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UNITED STATES DEPARTMENT OF AGRICULTURE
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OUTLOOK FOR VEGETABLES AND POTATOES

Talk by Will M. Simmons
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GENERAL SUPPLY AND DEMAND PROSPECTS

Supplies of canned and frozen vegetables are a little smaller than last season's record volumes. Dry bean supplies are up moderately, and pea supplies are the largest in several years. Both potato and sweetpotato supplies are up slightly from a year ago.

Demand for vegetables and potatoes is expected to continue strong in 1970. Although general economic activity is likely to slow over the next 3 to 6 months, demand for vegetables may be sustained by a growing population and further gains in per capita incomes.

Vegetable export prospects also appear favorable. Sales to Canada, the main foreign buyer of our fresh vegetables and potatoes, probably will be larger this year. Movement to Europe also may expand, despite increased competition from other countries. Foreign demand for dry beans and peas is particularly strong, and exports during 1969/70 probably will be much larger than last season.

PROCESSED VEGETABLES

Supplies of canned and frozen vegetables remain large this season but moderately below last year's record volumes. Although packs are down sharply, large carryover stocks of both canned and frozen vegetables have kept supplies at a high level. Also, disappearance of processed vegetables appears to be running below the record levels of a year ago. So, supplies available for sale this winter and spring remain large.

Supplies of canned vegetables probably are moderately below the record levels of a year earlier. Remaining stocks of most canned items apparently are down; but stocks still are relatively large for snap beans, lima beans, beets, sweet corn, and tomato products.

Reduced packs resulted in slightly smaller total supplies of frozen vegetables this season compared with last season's burdensome levels. Stocks on January 1 were down about 2 percent. But stocks remain particularly heavy for lima beans, carrots, and sweet corn.

Markets for processed vegetables have been only a little higher than the depressed levels of last season. Although supplies are lower, lagging demand has limited price recovery. Prices are at very moderate levels and probably will remain so through the winter and spring.

Carryover stocks of processed vegetables around mid-year will remain large. As a result, processors are expected to keep packs of many vegetables at or below last season's reduced levels.

For the longer term, production and consumption of processed vegetables will likely rise in response to population growth and higher consumer incomes. Part of the rise in processed consumption may reflect further shifts from fresh to processed use. Still, short-term problems such as adjusting acreage and production to market needs will persist.

DRY BEANS AND PEAS

Dry edible bean supplies are up moderately, reflecting an output rise of about 8 percent. Among the classes of beans, supplies of white beans are up substantially, particularly for pea beans--reflecting a rise of nearly 30 percent in Michigan's output--and Great Northerns. In contrast, supplies of colored beans probably are down moderately this season. Production is smaller and beginning stocks apparently were moderate. Production of pintos, largest of the colored classes, fell 8 percent, and pinks are down a fourth; this more than offset sharp gains for kidneys and small reds.

Movement of dry beans in both domestic and foreign channels may increase this season. Domestic use likely will be up moderately, with commercial sales supplemented by relatively large USDA donations. Exports are up sharply so far, and for the season, likely will total substantially larger than last season. U.S. exports are being stimulated by increased domestic supplies and lower prices, particularly for white beans.

Growers' prices have averaged significantly lower this season than last. However, average prices have reflected a wide range of market conditions. Prices have been particularly weak for the large supply of pea beans and they likely will continue under pressure through the remainder of the marketing year. Prices for Great Northerns and large limas also likely will remain under a year earlier. But prices have been strong for pintos, blackeyes, and baby limas; and prices for these classes continue above last season.

Dry pea supplies are the largest in several years because of the 29 percent increase in the crop. Prices have been under pressure, although sharply higher exports have helped alleviate the situation. Prices for the 1969 crop likely will average below the previous crop's relatively high levels. But if export movement remains strong, as expected, prices likely will show some increase from current levels.

POTATOES AND SWEETPOTATOES

Potato supplies are a little larger than a year ago. Remaining stocks at the beginning of 1970 were up about 2 percent from last year. Stocks are substantially larger in the west, where fall crop output rose 13 percent; but remaining supplies are moderately lower in central and eastern States due to a smaller crop in eastern States and increased disappearance in both regions.

Larger western supplies have been only partly offset by greater shrinkage and increased processing activity. So, western prices have been under pressure and will likely remain below last season. However, western markets should be helped by expanding use, particularly for processing, smaller supplies in other regions, and by prospects for a sizable cut in spring production. Prices in eastern and central markets, about steady in recent weeks, are expected to continue above last season.

Storage supplies from the fall crop will strongly affect prices into late spring, although the market will gradually respond to the harvesting prospects for new-crop supplies. The winter crop, although it furnishes only a small part of winter supplies, is expected to be down slightly. And early reports indicate moderately smaller spring harvest, as well as a substantial cut in acreage of the important late spring crop.

Sweetpotato supplies are above last winter's small total; a slight yield increase boosted the crop a little. At the same time, movement of sweetpotatoes to fresh market outlets has been a little below a year earlier. Thus, remaining supplies this winter and spring probably will be moderately above those of a year earlier. Prices to producers have been under a year earlier, and in January were about 75 cents per hundredweight under a year ago. Markets may show some seasonal strength into spring, but prices to producers in the South Atlantic and South Central States are expected to continue below those of a year earlier.