

POTATO MARKETING BOARD

RCP/81/17
JCCP/81/16

COMMITTEE AIDE MEMOIRE (5.6.81) THE POTATO MARKET, SUPPLY POSITION AND PROSPECTS

1. The Trade - 1980 Crop

In February supplies continued in excess of the market's requirements and prices remained mostly steady.

In early March coinciding with the announcement of the Second Buying Programme on 2nd March the pressure to load potatoes reduced and prices improved. By the middle of the month, however, this improvement was halted as continued wet weather throughout the country delayed Spring land work and resulted in an increase in the availability of supplies. Additionally, in Scotland, heavy supplies of 'Tops' were again available due to considerable seed dressing taking place.

Although, when a resumption of land work eventually occurred in early April, the number of producers grading potatoes for the market reduced, the trade, nevertheless, remained very adequately supplied, this situation being influenced by the many producers clearing potatoes which had been bagged in advance of any firm orders during the prolonged wet spell in March when little other work was possible.

As supplies available to the trade gradually reduced as the month progressed, prices began to rise, slowly at first, but the upward trend gained momentum at the end of April and into May, particularly for the better quality samples.

Supplies during May were generally light but adequate and, although towards the end of the month prices levelled off temporarily in some districts, the general trend was upwards. The demand for best quality potatoes has become firmer, but has been hesitant to dull otherwise.

The situation during the first week of June has shown little change.

2. Prices

(a) Average ex farm price (including sacks) - G.B.

20 Feb.	£44.03	27 Mar.	£47.01	1 May	£53.79
27 "	£44.08	3 Apr.	£47.23	8 "	£57.08
6 Mar.	£45.29	10 "	£47.86	15 "	£61.11
13 "	£46.64	17 "	£48.89	22 "	£62.62
20 "	£47.12	24 "	£50.51	29 "	£63.46

(b) At present in England and Wales the ex farm prices, including sacks, for Reds range from £53 - £100, Maris Piper £50 - £120 and other varieties £45 - £90. In Scotland the range for Maris Piper is £50 - £70 and other varieties £45 - £70.

(c) Cumulative estimated G.B. average price from 1st August 1980 to 22 May 1981 = £43.47 per tonne excluding sacks (£58.85 at comparable date in 1980).

(d) Guaranteed price from 1st August = £43.94 per tonne (excluding bags).

3. 1980 Crop Data

(a) <u>Plantings</u>	<u>Crop Year</u>	<u>Earlies</u>	<u>Maincrop</u>	<u>Total</u>
		<u>Ha</u>	<u>Ha</u>	<u>Ha</u>
	1980	39,955	134,025	173,980
	1979	39,100	132,315	171,415
	1978	45,735	138,200	183,935
	1977	46,065	153,295	199,360

(b) Movement into Human Consumption

In the 1979/80 season movement into human consumption from all sources was back to the 1974 'norm'.

The latest figures for the G.B. crop show that movement into human consumption from all sources is some 2% higher than last season and movement from the home crop shows a 3½% increase.

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(c) Yields

The final yields for the 1980 crop in comparison with the two previous crops are as follows:-

	<u>1978</u>	<u>1979</u>	<u>1980</u>
Earlies	21.4	18.4	22.6
Maincrop	36.3	34.0	36.5
All varieties	34.9	32.5	35.1

The yields from the 1980 crop are all-time records.

(d) Area Unlifted - 1980 Crop

The following is an indication of the area still unlifted since the end of February:-

27 Feb.	1,207 ha	24 Apr.	564 ha
27 Mar.	1,065 ha	29 May	84 ha

(e) 1980 Crop Buying Programme1. First Buying Programme

Total tonnage contracted was 422,731.

Loadings for Stockfeed - Documented to 4.6.81

	<u>1st Buying Programme</u>	<u>2nd Buying Programme</u>
To Merchants/Stockfeeders	320,134 tonnes	16,287 tonnes
By Sale Back	<u>91,160</u> "	<u>4,012</u> "
	<u>411,294</u> "	<u>20,299</u> "

Variations granted to 5.6.81 = 2,368 tonnes

2. Second Buying Programme

Tonnage contracted as at 4.6.81 = 189,258

Variations granted to 5.6.81 = 28,482 tonnes

4. <u>G.B.Imports of New (From 1.8.80)</u>	<u>1980/81</u>	<u>Tonnes</u>	<u>1979/80 (Same time last year)</u>
Latest figures			
Cyprus - winter	10,357		2,506
spring	72,974		46,584
Turkish	1,284		-
France	1,962		3,002
Italy	2,217		2,531
Spain - Mainland	12,894		} 22,296
Balearics	12,636		
Canaries	1,457		
Egypt - winter	8,115		15,724
spring	74,739		99,678
Greece	3,085		1,215
Israel	4		76
Morocco	-		40
Jersey	<u>3,926</u>		<u>2,866</u>
	<u>205,650</u>		<u>198,064</u>
	<u>235,353</u>		<u>240,169</u>
5. <u>G.B.Imports of Ware (From 1.8.80)</u>			
Latest figures			
Holland	12,790		58,786
France	107		1,320
W.Germany	59		304
Belgium	-		15,568
Eire	878		2,370
S.Africa	-		15
N.Ireland	<u>7,545</u>		<u>19,920</u>
	<u>21,379</u>		<u>98,643</u>
	<u>22,373</u>		<u>104,337</u>

up to 6 June 81

6. Updating of G.B. Exports of Ware and Seed and imports of Seed has not been possible owing to the Civil Servants' Industrial action but the figures previously given were as follows:-

(i)	<u>G.B.Exports of Ware</u> (From 1.8.80)	<u>1980/81</u>	<u>Tonnes</u>	<u>1979/80</u>
		30,123		37,348
(ii)	<u>G.B.Exports of Seed</u> (From 1.8.80)	56,474		61,162
(iii)	<u>G.B.Imports of Seed</u> (From 1.8.80)	17,505		18,357

7. Producer Prices in EEC Countries

Producer prices, ex farm, graded by the producer, bags excluded, estimated on a notional basis.

	<u>Most recent estimate</u>		<u>Previous estimate</u>		<u>Most usual variety/grade</u>
G.B.*	£59	(29.5)	£57	(18.5)	Weighted, all varieties
Holland :	£61	(1.6)	£57	(18.5)	Clay Bintje, 35 mm
France	£43	(1.6)	£46	(18.5)	40 mm Bintje
Belgium (a)	£47	(20.5)	£71	(8.5)	35 mm Bintje
W.Germany (b)	-		£58	(12.5)	Class 2
Denmark *	£76	(15.5)	£64	(1.5)	Bintje
N.Ireland *	£76	(23.5)	£54	(9.5)	Long Whites
Eire*	£107	(22.5)	£85	(8.5)	Kerr's Pink, Record
	£76	(22.5)	£60	(8.5)	Whites

* Prices actually received in these countries. In respect of the others, a notional adjustment has been made to enable a 'like with like' comparison to be made.

(a)=Final quotation for season

(b)=No prices being quoted.

8. Quota and Target Area

	<u>Quota</u>	<u>Target</u>
1978 crop	95%	172,000 ha
1979 "	90%	170,000 ha
1980 "	92 ¹ / ₂ %	168,000 ha
1981 "	94%	166,000 ha

9. Cost of Production

1977 crop	£1,965 per hectare	} Model farm of 100 ha with 10 ha of potatoes
1978 "	£1,515 " "	
1979 "	£1,686 " "	
1980 "	£2,088 " "	
1981 "	£2,160 " "	

10. P.M.B. Annual Contribution

	<u>Ordinary</u>	<u>Excess</u>
1980 crop	£30 per ha	£172 per ha
1981 "	£36.60 per ha	£183.80 per ha

11. 1981 Crop

(a) Guaranteed price from 1st Aug. £43.94 - excluding sacks (unchanged)

(b) Plantings up to 5.6.81 Hectares

<u>1981</u>			<u>1980</u>		
<u>Earlies</u>	<u>Maincrop</u>	<u>Total</u>	<u>Earlies</u>	<u>Maincrop</u>	<u>Total</u>
37,756	129,033	166,789	39,955	134,025	173,980

