplies originally destined for processing, seed, and table markets. Stats Canada acreage estimates for NB point to a reduction of 3,900 acres below 2019. Local observers are a bit skeptical about the size of this reduction, however it is widely known that acres were reduced on farms purchased by the local processing company.

Quebec:

The crop looks good thanks to a nice rainfall received a week ago which helped avert a critical moisture situation, but still needs more moisture. In the meantime, those growers that can, are busy irrigating. Early Envoles are looking good as more of that acreage tends to be irrigated than with the traditional Superior variety. Plant foliage looks very healthy and growers are continually checking to see how progress is coming along under the hill.

The fresh market has been a little slower as packers have been dealing with a larger supply of old crop russets than originally thought. This is also traditionally a slower time in the market as in addition to reluctance of cooking in hot weather, the entire province of Quebec begins a two-week vacation period for their construction workers. Major ads, particularly on ten pounders, by retailers are helping to clean up the remaining supply.

New crop is coming on now with some growers ready to go for the last week but were waiting to prevent too much disruption as the market transitions from old to new crop.

Statistics Canada has not yet reported an official 2020 potato planted acreage number for Quebec. The estimate provided by Les Producteurs de pommes de terre du Québec for this year is 47,805 acres. However, Quebec appears to have found an additional 2,315 acres planted in 2019 over the Stats Canada reported figure. If correct this would bring their acreage increase this year to 1,983 acres or 4.3% instead of the StatsCan increase of 4,297 acres or 9.9%. Hopefully this difference will be reconciled soon.

Ontario:

The weather has been hot and dry, but fields have also received timely rains to keep the crop growing. It is still extremely dry in southern Ontario where the early crop will begin harvest for both chips and tablestock this week. Crop development has been running about a week behind in this area. Growers are watching their crop closely as the hotter temperatures favor development of heat runners.

Old crop is winding down on the fresh side and chip supplies in storage were used up quicker than anticipated.

There is general agreement among industry on the Stats Canada 2020 acreage estimate for Ontario showing an increase of 2,473 acres. Potato chip buyers increased contract volume due to increased demand during the COVID-19 pandemic. Fresh acres may have had a slight increase of 500 acres or so.

Manitoba Fresh:

The crop is very dry in the southern part of the province, almost running on the verge of drought. Top growth is good; however, growers are closely watching development under the hills. Crop development has been running 7-10 days behind normal. Some growers feel the top has been taken off their yield potential with the hot dry conditions. The first fields for new crop will be top killed around August 1st. Old crop is running short with only about a week of shipping left, resulting in very solid prices for fresh potatoes.

Table acres in 2020 are about the same with maybe a slight increase.

The Winkler area has had the opposite of the severe weather events in the Red River Valley, south of the border, where North Dakota received too much rain damaging 5-10% of their crop.

Manitoba Processing:

Most of the crop is running a week behind average. The Carberry and Treharne areas have had decent rains, with dryer conditions

occurring in the McGregor and Winkler areas. The extreme heat has been a bigger issue for many areas creating heat runners and other stress related reactions. Some varieties such as Umatilla's seem to be hit particularly hard.

Old crop is cleaning up quicker than expected with not as much inventory as was expected back on April 1. Shrink may have been a factor in the reduction. Some crop will be brought in from Alberta and fry plants expect to start up by mid-August.

Industry feels that Stats Canada's estimated increase of 2,000 acres in Manitoba for 2020 is relatively close. Fryers restored some contract volume as planting went on, however acreage is still less than what was originally expected to run the new JR Simplot plant expansion and meet its capacity of 400,000,000 lbs.

Saskatchewan:

Like other areas, heat has been a challenge on the potato crop, however it is progressing along.

Stats Canada reports acreage to be down 300 acres from 2019.

Alberta:

Growing conditions have certainly varied from the northern to southern regions of the province. The very northern part of the province has seen periods of heavy rainfall and cool temperatures creating drown outs in some fields. The central area has more moderate growing conditions while the southern area has received nice rains reducing the need for irrigation levels but does need some heat also. Two different hailstorms have set the crop back, however recovery is good from the initial storm, but damage from the second will require the full season to grow out. Growers are intensely managing late blight preventative programs based on spore trap results.

Some old crop has been shipped into Manitoba to supply the JR Simplot factory while the balance of old crop for processing should finish up in the coming week, allowing plants to go down for 2-3 weeks. Processors would like to start new crop on August 12th but

given the later growing season they will likely start around August 25th. Chipstock should start next week for both processors. People close to the industry in Alberta feel Stats Canada's acreage reduction of 2,145 acres is accurate. Seed acreage is similar or increased, and fresh acreage has increased. These are offset by 6,000 fewer acres in processing after fryers reduced contract volume in the spring.

British Columbia:

The potato crop in BC is experiencing very good growing weather with timely rains and cool (but not too cool) temperatures. Foliage is excellent with vines exceeding normal heights on certain varieties. Early varieties are still being dug but harvest is now moving into skin set red and yellow potatoes. Russets should be ready in about two weeks.

Stats Canada has estimated the potato acreage planted in British Columbia to be 100 acres less than 2019. Acreage in the province has been almost identical in the last four years.

For more information contact:

Kevin MacIsaac General Manager

Kevin@unitedpotatocanada.com

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