



US Market

Background

The US dehy market has a presence at retail, foodservice and as an ingredient, primarily in the production of fabricated potato chips and snacks, but also in some bakery applications, i.e. potato bread, etc.

There are a limited number of manufacturers, all privately owned.

- The retail market in supermarkets is approximately \$330 million and 100 million pounds, following several years of declining volume. The retail market is dominated by four players, including private labels, which, combined, have an 80 percent+ share.
- Penetration into the foodservice market is primarily in the B&I segment (mass feeders/colleges/hospitals/etc.), with limited usage in other segments, except one major QSR.

Challenges

Retail

- Current category description, e.g. dehy or instant, remind consumers of dehy product of old where taste, texture and flavor representation were significantly different (not in a positive way) from the quality of product on the market today.
- Baggage around old perceptions of the product impedes trial of today's high quality product.
- Lagging trial with current products dis-incentivizes manufacturers from further innovation in this category
- Fresh/Frozen/refrigerated alternatives

Foodservice

- Perception – not as good as fresh
- Frozen/refrigerated alternatives

Retail & Foodservice

- Coordination and commitment by all dehy potato product manufacturers to change the marketing of their products to align with newly researched and tested consumer and foodservice category descriptors

Ingredient

- Cost vs. corn
- Lack of information/support data
- Extremely competitive and proprietary industry

Resolution

Support the industry by conducting dehy category descriptors research.

Following one-on-one meetings with the dehydrators, it was determined, by them, that using a mix of qualitative and quantitative research methods to execute a research program that would develop consumer and foodservice-friendly, benefit-oriented descriptive terms to identify and describe the dehydrated potato category for both consumer and foodservice targets would potentially provide the biggest benefit for dehy. The goals of this strategy include:

- Develop new, contemporary, benefit-oriented descriptive terms for dehy potato category
- Increase positive taste associations of dehy potatoes with those of fresh potatoes
- Improve consumer perceptions of the generic dehy potato category
- Increase demand for dehy, resulting in higher prices on the open market

Dehydrated Potato Products <i>US Market</i>	
<i>Growth Strategy</i>	<i>Productivity Strategy</i>
<p><i>Increase use of dehy</i></p> <ul style="list-style-type: none"> • Conduct dehy category descriptors research • Communicate the new dehy descriptive language to all processors 	<p><i>Develop new category descriptive terminology</i></p> <ul style="list-style-type: none"> • Execute a research program that would develop consumer and foodservice-friendly, benefit-oriented descriptive terms to identify and describe the dehydrated potato category for both consumer and foodservice targets • Communication of results to industry • Media coverage of research results and additional coverage for processors planning to use new dehy descriptive language