

## 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, *having increased slightly in 2008 following several years of declining volume*. The retail market is dominated by four players, including private labels, which, combined, have over an 80 percent share.
- Penetration into the foodservice market is primarily in the Business & Industry segment (mass feeders/colleges/hospitals/etc.), with limited usage in other segments, except one major QSR.

### ▶ CHALLENGES

#### *Retail*

- Dominated by non-producers who look at product as part of a shelf portfolio
- Difficult to find/locate
- Limited consumer awareness of improved product or even that it exists

#### *Foodservice*

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

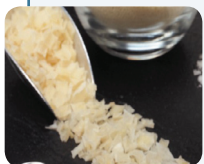
#### *Ingredient*

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

### ▶ RESOLUTION

#### *Support the industry in its ability to increase demand by expanding usage opportunities for Dehy.*

Following one-on-one meetings and a group meeting with the dehydrators, it was determined, by them, that application studies, specifically in the bakery arena, would potentially provide the biggest benefit for dehy, both within the US and international markets. *Therefore, the American Institute of Baking (AIB) was retained to help identify opportunities in high volume bakery applications. Results showed use of dehy in muffin production resulted in a 25 percent reduction in fat content, as well as other positive benefits such as increased shelf life.*



# DEHYDRATED POTATO PRODUCTS

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### GROWTH STRATEGY

#### *Increase use of dehy*

- Identify new usage opportunities, specifically within the baking industry
- Communicate the new applications to processors and bakery industry

### PRODUCTIVITY STRATEGY

#### *Develop new bakery applications*

- Technical support of development
- Support processors in developing markets with the application(s)