



UNITED STATES
Potato
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Maximizing Return on Grower Investment

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“What’s News?”

Year End FY09 and First Quarter FY10, Year-to-Date

“Peel Back The Truth” Print Ads Begin FY10 Pursuit to Spread “Potato Goodness” Throughout Pages of Consumer Magazines

- The USPB’s “Peel Back the Truth” print ad campaign kicks off second year with total of 13 ad insertions in 11 publications.
- In addition to the paid media plan, added-value opportunities equaling \$565,623 were negotiated on USPB’s behalf, which is over 50% of the actual paid investment.
- These added-value opportunities include 14 bonus print insertions, 3 online programs and 11 Vista Print Effectiveness Rating surveys. These programs are highly integrated with the USPB Public Relations program to maximize effectiveness of USPB Domestic Marketing programs.



For more information, or to receive the newly revised Registered Trademark Campaign Signature art files and design guidelines, or to request review of proposed marketing materials, contact David Fairbourn at david.fairbourn@uspotatoes.com or 303-873-2331.

Nutrition Communications Program an Aggressive Blend of Traditional and Digital Promotion, Generating Record Breaking Results

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 Q1 (July – Sept 2009), the USPB has reached more than 346 million consumers with potato nutrition information and recipes.

- **Third-Party Praises:** As a result of third party relationships the USPB PR team has developed with nutrition influencers over the years, potatoes were included in several nutrition media placements in Q1.
 - Dr. Adam Drewnowski was quoted in an Associated Press article titled, “Hunting best buys when eating healthy costs more,” in July, which was syndicated nearly 200 times and said: “Then there’s the potato, maligned by the anti-carb movement. It actually has more potassium than a banana, fiber and even vitamin C...‘It got nations through famines,’ Drewnowski notes.”
 - Former USPB nutrition ambassador and Registered Dietitian (RD) Katherine Brooking included positive potato

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nutrition messages in *Cooking Light* and on “Good Morning America” in September, while fellow former RD Ambassador David Grotto spent several minutes talking potato nutrition on “Martha Stewart Living Radio Live” in August.

- In August, former USPB Nutrition Influencer Dinner attendee, Christine Palumbo, RD, included a potato recipe and nutrition information in *Chicago Parent* magazine.
- **Potatoes Remain a Magazine Staple:** “America’s Favorite Vegetable” was featured in several recipes and nutrition articles in national consumer magazines throughout Q1, including *Cooking Light*, *First*, *Ladies’ Home Journal*, *Prevention*, *Shape*, *Woman’s Day* and *Woman’s World*.
- **Spuds Dive in to Social Media:** On September 4, “[Potatoes, Taters and Spuds](#)” made a strategic leap into the social media space with a Facebook fan page. In its first 39 days of life, the page has earned 729 fans and fostered continuous dialogue surrounding potato nutrition, recipes and other potato topics. Already, Facebook has proven to be a valuable and cost-effective avenue for direct consumer engagement and FY10 Q2 plans are in place for a Facebook quiz and advertisements to further grow the fan base. Additionally, USPB created a YouTube channel, <http://www.youtube.com/user/PotatoGoodness>, to give consumers more ways to easily learn quick and healthy techniques for potato preparation. These videos have been viewed more than 300 times on that channel, alone—the most popular one being the “How to Bake a Potato”.
- **Launch of Quick & Healthy Recipe Series:** The press release distributed via a PR Newswire Multimedia News Release on 9/10/09, was picked up by 205 online news outlets, including [Forbes.com](#), [BizJournals.com](#), [Yahoo!](#), and [Health Square](#). Our one week post distribution report (received on 9/18) showed the Quick & Healthy Mashed Potato video had been viewed 213 times and that 131 of our assets (recipes or photos) had been downloaded. Quick & Healthy recipes have been published on two food related blogs, [The Culinary Gadabout](#) and [What’s Cooking at DD](#), both linking to [www.potatogoodness.com](#).
- **Issues Management:** USPB revised the acrylamide regulatory timeline with added intelligence from Fleishman-Hillard Public Affairs and modified the action plan and messaging documents accordingly. A tight pulse was kept on all acrylamide announcements and media coverage, including the August 21 release of Health Canada’s acrylamide assessment and risk management report, the first trigger point among global regulatory agencies in an aggressive timeline set to take place this fall.

“Menu Innovations with Potatoes” CIA Seminar Drives Immediate Foodservice Results

The goal of the foodservice program is to drive potato innovation and get more potatoes on menus nationwide:

- **USPB Hosts “Menu Innovations with Potatoes” Culinary Seminar:** In September, the USPB conducted its fifth annual seminar at the Culinary Institute of America at Greystone, CA, the leading continuing education school for professional chefs. This year’s seminar attracted 15 influential culinary decision-makers. Among them were 11 foodservice chefs representing more than 32,000 units and a major supermarket retail chain representing 1,739 stores. They were joined by executive chefs from America’s top three potato processing companies—ConAgra Foods/Lamb Weston, McCain Foods USA and J.R. Simplot Company—and FreshPoint, the fresh produce division of Sysco, the nation’s largest foodservice distributor. 60% of the chain chefs rated the seminar as “excellent,” and the rest rated it as “good.” **HIGHLIGHT:** *Black-Eyed Pea, a Texas-based chain with 21 units, has already decided to add one of the dishes developed at the seminar—Open-Face Chorizo-Potato Omelet—to its menu.*
- **US Potatoes Featured at Sysco Sales Summit:** Sysco invited the USPB to present at its annual Sysco/FreshPoint Fresh Summit. Held in conjunction with PMA’s 2009 Foodservice Conference and Exposition, the summit was attended by 126 buyers from Sysco/FreshPoint operating companies and corporate offices. USPB’s goal in addressing the summit was to educate distributors about potatoes and gain insights about the fresh potato foodservice market. Kathleen Triou, USPB Vice President/Domestic Marketing, presented an overview of the USPB, focusing on its mission to build demand for US potatoes with the multi-media “Potatoes...Goodness Unearthed®” campaign. She emphasized consumers’ positive response to the campaign’s nutritional messages and the essential role potatoes play on American menus. **HIGHLIGHT:** *Sysco is currently conducting a six-week potato promotion with USPB. The buyer with the greatest increase in potato sales from September 15 through October 30 wins a trip to attend a seminar at the Culinary Institute of America in Napa Valley.*
- **R&I Research Shows High Awareness for USPB Nutrition Messages:** As part of a benchmark study, *R&I* (formerly *Restaurants & Institutions Magazine*) conducted a survey of 500 of its on-line readers and found 95% consider potatoes to be very or somewhat nutritious. **HIGHLIGHT:** *80% of these foodservice operators would consider using potatoes in healthy menu innovations.*

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.



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- 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 because of 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 US 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.

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.
- 5 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.
- A group of 25 chefs from Japan, Korea, the Philippines, Mexico and Central America came on a reverse trade mission (RTM) to Washington State to learn about new and innovative uses of frozen potato products. The group saw harvest, storage and processing in the Pasco area before going to Seattle for the culinary training and practice. The chefs reported gaining a whole new understanding of US frozen potato products and coming away with many new ideas for new uses in their restaurants.

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.

- In October 2009, 480 metric tons of dehy flakes were purchased by the US government for use in international food aid programs, following on the 120 metric tons of dehy flakes purchased in 2008.
- 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 chipping potatoes, Japan removed the additional MRL testing requirements imposed on US products.

Table-Stock – Domestic/Retail: Best in Class Launched in New Retail Chains

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), Best Practice Partner Program and tertiary testing initiatives. The implementation of core best practices has produced positive results with all retail partners. This research-supported program also offers several training programs that help grower/shippers take their accounts to the next level.

- Q1 2009 was a busy time for the **Best In Class** program, with the launch of best practice recommendations at Meijer, a Grand Rapids, MI-based retailer with 200 stores, and which provided USPB a unique opportunity to work with a super-center format.
 - In Fall 2009, Meijer executed assortment recommendations chain-wide. Meijer realized positive results through gains in premium and specialty products after recent declines.
 - USPB is looking for two new Best in Class partners to begin in FY10. **If you are interested in nominating a retail partner, please contact USPB Director of Retail Marketing Carroll Graham, 303-369-7783 or carrollg@uspotatoes.com.**
- Results are available for Stater Bros. Best In Class (BIC) Fast Track test. Stater Bros. was a unique FY09 partner, for that reason, two different tests were implemented across focused demographic groups. Stater Bros., with a large Hispanic consumer base, tested a subset of stores in a Hispanic market, as well as a subset of mainstream stores.
 - The mainstream test saw positive results, with mainstream test stores outpacing ROM in dollar velocity by 1%, and outpacing control stores by 10%.
 - The Hispanic test saw positive results by generating significant improvements compared to control stores. However, the entire Stater Bros. chain has opportunities to improve against ROM.
- The expansion of the Retail Outreach program to 10 meetings received great feedback in FY09, and this momentum continues in FY10. Suppliers are encouraged to nominate retailer partners soon, as spots are quickly filling up! 2 of the 10 Retail Outreach presentations were completed in Q1 and included:
 - SuperValu, Minneapolis, MN – 1,233 stores, agreed to participate:
 - 2009 Best Practice Partner
 - 2009 Testing Partner
 - Food Lion, Salisbury, North Carolina - 1,261 stores
- With the success of the web-based training format in FY09, 6 web-based fresh supplier training sessions are scheduled for FY10. 3 trainings were completed in Q1:
 - Assortment Best Practices
 - Eight Steps to Developing NEW Fresh Potato Products
 - Preparing for Holiday Promotions
- 3 “Potatoes...Goodness Unearthed®” Campaign Signature tests were completed after a Spring 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 “Peel Back the Truth” ad campaign success by utilizing those same images.
 - The 11” wide x 7” high sign with the “stacked” potato image and recipe brochure realized the best results of the tests, exceeding ROM 5% in dollar velocity and over 2% in volume velocity.
 - The recipe brochure alone caused test stores to outperform ROM in terms of volume velocity (nearly 4% beyond ROM), but not in terms of dollar velocity.
 - The 22” wide x 28” high stanchion sign failed to generate sales and volume velocity growth beyond ROM.
 - Two lessons learned from this test: Stanchion signs are often challenging to ensure consistent placement at the display and small signs on the display can be as effective, or more effective, as larger signs.

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.

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 first ever table-stock reverse trade mission (RTM) for importers/distributors from Malaysia and the Philippines was held at the end of September, 2009. Participants toured fields being harvested, storages and packing sheds in Oregon and Washington. The tour concluded at the 2009 PMA International Fresh Summit and Convention in Anaheim, CA, with a symposium with US growers and shippers discussing the markets and US table-stock potato varieties, production and storage and handling. The international importers/distributors were then able to meet a wide range of US shippers at the show.
- 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.
- 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.
- Thailand agreed to an import protocol for US table-stock potatoes.

Innovation – Domestic: Making Potatoes As Convenient as Microwaveable Rice

USPB engaged Mattson, the country's largest independent developer of new food and beverage products, to develop the world's first line of shelf-stable, ready-to-heat mashed potato side dishes. The product line will utilize retort technology to deliver delicious ready-to-microwave mashed potatoes with a shelf life of 9-12 months.

- Initial protocept development indicates we will most likely deliver this product with a formula marketed as "All-Natural."
- During the initial online screening of consumers to serve on a guidance panel for this project, 53% of those in the general population indicated they would be interested in buying a ready-to-microwave mashed potato side dish. When we asked consumers in our target population, that number increased to 79%, indicating very strong appeal among users of convenient side dishes already on the market (such as microwaveable rice and refrigerated sides).
- Mattson is currently exploring different varieties to identify which works best in this application.
- Mattson is preparing to produce the first plant-made samples in November. These samples will be tested with the Consumer Guidance Panel households recruited earlier in the project.

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 Zebra Complex Research and Potato Industry received a Specialty Crop Research Initiative (SCRI) Grant to fund continued research on finding a solution to Zebra Complex. A total of 70 submissions were submitted for evaluation, and Zebra Complex Research ranked number 6 overall with an outstanding designation. Funding will be divided into two parts, with \$3.9M designated for the first three years. With submission of progress reports, another \$3.0M will be available, for a total of \$6.9M over five years.
- The USPB hosted a chipping industry education opportunity for processors/suppliers on advances being made to reduce acrylamide in chipping varieties. The meeting was well received, with attendance from processors, suppliers, industry and USPB representatives. The meeting agenda focused on possible methods for controlling acrylamide formation and how the industry might work together to develop a more collaborative approach to developing solutions.
- Discussions are underway on a reallocation of the Zebra Complex Research dollars. The \$50K initially allocated to this project will be utilized to fund new or existing projects. Once approval for reallocation is approved by the Chip Committee, an update will be provided to the industry.

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 rates on US chipping potatoes 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.
- Thailand put in place an import protocol for US chipping potatoes.

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 USBP variety trials and met with importers and growers to discuss future purchases.

- A large seminar was held in Uruguay to introduce a range of US varieties to growers, retailers and chefs. The market traditionally only consumes red potatoes, but the USBP sees a willingness to try new varieties and an opportunity for US seed to lead this expansion.
- The USBP hosted 2 Ministry of Agriculture officials from Thailand to learn about US seed production and certification in Oregon, Washington, Idaho and California. The trip resulted in a signed import protocol for US seed, initially covering these four states, but to be expanded as other states are visited in 2010.