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AGRICULTURAL EXTENSION DIVISION  
UNIVERSITY OF MINNESOTA

MINNESOTA FARM BUSINESS NOTES\*

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Prepared by the Division of Farm Management and Agricultural Economics  
University Farm, St. Paul, Minnesota

THE POTATO SITUATION

Production

The 1928 potato crop will be, if present forecasts are correct, the largest crop ever produced. The September 1 forecast is 467,000,000 bushels. The second largest crop was in 1922 with a production of 453,000,000 bushels. The 1927 crop, 407,000,000 bushels, was approximately normal. It appears therefore that the 1928 crop is some 60,000,000 bushels greater than normal requirements. About 40,000,000 bushels of the surplus occurs in the 27 late crop states. Three states in the east and four states in the west have a smaller production this year than in 1927. Most of the surplus is in the North Central states. Since a large amount of the increased production occurs in states that are normally deficit areas, producers in those states having a surplus will find it somewhat more difficult to market their crops.

Other Factors Affecting Surplus

There is still a possibility that weather conditions may somewhat reduce the size of the crop. Late blight has made its appearance in a number of districts, and this may also be a factor in reducing the total size of the crop. Its effect is felt, however, in larger losses in storage than in diminution of the crop harvested. If late blight infestation is heavier than usual, losses in storage may be large enough to reduce materially the supply marketed next spring. Farmers should not dig potatoes, especially if they are to be stored, until after frost as they are more subject to blight if dug earlier. Spores of late blight found at the surface of the soil are killed by frost.

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\* Minnesota Farm Business Notes succeeds Minnesota Farm Management Service Notes, formerly issued by the Farm Management Group at University Farm. On July 1, 1928 the staff of the former division of Agricultural Economics was combined with the farm management staff from the former division of Farm Management, Agronomy and Plant Genetics to form a new division of Farm Management and Agricultural Economics. Minnesota Farm Business Notes will be prepared by this new group. It will offer its readers the services of this larger staff in presenting current information of value to farmers in organizing their business and planning their operations.

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Director

There are indications that many potatoes will be left undug. It is also certain that potatoes are being graded more closely this year than is usually the case. There will probably be more potatoes used for livestock feed or sold to starch factories than usual. These factors reduce the supply of marketable stock. However, reduction of the crop from these causes is not likely to disturb greatly the present market situation.

### Price

The foregoing summary of production and other factors affecting the supply of marketable stock makes it apparent that prices are likely to be very low throughout the season. Since late spring and early summer prices have been falling; first, because there was an exceptionally heavy movement of old potatoes during May and June and, second, because the early crop was very large. There has been considerable delay in harvesting the early crop in certain sections, and there has consequently been an overlapping with the early marketings of the late crop. This situation has forced prices to a low point earlier than usually occurs in seasons of large production. The United States Department of Agriculture reports that during the past 20 years prices have declined until November and December in the seven years of largest crops. During five of the largest crop years the price did not advance materially through the remainder of the season. In two years there was a material rise in May and June but the price did not exceed the level prevailing during the preceding August and September. The Department expects prices this season to act as they have during other large crop years unless something unforeseen happens to crop prospects. The prevailing prices in the Minneapolis-St. Paul market during the first few days of September have been 60 to 65 cents per cwt. At local points 35 cents per cwt. is not unusual.

With a larger percentage than usual of No. 2's and culls being left on the farm there is some possibility that No. 1 potatoes will command a somewhat better price than the present market indicates. The extremely low opening prices, due to the late marketing of the early crop and the size of that crop, would seem to warrant the conclusion that we are unlikely to experience as large a price decline during October and November as is usual with large crops.

### Grading

Farmers this year should give increased attention to grading. It appears that Minnesota potatoes are quoted on the Chicago market at from 15 to 20 cents per cwt. less than potatoes from neighboring states. The difference is due principally to differences in grading. If Minnesota potatoes graded U. S. No. 1 consistently this differential would soon disappear. With a heavy production of potatoes in Minnesota, this year offers the logical opportunity to encourage rigid grading to establish a reputation for Minnesota potatoes and begin to put Minnesota potatoes on a parity with potatoes from other states.

### Feeding

The price of potatoes is so low this year that farmers may well consider the possibility of using the lower quality potatoes for feed. Potatoes can be fed to all classes of livestock but they have their highest feeding value for and are best suited to hogs. Potatoes should be mixed with grain as they are somewhat unpalatable when fed alone. When fed to cattle, sheep or horses it takes about 700 pounds of potatoes to equal 100 pounds of grain. For hog feed potatoes are better cooked. If cooked and mixed with grain about 500 to 600 pounds will equal 100 pounds of grain.

The Division of Dairy Husbandry, University of Minnesota, reports that for dairy cattle potatoes have about the same feeding value as ordinary silage. About 20 to 25 pounds daily of raw potatoes are all that can be fed with advantage, but if the potatoes are cooked they may be fed up to 30 or 35 pounds daily. Heavier feeding than this results in milk and butter of poor flavor and may cause indigestion as well. It is suggested that potatoes will more nearly replace a part of the silage in the dairy ration than a part of the grain ration.

The individual farmer can easily calculate the value of potatoes as feed from the above ratios by knowing the value of grain. For example if grain is worth one cent per pound potatoes would be worth from 17 to 20 cents per cwt. if fed to hogs and about 15 cents per cwt. if fed to other livestock. Of course if there is a large amount of unmarketable potatoes on hand any benefit gained from feeding them is clear profit.

### Starch

It is probable that several starch factories will operate this year, beginning about October 1. Most of the factories have a capacity of about 2000 bushels of potatoes per day. Present indications are that prices paid will be at least equal to and probably somewhat more than the value of potatoes for feeding purposes. Some factories expect to pay 20 or 25 cents per cwt. delivered at the plant.

### Conclusion

Farmers this year should plan to grade their potatoes very carefully so as to benefit by the better price paid for best quality stock. Use the culls and lower grades for feed, sell them to starch factories or throw them away. In any event prices will be low, but it seems probable that a larger total return for the whole crop will be realized if the above practice is followed than if attempts are made to market the lower grades. This would result in ruinous prices even for the better grades of potatoes.

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