

2 Potato Marketing and Cost of Productions

2.1 Marketing

Manitoba (L. MacIntosh)

The marketing of all potatoes produced in Manitoba is regulated under The Manitoba Vegetable Producers' Marketing Plan, Regulation #247/87. This regulation authorizes Peak of the Market to pass certain orders and regulations controlling the marketing of potatoes produced in the province of Manitoba. Potatoes grown under a preplant contract with a specific processor for processing crop processing on their premises are exempt from these regulations and orders. However, marketing in excess of the contracted volumes for processing (surplus) does fall under the regulations and orders of Peak of the Market. At the present time, Peak of the Market has entered into an agreement giving the processing associations (Keystone Vegetable Growers Association and the Chipping Growers Association of Manitoba) the authority to act as Peak of the Market's agent to sell surplus potatoes destined for the processing market only.

Peak of the Market is a non-profit corporation under the direction of nine members elected by registered producers. Five members are potato producers, one is a member at large and three are root crop producers. Peak of the Market operates as a central selling desk, with growers delivering produce based on a quota and delivery system. Peak of the Market also sells nonquota and surplus quota potatoes on a direct price basis to markets outside the quota market area.

Peak of the Market also regulates the packaging of potatoes, with packaging being carried out by Peak of the Market and Stella Produce (1981) Ltd. For further information regarding potato marketing regulations contact Peak of the Market at (204) 632-PEAK (7325).

Saskatchewan (D. Moebis)

Marketing of all potatoes grown in Saskatchewan is the responsibility of the individual grower. There is no single-desk selling agency for Saskatchewan produce. Some producers use the services of a potato broker, while others rely upon personal contacts developed during the course of business. At one time, contracts for potato production were rare, however, in recent years, more producers are relying on short-term (one or two year) contracts to aid in production planning.

The Saskatchewan Seed Potato Growers Association, Inc. (SSPGA) assists in promoting the sale of its members' seed potatoes to national and international

markets. SSPGA publishes an annual Seed Directory and maintains a website (www3.sk.sympatico.ca/sspga) which lists member seed growers and the products they produce. Prospective growers should contact the office of the SSPGA at 306-931-7892 for marketing information, advice and contacts.

Commercial potato growers market a large portion of their production through roadside stands, farmers' markets or packing sheds. Companies such as Riverside Gardens, Martin's Vegetable Produce Ltd., and Pak-Wel Produce (Sask.) Ltd. purchase potatoes for prepacking into various sizes of poly bags and cartons.

Alberta (V. Warkentin)

There is no central potato-marketing agency in Alberta. Producers have the responsibility to market their own crops.

All potatoes grown for processors, whether French fries, chips or other processed products, are grown under contract to the processor. Contracts stipulate variety, number of acres and yield. There is a base price with incentives or disincentives for quality, colour and specific gravity etc. Prices for in-storage potatoes increase every two weeks after November 1. A negotiating committee made up of growers negotiates with processors for all growers and all growers voluntarily accept the negotiated contracts.

Potatoes grown for the fresh market are sold on the open market potatoes or under contract. Open market allows growers to attempt to manage price by marketing when prices are stronger. The fresh market provides an outlet for surplus seed potatoes. In the past, the Potato Growers of Alberta (PGA) has done some promotion of potatoes directly to the consumer.

For specific customers, seed potatoes are grown under contract. Variety and price are established up front. Seed potatoes are also grown as open potatoes and marketed by brokers or dealers. Varieties are selected based on demand or market trends. Brokers/dealers often advise which varieties will have a market. The Alberta Seed Potato Growers Association establishes suggested prices for each generation of seed in November of each year. Individuals can negotiate around the suggested price. ASPGA/PGA promote seed potatoes by media advertising, trade shows and conferences.

2.2 Guidelines For Estimating Potato Cost of Production

The Western Potato Council is planning to develop a budget template that will allow producers to calculate their own cost of production. Until then, assistance and information in preparing a budget can be obtained through your provincial department of agriculture, producer association or the following websites:

- <http://www.agr.gov.sk.ca> Follow the links to crops and horticulture.
- Irrigated Processing Potatoes Cost of Production – Manitoba Agriculture and Food.
<http://www.gov.mb.ca/agriculture/financial/farm/cac30s01.html>.