



# 2022 Q1

Visit [UnitedPotatoPartners.com](http://UnitedPotatoPartners.com) for information on National and Local United Potato Partners and Sponsors

## 2022 Q1 Overall Potato Summary

Q1 2022 began with fresh potatoes in modest supply. Short yields in the Pacific Northwest's 2021 summer crop led to shortfalls in both process and fresh-potato supplies. Insufficient process potato supplies (raw product from which to make frozen French fries) led to raids on fresh-market supplies to satisfy volumes that had been contracted by processors to QSRs (Quick Service Restaurants) like Burger King and McDonalds. Because of processors' greater financial strength and extreme need, when processors came calling, those with uncommitted fresh supplies allowed some volume to transfer channels, further shortening fresh supply. This situation led to stable markets across all varieties of fresh potatoes across all potato-producing regions because no region had, or has, enough supply to challenge any other region for market share. In what seems paradoxical in such a supply reduction, price did not spike for the consumer. Fresh potatoes remain by far the lowest cost food item in terms of nutritional value per consumer-dollar spent.

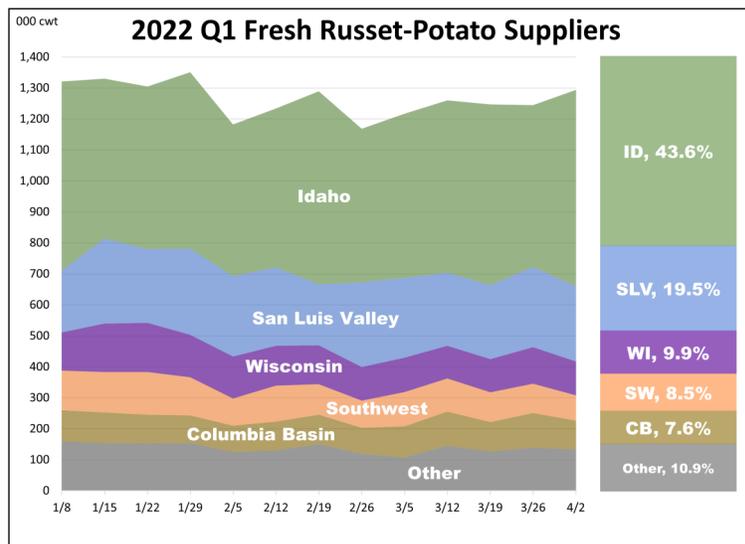
To be determined in Q2 are planting intentions for the 2022 spring, summer, and fall potato crops. With market disruptions in basic commodities such as wheat, corn, rice, and even peanuts, futures prices for these crops reached all-time highs across Q1 for delivery in third and fourth quarters. Having high-value alternative crops leads to viable producer options in 2022 planted acres. As an

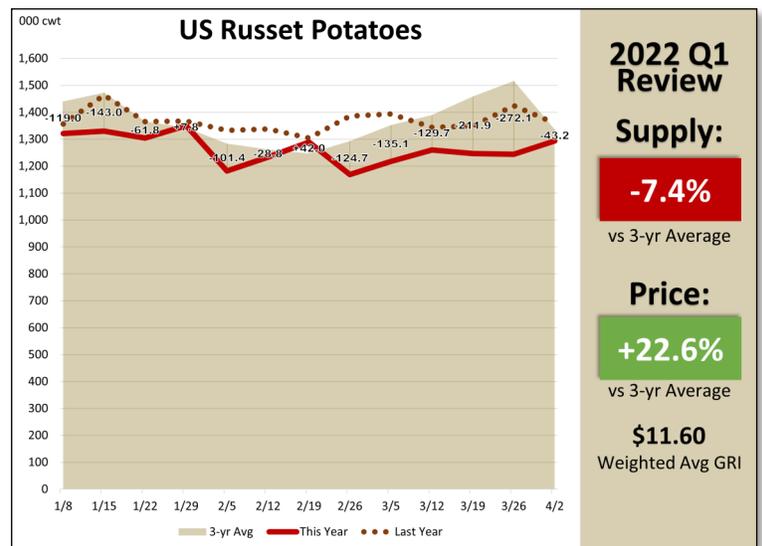
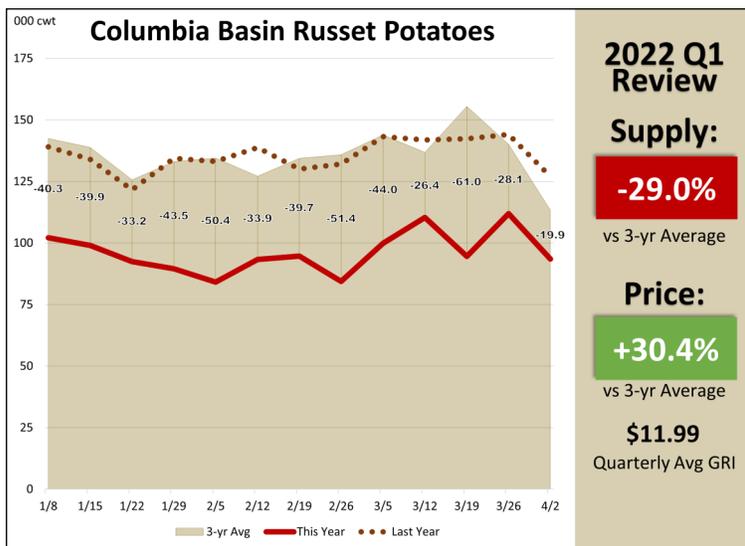
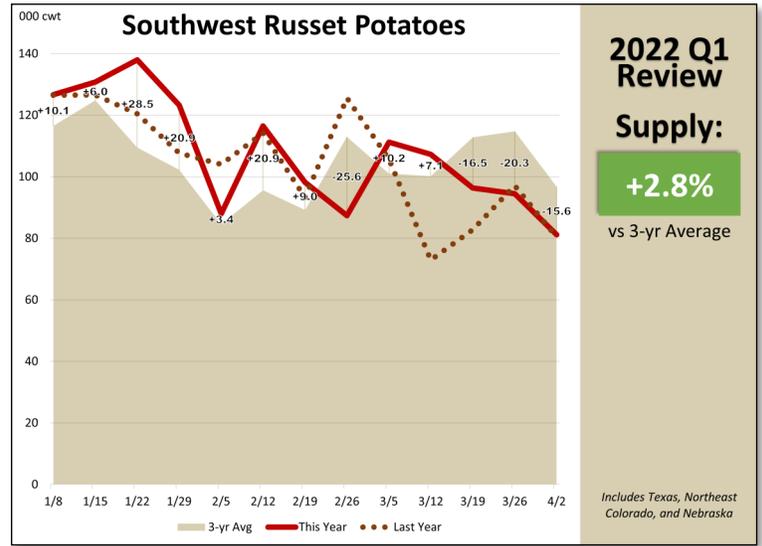
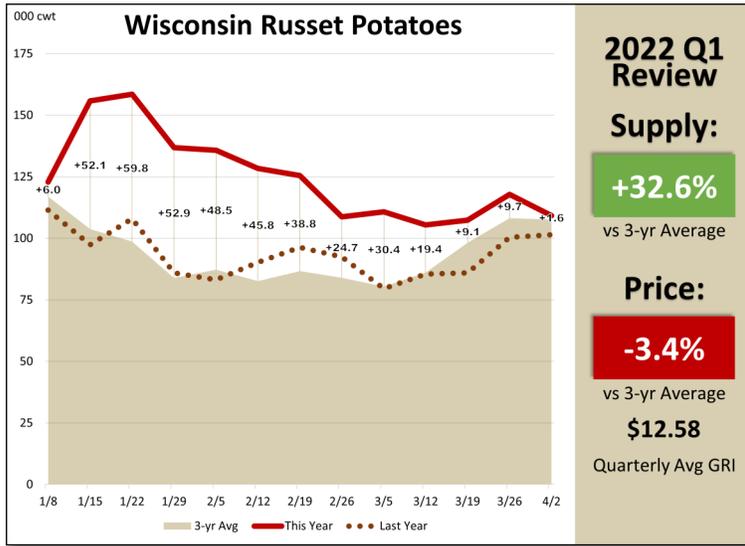
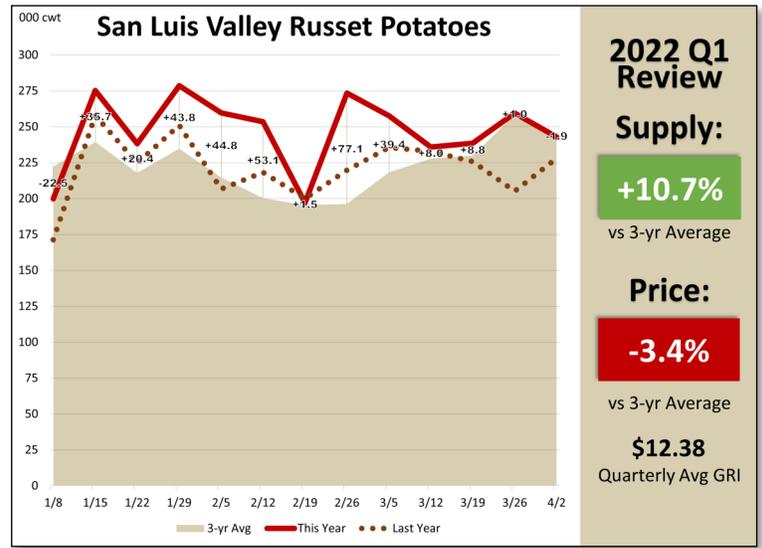
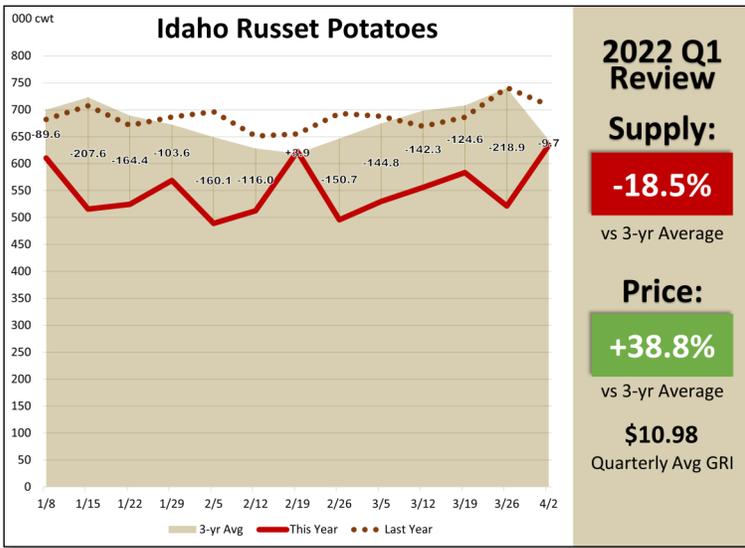
example, an acre of wheat as currently priced might only require 20% the investment in crop-production dollars that an acre of potatoes would require and with a comparable profit margin. A second factor showing up in Q1 has been low snowfall and rain in key potato-producing regions. Yet to play out across Q2 will be uncertainty in terms of available irrigation water and crop options as potato plantings become known.

Approximately 20% of US potato production is exported, mainly as frozen French fries and mainly to Pacific Rim nations. With international shipping still a mess because of clogged US ports, export trade is and will remain hamstrung until politicians and labor come to terms. With shipping containers full of computers, cell phones, auto parts, and every other consumer item you can think of waiting to get unloaded, no one is too concerned about holding over an empty container to load with potatoes. Because of supply chain urgency, containers are being returned empty back across the Pacific Ocean. While air transportation and alternative ports have kept the potato supply moving, the higher cost these freight alternatives incur in delivered product complicates competing with European frozen-potato product. Shipping containers are readily available in Europe because Europeans manage their ports more efficiently than does the US. European law disallows labor to restrict international trade.

## Russet-Potato Summary

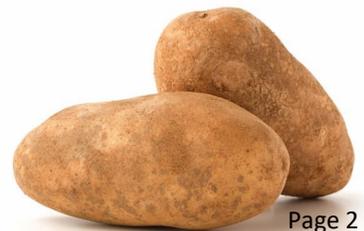
Q1 2022 saw the fresh-Russet market among the most stable and positively priced in history. Foodservice accelerated throughout Q1 as well; people are eating out, sports venues are back in business, and school and hospital cafeterias reopened. Retail (grocery) sales improved about 2% compared to Q1 2019 sales (Q1 2020 sales were Covid-altered and do not form an accurate comparison). In an excellent situation, despite freight having doubled and tripled in some cases, retail potato promotions remained strong and traditionally priced across Q1, something no other produce item can claim.





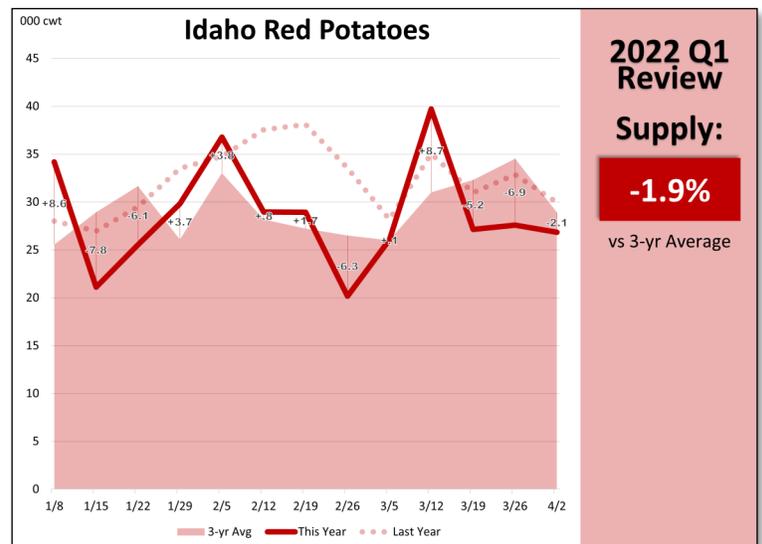
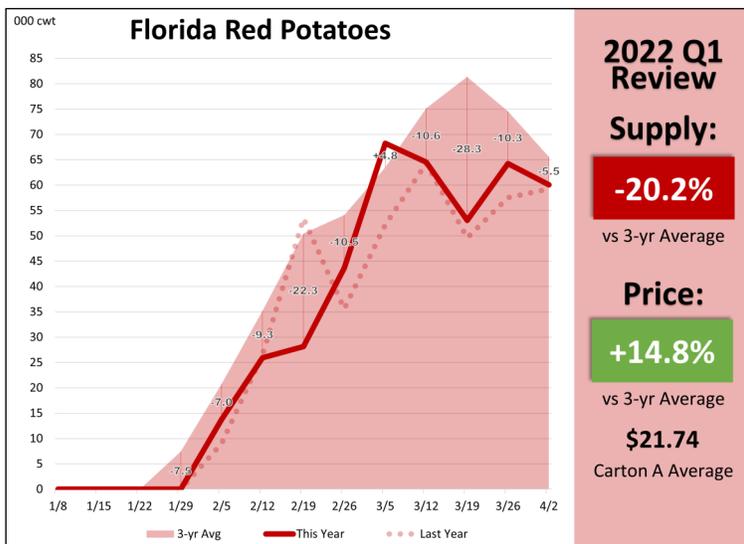
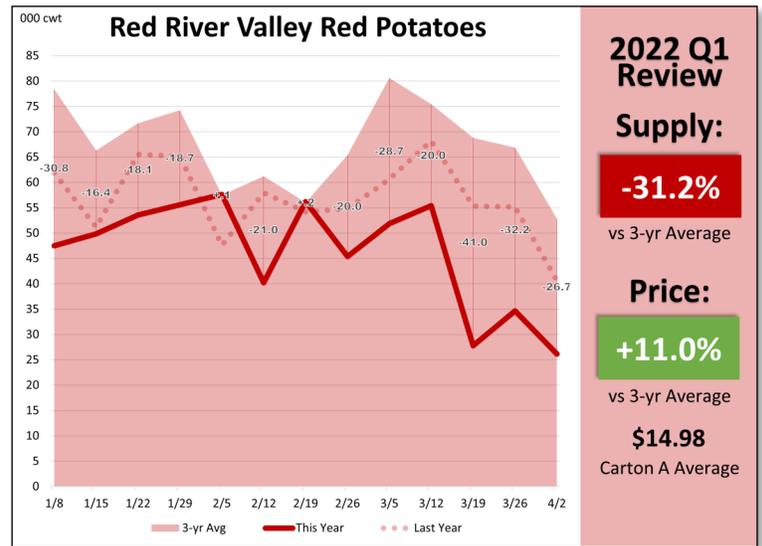
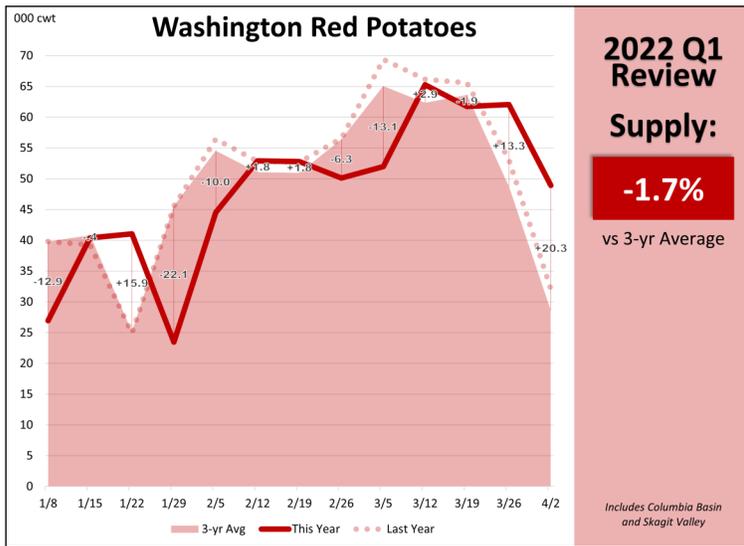
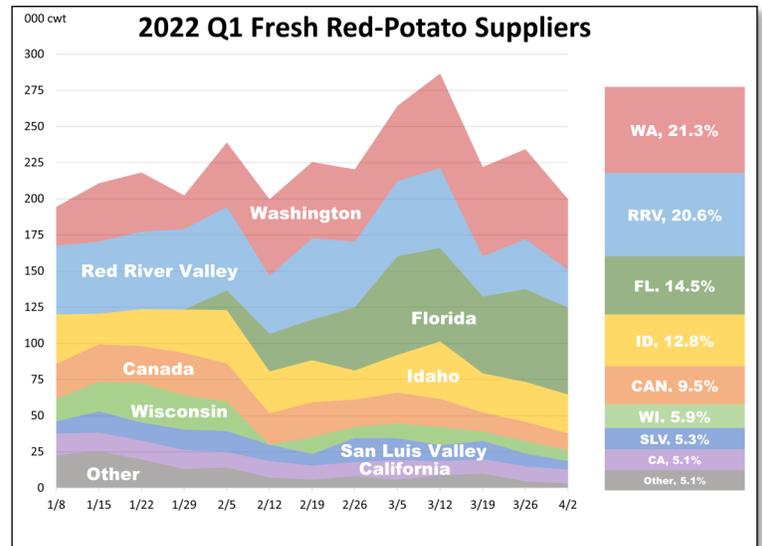
The United Potato Partners program supports offerings of innovative and productivity-enhancing products to fresh-potato growers through [United Potato Growers of America](#), and to process-potato growers through [Potato Marketing Association of North America](#)

[UnitedPotatoPartners.com](http://UnitedPotatoPartners.com)



# Red-Potato Summary

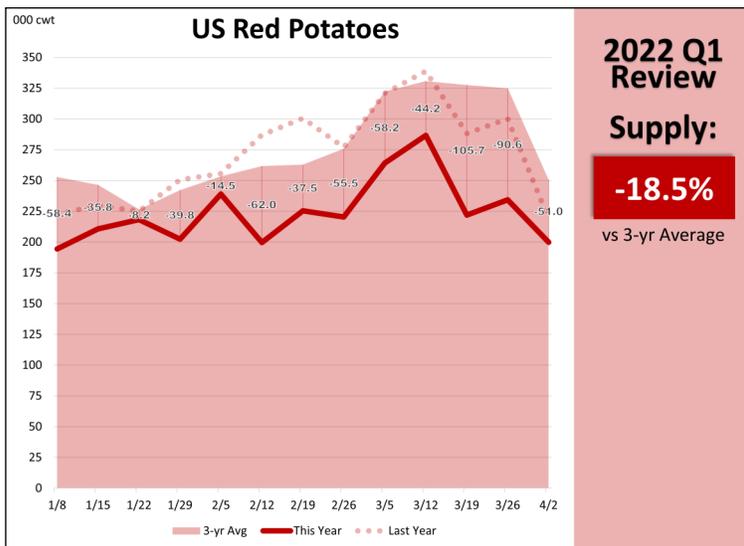
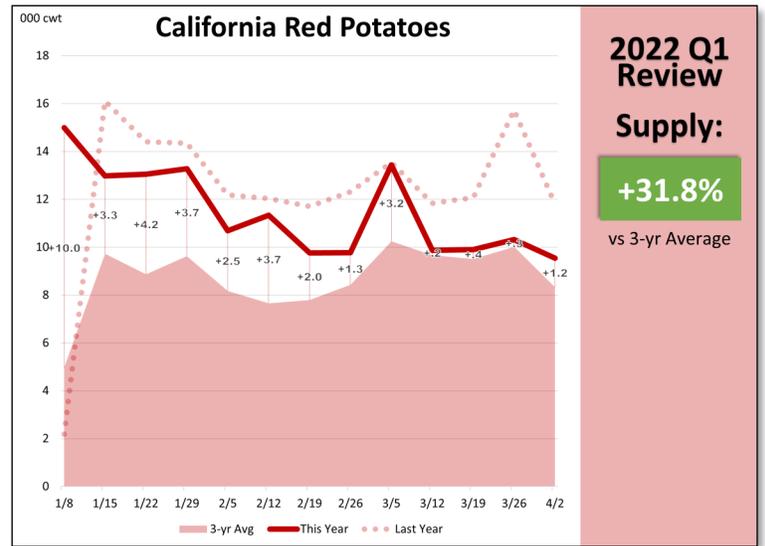
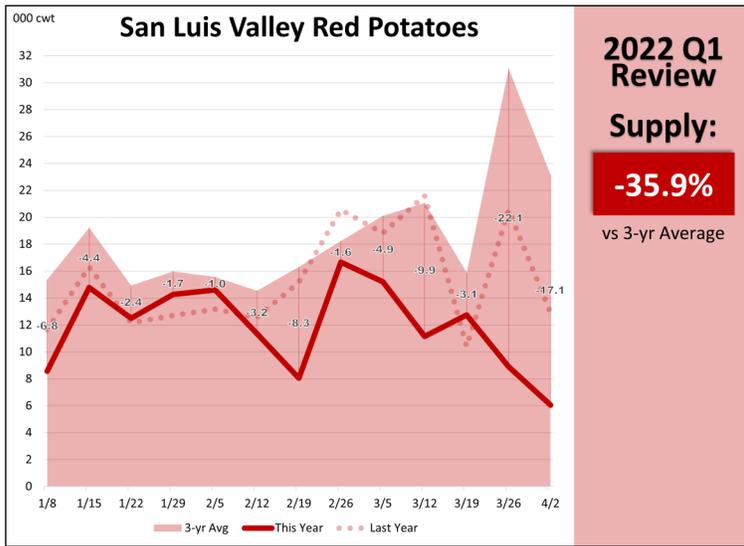
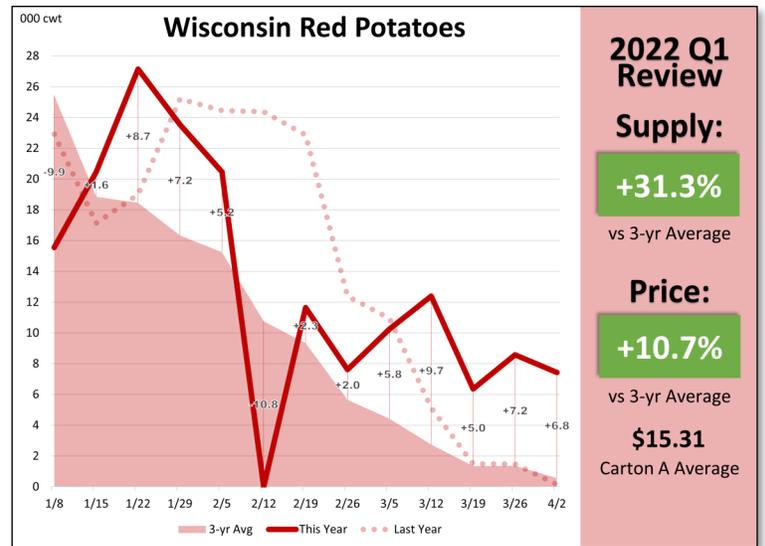
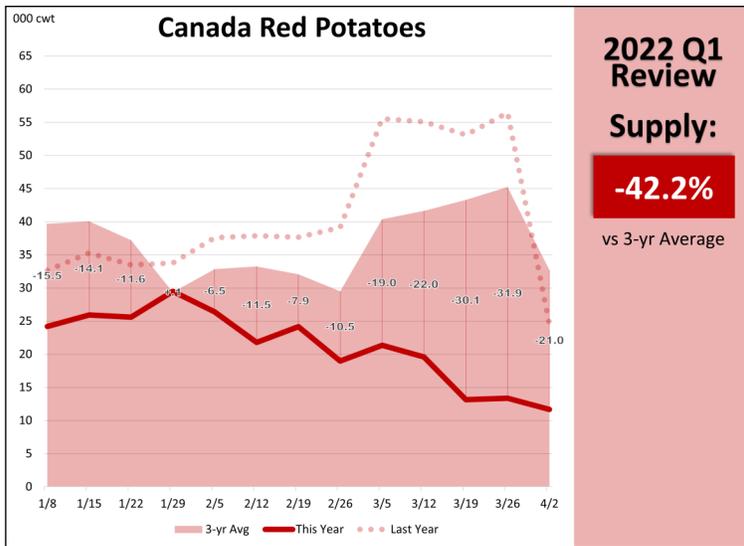
Over the past two years a slice of fresh-potato demand shifted away from Red potatoes and toward Yellow potatoes, and specialty-potato packages (fingerlings and medley packs), and smaller packages of less expensive Russet potatoes. This demand shift caused Red-potato producers to rethink supply volumes; they adjusted Red-potato production downward by 18%, causing the Red-potato market to re-establish itself on firm economic footing. By producers balancing the Red potato supply/demand equilibrium, price-depressing gluts appeared nowhere and life for the Red potato producer stabilized. United Potato Growers of America's accurate market data informed the production strategy that resulted stabilizing Red-potato pricing across Q1 2022.



At Vive, we are committed to developing products and technologies to increase farm efficiency and productivity. We create new ways to use trusted products using our targeted Allosperse® Delivery System. Products developed using Allosperse help growers do more with less, reduce environmental impact, all while increasing crop quality and yields.

[vivecrop.com](http://vivecrop.com)





# Crop Transition Conference

Schedule and Registration at [UnitedPotatoUSA.com/ctc](https://UnitedPotatoUSA.com/ctc)



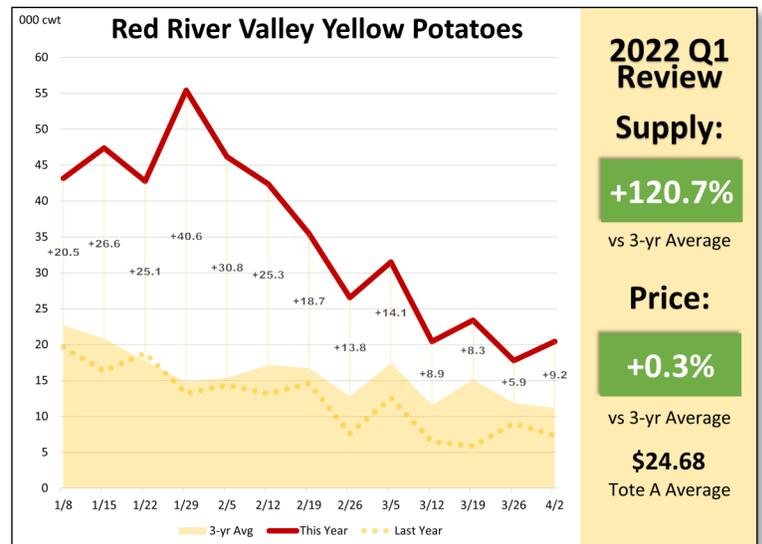
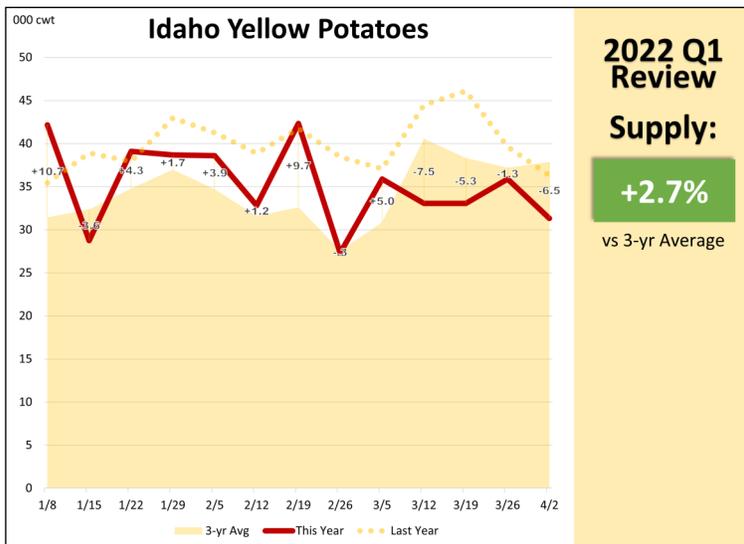
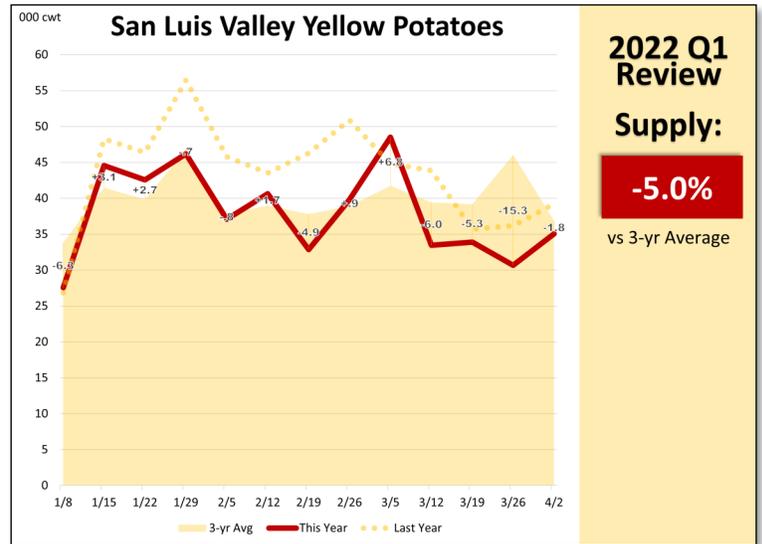
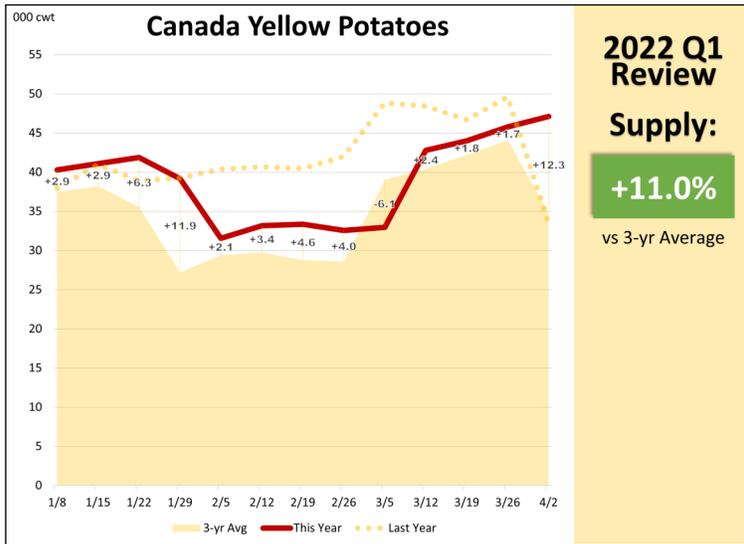
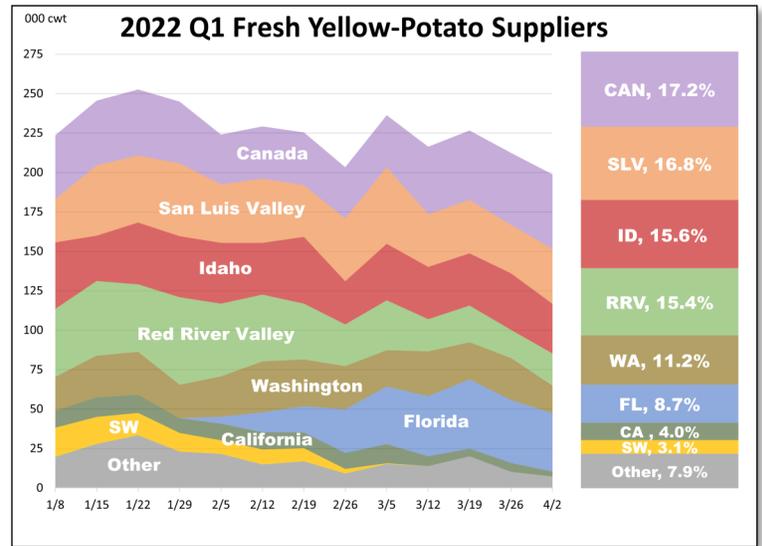
AMVAC provides Yield Enhancement Solutions (YES) for many different crops worldwide. In the potato market, AMVAC provides solutions in every step in the process from soil prep through sprout management. Through acquisition, licensing, technology development and international expansion, AMVAC will continue to grow their product offering and global market presence.

[amvac.com](https://amvac.com)



# Yellow-Potato Summary

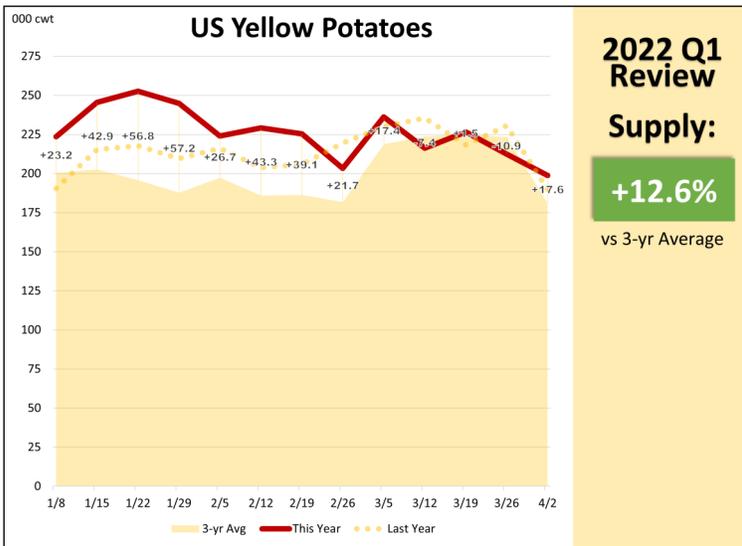
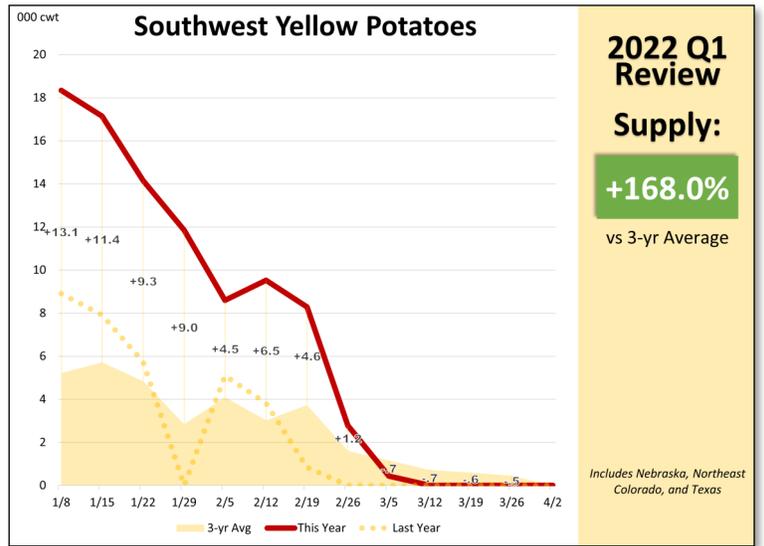
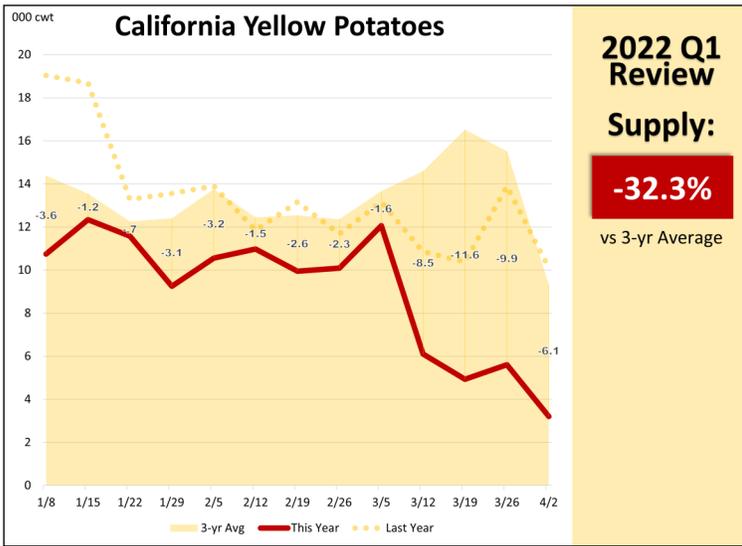
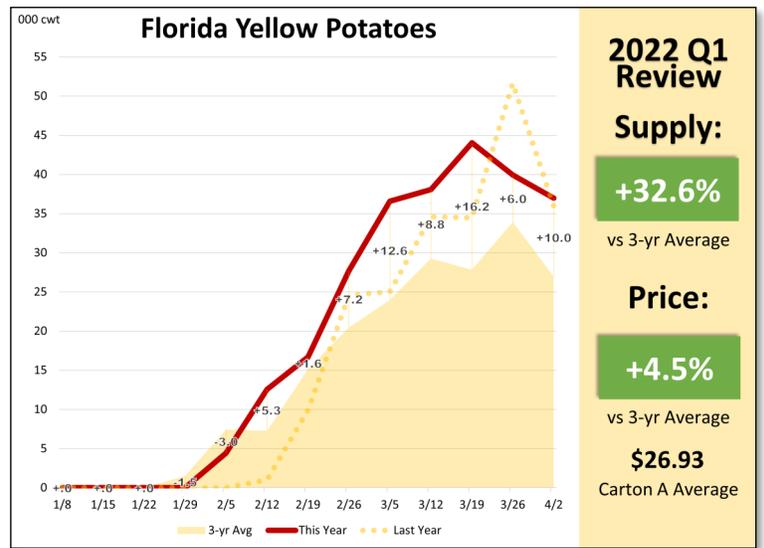
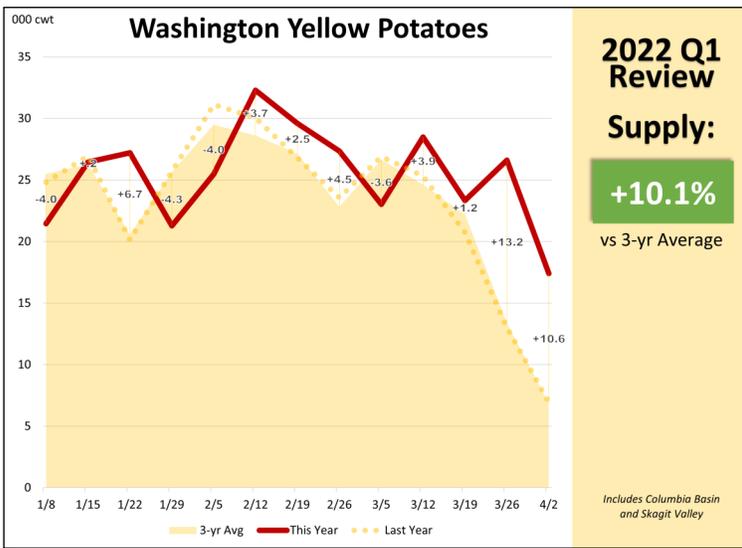
As has been happening for some time, Yellow potato shipment volume increased double digits across Q1 2022. Despite that increase, farm price remained strong. In terms of historical varietal shifts, never has the potato market seen consumers shift so dramatically toward one variety and away from others: into Yellow potatoes and away from Red and Russet potatoes. It must be understood that for Yellow-potato consumption to increase by 14% within a quarter, production (supply) had to do the same thing. Traditional market dynamics would suggest that such a large supply increase would glut the market and depress crop value (price), but that did not happen. Why? Because consumer demand coupled with astute retail management worked in concert to balance the supply/demand equilibrium. Look for the Yellow-potato trend to continue.



Local United Potato Partners support fresh-potato growers and their local cooperatives. Check them out at:

[UnitedPotatoPartners.com](http://UnitedPotatoPartners.com)





UNITED POTATO GROWERS OF AMERICA

United POTATO Podcast

★ Quarterly Edition ★

Click [here](#) to watch the 2022 Q1 Quarterly Podcast

This newsletter is published by United Potato Growers of America and is intended for United Members and Partners only

[UnitedPotatoUSA.com](http://UnitedPotatoUSA.com)  
[UnitedPotatoPartners.com](http://UnitedPotatoPartners.com)

