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Supply and Demand Committee Meeting Summary

The UPGA Supply and Demand Committee held its first meeting of the new year on January 8, 2025, in Orlando, Florida in conjunction with the Potato Business Summit and Potato Expo. The Committee reviewed potato supply conditions throughout North America as well as other information.

Shipping Area	Forecast (000 cwt)	Change from December	Change from 2023-24
Idaho	35,193	+480	-1,122
San Luis Valley	13,699	0	-301
Wisconsin	6,136	0	-1,082
Red River Valley	3,600	-250	+850
Columbia Basin	6,043	0	-56
Kern County	3,456	-78	+537
Texas	3,090	-217	-29
Other Areas	15,375	+10	-306
US Total	**86,593**	**-55**	**-1,509**
Imports from Canada	7,500	0	+472

2025 Potato Business Summit

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There were several adjustments made to the shipping forecast this month. US fresh potato shipments for the 2024-25 marketing year are forecast at 86.593 million cwt, 55,000 cwt less than the December forecast, and 1.509 million cwt less than 2023-24 marketing season shipments. Imports from Canada are expected to reach 7.500 million cwt for the 2024-25 marketing year.

Idaho: The State had approximately 33.100 million cwt of fresh potatoes in storage on January 1, 4.450 million cwt less than a year earlier. Shipments from the 2024 crop, prior to January 1, totaled 13.059 million cwt, falling 73,000 cwt, or 0.6%, below year-earlier shipments. Idaho's December fresh potato shipments totaled 3.187 million cwt, up 10.6% from year-earlier movement. The estimate for crop-year shipments was increased by 500,000 cwt, to 34.500 million cwt, 2.846 million cwt, or 7.6%, less than shipments from the 2023 crop. Forecast shipments during the 2024-25 marketing year total 35.193 million cwt, 480,000 cwt more than the December forecast, but 1.122 million cwt less than 2023-24 shipments.

San Luis Valley: Through December 31, the Valley had shipped 5.406 million cwt of fresh potatoes from the 2024 crop, up 12.5% from the previous year. The Valley had approximately 14.000 million cwt of potatoes in storage on January 1, 1.100 million cwt more than year-earlier holdings. The UPGC Committee held its forecast of 2024-crop fresh potato shipments at 13.632 million cwt, 539,000 cwt less than year-earlier movement. At the average shipping rate of the past five years, shipments would reach 14.591 million cwt. Rain during harvest has caused some quality issues. Reports indicate that packout rates are down from last year, due to high shrinkage for some varieties and certain lots.

Wisconsin: Fresh potato shipments prior to December 1 totaled 3.447 million cwt, 304,000 cwt, or 8.1%, less than year-earlier movement. The State's December shipments fell 19.3% short of the year-earlier pace, leaving Wisconsin's January 1 fresh potato inventory at 3.387 million cwt, down 1.126 million cwt from last year - Wisconsin's smallest January 1 inventory since at least 2005 when UPGA began tracking fresh potato inventories. Yellow potato inventories match year-earlier holdings, while Russet and Red supplies are down significantly. The forecast for Wisconsin's crop-year shipments was held at 6.100 million cwt. At the five-year average shipping rate, the remaining potato stocks would support shipping 6.254 million cwt of potatoes from the 2024 crop. The current shipping pace is expected to slow down significantly. Several packers will finish shipping about a month earlier than usual. The remaining Red and Yellow potato supplies are in very few hands.

Red River Valley: The Valley had 2.630 million cwt of potatoes left in storage on January 1, 560,000 cwt more than last year's inventory. It is the Valley's largest January 1 inventory since 2017. Red potato inventories are up 27.9%, and Yellow potato supplies are up 27.4% from a year ago. Reported shipments through December 31 are down 112,000 cwt, or 8.1%, from year-earlier movement. However, a substantial volume of early-season shipments may not have been reported. The forecast of 2024-crop shipments was trimmed by 250,000 cwt, to 3.600 million cwt. At the five-year average shipping rate, the reported stocks would support shipping 3.293 million cwt of potatoes from the 2024 crop. Season-to-date through January 4, Yellow potato movement exceeded the 2023-24 pace by 10.7%, while reported Red potato shipments are down 20.4%.

Columbia Basin: The Basin has shipped 2.912 million cwt of potatoes through January 4, 0.5% less than year-earlier shipments during the same timeframe. However, December shipments exceeded last year's pace by 7.5%. The forecast of crop-year shipments from the Basin was held at 6.000 million cwt. The difference between this outlook and the marketing-year forecast is related to the production of early potatoes in 2025. Shipments are expected to fall 56,000 cwt short of movement during the 2023-24 marketing season.

Kern County: The forecast of Kern County's crop-year shipments was trimmed by 100,000 cwt, to 3.100 million cwt. At 149,000 cwt, December shipments fell 17,000 cwt short of year-earlier movement. However, the daily shipping rate for Kern County, a weekly reporter, exceeded the 2023 pace by 11.9%. Through December 31, Kern County had shipped 2.766 million cwt of potatoes from the 2024 crop.

Texas: The forecast for crop-year shipments was reduced by 200,000 cwt, to 3.000 million cwt. Reported shipments totaled 225,000 cwt during December, 65,000 cwt less than year-earlier movement. However, the daily shipping rate was only 2.9% below the 2023 pace.

Other areas: All other growing areas are expected to ship a total of 15.375 million cwt of potatoes during the 2024-25 marketing season, 10,000 cwt more than the December forecast for these areas. Adjustment for Kansas accounted for the change. Forecast shipments are 306,000 cwt less than the same areas shipped during the 2023-24 marketing year.

Canada: The forecast of fresh potato imports from Canada was left unchanged at 7.500 million cwt for the year ending July 31, 6.7% more than year-earlier imports. August through November fresh potato imports totaled 2.465 million cwt, up 9.4% from 2023 imports during the same timeframe. Current exchange rates are supporting strong Canadian fresh potato imports. January 1 stocks data were not available in time for this month's committee meeting, though they were available a few days later. Canada is reporting that it had 13.401 million cwt of fresh potatoes left in storage on January 1. However, New Brunswick did not provide an estimate for January 1 stocks. We estimate that New Brunswick had approximately 2.150 million cwt of fresh potatoes in storage on January 1. When the estimate for New Brunswick is included, Canada's January 1 fresh potato stocks total 15.551 million cwt, 521,000 cwt, or 3.2%, less than Canada held a year earlier.

2025 Acreage Outlook

The Committee briefly reviewed the outlook for 2025 potato planting. The table below shows changes in prices for competing crops, relative to year-earlier prices. Prices for competing crops are down 14%-24% from year-earlier levels. Open-market Russet table potato prices are down 8.6%, compared to last year. While the data are preliminary, an acreage response model based on changes in relative prices for Idaho potatoes and wheat, suggests that US potato acreage could decline by 1.5% in 2025. Several other factors, including contract volumes, production costs, profitability, and grower education can affect planted acreage.

Alternative Crop Price Changes, 2023-24

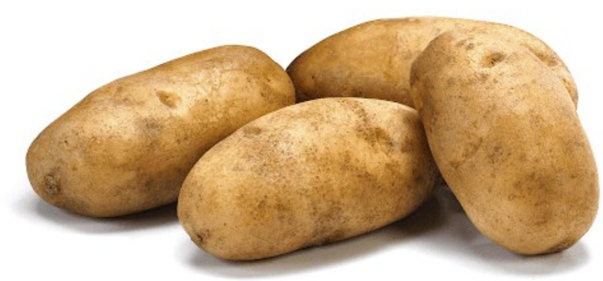
	2023 *	2024 †	Change
Idaho GRI	$8.12	$7.42	-8.6%
All Wheat	$6.76	$5.46	-19.2%
All Barley	$7.21	$6.19	-14.1%
Malt Barley	$7.65	$6.63	-13.3%
Alfalfa	$211	$169	-19.9%
Corn	$4.80	$4.03	-16.0%
Soybeans	$12.93	$9.88	-23.6%

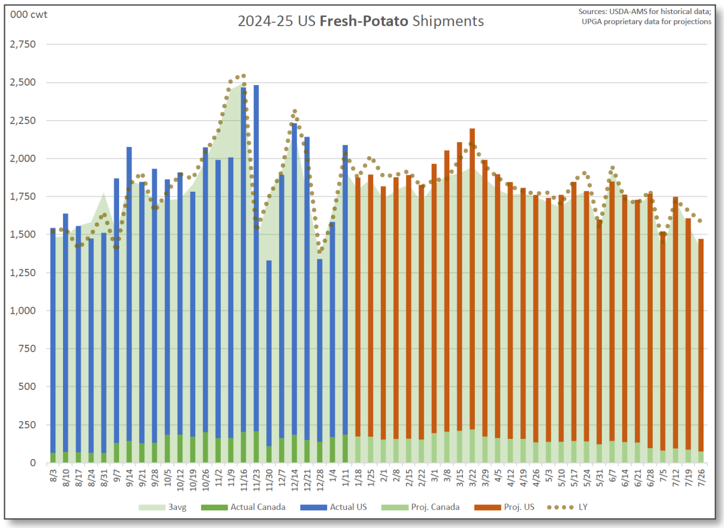
* Oct-Dec

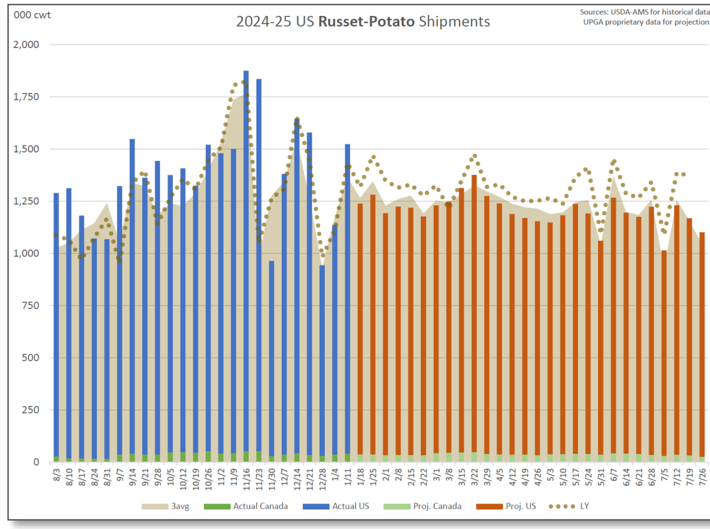
† Oct-Nov

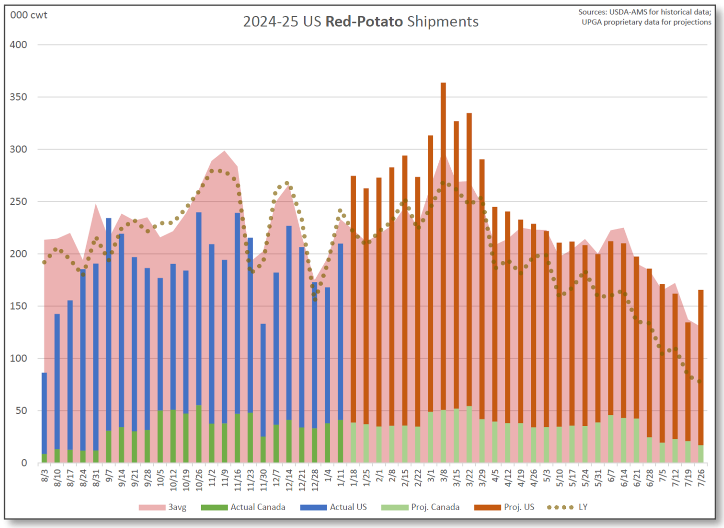
Process Update

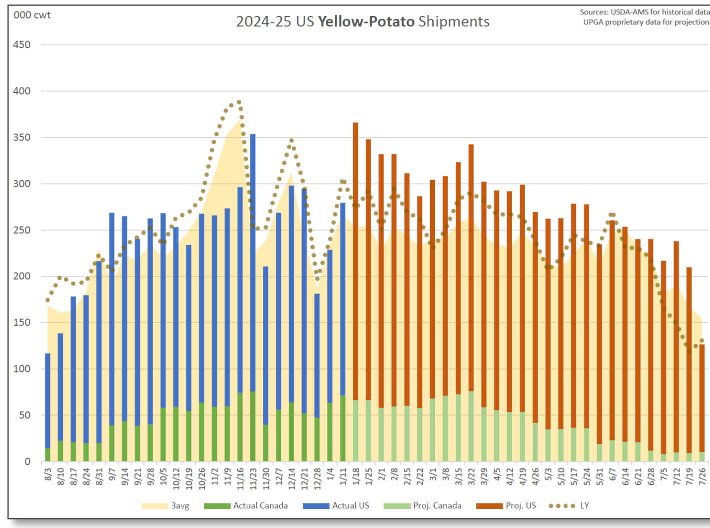
The Committee received an update on the raw-product supply situation for processors. Current estimates are that PNW processors will purchase and turn back to growers approximately 10-12 million cwt of potatoes. Most of those potatoes are in the Columbia Basin, though some are in Idaho. North American French Fry sales are expected to grow by approximately 1% this year. New plants are under construction in Lethbridge, Alberta and Moses Lake, Washington. In addition, Agristo a European-based company, is planning to build its first US processing operation in Grand Forks, North Dakota. Contract negotiations are moving forward in the Columbia Basin. Prices are down 5%, relative to last year. Volumes are expected to be flat for two processors, though they could be down 15%-20% for the other processor in the Columbia Basin.











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