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2021 Q4 Overall Potato Summary

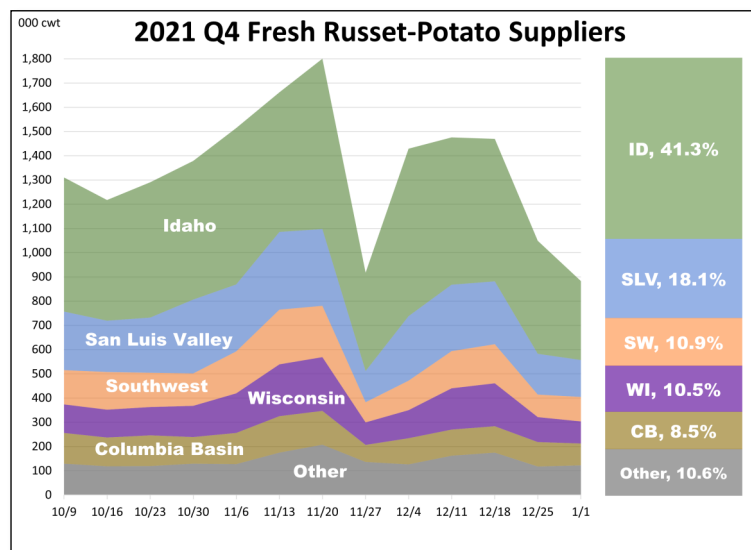
The Fourth Quarter of 2021 saw something that has not been seen in years, if ever, and something that has been the goal of United Potato growers of America (UPGA) since its inception: stable grower returns across the board. Prior to UPGA each potato producer and each potato-producing region across North America existed in its own silo, its own information vacuum; no one knew what anyone else was doing in terms of supplying the fresh-potato market. Without that knowledge, it was impossible to strategically address the supply/demand equilibrium. Because the supply/demand equilibrium forms the basis for giving value (price) to all produce crops, not having that information in the fresh-potato segment caused chaotic markets. No producer could strategically address the fresh-potato market in terms of receiving fair value for his crop. As you review the attached charts, you will notice stable grower return indexes. This is a producer's dream as well as a banker's dream. Producers of everything from lettuce to carrots have been trying to achieve market stability since time began. It has not been easy, but robust data and communication systems are finally allowing this to happen, and it works in the consumer's favor as much as in the producer's favor.

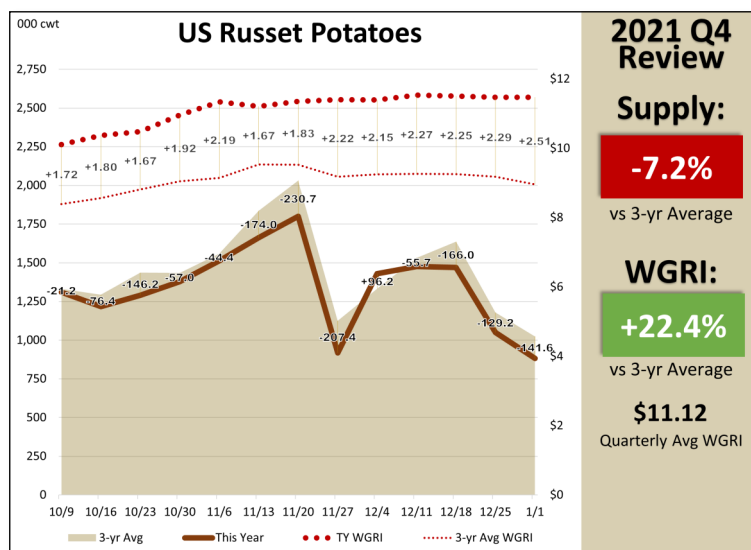
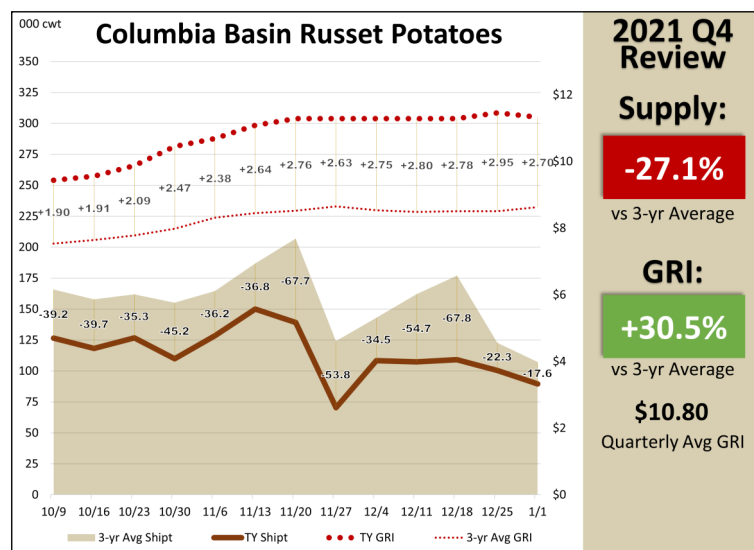
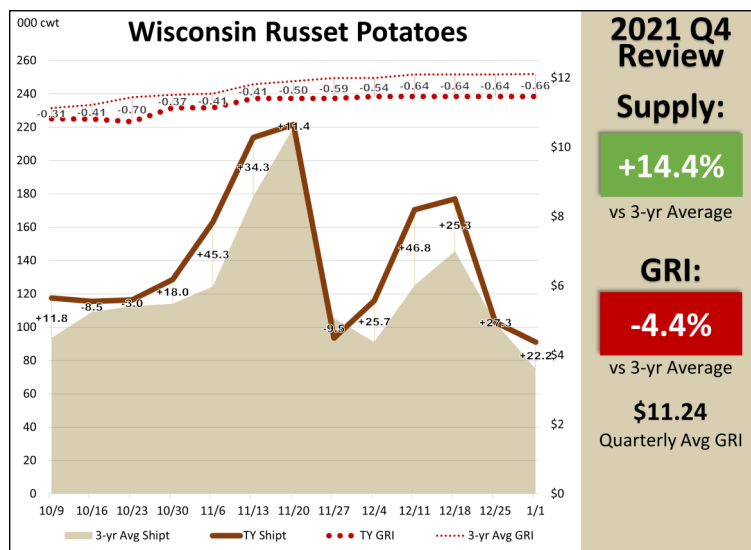
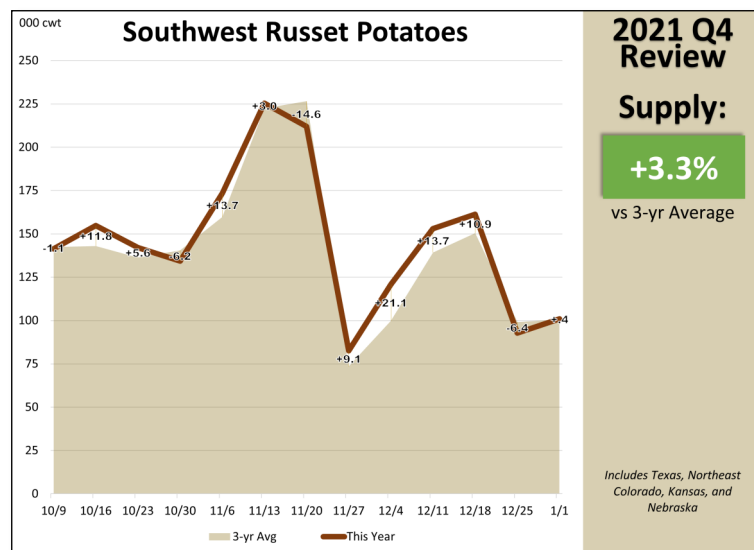
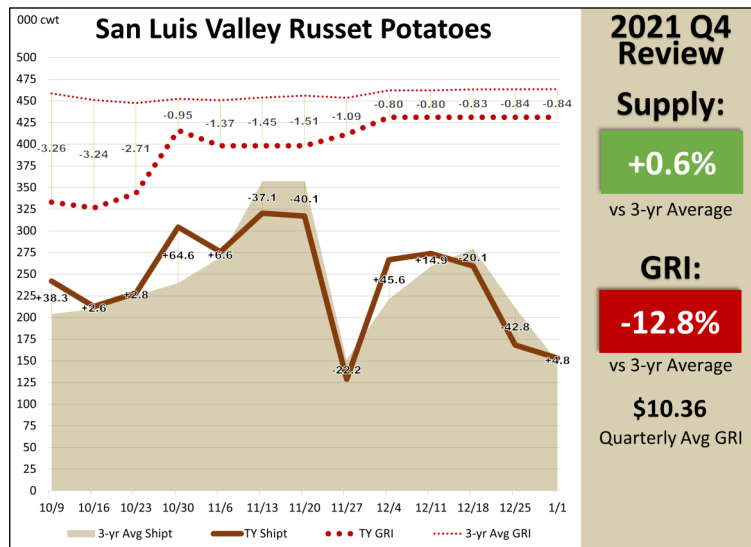
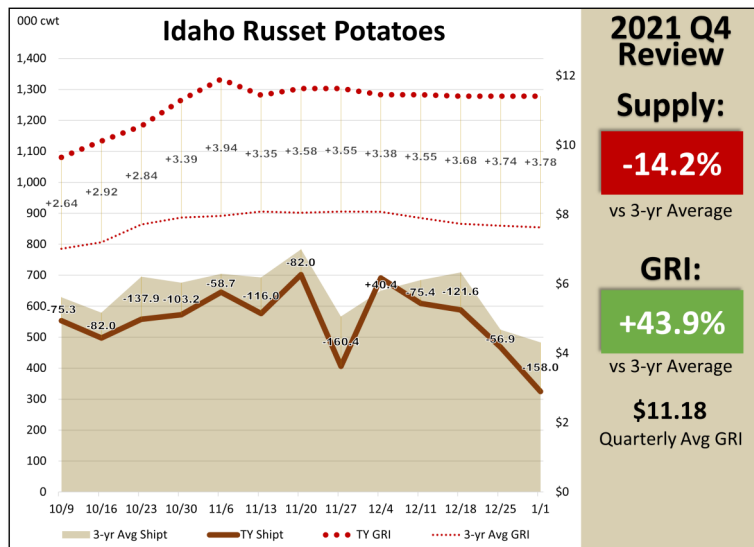
The effect of Q3's harsh weather in the Pacific Northwest on the 2021 fall Russet storage crop continued rippling through Q4 in terms of trimming Pacific Northwest supply to the point of demanding supplies that aren't there. Some potato processors had to dip into fresh-market supplies to make ends meet. First and Second Quarters of 2022 will answer the question of just how balanced total national potato supplies are. Normally in such a situation, Canadian potato producers immediately leap into any gap that might show up. But, due to a pest crisis, Canadian exports to the U.S. are limited. This situation does not promise a quick nor easy solution. Fresh-potato markets have not seen this much drama for some time. Stay tuned.

International shipping is still a mess because of clogged U.S. ports, and this does not help export trade. Normally, 20% of U.S. potatoes, especially processed (French fries) find homes overseas. Air transport and alternative ports have mitigated a drop in exports, but the higher freight cost in delivered product complicates competing with European product.

Russet-Potato Summary

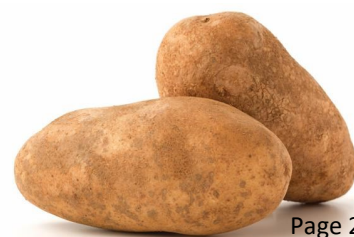
Fourth Quarter of 2021 saw the fresh-Russet market thriving coast to coast in all segments. Foodservice (restaurant, hospital, cafeteria, and sports venues) came back in force. Even though Covid continues its diminishing path through the population, people have had enough; they want to eat out and they are. Russet grocery retail packages continued as price leaders for Thanksgiving and Christmas holidays. In fact, when surveyed nationally, consumers said that the number one dish expected for Thanksgiving was mashed potatoes and gravy. Despite smaller total supplies, shippers of Russet potatoes met holiday demand. The consequences of this push will settle out Q1-2-3 of 2022.





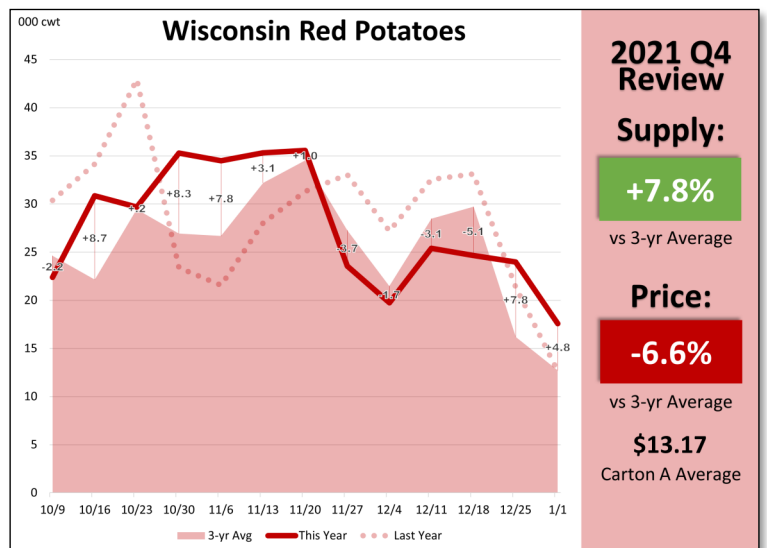
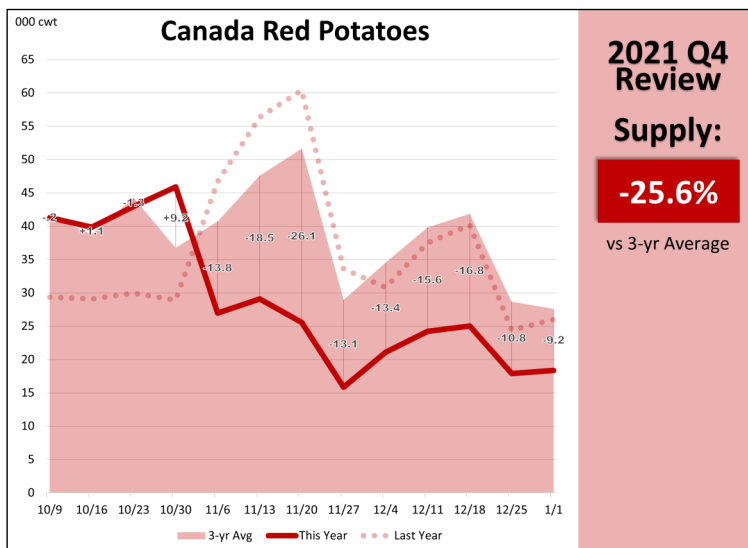
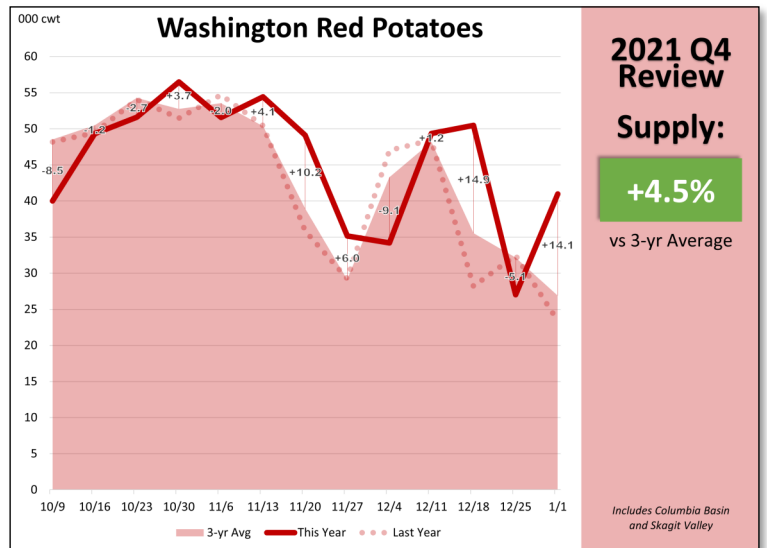
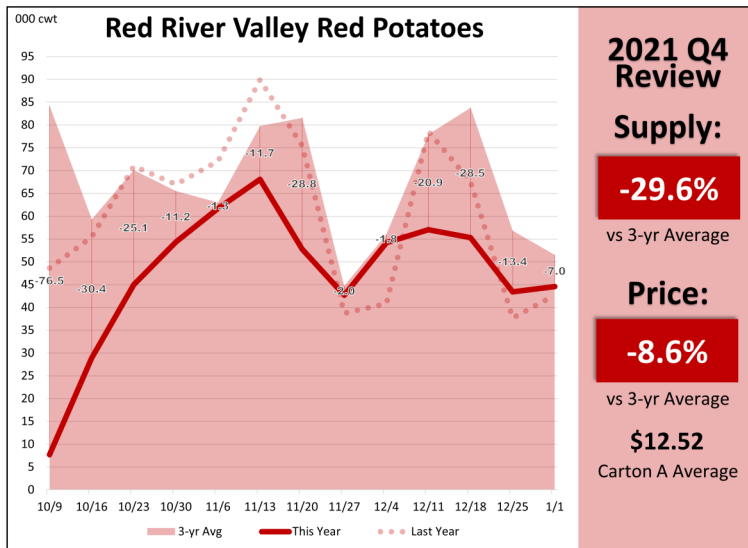
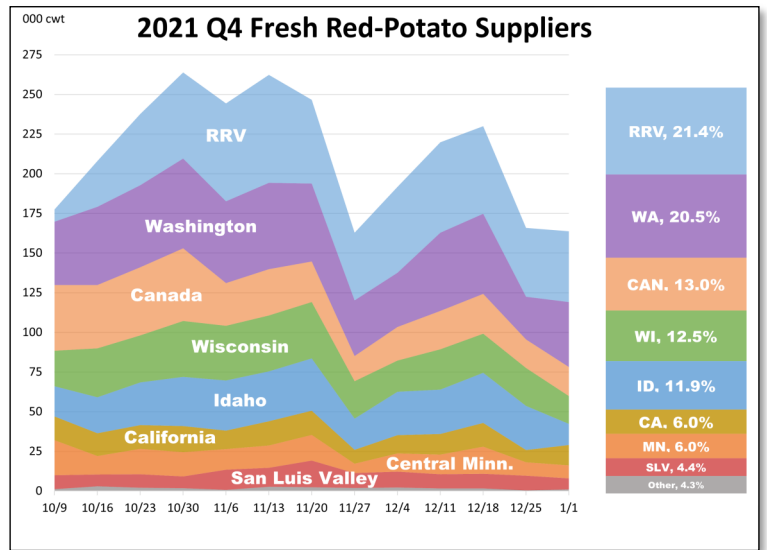
The United Potato Partners program supports offerings of innovative and productivity-enhancing products to fresh-potato growers through [United Potato Growers of America](https://www.unitedpotatopartners.com/), and to process-potato growers through [Potato Marketing Association of North America](https://www.potatomarketing.com/)

[UnitedPotatoPartners.com](https://www.UnitedPotatoPartners.com)



Red-Potato Summary

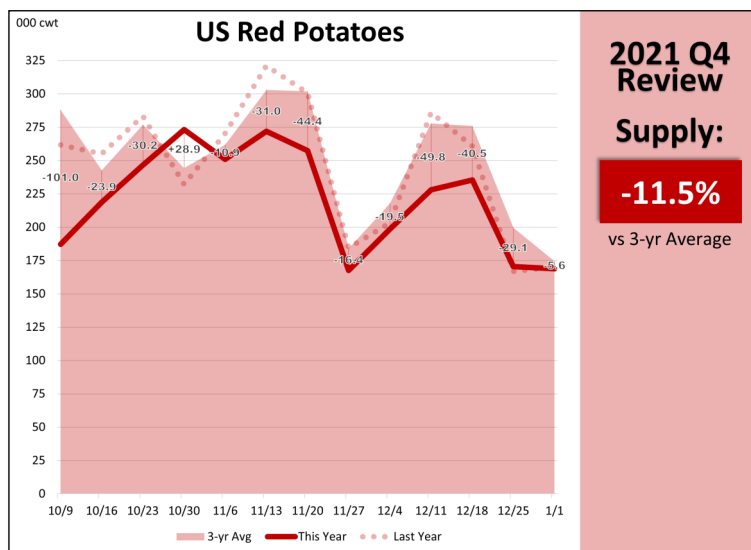
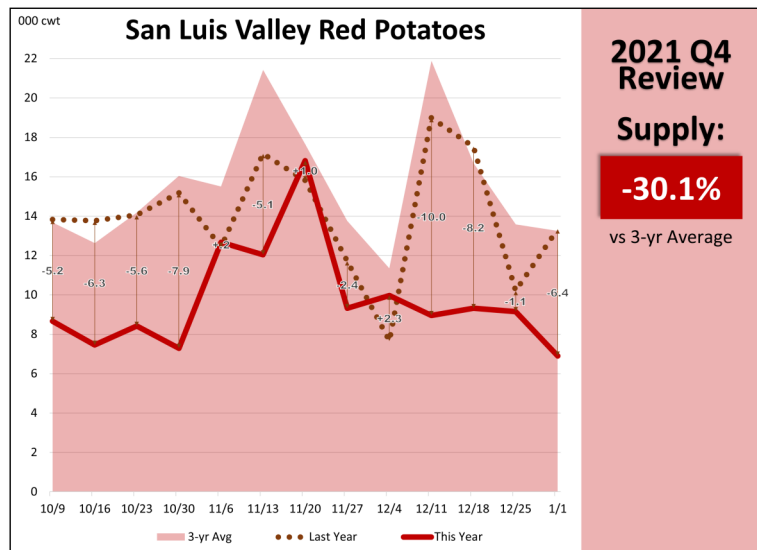
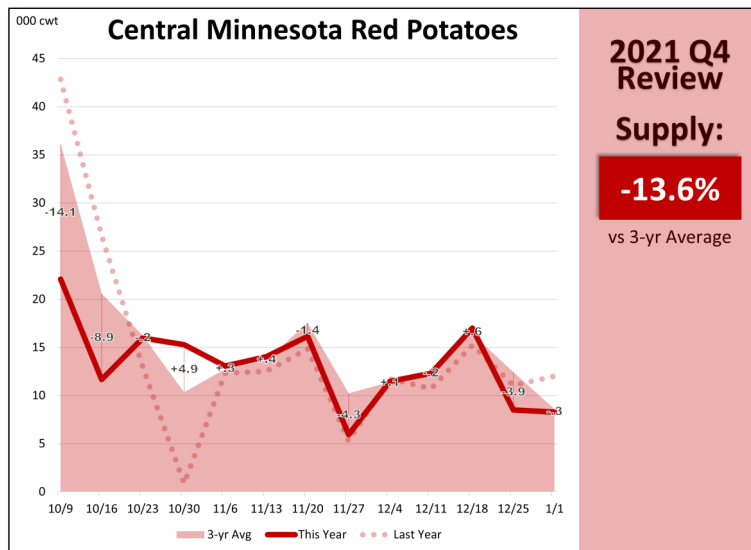
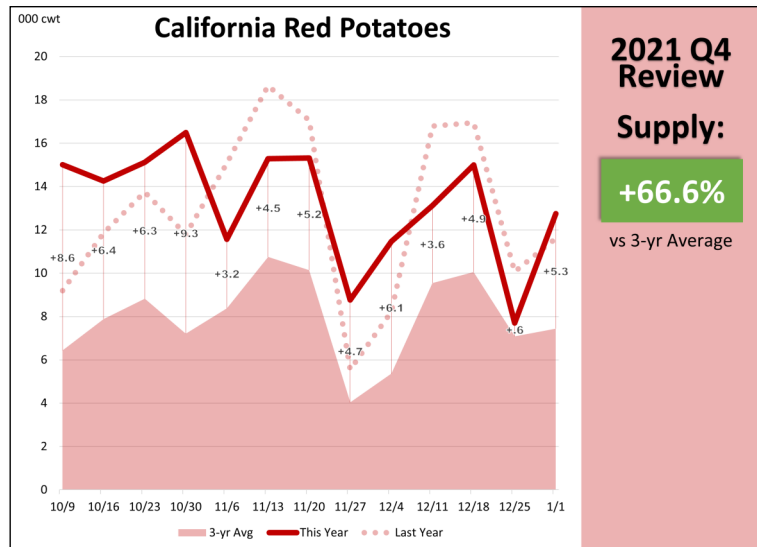
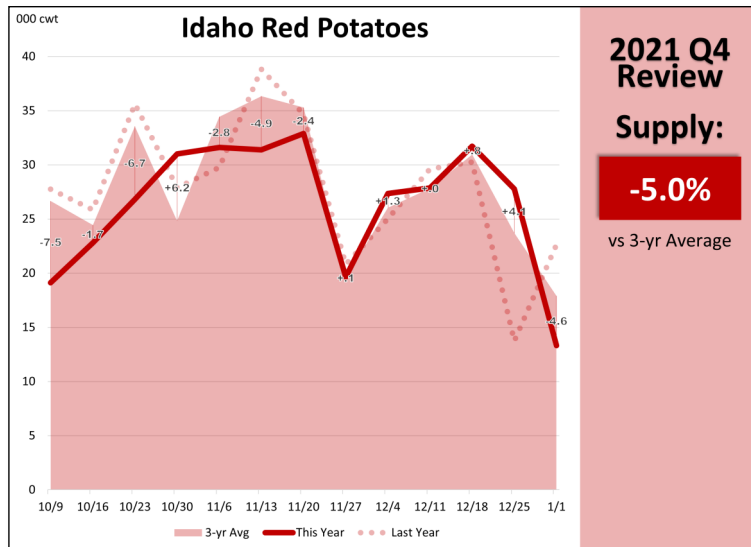
Overall demand for Red potatoes shrank about 18% throughout 2021. This happened because of competition from Yellow potatoes and from other specialty packages such as medley and fingerling packages. By the time Q4 arrived Red-potato producers had adjusted production downward to balance supply with demand such that value (price) stabilized. Had red-potato producers not matched supply to demand, that market would be glutted thereby devaluing the total crop. Stored Red potatoes' Q4 volume (supply) suggests that producers made exactly the correct adjustment; producers received fair value for their crop across Q4 and consumers continued buying red potatoes at an excellent bargain.



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.

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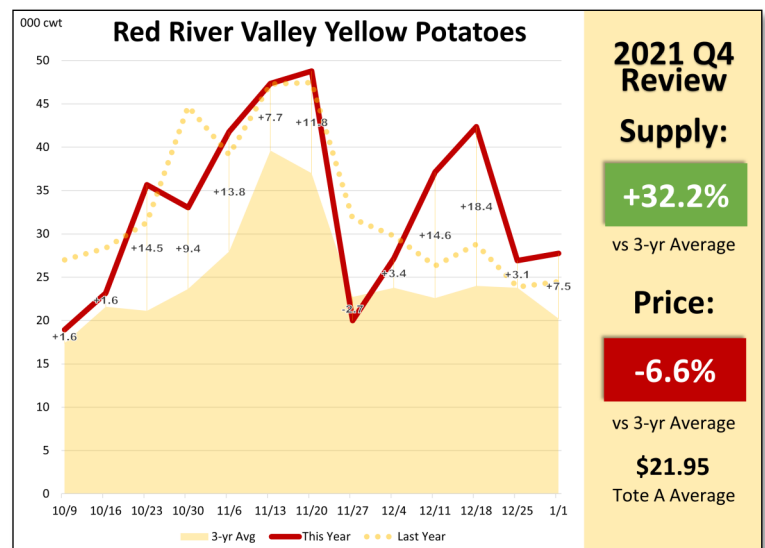
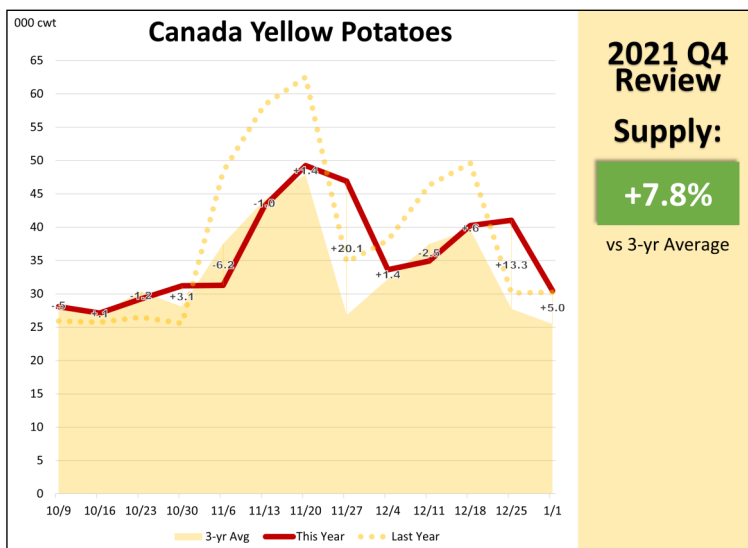
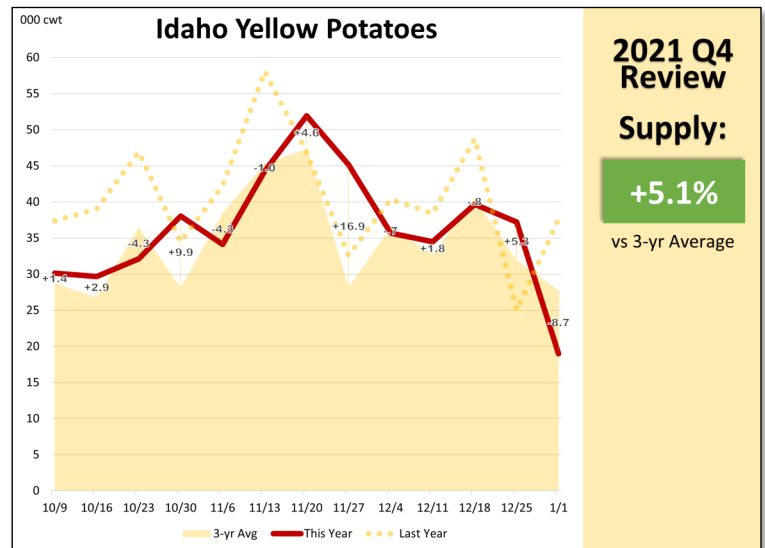
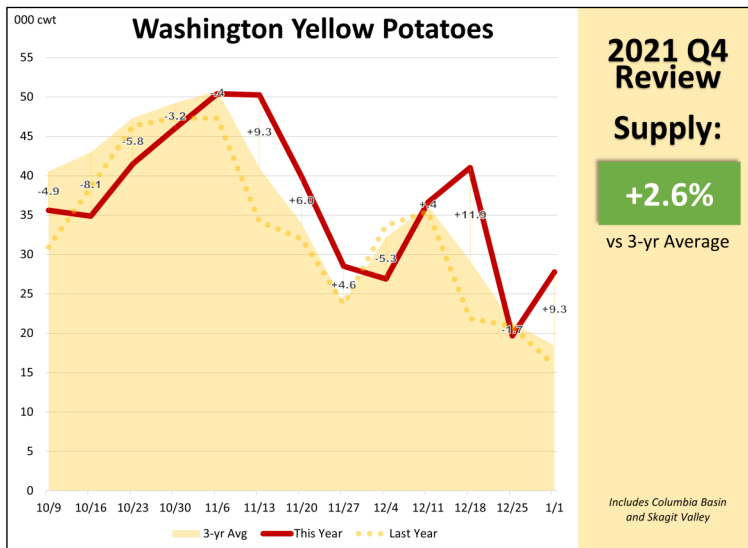
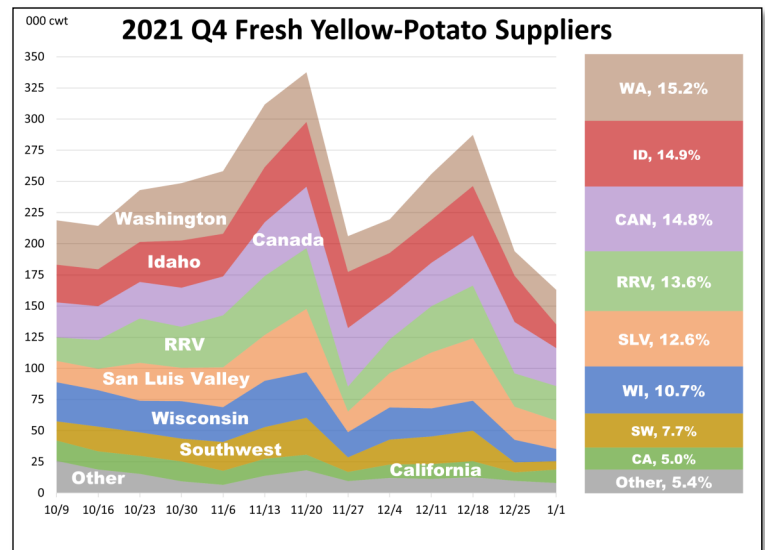
AMVAC provides Yield Enhancement Solutions (YES) for many different crops worldwide. In the potato market, AMVAC provides solutions in every step in the process from soil prep through sprout management. Through acquisition, licensing, technology development and international expansion, AMVAC will continue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

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Yellow-Potato Summary

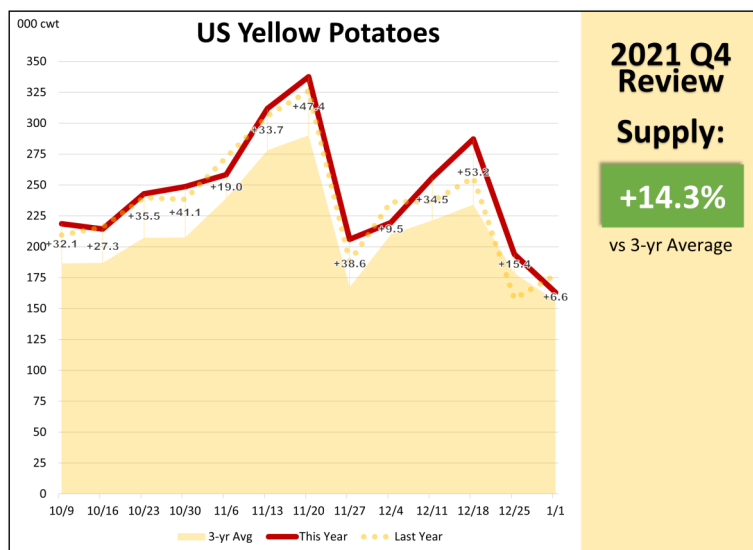
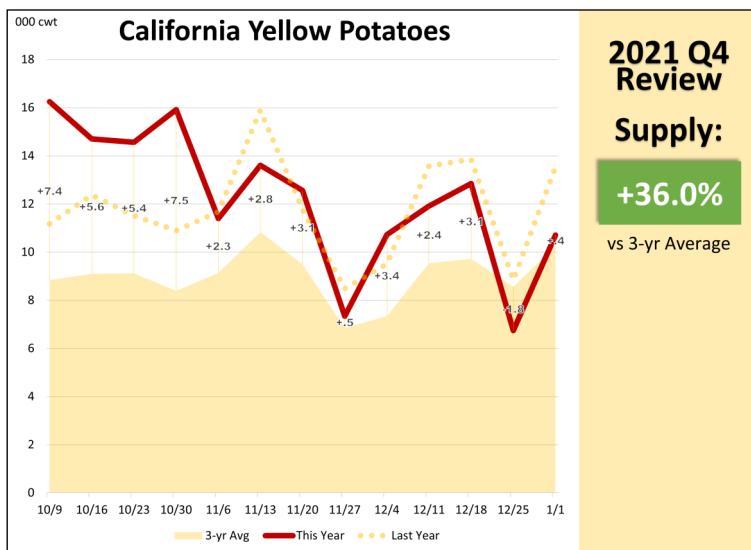
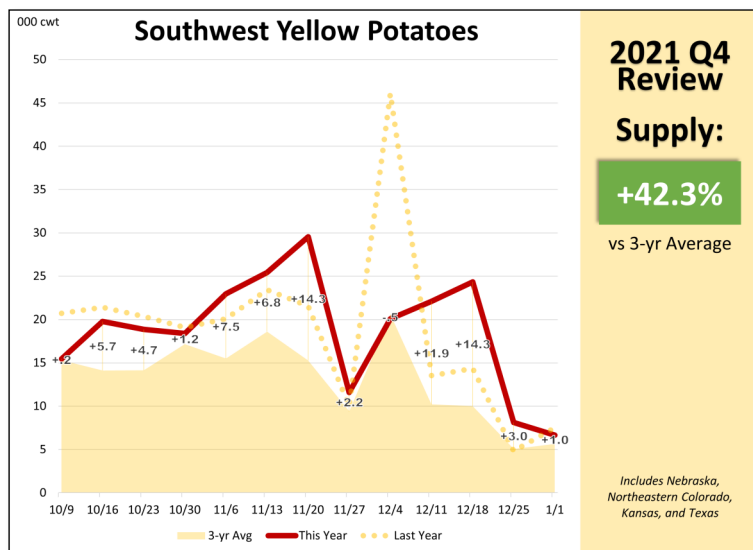
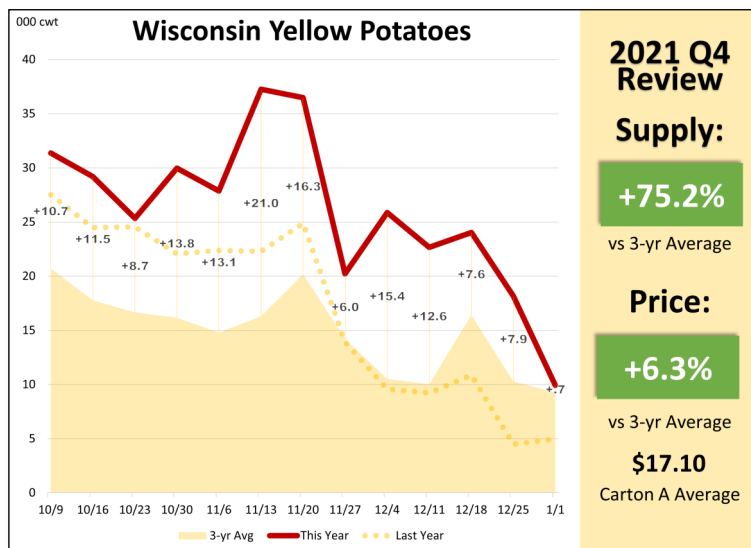
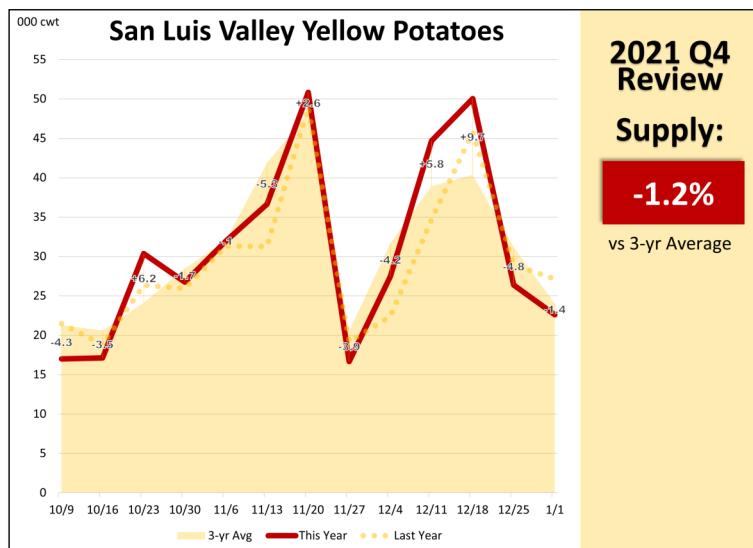
Across 2021 Q4, Yellow-potato movement increased about 14%. This is a huge increase in terms of historical varietal shifts; never has the potato market seen consumers shift so dramatically into and away from other varieties; into Yellow potatoes and away from Red and Russet potatoes. It must be understood that for Yellow potato movement to increase by 14%, production (supply) had to do the same thing. Ordinary market dynamics would suggest that such a large supply increase would 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 situation. 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







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★ Quarterly Edition ★

Watch the 2021 Q4 Quarterly Podcast:
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