

US Potato Exports Face Many Challenges

Detail Introduction :

US potato exports have faced many challenges in the current marketing year (July 2020-June 2021). The demand for frozen potato products decreased in the spring of 2020, and this lower level of demand was maintained during the season's first quarter (July-September 2020). As restrictions eased and markets tightened, demand began to return in the fall, but then shipping problems began to limit the ability of exporters to meet that demand. Container shortages, port congestion, delayed and canceled shipments, and rising costs continued in 2021. Despite the return in demand, exports have been limited, and there have been shortages of frozen potatoes, dehydrated and fresh, in many markets. Importers have started to ration limited supply, prioritizing the big chains.

US exports of frozen potato products between July 2020 and March 2021 were down 10% from the same period a year earlier. However, they were up 13% in March 2021. The strongest market has been Mexico, up 51% YTD. Taiwan and South Korea are also positive for the season, but both countries showed declines in March due to shipping issues. Japan, the largest market, has done well for the first six months, but trade problems and new restrictions have caused a decline of 13% year to date and 22% in March. Exports to the US have been affected by COVID-19 tests on imported frozen products, tariffs, and increased domestic production, declining by 39%.

US exports of dehydrated potatoes are only down 3% year-on-year and up 19% in March. Exports to Japan have remained strong, up 11%, while South Korea has continued to grow and is up 50% year-on-year. Asian markets are down on the year, down 6% overall. Mexico again sees positive growth, with an increase in exports of 3% throughout the year.

US exports of fresh potatoes are level for the current season but are up 32% in March. Mexico has again been a major factor, with exports up 6% year to date and 31% in March. While exports to the largest fresh potato market, Canada, are down 12% year-to-date, they were up 39% in March. Fresh exports to Asia have been very strong, up 17% throughout the year and 25% in March. Taiwan, the largest market in the area, is up 26%, while South Korea is up 81% now that the US has access to cut potatoes year-round. Korea continues to grow as well as Vietnam, up 38%, while Vietnam is up 210%, but there are indications that due to the difference in tariffs with other suppliers, cut potatoes will not repeat that level of business in 2021.