

**BY ELECTRONIC EMAIL**

January 9, 2017

**BULLETIN: CHANGES TO POTATO DELIVERY ALLOCATION**

To all Storage Crop Agencies & Potato Producers,

At the December 20<sup>th</sup>, 2016 Commission meeting Commissioners approved the storage crop committee recommendations on changes to the Red, Yellow and Food Service Potato Delivery Allocation. This bulletin provides further detail on the process and is a follow up to the bulletin(s) that were issued the week of December 12<sup>th</sup>.

**RED & YELLOW POTATO DELIVERY ALLOCATION**

- The delivery allocation category ‘*Fresh Potatoes – Red, Yellow and Other Colours*’ is to be divided into two categories – **Red** and **Yellow**
- A three year (2013/14, 2014/15, 2015/16) straight average % of total BC sales volume for each period is to be used to split the 2012/13, 2013/14, 2014/15, and 2015/16 shipments into Red and Yellow potatoes. This percentage is calculated using volume sold (tons) reported by the storage crop agencies. The % split for each period is as follows:

<b>Table1: Three Year Average - Sales Percentage</b>		
<u>DELIVERY ALLOCATION PERIOD</u>	<b>RED</b>	<b>YELLOW</b>
<b>Period A :</b> Start of New Crop - Jul 31	40%	60%
<b>Period B :</b> Aug 1 - Sep 30	44%	56%
<b>Period C :</b> Oct 1 - Jan 31	44%	56%
<b>Period D :</b> Feb 1 - End of Old Crop	46%	54%

Source: BCVMC Agency Sales Statistics

- For the 2016-17 Crop Year, (from July 2016 onwards), agencies need to split out shipments between Red and Yellow Potatoes and re-submit to the Commission.
- The five year delivery allocation **formula for 2017-18** will be based on actual 2016/17 shipments + the % split applied to 2012/13, 2013/14, 2014/15, 2015/16

- ‘Other Colours’ – At this time there will not be any category established for reporting shipments of ‘all other colours’ of Potatoes. If there is a need to establish this category for managing market access, further discussion by the storage crop committee will be required.
- You can apply the sales percentage split to your 2016/17 delivery allocation report to estimate your allotted Red and Yellow delivery allocation when ordering seed for the 2017/18 production year.
- Table 2 provides an example of how the 2017/18 delivery allocation will be divided into the Red and Yellow categories.

<b>Table 2: Example - Process to be used to Split the Delivery Allocation Category 'Fresh, Potatoes - Red, Yellow and Other Colours for the 2017/18 Production Year</b>											
Delivery Allocation Report for Potato Grower: John Doe											
<u>Current Category Grouping</u>											
<b>FRESH RED/YELLOW/OTHER</b>											
Year	TOTAL	A	B	C	D						
2012/13	100	10	20	30	40	} Historical reported shipments					
2013/14	140	20	30	40	50						
2014/15	180	30	40	50	60						
2015/16	220	40	50	60	70						
2016/17											
<b>TOTAL</b>											
<b>2017/18</b>											
<u>Application of Sales Percentage to actual historical shipments from 2012/13 to 2015/16</u>											
<b>RED</b>						<b>YELLOW</b>					
% Split		A	B	C	D	% Split		A	B	C	D
2012/13		40%	44%	44%	46%	2012/13		60%	56%	56%	54%
2013/14		40%	44%	44%	46%	2013/14		60%	56%	56%	54%
2014/15		40%	44%	44%	46%	2014/15		60%	56%	56%	54%
2015/16		40%	44%	44%	46%	2015/16		60%	56%	56%	54%
2016/17						2016/17					
<b>TOTAL</b>						<b>TOTAL</b>					
<b>2017/18</b>						<b>2017/18</b>					
<u>New Allocation for 2017/18 Crop Year</u>											
<b>RED</b>						<b>YELLOW</b>					
Year	TOTAL	A	B	C	D	Year	TOTAL	A	B	C	D
2012/13	44	4	9	13	18	2012/13	56	6	11	17	22
2013/14	62	8	13	18	23	2013/14	78	12	17	22	27
2014/15	79	12	18	22	28	2014/15	101	18	22	28	32
2015/16	97	16	22	26	32	2015/16	123	24	28	34	38
2016/17	Total for 2016/17	Actual Shipments	Actual Shipments	Actual Shipments	Actual Shipments	2016/17	Total for 2016/17	Actual Shipments	Actual Shipments	Actual Shipments	Actual Shipments
<b>TOTAL</b>						<b>TOTAL</b>					
<b>2017/18</b>						<b>2017/18</b>					
Delivery Allocation	Sum Divided by Five	Sum Divided by Five	Sum Divided by Five	Sum Divided by Five	Sum Divided by Five	Delivery Allocation	Sum Divided by Five	Sum Divided by Five	Sum Divided by Five	Sum Divided by Five	Sum Divided by Five

\*\*\* Actual shipments are to be used for the fifth year - 2016/17 \*\*\*

## **FOOD SERVICE POTATO DELIVERY ALLOCATION**

- The **CURRENT** delivery allocation periods are as follows:

<b>PERIOD 1</b>	<b>PERIOD 2</b>	<b>PERIOD 3</b>
August 1 <sup>st</sup> to September 30 <sup>th</sup>	October 1 <sup>st</sup> to April 30 <sup>th</sup>	May 1 <sup>st</sup> to July 31 <sup>st</sup>

- A new period will be created for 'Start of New Crop to July 31<sup>st</sup>'- this will ensure that new crop is tracked independent of old crop.
- Delivery Allocation entitlement will be based on the average of the last three years of Food Service shipments of new crop over the 'Start of New Crop to July 31<sup>st</sup>' period.
- This information is to be reported to the Commission by each Agency and will be removed from the current PERIOD 3's shipments.
- The **NEW** delivery allocation periods are as follows:

<b>PERIOD 1</b>	<b>PERIOD 2</b>	<b>PERIOD 3</b>	<b>PERIOD 4</b>
Start of New Crop to July 31 <sup>st</sup>	August 1 <sup>st</sup> to September 30 <sup>th</sup>	October 1 <sup>st</sup> to April 30 <sup>th</sup>	May 1 <sup>st</sup> to End of Old Crop

Please contact the BCVMC General Manager if you have any questions about this process and your delivery allocation entitlement for the 2016/17 or 2017/18 crop year.

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Yours truly,



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