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Another Record for US Potato Exports

DENVER—(September 18, 2009) US potato and potato product exports reached a record \$1.2 billion for the July 2008 – June 2009 marketing year. The total quantity of exports was also a record at 1,238,176 metric tons (MT) as reported by the US Department of Customs. The fresh weight equivalent of US exports was 53,844,308 hundredweight of fresh potatoes. The value of exports rose 8.65%, while the quantity increase was 1.93%, reflecting the increased price of US potatoes and products during the past marketing year. US potato exports have grown 55% over the past five marketing years and utilize over 15% of total US potato production.

Frozen potato exports account for 59% of the total and grew by 9.88% to \$720 million. The quantity increased 4.22% to reach 792,556 MT. The Asia/Pacific region accounts for 69% of the total frozen exports, led by Japan which increased 9.34% to 294,247 MT. China and Hong Kong is the second largest market with combined exports of 89,268 MT, an increase of 14% over the previous marketing year. US exports to the United States Potato Board's (USPB's) target markets in Central America increased 88% to reach a total of 31,829 MT. Exports to the Southeast Asian countries of the Philippines, Malaysia, Singapore, Thailand and Indonesia all declined, as the high price of US products, and strengthening of the US dollar, led to switches to product from New Zealand, Canada and the EU. Exports to Mexico were off 8.94%, as the punitive tariff imposed by Mexico in response to the failure of the US to live up to its NAFTA obligations on Mexican truck access led to a switch to Canadian product.

Exports of dehydrated potatoes suffered from the high price and short supply of dehy in the US this past year. The total volume of dehy exports declined 5.33% to 84,269 MT, while the value was actually up 0.34% to \$132 million. Canada is now the largest market for dehy with exports up 9.33% to 23,957. Undoubtedly, some of this product is transshipped to final destinations in Asia and Europe. Exports to Japan declined 28% as that market contracted due to economic stagnation and movement to other types of snack products. Dehy exports to Mexico, the third largest market, have stabilized at just under 13,000 MT.

Fresh potato exports were down 3.81% to 282,092 MT, but were up 14.43% in value to \$154 million. Fresh exports include both table-stock potatoes, as well as potatoes destined for processing in the importing country, mainly for chips, but also for frozen products in Canada. Exports to Canada increased 1.97% to 176,633 MT. US exports to Mexico are still restricted to the 26 kilometer border zone; however, Mexico is still the second largest export market for fresh potatoes. Exports this past marketing year were impacted by the high prices in the US, the devaluation of the Mexican peso and the economic problems in Mexico. The volume of exports declined 19% to 45,986 MT, while the value actually rose 5.71% to \$27 million.

Potato chip exports increased 2.79% to 62,493 MT, valued at \$189 million. The leading market is Canada, which increased 13.27% to 18,228 MT, followed by Japan up 42% to 15,771 MT. This increase in finished chip exports to Japan also helps to explain the decline in dehy exports to this market. The difficult economic situation in Mexico, as described above, also led to a 37% decline in chip exports to 5,513 MT.

Seed potato exports were reported as being up 49% to 16,766 MT, valued at \$9.6 million. The largest reported market for US seed potatoes is Mexico, despite the fact that market is officially closed to US seed potatoes. Exports of seed potatoes to Canada were up 58% to 5,507 MT. Uruguay, one of the USPB's target markets for seed exports, grew 98% to 1,341 MT.

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David Fairbourn is Manager, Industry Communications & Policy, at the United States Potato Board in Denver. The mission of the USPB is to increase demand for potatoes and potato products through an integrated promotion program, thereby providing US producers with expanding markets for their production. David can be contacted at 303-369-7783 or david.fairbourn@uspotatoes.com. For complete information about the programs, ROI results, resources and tools available to all members of the industry through the USPB, please visit www.uspotatoes.com. The United States Potato Board—Maximizing Return on Grower Investment.

