

WHAT'S AHEAD FOR POTATO PRICES

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We have had nine bonanza price years for fall crop potatoes in the past 45 years. These were the crops of 1919, 1925, 1929, 1936, 1942, 1947, 1951, 1959 and 1964. The gap between them averaged 5-1/2 years. Once we had to wait 8 years, once 7 years, twice 6 years, twice 5 years and twice 4 years.

In all of the eight bonanza years up to 1964, prices moved up strongly through the winter. Once the peak for the season was reached in March, once in April, and the other six times in May. This indicates that prices will go still higher before all the 1964 crop is sold. Without question, a bonanza price year is a year to hold.

You can be dead sure of this -- we will not have a bonanza price for fall potatoes next year. If we did, it would be a new thing under the sun. I do not know of any reason for expecting it. Real high-priced seed just doesn't produce real high-priced potatoes.

On the other hand, you probably can make some money growing fall potatoes next year, especially if you sell at digging time. Only once in the eight times did the potato crop following a bonanza year bring real low prices all season. That was the depression year of 1937.

On the other hand, only once out of the eight times were prices good all during the fall, winter, and spring. That was the 1952 crop and it was true only for Russets. Other areas including the Red River Valley and Maine had an extremely sharp price drop from January through May. The only thing that saved Russets from a similar fate was a freeze in California.

In the other six years that followed the bonanzas, potato prices were just fair. In three of them prices dropped to real low levels by spring (1920, 1930, and 1937). In the other three prices held at fairly stable levels all during the marketing season, but there was no advance of any consequence.

In every one of the eight years that followed the bonanza years, those who stored lost money. Potatoes sold out of the field invariably brought the best return.

Of course next year could be an exception like 1937 -- and bring low prices all during the season. The 1964 crop was different from all the other bonanza crops in one respect -- acreage was not reduced. It was increased slightly. Growing conditions were so poor everywhere except Maine and the Great Lakes area that sharply reduced yields did the job. Idaho had the lowest yields since 1949. For the fall crop as a whole yields were the lowest since 1960.

Six of the bonanza crops were pushed down in size by a combination of an acreage cut and a reduced yield. In two of them (1936 and 1947) the acreage cut was deep enough to do the job even though yields were up.

In 1937 -- the one post-bonanza crop that brought low prices all season -- acreage was actually reduced. Yields alone were up enough to bring dis-

aster. That could easily happen in 1965. All it would take would be a moderate increase in yield above the all-time high of 1963. If yields are no higher than 1963 and acreage is not increased, we probably will have one of those fair price years with a downward trend during the marketing season.

It should be pointed out that in all but one of the post-bonanza years, acreage has either been reduced or increased only slightly. High-priced seed does have an influence. The one exception was 1943 when we had the high-powered government-sponsored campaign to increase potato acreage plus price guarantees.

So the most likely development for fall potatoes in 1965 seems to be little change in acreage, a big improvement in yields, a crop about the size of the one in 1963, and just fair prices with a declining trend all during the marketing season.

But watch out for 1966. Fresh memory of two good-price years plus cheap seed is a combination that has always spelled disaster -- except during the price-support years.

What About Early Potatoes?

As usual, summer potatoes are an even bigger gamble than the fall crop. However, history gives us a fairly encouraging picture.

In the eight summer crops that followed the bonanza-priced fall-crops there was not a single bust. In five of those summers prices were real high. In three they were just fair.

Next summer's crop seems most likely to be in the fair price category. After two good-price years in a row summer growers are likely to expand acreage some in spite of high-priced seed. Chances favor yields a little above last year too.

A year from next summer, watch out. That's almost sure to be a stinker if history means anything.
