

Early Potatoes

California situation, 1948

Ivan M. Lee

California's early Irish potato industry has expanded very rapidly during the past 12 years. In 1936 this state produced 5.7 million bushels of early potatoes from 17,000 acres. In 1946, the peak year, production was over 33 million bushels from 81,000 acres. Acreage and production fell off in 1947 partially as a result of acreage restrictions imposed for eligibility in the government price-support program. Final data are not yet available on the 1948 acreage and production, although preliminary indications place them considerably above the 1947 level.

Within California, Kern County is by far the most important producing area. A very substantial part of the increase in state acreage has come in this county where acreage increased from under 10,000 acres in 1936 to over 61,000 acres in 1946.

The bulk of this state's early potatoes are marketed during the late spring months of May and June in direct competition with early potatoes from 10 southern states. California far surpasses any of these states in acreage, yield, and production. In each year during the period 1944-1947, California has had over twice the acreage of its largest competitor, North Carolina, has maintained a yield over three times the average yield in these 10 competing states and has produced more early potatoes than those 10 states combined.

During the peak marketing season California early potatoes also compete with the preceding year's late potatoes from important late potato-producing states. However, California still leads in total shipments during the season. During the period 1942-1946, 42% of the total United States' Irish potato shipments in May and June originated in California. Shipments of early potatoes from other states constituted 46% and the preceding year's late potatoes 12% of the total during this period.

Markets Served

California early potatoes had attained an important place in a number of the major markets west of the Mississippi prior to 1940. The market has extended rapidly eastward since 1940. An idea of the growing importance of California potatoes in eastern markets is given by an inspection of unload data for four important eastern cities.

Comparing the two years 1946-47 with the two years 1940-41, carlot unloads of California potatoes during the months of May, June, and July increased about 110% in Chicago, 140% in Detroit, 230% in Boston and 250% in New York City. Total unloads in these cities remained relatively stable over this period. The increase in unloads of California potatoes therefore was associated with a decline in unloads of potatoes from other states. Comparing these same two pairs of years, California unloads as a percent of total unloads increased from 20% to 47% in Chicago, from 23% to 62% in Detroit, from 7% to 22% in Boston, and from 7% to 24% in New York.

Farm Price

The season average farm price of California early potatoes has fluctuated widely from year to year. Major price changes generally have been associated with changes in total early potato production in the opposite direction, except during the war years when both production and price increased markedly. Price ceilings during the war held prices below, and the government price support program—particularly in 1946 and 1948—has held prices above what they would have been otherwise.

The movement of the California farm price over the years has been similar to that in directly competing early-potato states. At the same time, the level of farm prices in this state, particularly in the last 10 years, has been relatively favorable considering the greater distance between California and the major eastern markets.

This favorable price may be explained in part by the high proportion of high grade potatoes marketed from this state. In five of the past seven years 60% or more of the shipments from Kern and Tulare counties—California's major producing area—have met the specifications for grades U.S. No. 1 Extra or U.S. No. 1, Size A. An examination of the wholesale potato prices in the Chicago and the New York markets during this period gives no clear-cut evidence that California potatoes commanded a premium in price over potatoes of comparable grade from other states.

Per capita consumption of Irish potatoes in the United States has declined gradually over the past 25 years indicat-

ing a shift in consumer tastes away from potatoes. At the same time, per capita consumption of early potatoes has increased, reflecting a significant shift in consumption from late to early potatoes. Per capita consumption of Irish potatoes does not appear to be related to the amount of income.

Outlook

The outlook for early potato production and price is tied closely to farm price-support legislation. The new farm bill permits more flexibility in the relationship among support prices of various commodities. The heavy support purchases of early potatoes in 1948 indicate that support prices were too high in relation to prices of many other agricultural commodities. If the intent of the new farm bill is to be carried out, support prices for potatoes will likely be lower in relation to support prices for several other commodities in the 1949 season. If production continues at the 1948 level, the farm price for California early potatoes will likely fall in relation to the prices of several other crops which can be produced on the same land.

Production alternatives exist for the California early potato farmer. Soil and climatic conditions in the potato-producing sections of Kern County are suitable for the production of cotton, alfalfa, sugar beets and several other crops. In the light of the prospect of a downward revision in support prices of potatoes in relation to other crops, the potato farmer would do well to consider his alternatives carefully in planning his production program for the next several years.

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