

UNITED

FRESH POTATO GROWERS OF IDAHO

Volume 1, Issue 4

www.unitedpotato.com

November 2005

SIPCO REPORT

Last year's contract negotiation effort brought forth a new concept from our processor customers: the so-called "bell shaped curve" specific gravity clause. This is a mechanism which added downside price risk for low solids and decreased the contract price for high specific gravity as well.

The so-called "sweet spot", a narrow range around 1.085, became the target for increased value in the 2005 contracts. Growers were informed that the processor's customers, QSRs, needed a tighter range of solids, and this was an incentive for growers to provide processors with what their customers needed.

Initially, the concept was soundly rejected by growers, but as the negotiation process proceeded it became clear this was going to become a part of the 2005 contracts. Growers argued, to no avail, that they could make management decisions in growing potatoes to promote higher solids in their crop. Conversely, poor ground selection or acts of god (i.e. Mother Nature) can result in low specific gravity. But to grow potatoes within a specific "range of solids" appeared a lofty goal as so many factors beyond the grower's control can ultimately determine specific gravity.

It now appears that this mechanism has served no purpose other than to cheapen the contract price for quality processing potatoes. The Ranger Russet, a high specific gravity variety to begin with, appears to have above average specific gravity for 2005 as many growers report solids in excess of 1.090. Obviously, higher solids result in better recovery and more finished pounds out the door at a reduced price. At this writing, it is too soon to tell how the Russet Burbank crop will fit the new gravity scheme. But it is safe to say, many Ranger Russet contract growers are predictably disappointed, having produced another quality crop for our processor customers and receiving less for it.

Please Report Stocks!

Over the next ten days United of Idaho will be collecting two different stocks on hand reports. It is extremely important that every grower take time to go onto the Internet site and enter their stock reports. We need two different numbers:

Stocks on hand as of November 1st and Total 2005 production.

To enter your stocks please do the following:

Log onto www.unitedpotato.com

Click on United Applications (left hand side of the menu)

Click on "2005 Stocks on Hand"

Enter your farm code and pin number (call Rick Shawver @ 535-8500 if you need a pin number)

Fill in the appropriate numbers.

To enter Total 2005 Production, repeat the steps and click on "2005 Potato Production" on step three.

We appreciate everyone's cooperation in the timely reporting of this data. Information is power.

High Solids = Better Recovery = Reduced Contract Prices?

NOTICE

ANNUAL MEEETING REGISTRATION INFORMATION

To register, please call the PGI State Office at **(208) 785-1110** or email your information to **pgi@cableone.net**.

Registration cost is \$100 per person which includes all meals.

POTATO GROWERS OF IDAHO, INC. & UNITED FRESH POTATO GROWERS OF IDAHO

ANNUAL MEETING
RED LION, POCA TELLO, IDAHO
NOVEMBER 16 & 17, 2005
PGI HOST: SPGI

WEDNESDAY, NOVEMBER 16, 2005 Registration 9:00 am–5:00 pm in Suite 109

7:00 am	Exhibit Set-Up Begins Atrium	
7-8:00 am	PGI Executive Comm. Breakfast Meeting	Executive
8-9:45 am	SIPCO Membership Meeting	Bonneville
10-12:00 pm	UNITED 1 st Annual Membership Meeting	Bannock
12-1:15 pm	Luncheon	Caribou
	*Call in, Senator Mike Crapo	
	*Norm Semanko, Candidate 1 st Congressional District	
1:30 pm	Joint PGI & UNITED Meeting	Bannock
	*Tim O'Connor, CEO, USPB	
	*Possible Organization Mergers	
	*Resolutions	
2:45-3:00 pm	Break	Atrium
3-4:30 pm	Meeting Continued	Bannock
4:30 pm	PGI State Board Business Meeting	Bannock
	*Election of Officers	
6-6:30 pm	Reception	Atrium
6:30-10:00 pm	Grower's Banquet	Caribou & Teton
	*Speaker, Don Aslett, Author, Entrepreneur	
	* Grower of the Year, Potato Grower Magazine	
	* Seed Grower of the year, Potato Grower Magazine	
	PAC Auction- Gale Harding, Auctioneer	

THURSDAY, NOVEMBER 17, 2005

7-8:00 am	Breakfast Buffet	Bonneville
	Sponsored by: <i>IPC</i>	
8-9:00 am	IPC Report, Frank Muir	Bonneville
9-11:00 am	Ladies gathering	Executive
9:15 am	Joint PGI & UNITED Meeting Continued	Bannock
	*Dave Pahl, Risk Management Agency, Spokane	
10-10:30 am	Break	Atrium
10:30 am	Meeting Continued	Bannock
	*Call in, Congressman Butch Otter	
	*Capitol West Public Policy Group, Boise	
	ISDA Report, Pat Takasugi	
	Tuberworm & other issues	
	*National Potato Council, Dan Moss, President	
12:00-1:30 pm	Luncheon	Bonneville
	*Video, Senator Larry Craig	
	*Jerry Brady, Candidate for Governor	
1:30-2:45 pm	Meeting Continued	Bannock
	*Potato Variety Management Institute	
	*Finish PGI / UNITED Business Meeting	
2:45-4:30 pm	SPGI & UNITED Seed Growers	
4:00 pm	End of Meeting	

SCHEDULE IS SUBJECT TO CHANGE