

QUALITY OF WASHINGTON POTATOES IN EASTERN MARKETS

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This report will present observations of a trip through the terminal potato markets made by me in August and September at the height of our shipping season. This study trip was a cooperative project between the Potato Commission and the Washington State Department of Agriculture. Markets visited were San Francisco, Los Angeles, Dallas, Fort Worth, Houston, New Orleans, Kansas City, Chicago, Philadelphia, Boston, Washington, D. C. and New York. It is the second year of the market study project. Roy Carlson of the Department made a similar trip in 1964. Carlson, however, made no contacts east of Chicago on his sojourn but instead made additional studies in the Texas and Louisiana area.

Personal contacts were made with three groups in each city; these were brokers, wholesalers, and retailers, including chain stores. Topics for study included quality, grades, prices, price differentials, packaging, transportation, competition of Norgolds and other varieties, and promotion.

Without reservation, Washington potatoes are the top in type and appearance. The big problem is black spot. If this difficulty could be eliminated Eastern receivers unanimously agree that we could sell all the potatoes we could grow at a 40 to 50 cent premium over what we now receive. The fact that black is an unknown quantity and may or may not be present makes Washington potatoes sell for less. For example in Washington, D. C. Idaho Russets were selling for \$4.80 at the same time ours were bringing \$4.40. Our potatoes definitely had a better appearance and a sample cutting of ten potatoes showed no black whatsoever. At one location in New York, Idaho bakerys were selling for \$5.00 while ours were \$4.25. Again ours were the better potatoes but the fact they might have black in them makes the difference.

This discount when considered on the total cars we ship comes to over \$3,000,000 and that is only part of the story. Certain Eastern receivers do not handle Washington potatoes and others stop buying them when Russets are available elsewhere because of the black. This costs us many sales that we could well use. Also rumors of black constantly hurt us and I feel some of these are definitely intentionally started. For example, at Houston a receiver said he had no trouble but that he heard some 12 cars were "knocked over" at Dallas. I told him I had just come from contacting all the receivers in Dallas that that a total of two cars all season had been trouble cars. He replied, "I wondered if that man knew what he was talking about. He was some of your competition."

Most of the receivers are honest and are just as concerned as we are about any potato troubles we have but there is a minority with

questionable integrity that want cars knocked over so they can collect an allowance. This poses a problem to the legitimate receivers who are competing in the same market with Washington potatoes that have cost more.

On the East Coast we really need top quality as our potatoes are largely a luxury or specialty item selling for \$1.00 to \$1.50 per cwt. more than local Russets. For a customer to find black in his baked potato at a nice dinner at a deluxe restaurant gives a bad impression to the whole meal.

The receivers in the East have a confused interpretation for the degree of black spot. One receiver will say a car showed 30% black meaning that 30% of the tubers in the sample when cut showed at least one small black spot. Another receiver will say the same car showed 3% black meaning 3% peel away which is actually the grading factor.

Soft rot is another troublesome factor but no one accused us of having any more than shipments from other areas and we receive no universal discount because of it such as we do for black. I examined trouble cars for soft rot. In virtually every case the car was extremely wet to the point that many of the burlap bags were soaked. When the cars were being unloaded, I noted that the soft rot was largely located where air movement in a car was poor. It appears that there is a close relationship between soft rot and high moisture in the cars.

During the study I talked to over a hundred of the primary receivers of our potatoes. It was interesting to me that about one-third of our shippers seemed to be having at least three-quarters of the troubles. Some shippers had virtually none while others had troubles in many cars. By this I don't mean to point a finger at all shippers; it may be that certain shippers just simply do not handle bad lots of potatoes.

Transportation is a big factor in our potato business since we are located so far away from most of our markets. In general, receivers of our potatoes strongly oppose the increase from 45,000 to 50,000 lb. minimum in rail cars. They report that the added 5,000 pounds is just that much more weight on potatoes on the floor of the car causing increased damage. Likewise air movement through the larger car is made less effective due to the added bulk. They feel the small rate decrease does not offset these disadvantages. Los Angeles handlers are extremely critical of the Washington to Los Angeles rates in comparison with Idaho to Los Angeles rates. The rail rate from the Columbia Basin to Los Angeles is 84 cents compared with a rate of 55-1/2 cents from the Idaho Falls, Twin Falls area. Shipping time is also a factor to this market. From Quincy to Los Angeles may take as much as two weeks while the Idaho to Los Angeles shipping time is normally four days. Virtually all receivers in the Texas, New Orleans, Kansas City area were almost fanatically critical of the service given by one of the main rail lines serving our potato area. According to them delays of three days in shipment time were common with this

line. Steps toward solving this problem have already been taken. Through cooperation of the State Department of Agriculture, Potato organizations and certain potato handlers the main offices of the rail line involved have been contacted and promises received for corrective action.

A number of receivers stated they believed a study of potato grades should be made. Several stated they felt there should be a premium grade or "Seal of Quality" above the U. S. No. 1. There was some resistance to the dual sizing of potatoes, that is inches in diameter versus numerical count.

Norgold potatoes are definitely a factor in the market and as a whole the acceptance has been very good. The only real resistance shown was at Los Angeles where they had handled local Norgolds of generally poor quality. Some receivers thought of Norgolds in the same category as Russet Burbanks but for the most part the receivers considered Norgolds as a replacement for Early Gems and other early Russet varieties as well as some of the Long Whites and Reds. There were Norgolds in the market from many areas. Of those I saw, the Norgolds from Oregon-Idaho, Washington, East Texas and some Wisconsin were of good appearance and quality. Some from Colorado and California were poor. Without question the Norgolds will have their effect on the market since they are a Russet type potato that apparently can be grown virtually anywhere. Our answer to this competition seems to be in our shipping only top quality potatoes. Pricing in Chicago was interesting. Washington Russet Burbanks were selling for \$3.75, Washington Norgolds \$3.25, Wisconsin Norgolds \$2.50, Wisconsin and Minnesota Early Gems \$2.25.

In making receiver contracts, in general, lists provided by our local shippers were used as a guide. However, as time permitted other receivers were contacted and it was surprising that a number of these people were not handling Washington potatoes simply because they had never developed contacts. It appears a program could be developed here that could expand our markets.

At the time of this survey the market was on its down skid. The consensus of receivers was that the rapid drop was due to overshipment of poor quality California Long Whites and in the East to dumping of Virginia whites. Our shipments were not reported as burdensome to the market at any time and very few Washington "rollers" were reported as arriving at terminals.

In the 100 or so store contacts I made I didn't get to see use being made of the Potato Commission promotional materials but this is not surprising considering the thousands of stores in the cities visited. Receivers stated however, the materials were being used with good results. There were numerous requests for more. It was suggested we stress Washington as the "real" Russet.

Now, in closing, just a few odds and ends -- the trade in general dislikes odd size packs, for example the 8 lb. sizes. A number of the eastern people call all Russet Burbanks by the name "Idahos", even those receiving many Washington shipments. The rise of the big super-market chains has altered the market policies through direct buying. This has drastically reduced the number of potatoes handled by many of the brokers and has lessened the influence of these people on the market policies. Potatoes in Eastern supermarkets in general are unidentified as to state of origin and store produce managers are not informed as to their source. Usually cellophane packs were in bags used universally for potatoes with the chain store name only.