

Potato ...

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fects would increase sorting costs materially and fix trading at this level.

Growers believe that price has a function and that the trade should be willing to pay a premium for these features if they are wanted. Packs of this kind are available if price warrants packing them.

Marketing Agreements

It is generally understood that the basic cause of low prices is surplus production. But supplies in the last four crop years, which have been surplus years statistically, actually came out just about right at the end of the season because growers diverted small sizes and poorer quality by marketing agreement regulations and the quantity so diverted through-

out the season balanced supply with demand quite well.

Although these diversions to live-stock feed and to starch may very well have prevented disastrous price breaks the fact is that prices remained relatively low.

Nevertheless the general principle of marketing agreements is endorsed and it is recommended that full use be made of the Oregon-California potato marketing agreement order.

Possible Solutions

Some see need for bargaining associations to force better prices justified by the diversions.

The fact is, however, that any arrangement, including government diversion programs and marketing agreements, which tends to insure against losses or which might even temporarily assure profits also tends to encourage continued production even by the less

efficient and so tends to defeat its own ends.

The general law of economics is that in the long run commodities tend to sell for average cost of production including the producers' living costs. This is a basic law even though it is true that the average price of potatoes in recent years has been below cost.

A proposal being advocated by some growers that potatoes be produced within government production allotments based on production history has some merit. Quotas of production rather than acreage would be enforced by penalties for sales in excess of quota. No support prices are involved.

Such a quota system would create a monopoly for existing potato growers. It might effectively bring and maintain profitable prices provided quotas were not set at levels too high to permit better prices.

Growers could effect price improvement themselves by individually and collectively making minor reductions in production as suggested by USDA guides. The 24,000 growers who produce 88 per cent of the crop should be able to see the value of the suggestions but apparently cannot cooperate voluntarily.

Another proposal sometimes heard is a maximum production limit for individual producers. Mechanization has permitted specialization and mass production of potatoes. Although average acreage of the two per cent of the nation's growers who produce 88 per cent of the crop is about 40 acres, some operations grow hundreds of acres and a few operations produce thousands of acres.

Oregon Potato Commission

There is no other equitable way to raise funds needed for unforeseen and ordinary needs of the National Potato Council and Growers Associations needed for adequate grower representation in relations with Federal and State agencies, with the railroads and in promotion and public relations. Continued support for the Potato Commission, the National Potato Council and Klamath Potato Growers Association is recommended.

Recommendations

It is recommended that only lands adapted to production of heavy yields of high quality be used for production of potatoes. It is the opinion of your committee that in years of average competition markets exist for the production of quality table stock and seed from 18 to 20,000 Basin acres. There may be opportunity to increase certified seed acreage by more aggressive selling and by including additional varieties.

This report points to the high costs of producing potatoes. Indications are that potato production will continue to be highly competitive. Consistent returns to labor and management are possible only with high yields and good quality.

Early season vine death, small sizes and low yields caused by Verticillium wilt is a problem which may limit potato acreage here. Continued effort by the Extension Service and Experiment Station to find practical solutions is needed. Certification service and assistance with disease problems is a continuing need.

Support for the Potato Growers Association, Potato Commission, National Potato Council and Marketing Agreement is recommended. Efforts should continue to impress individual growers with the need to apply percentage changes in acreage as suggested by USDA guides.

Increased use of commercial fertilizer has been a major factor in increased yields. Intensive cropping on the other hand has reduced organic matter in soil and has created a greater need for good rotations and use of green manures or animal manure. Experiments with results from green manure crops are desirable.

To avoid incidence of excessive percentages of leafroll caused by necrosis in commercial crops. Seed

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KLAMATH BASIN POTATOES

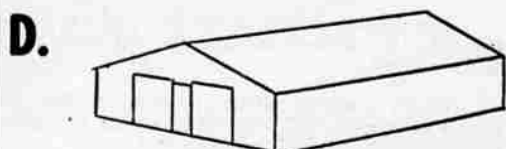
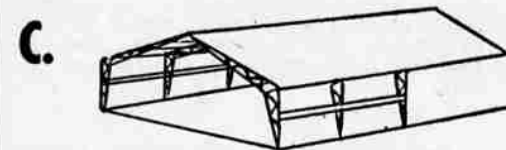
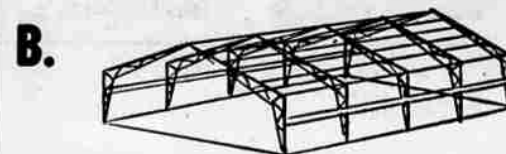
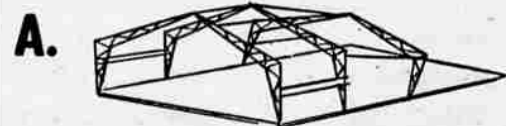
Year	Acre	Yield Cwt.	Cars Sold (360)	Value
1916	230			\$ 3,515.00
1919	224			31,062.00
1922	487			21,129.00
1923	496		10	60,000.00
1924	550		27	29,554.00
1925	1,142	61 (USDA)	135	181,666.00
1926	2,031		425	425,000.00
1927	5,804		825	686,786.00
1928	6,176		1,100	617,925.00
1929	4,215		1,250	1,100,000.00
1930	5,742	127 (USDA)	2,020	1,312,000.00
1931	10,037	134	2,100	663,000.00
1932	8,406		2,065	483,750.00
1933	9,339	179.3	3,113	1,400,000.00
1934	13,920	168.8	5,072	1,750,000.00
1935	14,635		4,172	1,850,000.00
1936	15,284	187.5	6,750	4,800,000.00
1937	20,559	167.1	7,150	1,530,000.00
1938	20,038	206.1	8,776	2,411,068.00
1939	18,890	187.2	7,653	2,568,608.00
1940	19,500	252.0	10,453	2,959,257.00
1941	17,215	216.0	7,933	5,143,842.00
1942	16,510	214.2	7,396	5,894,070.00
1943	24,300	193.2	10,388	9,000,000.00
1944	25,900	220.0	12,555	10,256,400.00
1945	28,098	210.0	12,002	10,229,672.00
1946	24,125	228.0	11,955	8,620,000.00
1947	15,050	208.0	7,264	8,700,000.00
1948	16,500	265.8	*10,663	8,771,400.00
1949	19,227	217.5	* 9,667	8,111,309.00
1950	19,057	302.7	*15,140	6,345,000.00
1951	14,945	270.0	9,266	12,414,547.00
1952	19,961	266.1	11,488	16,405,849.00
1953	24,355	274.8	11,629	7,367,277.00
1954	21,260	210.0	8,900	9,471,000.00
1955	20,200	190.0	* 8,538	6,410,800.00
1956	18,526	279.0	* 9,797	6,484,100.00

*Included in carload totals are Government purchase for support price years; 1948, 2839 cars; 1949, 2250 cars; 1950, 7290 cars; and for feed diversion program years; U.S. No. 2 or better, over 2 inches in diameter; 1955, 775 cars; 1956, 1239 cars.

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