



UNITED STATES  
*Potato*  
BOARD



**Maximizing Return on Grower Investment**

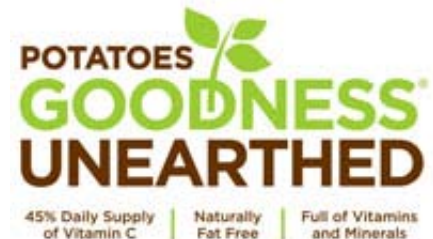
POTATOES  
**GOODNESS  
UNEARTHED**

## “What’s News?”

*Fourth Quarter 2009, Year-to-Date*

**Industry Nutrition Campaign: “Potatoes...Goodness Unearthed®” consistently ranked high by consumers to improve their opinion of potatoes AND to cause them to purchase**

- The USPB’s highly tested, new “Peel Back the Truth” print ad campaign completed its first year with 15 ad insertions across 8 magazines, generated over 90.3 million impressions and reached 45% of the target audience, or approximately 35.6 million of our target consumers.
- The three ads each featured a potato, Russet, Red or White, with ad copy debunking negative nutrition myths about potatoes.
- Both the ads and the magazines selected spoke directly to the “Linda” target audience (women 25-54 with children under 18 years of age in the home).
- Additional \$333,380 in value-added activities was negotiated on the USPB’s behalf, extending the reach of the campaign.



- In summary, the “Peel Back the Truth” ad campaign was very effective in motivating consumers to buy potatoes, while at the same time, improving their opinions about potatoes. These are the top two measures in determining ad effectiveness based on their indication to measure an active response to our messaging.
- VISTA Print Effectiveness Rating Survey, a reader survey measuring reader involvement and advertising effectiveness, reported on three of our ads. Final averages on key measures using VISTA reports are:

Publication	Month	Potato Variety	More Favorable Opinion	Consider Purchasing Product	Purchase Product	Any action taken
<i>Southern Living</i>	January	white	21%	27%	39%	76%
<i>Women’s Day</i>	February	red	14%	19%	29%	70%
<i>Redbook</i>	March	red	21%	14%	39%	70%
<b>Average</b>			<b>19%</b>	<b>20%</b>	<b>36%</b>	<b>72%</b>



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- The new 2010 advertising plan was approved by the USPB Domestic Marketing Committee May 28, 2009. The plan reaches more of our target audience than ever before, with 27 ads in 10 magazines, delivering a 50% increase in impressions, 6% increase in reach, and 7X increase in frequency. Also, the new advertising campaign will include online advertising reaching users of MyRecipes.com and AllRecipes.com, two sites frequented by Linda.
- Sterling-Rice Group also negotiated over \$475,000 of value-added activities, taking place between September 2009-May 2010.

For more information, or to receive the Campaign Signature art files and design guidelines, or to request review of proposed marketing materials, contact David Fairbourn at [david.fairbourn@uspotatoes.com](mailto:david.fairbourn@uspotatoes.com) or 303-873-2331.

## Nutrition

The USPB Nutrition Program's goal is to keep the good nutrition of potatoes in front of consumers. Research continues to say this is the most effective message for motivating consumers to enjoy more potatoes. In total through Q4 2009, the USPB has reached more than 307 million consumers with potato nutrition information and recipes.

- Public relations and the dissemination of nutrition messaging are generally most effective when leveraged with third party credibility, such as media personnel and nutrition experts. In order to bring potatoes top of mind for those influencers, the USPB has enlisted 3 Registered Dietician (RD) Ambassadors and is building relationships with top tier contacts through "Influencer Dinners" in the nation's largest media markets – New York City, Chicago and Los Angeles.
  - In April, the USPB met with an elite group of RDs and nutrition influencers in Los Angeles, including Lena Birnbaum, associate editor, *Bon Appétit*; Victoria von Biel, executive editor, *Bon Appétit*; Sarah Fuss, editor, *Yahoo! Food*; Devin Alexander, USPB ambassador and host of "Healthy Decadence" on Fit TV; and Christine Avanti, certified celebrity nutritionist and national media contributor.
  - To date, several media placements have been secured as a direct result of the USPB influencer dinners held in New York City, Chicago and Los Angeles, including:
    - An article titled, "Speedy Spuds: Potatoes fit into fast meals," by Deb Pankey, with a focus on nutrition on a budget. The article ran in the *Chicago Daily Herald* and was syndicated more than fifty times in additional online and print outlets.
    - Christine Avanti's appearance on both the "700 Club" and "TODAY Show" included potato nutrition mentions.
    - Nutrition Twins Lyssie and Tammy Lakatos will include a USPB recipe in their upcoming nutrition book.
    - Christine Palumbo requested a fiber-rich, kid-friendly recipe and photo for her September "Good Sense Eating" column in *Chicago Parent* magazine.
  - Through relationships with 3 hand-selected RD Ambassadors, which frequently appear in the media nationwide, the USPB secured the following potato nutrition placements in Q4:
    - Chicago RD Ambassador David Grotto appeared on the ABC affiliate in Chicago to speak about the "Top 5 Foods Real Men Should Eat," including potato and potassium messages on Thursday, June 18, 2009
    - Los Angeles RD Ambassador Devin Alexander appeared on "Good Morning America Health" on June 9 for a segment titled, "Healthy Versions of Food Favorites," in which she demonstrated a healthy potato salad and discussed several potato nutrition points. She also appeared in a [www.Guideposts.com](http://www.Guideposts.com) video interview featuring potatoes as one of top three ingredients in her kitchen. Additionally, Devin included nutrition messaging and a potato salad recipe included in the upcoming August issue of "Fitness Rx".
    - New York City RD Ambassador Katherine Brooking secured an article titled, "Eat More, Weigh Less" in the April issue of *Woman's Day*, featuring potatoes in menu planning and a "filling foods" call-out.
- Potatoes continue to be featured in consumer magazines. In Q4 2009, highlights included *Better Homes & Gardens*, *O, The Oprah Magazine*, *Fitness*, *Woman's World*, *Men's Health*, *Health* and several additional syndicated placements of the Jill Wendholt-Silva "Nutrition on a Budget" article and an Associated Press potato nutrition article by Jim Romanoff.
- In Q4, the USPB partnered with the Meal Makeover Moms to further expand online visibility of potatoes and spread positive nutrition messages throughout the Web. As a result:
  - The USPB campaign signature is posted on their blog sidebar with a link to [www.potatogoodness.com](http://www.potatogoodness.com).
  - The USPB provided a potato prize pack and \$100 Visa Gift card for a "Nutrition on a Budget" themed giveaway on their blog, which received 122 comments.
  - The Meal Makeover Moms recorded a potato nutrition podcast, posted healthy Smiley Face Potato Casserole and Healthy Potato Salad recipes on their blog and included potato mentions/Web site links in the newsletter, which reaches 6,000 readers, including several nutrition influencers and mommy bloggers.
  - The Meal Makeover moms filmed a baked potato video which was posted on [www.everwell.com](http://www.everwell.com) and runs in doctor's offices across the country.
- "Nutrition on a Budget" continues to be a primary charge of the USPB's consumer nutrition communications efforts. In total, the USPB has reached more than 86 million consumers with information specific to "Nutrition on a Budget."

- The USPB co-sponsored a full-page feature, with three new recipes, titled, “Nutrition on a Budget.” Through Q4, the full-page feature resulted in a total consumer reach of 15,994,893, via both print and online placements.
- Every summer, consumers are hungry for the latest and greatest potato recipes, and the USPB is always there to fulfill that demand. For that reason, the USPB created four new potato grilling recipes: Grilled Pesto Potato Salad, Grille Potato Dippers with a Trio of Sauces, Cookout Potatoes and Grilled Potato Kabobs with Lemon-Herb Drizzle. In order to spread the word, the USPB delivered these recipes and accompanying photography to nearly 500 newspaper, magazine and online media contacts nationwide. In just three short weeks, food editors and writers were catching on and publishing these healthy, convenient and budget-friendly grilled potato recipes in newspapers and on Web sites in every corner of the country.
  - Through Q4, 29 placements were secured in newspapers including the *Metro West Daily News*, *Daily News Transcript*, *Daily News Tribune*, *The Ledger*, *The Bismarck Tribune* and the *York Dispatch*. Additionally, these recipes and images are gracing Web sites and blogs including that of the *Daily Gazette*, *Victorville Daily Press*, *Roanoke Times*, *Canton Repository*, *Orlando Sentinel*, [www.blisstree.com](http://www.blisstree.com), [www.BBQ.About.com](http://www.BBQ.About.com) and the Food Network’s new site, [www.Food2.com](http://www.Food2.com). In total, 2,758,588 consumers were reached through Q4 in online and print media, with additional results anticipated in FY2010.
- USPB nutrition consultant, Dr. Katherine Beals, participated in the 2010 Dietary Guidelines Committee meeting in late January and webcast April 29-30, as follow up to the written testimony submitted on the industry’s behalf, emphasizing the nutritional benefits of the potato, including the important role potatoes play in providing potassium in the diet. No strong controversies were detected during the webinar, and nothing was particularly threatening to potatoes. It appears as though the recommendations made by the 2005 Dietary Guidelines Committee and the committee will likely not recommend any specific dietary guideline(s) to reduce potato intake. Monitoring of the Dietary Guidelines Committee meetings will continue in FY2010, and the USPB is prepared to provide both additional written and oral testimony if needed. New dietary guidelines are expected to be released in fall of 2009.
- In order to ensure the USPB is ready to combat news touting the adverse health effects of acrylamide with positive messaging about the nutritional benefits of potatoes, a strategic plan is in place. To that end, the USPB has begun identifying third party spokespeople and identified a response team, continues to monitor the media for acrylamide news, and has drafted message points to provide clear, cohesive and well-founded points for quick response to the issue.

## Foodservice

The goal of the Foodservice Program is to get *more potatoes*—and especially healthy potato salads and sides—on menus nationwide.

- 22 students from the Culinary Institute of America in Hyde Park, NY, entered the USPB’s “Hot Potato Ideas” contest. Recipes were judged at the Ketchum Food Center, and winners were selected in three categories: Healthy, Ethnic and New Classics. The grand prize was awarded to William Smith for his Ethnic category recipe, “Cheesy Southwestern Potato Crisps.” “Indian Spiced Potato and Spinach *Baje*”, by Adam Kaswiner, won in the Ethnic category; Mariss Hines’ “Not Your Grandmother’s Perogi” was the New Classics winner. A release announcing the winners was sent to national foodservice publications.
- Recruiting is underway for the Sixth Annual “Menu Innovations with Potatoes” seminar at the Culinary Institute of America at Greystone (Napa Valley). To date, chefs from Gordon Biersch Brewery, Champps, Landry’s Seafood and O’Charley’s restaurants have signed on for the accredited, two-day seminar. And this year, for the first time, USPB has invited chefs from the top potato processing companies—Lamb Weston, McCain and Simplot—to participate. Daniel Patterson, of the renowned Coi Restaurant in San Francisco, will be USPB guest chef for this exciting seminar, scheduled for September 27-29, 2009. To date, 52% of the restaurant and multi-unit chains that have attended the seminar have added or tested new potato items.
- Monkeydish, one of the most popular chef sites, reported chefs had spent over 800 hours viewing USPB potato demos. The demos feature well-known chefs, such as Nancy Silverton and Joyce Goldstein, preparing healthy, innovative potato dishes.
- The second potato innovation brochure, using the best ideas and techniques of the seminars, is complete. Visit [www.potatogoodness.com](http://www.potatogoodness.com) and click on foodservice to view.
- 50% of chefs who attended the fourth “Menu Innovations with Potatoes” seminar at the Culinary Institute of America (October 2008) have added new potato items to their menu or requested menu assistance. **Highlight:** Lone Star Steakhouse rolled out twice-baked and fresh mashed potatoes. Lone Star estimates they’ll sell 1.3 million orders of twice-baked potatoes in 2009, or 685,714 lbs. in 288 restaurants. The introduction of *fresh* mashed potatoes increased Lone Star’s mashed potato sales 20%.
- Sodexo, one of the nation’s largest foodservice management firms, featured potatoes in its March 2009 “Produce of the Month” promotion in 3,700 K-12 schools. This USPB-sponsored promotion included themed “Top It Off!” potato merchandising materials, featuring fun facts about potatoes and their nutritional benefits. Top line results: Sodexo purchased 20% more processed potatoes in March 2009 (\$630,673) versus March 2008 (\$524,855). Fresh potatoes were also used, but data is not available.
- The USPB launched a “Hot Potato Ideas” recipe contest with students at the Culinary Institute of America in Hyde Park, NY. 21 entries were received.

## Domestic Marketing Overview

The US Potato Industry is huge, competitive and diverse – but regardless of the segment – it's consumer driven!! Information is power and should support decisions you make in your business.

The USPB Domestic Marketing Program is a long-term, strategically-based program designed to help the industry gain a deeper understanding of the target potato consumer. The USPB Domestic Marketing Program supports the industry's ability to respond to the changes taking place to reconnect potatoes with today's time-starved, convenience-seeking, value-minded consumer.

- Microwaveable “Steamable” Vegetable category analysis recently completed and distributed.
- 2008 Retail Promotion Analysis complete and distributed.
  - This analysis is an update of the original analysis done in 2006. The 16 retailers from the 2006 analysis were used in the 2008 refresh to maintain consistency and for accurate comparisons.
  - An additional case study was conducted with a subset of the 16 retailers to understand the impact of promotions on retailer gross profit using cost data as well as retail price data.
  - A total of 1,114 promotions, including Circular Promotions and Temporary Price Reductions (TPR's), were used in this analysis.
  - Recommendations include an understanding of both the retailer case study, as well as the best practice findings across all 16 retailers.
- Second Quarter 2009 (April-June) Nielsen Scantrack sales data for Fresh, Frozen, Refrigerated, Dehy and Chip is now available. Pound and dollar data is by the nine Nielsen regions. Here's a look at the supermarket fresh bagged potato data:
  - The 5-pound size lost the most volume (4-6.5 lb, -5.8%), with 10-pound bags holding their own (8-15 lb, +0.3%).
  - All types were off, with whites losing the most volume (-16.3%), while the market dominant type, russets, were down only 0.2%. Specialty products (selling at \$3/pound or more) were again up, but on a very small base.
  - All regions were off in pounds except the Pacific (+8.4%) and South Atlantic (+0.9%).
- **Consumer Segmentation Analysis** is complete and training has been conducted to assist fresh shippers in sharing this with their retail accounts.
  - Key takeaways indicate consumer group members found the new potato hierarchy not only logical and consumer friendly, but an innovation that is extremely necessary for the potato category. However, many of the product examples given are not products available from the category today, indicating innovation work is necessary to meet the needs of several consumer groups or to maintain and/or gain their interest.
  - This analysis is an update of the Consumer-Based Segmentation work completed in 2000 when USPB first began their strongest work at retail by creating a consumer-driven category.
  - Two focus groups and 1,000 internet surveys were conducted to create a set of learning's that would gain a better understanding of consumers:
    - Comprehension of new potato concepts and how they differ from each other;
    - Acceptance and likelihood to purchase new types of potato products;
    - Expectations regarding merchandising, price, serving size, shelf life, etc.
- Recently, the USPB hired the Perishables Group to conduct a “Shopping List Study”, an in-store survey with consumers who purchased fresh potatoes to understand potato consumer purchase behavior and, more specifically, the degree to which fresh potatoes are a planned purchase. The USPB also wanted to gain insights into the drivers of planned purchases and the in-store factors that spur unplanned purchases. Key takeaways include:
  - Nearly 60% of shoppers keep potatoes on hand at all times
  - Consumers with two or more children are more likely to have potatoes on hand at all times; however, only half of singles, couples and empty nesters claim to have potatoes on hand at all times.
  - Drivers of unplanned purchases vary significantly across the regions. Nearly 70% of Midwest shoppers cited promotions as a primary purchase influencer, while almost half of shoppers in the Northeast and West regions cited the display as the driver.
  - More than half of mainstream store shoppers cited promotions as a key influencer, while upscale shoppers cited the display as the primary purchase driver. Value shoppers are most likely to have products on hand, yet are least likely to have potatoes on their list.
- The current economic environment has impacted consumer shopping behaviors and grocery sales, including both center of store and perimeter, and across a multitude of categories. Based on these constraints, USPB and the Perishables Group recently conducted a study on “the impact of the economy on the specific category best practices”. As a result of the study, the top performing retailers in the category were evaluated to understand their strategies and tactics across 3 key best practice areas: assortment, pricing, and promotion. Perishables Group evaluated nearly 100 retailers in their data universe to identify retailers who had seen growth in dollars and volume during Q2, Q3, and Q4 of 2008. The top five performing retailers focused on the following:
  - Focused efforts on selling high volume bargain products; high bargain volume spurred healthy dollar growth
  - Scaled back sets to include fewer high-end items, while still maintaining a good mix of products across all segments of

the category.

- Maintained smaller price increases on low-retail items
- Promoted the entire category, less than the national average, but promoted the bargain segment more; driving dollar and volume growth

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## International Marketing Overview

The USPB International Marketing program works to create new market opportunities for all US potato growers. This is accomplished by a set of strategies designed to open up new markets to US potatoes and products, increase access to current markets, introduce new US products to foreign markets, develop new channels for US products in the foreign markets, increase consumer demand for US potatoes, deliver positive potato messaging and counteract regulatory and food safety issues.

- US potato exports were a record \$1.2 billion for fiscal year 2009 (FY09), up 9% by value over FY08.
- Frozen potato exports account for over 50% of the total and were up 10% by value and 4% by volume, despite a significant decline of 9% in exports to Mexico caused by the retaliatory duty placed on US frozen potato products due to the NAFTA trucking dispute, the continued devaluation of the peso and the severe economic recession gripping Mexico.
- Fresh (table & chipping) potato exports grew 14% by value, but were down 4% by volume due to the 19% decline in export volume to Mexico.
- Exports of dehydrated potatoes for FY09 were off 5% by volume, but up 1% by value, reflecting the much higher dehy prices.
- Seed potato exports continue to grow as the USPB program has successfully created demand in Uruguay, Brazil, Nicaragua and the Dominican Republic.
- The FY10 International Marketing Program is promoting US frozen and dehydrated potatoes in Japan, China, Mexico, Korea, the Philippines, Malaysia, Thailand, Indonesia, Central America and Vietnam. Promotional work is being conducted in Hong Kong, Singapore, Malaysia, Mexico, the Philippines, Thailand, Japan and Central America for table-stock and chip-stock potatoes. The seed export program is being carried out in Nicaragua, the Dominican Republic, Brazil and Sri Lanka.

## Table-Stock – Domestic/Retail

Increasing demand for fresh potatoes, by responding to the consumer, is the goal of the Domestic Table-Stock program through the Best In Class (BIC) and Best In Class Fast Track Program. The implementation of the core best practices has produced positive results with all USPB retail partners. The program is supported with research, and several training programs are available through the USPB to help grower/shippers take their accounts to the next level.

- The **Best In Class** program continues to work with new retail partners by expanding its presence this year with Meijer, a Grand Rapids, MI-based retailer with nearly 200 stores utilizing a super-center format with grocery as well as consumer goods.
  - Giant Food Stores, a Harrisburg, PA-based retail partner completes its third year as a Best In Class partner outperforming their competitive rest-of-market (ROM) by 17% in dollar sales based on the latest 52 weeks of data.
  - The Best In Class program at Jewel has closed as their corporate parent, SuperValu, asked that division-level category reviews cease while they implement a nation-wide potato program, to be driven from their Minneapolis headquarters. In an effort to share consumer and category knowledge that may assist SuperValu in creating their plan, the USPB Retail Team met with the retailer and has plans to conduct a Retail Outreach presentation as their first for FY10.
- Final results are now available for both the Price Chopper and Hannaford Brothers **Best In Class (BIC) Fast Track** test, with the Stater Brothers test scheduled to wrap-up by mid-July. USPB is excited to announce both tests were a success in terms of driving incremental category sales. BIC Fast Track proves the known category best practices in a subset of the retailers' stores (~15 stores) for a 12-week period. Implementation includes recommendations for each facet of the category, based on assortment, pricing, promotion, and merchandising recommendations.
  - The Price Chopper BIC Fast Track test was conducted from February 7, 2009 – May 2, 2009. During the test period, Price Chopper test stores saw nearly 22% growth in volume compared to year ago. This is compared to the nearly 20% growth by control stores and only 8% growth in the test ROM. Detailed analysis will be completed to fully understand all aspects of the test.
  - The Hannaford BIC Fast Track test was conducted from February 28, 2009 – May 23, 2009. During the test period, Hannaford test stores experienced the largest growth velocity. While the Hannaford test stores experienced a 1.5% growth in volume, both the test ROM and control stores experienced declines. Hannaford test stores experienced over 20% growth in dollars compared to year ago, while test ROM and control stores saw 16% and 17%, respectively.
- The goal of conducting 10 Retail Outreach presentations in FY09 was met in Q4 with a visit to Schnuck's and Safeway Corporate Headquarters. In an effort to work with fresh suppliers and retailers we have not worked with in the past, USPB asked the industry to nominate their retailer for a Retail Outreach Presentation. Six of ten retailers were nominated by their current

suppliers for an Outreach presentation, five of the ten resulted in participation in an FY09 USPB-driven program. The ten retailers included: (\*Denotes supplier nominated the retailer).

- \* Martin's Super Markets, South Bend, IN - 20 stores - presentation only
  - \* Meijer, Inc., Grand Rapids, MI - 190 Stores - NEW Best In Class Partner
  - \* Price Chopper, Schenectady, NY - 116 stores - NEW Best In Class Fast Track Partner
  - Lund's/Byerly's, Minneapolis, MN - 21 stores - NEW Best In Class Fast Track Partner
  - SuperValu, Minneapolis, MN - 1,233 stores - presentation only, discussions for future work
  - \* Hannaford Brothers, Scarborough, ME - 166 stores - NEW Best In Class Fast Track Partner
  - \* Stater Brothers, Los Angeles, CA - 160 stores - NEW Best In Class Fast Track Partner
  - Kroger Corporate, Cincinnati, OH - 2,478 stores - presentation only
  - \* Schnuck's, St. Louis, MO - 103 stores - FY10 Campaign Signature Test Partner
  - Safeway Corporate, Pleasanton, CA - 1,510 stores - presentation only, discussion for future work
- In an effort to offer fresh supplier training in shorter, more-focused and easier-to-attend formats, 7 web-based industry trainings were offered this year. Attendee feedback and participation indicates this kind of training is the best vehicle moving forward. This year's topics included:
    - Promotional Best Practices
    - Utilizing USPB Data Tools - *conducted twice*
    - Executing Campaign Signature Resources
    - Consumer-Based Segmentation
    - Pricing Consumer Research Project
    - 2008 State of Produce
- In FY08, over twenty "convenientized" potato recipes were created to overcome the consumer perception potatoes are not a convenient dish. The USPB Retail Team continues to share these recipes and offer their use with retailers through the Retail Outreach presentations.
    - This year, 4 convenience recipes, including fast-prep tips, were used at point-of-sale on a recipe tear pad with Fast Track retail partner, Price Chopper. Best In Class partner, Jewel, utilized a convenience recipe in a print ad.
  - Making fresh potatoes more convenient for today's time-starved consumer will support getting potatoes back on the table. This year, the Innovation Program's emphasis has been on refining and moving new products into the marketplace. The new Masher Bowl Concept test launched in five Jewel stores in the Chicago market in February 2009. The Masher Bowl Concept includes all the ingredients needed for consumers to prepare fresh, sour cream and chive mashed potatoes in 10 minutes.
    - In-store signage touting the convenience of the item as well as three weeks of in-store demonstrations helped communicate the value-added features and nutrition of this new, fresh potato offering.
    - During the test period, dollar sales were \$882 accounting for 219 masher bowls in the five stores that carried the new product.
  - The discoveries of the Innovation Program are part of an integrated marketing effort being used in the USPB's public relations and foodservice programs to continually bring new news and excitement to US Potatoes.
  - Two "Potatoes...Goodness Unearthed®" campaign signature tests were completed recently after a March 2009 launch. Test stores agreed to do nothing else out of the ordinary except utilize USPB-created, point of sale signage at the potato table that capitalized on the ad campaign success by utilizing those same images. Results will be available in late August 2009.
    - An 11" wide x 7" high point-of-sale sign, capitalizing on the success of the "Peel Back the Truth" ad image, is being tested with a tri-fold, take-away recipe brochure at the potato table in twelve Hannaford Brothers stores in Maine.
    - A 22" wide x 28" high stanchion sign with the "stacked" potato image on one side and variety information on the other, along with a tri-fold, recipe brochure attached to the sign, is being tested at 15 Stater Brothers stores in the Los Angeles market.
  - The *State of the Potato Category Newsletter* was released 6 times this year via e-mail to all fresh growers, shippers and retailers. Issues were delivered in September, October, December, February, March and May, with the September 2008 and March 2009 issues delivering mid-year and full-year sales data reviews, including analysis for each region. **If you are interested in receiving the *State of the Potato Category Newsletter*, please contact USPB Director of Retail Marketing Carroll Graham, 303-369-7783 or [carrollg@uspotatoes.com](mailto:carrollg@uspotatoes.com) to be included on this e-mail list.**
  - *Fresh Grower-Shipper Updates* were distributed to deliver the latest information to the fresh industry. **Contact USPB Assistant Manager, Industry Communications & Policy Alexandra Imhof at the USPB, 303-369-7783 or [agrimm@uspotatoes.com](mailto:agrimm@uspotatoes.com), to be added to this list and receive valuable information for your business.**

## Table-Stock – International: Increasing International Demand for US Potatoes

The USPB works to increase the export of fresh table-stock potatoes through efforts to open foreign markets. Phytosanitary barriers still restrict access to US potatoes in many markets such as Mexico, Japan, the Philippines and China.



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In markets where the US can ship, such as Hong Kong, Malaysia and Singapore, consumers are being taught about the excellent nutrition from US potatoes and how they can incorporate them into their diet through uses in Western, as well as local cuisines.

- The USPB helped fund in-store retail promotions in Hong Kong, Singapore, Malaysia and Mexico, resulting in sales increases ranging from 20 to 200 percent.
- 9 retail chains increased their selection of US potato varieties for at least 6 months during the year.
- 26 new menu items featuring US potatoes were launched at restaurant chains in Singapore, Malaysia and Hong Kong.
- 7 trade leads were generated, resulting in net new sales of US table-stock potatoes.
- Employees at 98 supermarkets were trained in proper storage and handling of US potatoes. Stores reported reduced shrinkage as a result of the adoption of these practices.
- The positive potato nutrition message was delivered to literally millions of consumers in all markets through press releases utilized by the print, web based and television media, cooking classes and demonstrations, school programs and in-store materials.
- The first ever USPB international chef training program for table-stock potatoes was held in Singapore. The event attracted 32 chefs from Malaysia, Hong Kong and Singapore. Over a 2-day period, the chefs learned about US potatoes, new potato culinary trends in the US and how to incorporate US potatoes into local cuisines. The chefs also got a chance to prepare some dishes on their own using a number of different US table-stock varieties.
- Thailand agreed to an import protocol for US table-stock potatoes.
- The USPB, in conjunction with the Pacific Northwest state potato organizations, NPC and USDA, hosted a delegation of Russian plant protection officials. The visit culminated in the signing of a phytosanitary agreement for US fresh potatoes to enter Russia, the first such agreement between the US and Russia signed for a fresh vegetable.
- The USPB met with Vietnamese plant health officials in Vietnam to discuss market access for US fresh potatoes and then hosted them on a visit to see potato fields in California. An agreement in principal has been reached and is pending the completion of the pest list by the Vietnamese.
- The government of Panama was convinced to change its requirements for area freedom for Purple Top on US potatoes, resulting in a resumption of exports to this market.
- An import protocol for US fresh potatoes was signed with Nicaragua.

## **Frozen – Largest US Potato Export Category**

The USPB is working to expand the export of frozen potato products through the introduction of new products, new uses and new channels. Demand is also being built through the inclusion of frozen potatoes into local cuisines and the delivery of a positive nutrition message for potatoes in all markets. In emerging and developing markets, the superior quality and value of US frozen potato products is driven home.

- 48 restaurant chains in the target markets added, upgraded or switched to US products from competitors in FY09.
- 18 retail chains began carrying US frozen potato products or expanded the selection of US products stocked.
- 25 alternative channels were tapped, including 1,200 push carts in Indonesia, movie chains in Malaysia and Mexico, TV home shopping networks in Korea and Chinese restaurants in Japan.
- Five new importers and distributors began importing US frozen potato products in Central America, Malaysia and China.
- 53 new frozen potato items or menu items, made with US frozen potatoes, were introduced at restaurants in Japan, China, Korea, Mexico and Malaysia.
- Over 200 positive potato messages, based on the nutrition, quality and convenience of frozen US potato products, were conveyed in all markets through seminars, trade shows, press releases and websites.
- Employees at more than 1,000 restaurants in the target markets were trained in proper storage, handling and preparation of US frozen potato products.
- Working with the American Potato Trade Alliance (APTA), the USPB was able to convince Japan to change its labeling requirements for Coliform on US frozen potatoes.
- Thirty-seven importers and distributors and staff from various frozen target markets came to Washington State to attend an educational Reverse Trade Mission (RTM). The program began with tours of harvest and storage, followed by tours of the frozen processing facilities and presentations on new frozen products. The group then learned about proper cold chain management and new applications and trends for frozen potato products in US cuisine.

## Chip-Stock – Domestic

Through a 20-member Grower Chip Committee, USPB is supporting industry efforts to improve grower returns through education, networking and new variety trials and development for consumer product improvement.

- The Chip Committee continued its chipping potato variety testing, stem end research and “fast tracking” chipping varieties with good potential. The committee also continued its investment in “Zebra Complex” studies. All these activities are designed to help chippers provide the consumer with a great end product.
- The USPB Administrative Committee approved additional funding to the fiscal year FY09 (July 1, 2008 – June 30, 2009) budget to immediately hire a manager for the Chip Program. AIS Consulting LLC’s principal, David Parish, and Charlie Higgins were hired to manage the USPB Chip Programs.
- The USPB Domestic Marketing Committee granted the Chip Committee’s requests for increased budget in FY10 (July 1, 2009 – June 30, 2010).
- Innovation program is progressing forward. For Chipping Potatoes, the Innovation Program’s emphasis has been on refining and moving new products into the marketplace. There are a total of three new chipping potato products: a Frozen Chip (a.k.a “Export Chip”), a Microwave Fry and a Microwave Wedge.
  - A meeting was held with Frito-Lay, Inc, Lamb-Weston, Simplot and McCain’s to demonstrate these new products.
  - Potential impact of the meeting will take time to develop, however, interest in obtaining chipping varieties for testing has been expressed by three processors.
  - Next processor to be visited will be Heinz.
  - Follow-up discussions are ongoing with those who have received the product concepts to determine if any additional support is needed.
- Zebra Chip research efforts on a control appear to be having an impact. Initial results for South and West Texas crops appear to be positive, with defect running below prior year’s performance.
- The current fast track program is delivering positive results. C095051 and MSJ147-1 were stored through the first week in May, representing a potential advantage over Snowden, which is the current industry standard.
- Health and wellness has been added to the FY2010 budget. Industry wide issues are currently being discussed with key regional chippers.
- Reviews of industry wide opportunities and the chip sector programs have been reviewed with Utz, Lance, Tom’s, Herrs, Cape Cod and Kettle Brands.

## Chip-Stock – International: Creating International Markets for US Chipping Potatoes

Internationally, the USPB is working to create new markets for US chipping potatoes, by indentifying new markets through research, bringing buyer and seller together with trade missions and reverse trade missions, supplying foreign processors with samples of US chipping potatoes and providing technical assistance with variety selection, shipping, and storage and handling at the plant.

- 3 new buyers in the Philippines, Thailand and Central America began importing US chipping potatoes in FY09.
- Chip manufacturers from the target markets in Asia were brought to Oregon and California to learn about US chipping potatoes.
- 15 participants from 6 countries got to see harvest and storage in Oregon, while also learning about different US varieties, including some reds and purples. The tour then moved to California where potatoes were still growing in the fields.
- The week concluded with the Chipping Symposium where they got to meet more US growers and shippers, and both sides learned about supply and demand, as well as the impact of proper storage, handling and shipping on final chip quality.
- Sample shipments of multiple US varieties were sent to processors in Thailand, Malaysia and the Philippines.
- Research on the potential market for US chipping potatoes in Vietnam was initiated.
- Based on extensive input from the US potato industry, Japan returned its sampling rate for MRLs to normal levels.
- Shipments of chip-stock potatoes from storage were shipped to Japan for the first time.
- Improved access for US chipping potatoes to Taiwan and Korea was achieved.

## Dehydrated – Domestic

- The American Institute of Baking (AIB) was retained to help identify opportunities in high volume bakery applications. The study is complete and available.
- Results of the study show the use of dehy in muffin production resulted in a 25% reduction in fat content, as well as other positive benefits such as increased shelf life.
- Summary reports are ready to be used by dehyers and the USPB to present /sell concept to manufacturers.

## Dehydrated Exports – International: Supporting All Growers

The USPB is promoting the use of US dehy in a wide variety of products and dishes to be made in international markets. This requires extensive technical research and expertise into use and benefits of dehy in a wide array of applications. New usage information and ideas are distributed through trade shows, seminars and one-on-one technical meetings. Potential customers are given samples to use in their product development and promotional support to assist with new product launches. The USPB is also working to increase the use of dehy in US government-funded international food aid programs.

- 124 new products made with US dehy were under development during FY09 in all markets.
- 37 new products were launched, including noodles, soup mixes, breads, pastries, and snacks.
- 89 one-on-one technical meetings were held with potential customers to help them with product and menu development.
- The USPB also participated in numerous trade shows and seminars as a means of more broadly disseminating information about US dehy and its many uses.
- Importers in Central America, Malaysia, Mexico and China began importing new dehy products from the US.
- 120 metric tons of dehy flakes were purchased by the US government for use in international food aid programs.
- 3 new applications, that included dehydrated potatoes, were made by Private Voluntary Organizations (PVOs) to the US government for food assistance programs.
- 2 training workshop were held in Idaho Falls for employees of PVOs involved in international food aid programs. 3 training sessions were given to PVOs and government agencies at their offices.
- 2 studies were conducted in Senegal, West Africa, to measure the benefits of feeding dehy to preschool children and chronically malnourished children.
- Through the provision of numerous negative test results from US dehy and shipping potatoes, Japan removed the additional testing requirements imposed on US products.

## Seed – Introducing the World to US Seed Quality

The USPB seed export program is working to increase demand for US seed potatoes in targeted international markets through variety trials, trade missions and reverse trade missions, variety registration and market access work.

- 2 US varieties imported and planted in foreign markets for the first time in FY09.
- 1 new importer began bringing US seed potatoes into the DR, while one new US grower began exporting.
- 6 trade leads generated in target markets and elsewhere.
- Market access issues resolved in Taiwan, Uruguay and Nicaragua.
- 6 varieties from 4 states sent to Sri Lanka to be planted in the first ever US variety trials there.
- 8 varieties from 5 states sent to Nicaragua to be planted in variety trials in 2 different locations.
- 5 varieties from 4 states sent to Uruguay to be planted in the final set of USPB variety trials there.
- 7 varieties from 4 states sent to the Dominican Republic to be planted in variety trials for both table-stock and chip-stock seed.
- Market visits made to the Dominican Republic and Nicaragua by USPB and US seed exporters. Group met with government officials to discuss market access, toured USPB variety trials and met with importers and growers to discuss future purchases.
- A large seminar held in Uruguay to introduce a range of US varieties to growers, retailers and chefs. The market traditionally only consumes red potatoes, but the USPB sees a willingness to try new varieties and an opportunity for US seed to lead this expansion.