

United States Potato Board

Potato Sales & Utilization Estimates 2001-2010

Abstract by:

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Background

Over the past 10 years the United States Potato Board has purchased the most reliable syndicated U.S. potato sales and consumption data available, from prominent marketing information service providers such as the Nielsen Company, the Perishables Group, and the NPD Group.

Individual data sets are analyzed, summarized, and provided to USPB members, industry representatives, and their agents as soon as they are available. In addition, in response to requests from its grower members, the USPB has used this information to construct estimates of U.S. annual potato pound sales volume for the most important types and channels as presented in this report. Import and export data from the U.S. Department of Commerce has been added to arrive at potato utilization estimates. The methodology employed in arriving at these estimates is outlined in the *General Methodology* section of this document.

The goal of this work is to provide the most reliable estimates possible of key segment U.S. potato sales, and crop utilization based on those sales. Data sources and estimation procedures continue to be refined and improved over time, but, like any such estimates, these are subject to error and should be used judiciously.

The USPB utilization estimates can be compared to other sources, notably those published regularly by governmental agencies such as the USDA, NASS, and ERS. When making such comparisons it should be noted that most estimates published by the government are developed from surveys on the supply side. They begin with what is grown on the farm and seek to understand how the crop will be used. Conversely, the USPB estimates are developed from the demand side based on available measures of sales and product movement which are converted to *farm weigh equivalents (FWE)* in order to estimate utilization.

Sales & Utilization Estimates by Major Market Segment

USPB estimates of potato sales and utilization for the major market segments follow. Data is presented in millions of Farm Weight Equivalent (FWE) pounds. See *General Methodology* for an outline of the estimation methods.

Fresh

U.S. FRESH Utilization Estimates	Millions of FWE Pounds										% Chg '10/'09
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
U.S. Domestic Retail Sales	6,005.8	6,098.1	6,330.3	6,345.6	6,194.1	6,094.7	6,097.1	5,927.3	6,215.5	6,022.4	-3.1%
Supermarkets \$2MM+	4,853.6	4,847.9	4,962.0	4,827.3	4,641.8	4,418.5	4,409.1	4,173.4	4,333.5	4,188.9	-3.3%
Non-Supermarkets	1,152.1	1,250.2	1,368.3	1,518.2	1,552.3	1,676.3	1,688.0	1,753.9	1,882.0	1,833.5	-2.6%
Other Grocery	190.5	158.5	171.9	171.0	150.8	144.2	131.4	121.9	127.1	123.0	-3.3%
Supercenters/Mass Merchants	707.3	812.4	886.5	1,003.0	1,056.7	1,094.3	1,122.5	1,188.0	1,282.3	1,240.3	-3.3%
Warehouse/Club	169.1	195.6	221.9	259.3	263.5	270.0	278.9	295.3	314.6	316.9	0.7%
Other Retail	85.2	83.7	87.8	85.0	81.3	167.8	155.1	148.7	157.9	153.3	-2.9%
U.S. Domestic Foodservice Sales	4,136.0	4,177.8	4,220.0	4,262.6	4,305.6	4,349.1	4,393.1	4,349.5	4,305.5	4,261.6	-1.0%
Total U.S. Domestic Sales	10,141.8	10,275.9	10,550.2	10,608.2	10,499.7	10,443.9	10,490.1	10,276.7	10,521.1	10,284.0	-2.3%
DOC Fresh Imports ¹	487.9	621.5	635.0	575.4	631.3	611.2	923.6	1,072.0	794.6	762.9	-4.0%
Domestic Utilization of U.S. Fresh Potatoes²	9,653.9	9,654.4	9,915.2	10,032.8	9,868.5	9,832.6	9,566.5	9,204.8	9,726.5	9,521.1	-2.1%
DOC Fresh Exports	579.4	647.1	541.8	433.5	586.3	600.8	621.2	616.3	682.1	808.4	18.5%
Total Utilization of U.S. Fresh Potatoes³	10,233.2	10,301.5	10,457.0	10,466.3	10,454.8	10,433.4	10,187.8	9,821.1	10,408.6	10,329.4	-0.8%
U.S. Domestic Retail Sales Per Capita	21.06	21.18	21.79	21.64	20.93	20.43	20.23	19.49	20.27	19.49	-0.04
Total Domestic U.S. Sales Per Capita	35.57	35.69	36.32	36.18	35.48	35.00	34.81	33.79	34.31	33.28	-0.03

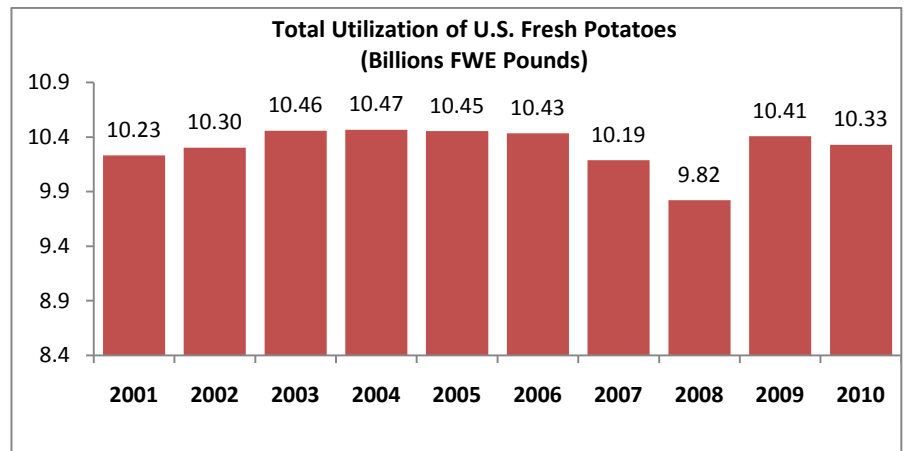
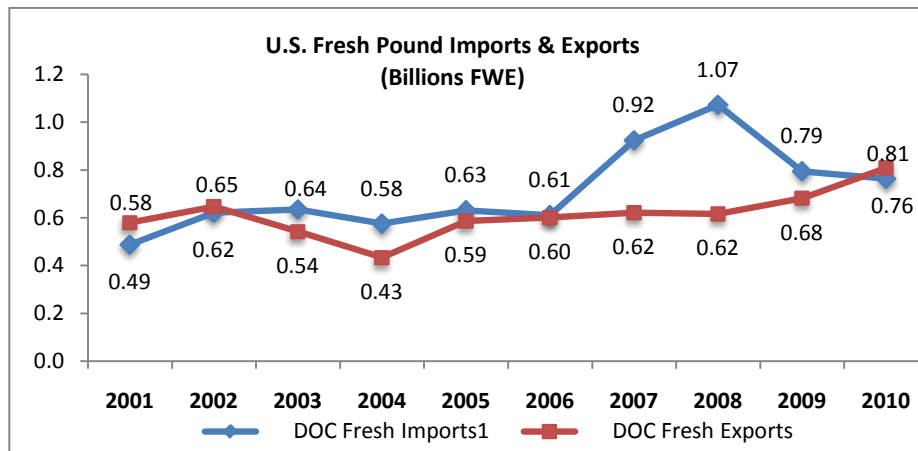
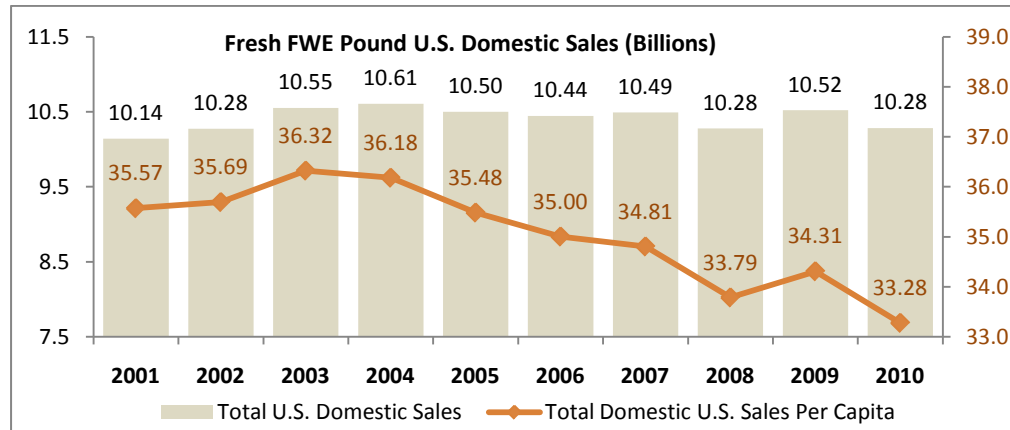
¹Assumed included in U.S. Domestic Sales Estimates. ²Domestic sales minus imports. ³Domestic sales minus imports plus exports.

Fresh

U.S. Domestic Sales. Fresh pound sales grew through 2004, then slowly fell from 2005 through 2008. Following an increase in 2009, sales in 2010 fell back to 2008 levels (-3.1% vs. 2009)..

Imports & Exports. After significantly exceeding exports in 2007 and 2008, fresh imports have returned to a level comparable to exports.

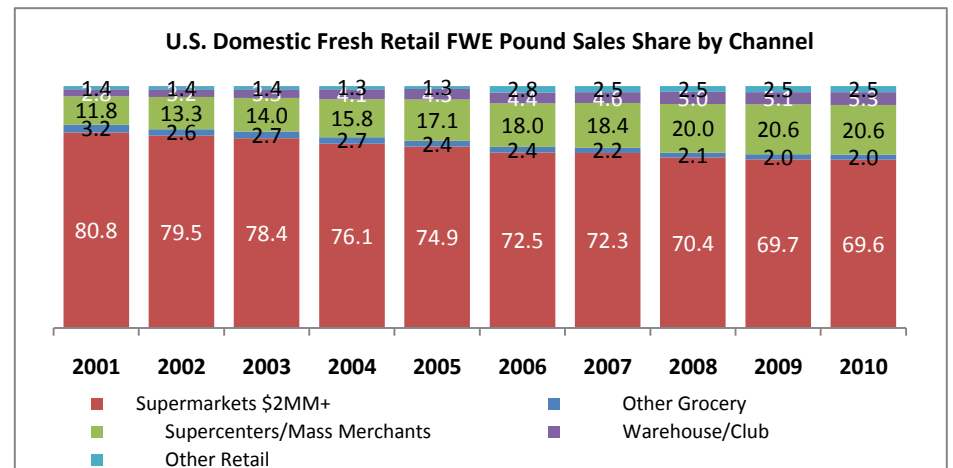
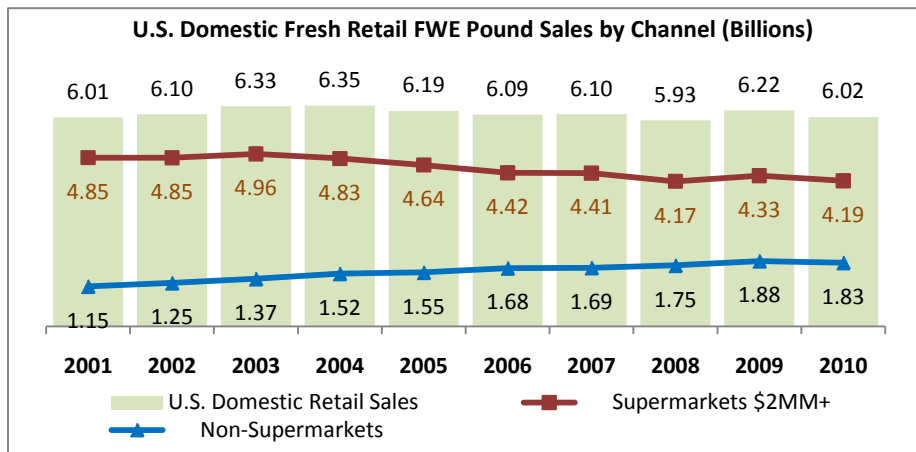
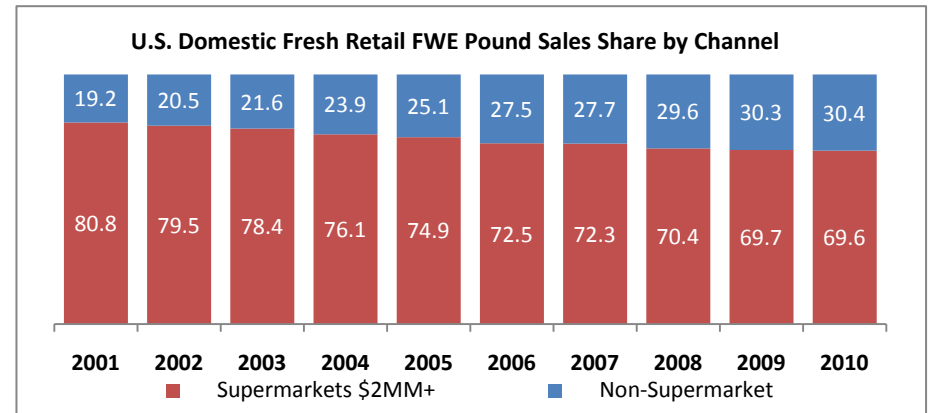
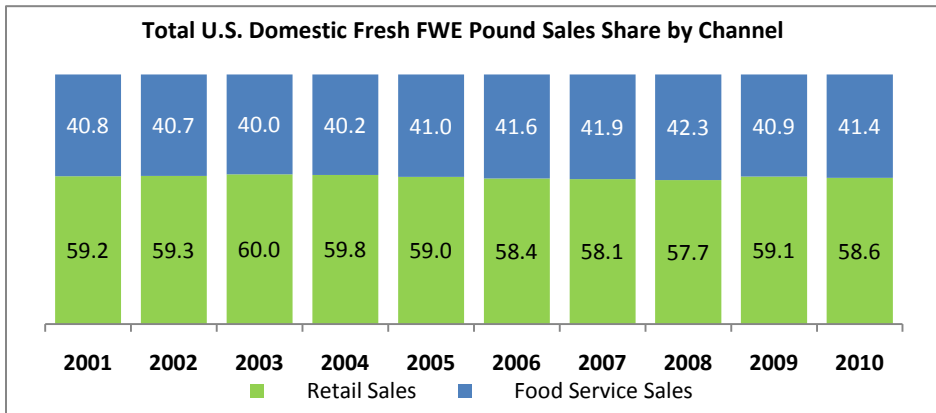
Total Utilization of U.S. Potatoes. At 10.3b in 2010 (-0.8% vs 2009) fresh utilization volume was at levels comparable to those earlier in the decade.



Fresh

Retail vs. Foodservice. In 2010 fresh foodservice sales vs. year ago were estimated to be off -1.0% compared to retail's decline of -3.1%. Nevertheless, over the past 10 years retail's share of total U.S. domestic sales has been relatively stable, accounting for between 57.7% and 60.0% of annual sales.

Within Retail. Supermarket shares were off in 2010 vs. 2009 by only 0.1% point, and after steep declines early in the decade, seem to be stabilizing at just under 70% of the total.



Frozen

U.S. FROZEN Utilization Estimates	Millions of FWE Pounds										% Chg
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	'10/'09
U.S. Domestic Retail Sales	1,939.6	1,917.5	1,832.0	1,835.9	1,841.9	1,876.5	1,793.6	1,770.0	1,872.2	1,811.6	-3.2%
Supermarkets \$2MM+	1,573.2	1,524.8	1,439.5	1,399.5	1,380.9	1,334.2	1,272.0	1,236.7	1,266.3	1,251.5	-1.2%
Non-Supermarkets	366.5	392.7	392.5	436.4	461.0	542.3	521.6	533.3	605.9	560.1	-7.6%
Other Grocery	45.3	36.6	36.6	36.4	32.9	31.5	22.0	20.9	22.6	17.5	22.6%
Supercenters/Mass Merchants	235.4	264.7	265.4	300.9	326.2	354.5	366.9	386.2	426.4	395.5	-7.2%
Warehouse/Club	47.8	54.6	55.7	65.4	68.6	73.6	78.8	73.0	99.5	97.0	-2.5%
Other Retail	38.0	36.8	34.7	33.8	33.3	82.7	53.8	53.2	57.4	50.0	12.9%
U.S. Domestic Foodservice Sales	15,146.0	14,354.1	14,014.1	13,732.7	13,689.1	13,814.9	14,693.3	14,432.0	14,065.6	13,824.4	-1.7%
Total U.S. Domestic Sales	17,085.6	16,271.7	15,846.1	15,568.6	15,531.0	15,691.4	16,486.9	16,202.0	15,937.8	15,636.0	-1.9%
DOC Frozen Imports ¹	2,358.9	2,588.8	2,897.7	3,187.1	2,810.1	2,918.3	2,892.3	2,913.6	2,819.7	2,606.5	-7.6%
Domestic Utilization of U.S. Frozen Potatoes²	14,726.7	13,682.8	12,948.4	12,381.4	12,720.9	12,773.2	13,594.6	13,288.4	13,118.1	13,029.5	-0.7%
DOC Frozen Exports	2,059.8	1,965.9	1,738.2	1,925.4	2,069.8	2,361.7	2,659.8	2,981.9	2,788.6	2,761.4	-1.0%
Total Utilization of U.S. Frozen Potatoes³	16,786.6	15,648.7	14,686.6	14,306.8	14,790.8	15,134.9	16,254.4	16,270.3	15,906.7	15,791.0	-0.7%
U.S. Domestic Retail Sales Per Capita	6.80	6.66	6.31	6.26	6.22	6.29	5.95	5.82	6.11	5.86	-0.04
Total Domestic U.S. Sales Per Capita	59.93	56.52	54.56	53.10	52.49	52.59	54.70	53.27	51.97	50.59	-0.03

¹Assumed included in U.S. Domestic Sales Estimates. ²Domestic sales minus imports. ³Domestic sales minus imports plus exports.

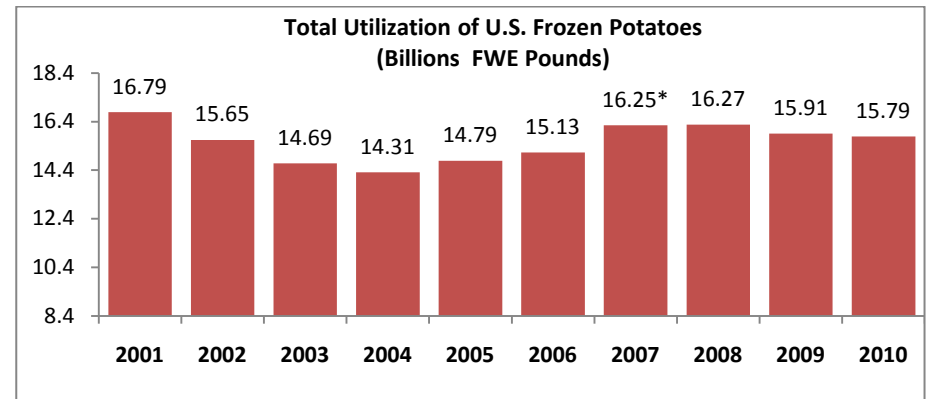
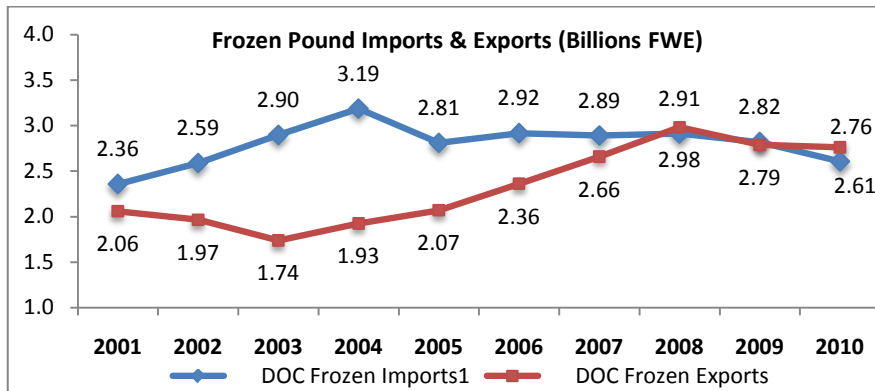
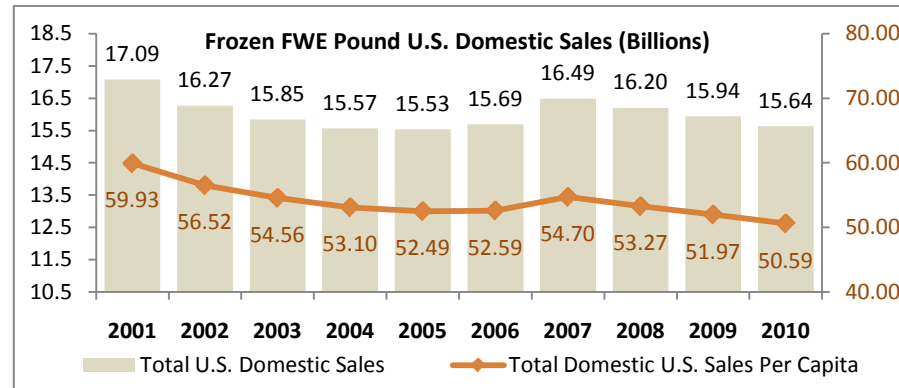
Frozen

**NOTE: An important change in the methodology for reporting domestic foodservice wholesale movement from 2007 forward impacts the long term trend. Please see the Methodology section for details.*

U.S. Domestic Sales. The trend in frozen pound sales over the entire decade is decidedly down. Sales were off nearly a billion pounds between 2007 and 2010.

Imports & Exports. After lagging imports for most of the decade, exports have reached comparable levels since 2008.

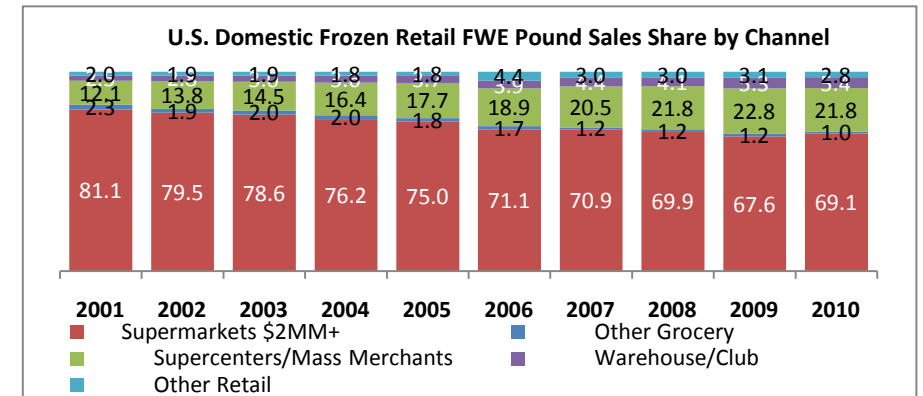
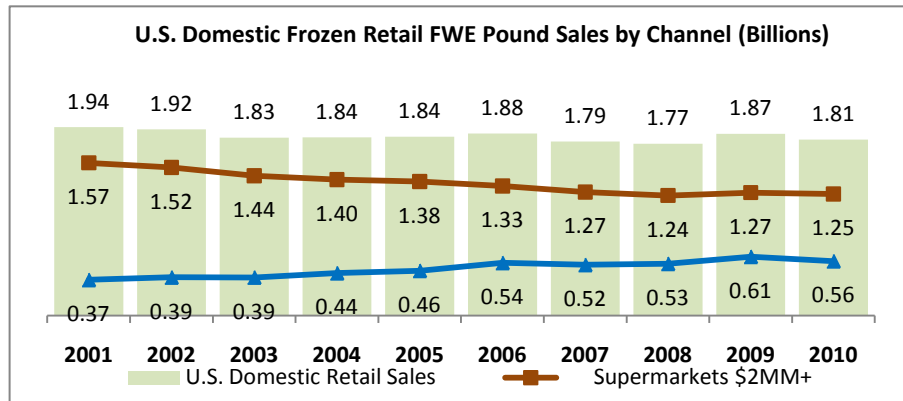
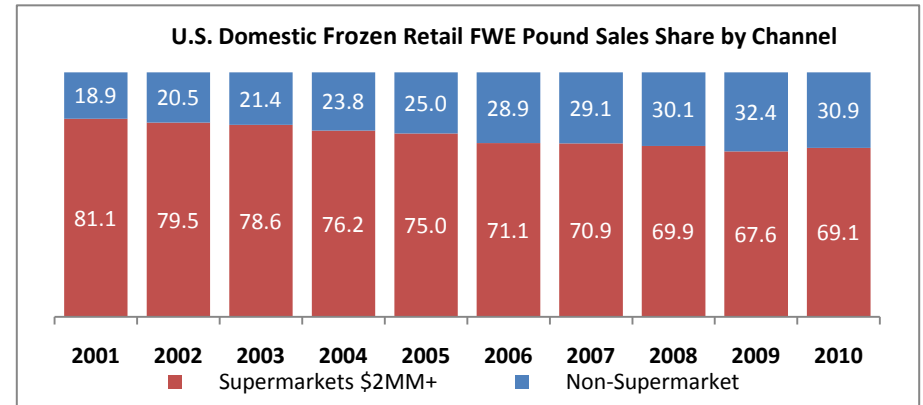
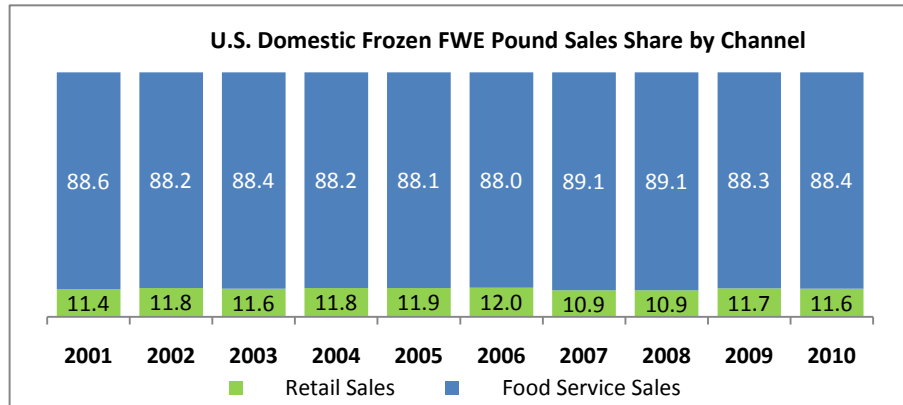
Total Utilization of U.S. Potatoes. Total U.S. frozen potato utilization has fallen over the past 3 years.



Frozen

Retail vs. Foodservice. Each year, some 88% of total U.S. frozen potato sales occur in foodservice operations.

Within Retail. The long term decline in Supermarkets has moderated and in 2010 accounted for some 69% of all retail sales.



Dehy

U.S. DEHY Utilization Estimates	Millions of FWE Pounds										% Chg '10/'09
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
U.S. Domestic Retail Sales Excl Chip Use	850.2	871.1	848.0	825.5	824.7	848.5	862.0	887.2	883.6	849.6	-3.9%
Supermarkets \$2MM+	675.8	677.0	651.5	613.8	602.3	593.0	577.1	600.0	587.7	573.1	-2.5%
Non-Supermarkets	174.4	194.1	196.5	211.7	222.3	255.5	284.9	287.2	296.0	276.5	-6.6%
Other Grocery	14.1	11.8	12.0	11.6	10.4	9.6	8.0	8.7	9.7	6.9	28.6%
Supercenters/Mass Merchants	105.4	122.0	123.7	135.7	146.1	157.2	181.3	187.6	193.2	184.3	-4.6%
Warehouse/Club	29.9	35.3	36.7	41.7	43.5	48.8	52.9	48.7	44.5	37.1	16.5%
Other Retail	25.0	25.0	24.1	22.7	22.3	39.9	42.7	42.2	48.6	48.1	-1.0%
U.S. Domestic Foodservice Sales Excl Chip	1,095.6	1,057.2	1,050.6	1,047.5	1,053.2	1,070.1	1,075.6	1,100.6	1,057.8	1,039.8	-1.7%
Total U.S. Domestic Sales Excl. Chip Use	1,945.8	1,928.3	1,898.6	1,873.1	1,877.9	1,918.6	1,937.6	1,987.8	1,941.4	1,889.3	-2.7%
Dehy used in Baked/Fabricated Chips	1,062.7	1,074.6	1,184.5	1,418.7	1,534.2	1,613.9	1,454.6	1,453.0	1,183.1	1,087.8	-8.1%
Total U.S. Domestic Sales Incl. Chip Use	3,008.5	3,002.8	3,083.1	3,291.8	3,412.0	3,532.5	3,392.1	3,440.8	3,124.5	2,977.1	-4.7%
DOC Dehy Imports ¹	194.0	250.3	236.4	296.9	226.6	186.6	222.3	463.1	645.0	791.3	22.7%
Domestic Utilization of U.S. Dehy Potatoes²	2,814.4	2,752.5	2,846.8	2,994.9	3,185.4	3,345.9	3,169.8	2,977.7	2,479.5	2,185.9	11.8%
DOC Dehy Exports	879.2	783.2	998.0	1,185.8	1,257.5	1,366.9	1,377.8	1,235.0	1,212.8	1,434.3	18.3%
Total Utilization of U.S. Dehy Potatoes³	3,693.6	3,535.7	3,844.7	4,180.6	4,443.0	4,712.8	4,547.7	4,212.7	3,692.2	3,620.2	-2.0%
U.S. Domestic Retail Sales Per Capita (ex. Chips)	2.98	3.03	2.92	2.82	2.79	2.84	2.86	2.92	2.88	2.75	-0.05
Total Domestic U.S. Sales Per Capita (ex. Chips)	6.82	6.70	6.54	6.39	6.35	6.43	6.43	6.54	6.33	6.11	-0.03

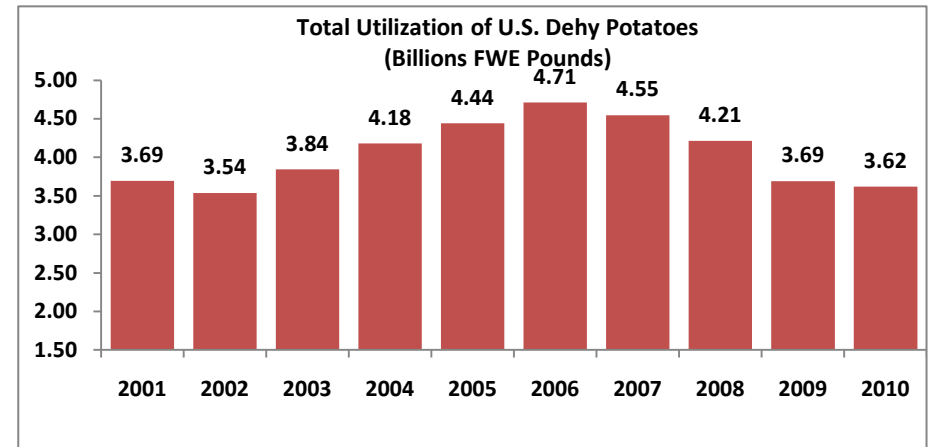
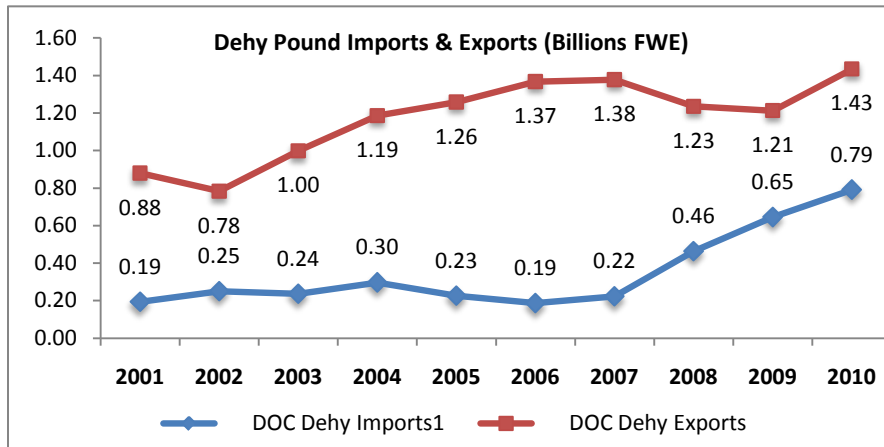
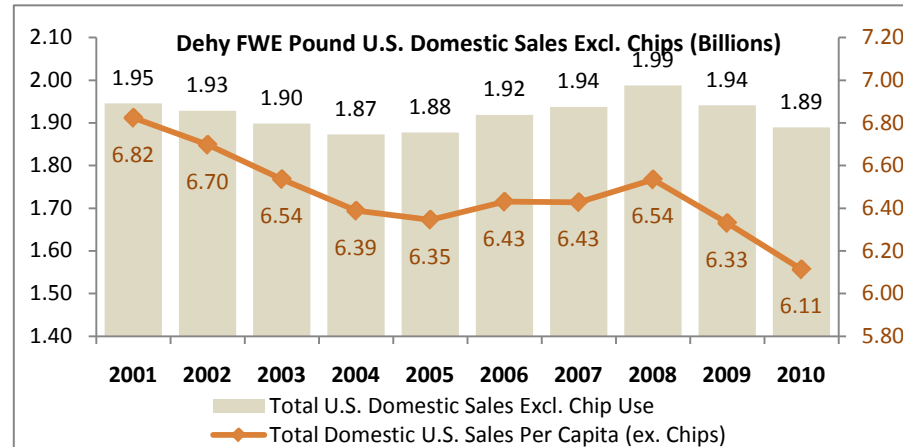
¹Assumed included in U.S. Domestic Sales Estimates. ²Domestic sales minus imports. ³Domestic sales minus imports plus exports.

Dehy

U.S. Domestic Sales. Over the past decade, Dehy pound sales have fluctuated between 1.9b and 2.0b pounds FWE.

Imports & Exports. Exports and imports hit a decade high in 2010, while exports continued to exceed imports by a significant margin.

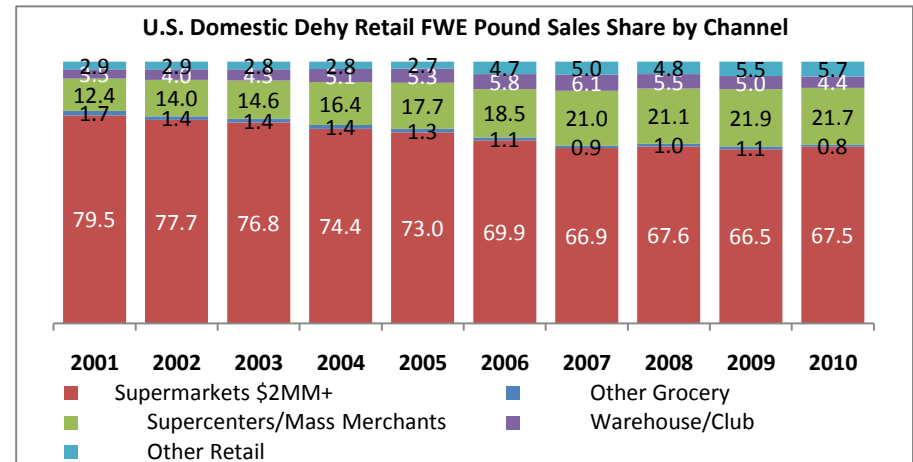
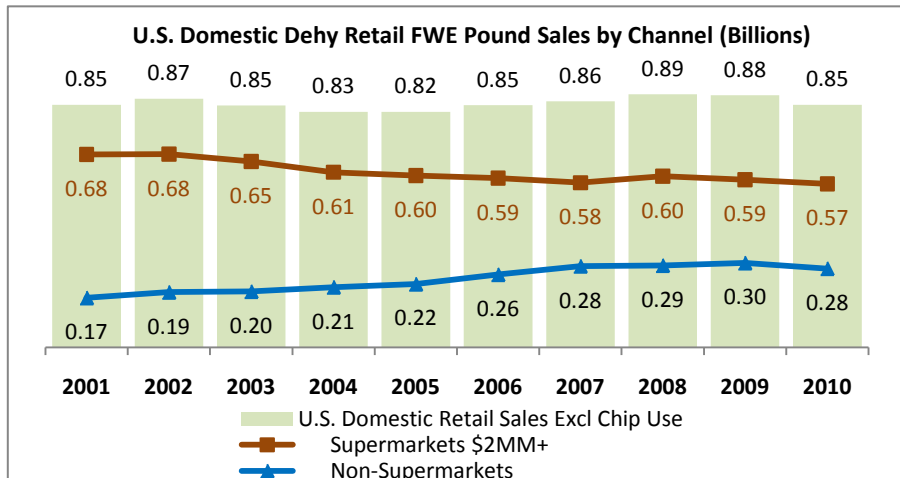
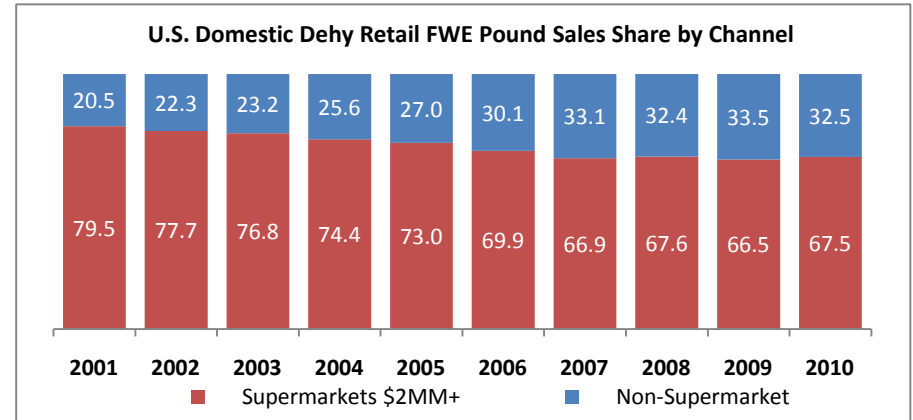
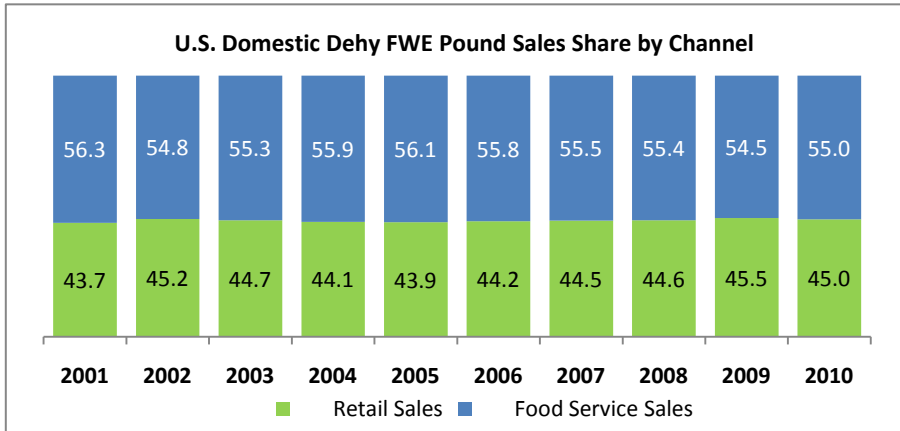
Total Utilization of U.S. Potatoes. Excluding chip use, total dehy utilization rose from 2002 to 2006 but has declined since, off 2% in 2010 vs. 2009.



Dehy

Retail vs. Foodservice. Foodservice continues to account for over half of total dehy pound sales in the U.S. (excluding ingredient use).

Within Retail. As with most other types, significant supermarket volume was lost to non-traditional retail food outlets early in the decade, but appears to be stabilizing at about two-thirds of domestic retail sales.



Refrigerated

U.S. REFER Utilization Estimates	Millions of FWE Pounds										% Chg '10/'09
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
U.S. Domestic Retail Sales	106.9	120.5	138.3	147.9	235.1	302.5	307.8	310.6	317.1	363.7	14.7%
Supermarkets \$2MM+	97.3	108.0	122.1	126.7	199.1	250.5	252.6	257.3	249.4	258.0	3.4%
Non-Supermarkets	9.6	12.5	16.2	21.1	36.0	52.0	55.3	53.3	67.7	105.7	56.2%
Other Grocery	1.3	1.2	1.7	1.8	3.0	3.7	3.7	2.4	4.5	2.6	-42.9%
Supercenters/Mass Merchants	5.6	7.7	10.2	13.9	24.1	33.0	36.8	33.9	42.2	63.5	50.4%
Warehouse/Club	1.1	1.8	2.1	3.2	5.4	7.3	6.2	6.3	11.3	28.0	148.7%
Other Retail	1.7	1.9	2.1	2.2	3.5	7.9	8.6	10.7	9.7	11.6	20.1%
U.S. Domestic Foodservice Sales	565.9	546.1	542.6	541.1	544.0	552.8	555.6	541.6	520.5	511.6	-1.7%
Total U.S. Domestic Sales	672.8	666.5	681.0	689.0	779.1	855.3	863.4	852.1	837.6	875.4	4.5%
DOC Refer Imports ¹	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Domestic Utilization of U.S. Dehy Potatoes	672.8	666.5	681.0	689.0	779.1	855.3	863.4	852.1	837.6	875.4	4.5%
DOC Refer Exports ¹	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total Utilization of U.S. Dehy Potatoes	672.8	666.5	681.0	689.0	779.1	855.3	863.4	852.1	837.6	875.4	4.5%
U.S. Domestic Retail Sales Per Capita	0.37	0.42	0.48	0.50	0.79	1.01	1.02	1.02	1.03	1.18	0.14
Total Domestic U.S. Sales Per Capita	2.36	2.32	2.34	2.35	2.63	2.87	2.86	2.80	2.73	2.83	0.04

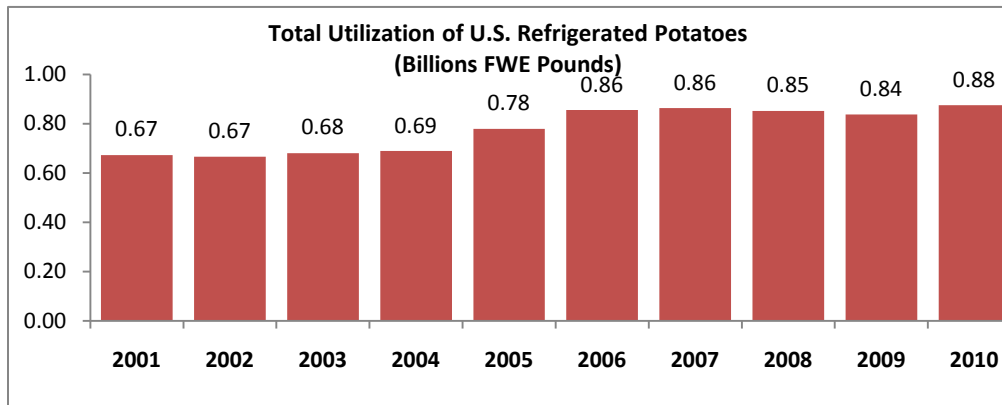
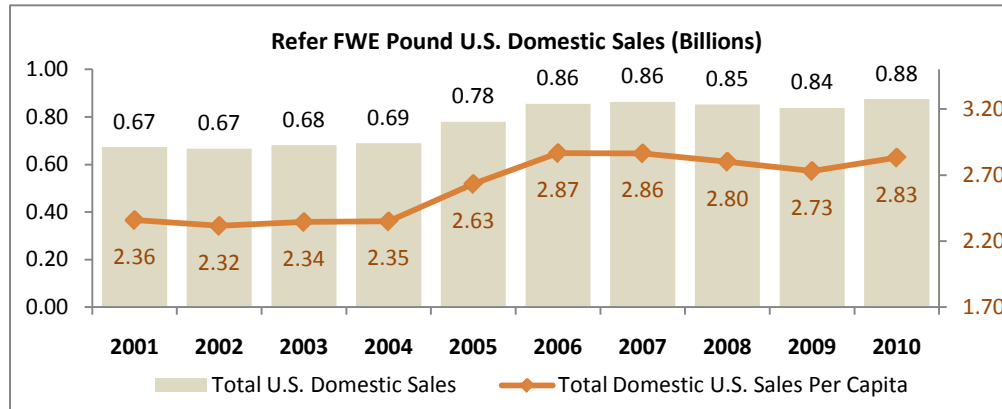
¹Not available separately.

Refrigerated

U.S. Domestic Sales. After a period of stability from 2006 to 2009, domestic sales recorded an increase of 14.7% in 2010.

Imports & Exports. No information is available on import or export of refrigerated forms.

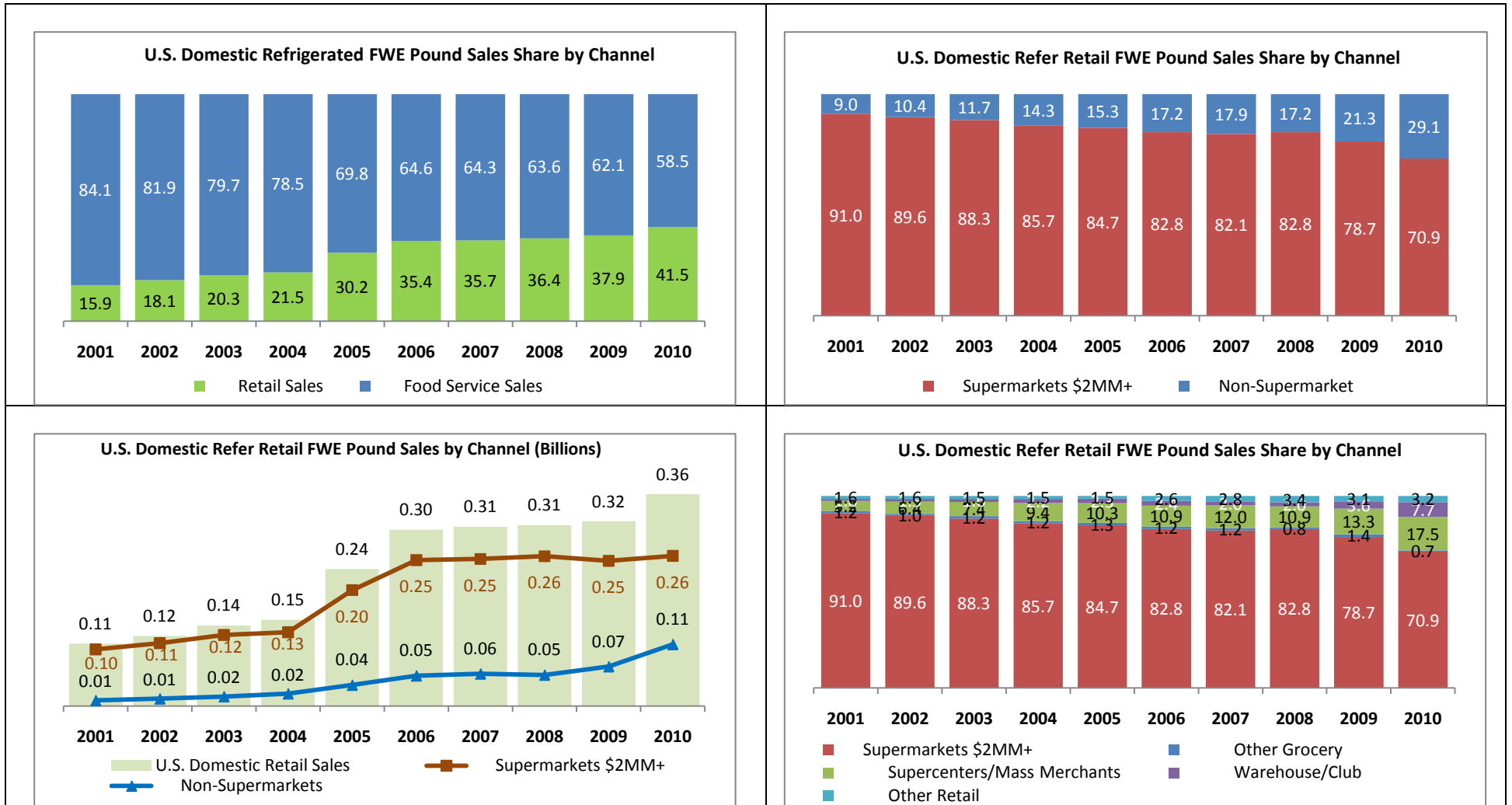
Total Utilization of U.S. Potatoes. (Same as Domestic Sales)



Refrigerated

Retail vs. Foodservice. As retail sales have grown, they have accounted for a larger portion of total refrigerated sales. Nevertheless, the majority of refrigerated retail pound sales in the U.S continue to be made in foodservice.

Within Retail. Non-supermarkets enjoyed a very large sales increase in 2010 (+56.2%), causing the supermarket share to drop to just under 71% of the total.



Chips

U.S. CHIP Utilization Estimates	Millions of FWE Pounds										% Chg '10/'09
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
U.S. Domestic Retail Sales Incl Dehy Use	5,195.6	5,159.4	5,146.5	5,356.8	5,391.8	5,346.5	5,195.4	4,977.4	4,914.4	5,085.9	3.5%
Supermarkets \$2MM+	3,408.2	3,315.5	3,273.7	3,303.0	3,267.4	3,179.7	3,043.9	2,906.4	2,877.2	3,024.0	5.1%
Non-Supermarkets	1,787.4	1,843.9	1,872.7	2,053.8	2,124.4	2,166.7	2,151.5	2,071.1	2,037.2	2,061.9	1.2%
Other Grocery	107.0	86.7	90.8	93.6	84.9	82.2	65.8	58.7	57.9	50.7	12.3%
Supercenters/Mass Merchants	691.1	773.6	799.6	937.8	1,016.7	1,048.1	1,102.9	1,072.2	1,062.7	1,062.5	0.0%
Warehouse/Club	122.5	140.3	149.7	182.3	191.7	206.6	191.2	188.1	167.1	187.5	12.2%
Other Retail	866.8	843.2	832.6	840.1	831.0	829.8	791.6	752.1	749.5	761.2	1.6%
U.S. Domestic Foodservice Sales Incl Dehy	1,324.3	1,271.1	1,264.4	1,269.3	1,277.1	1,297.7	1,291.2	1,460.4	1,403.5	1,379.7	-1.7%
Total U.S. Domestic Sales Incl Dehy Use	6,519.9	6,430.4	6,410.8	6,626.2	6,668.8	6,644.2	6,486.6	6,437.8	6,317.9	6,465.6	2.3%
Dehy used in Baked/Fabricated Chips	1,062.7	1,074.6	1,184.5	1,418.7	1,534.2	1,613.9	1,454.6	1,453.0	1,183.1	1,087.8	-8.1%
Total U.S. Domestic Excl Dehy Use	5,457.2	5,355.9	5,226.3	5,207.5	5,134.7	5,030.3	5,032.1	4,984.8	5,134.8	5,377.8	4.7%
DOC Chip Imports ¹	245.5	219.4	365.1	451.9	424.8	366.0	289.5	137.9	184.1	192.1	4.4%
Domestic Utilization of U.S. Chip Potatoes²	5,211.7	5,136.4	4,861.2	4,755.6	4,709.9	4,664.4	4,742.6	4,846.9	4,950.8	5,185.6	4.7%
DOC Chip Exports	923.1	973.3	745.1	916.2	910.2	795.3	745.8	835.5	726.3	632.2	13.0%
Total Utilization of U.S. Chip Potatoes³	6,134.8	6,109.7	5,606.2	5,671.8	5,620.0	5,459.7	5,488.4	5,682.4	5,677.1	5,817.8	2.5%
U.S. Domestic Retail Sales Per Capita	18.22	17.92	17.72	18.27	18.22	17.92	17.24	16.36	16.03	16.46	0.03
Total Domestic U.S. Sales Per Capita	22.87	22.34	22.07	22.60	22.54	22.27	21.52	21.16	20.60	20.92	0.02

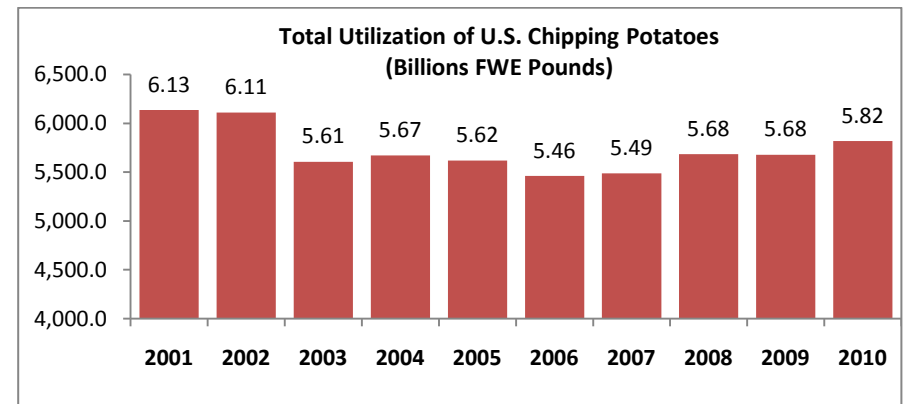
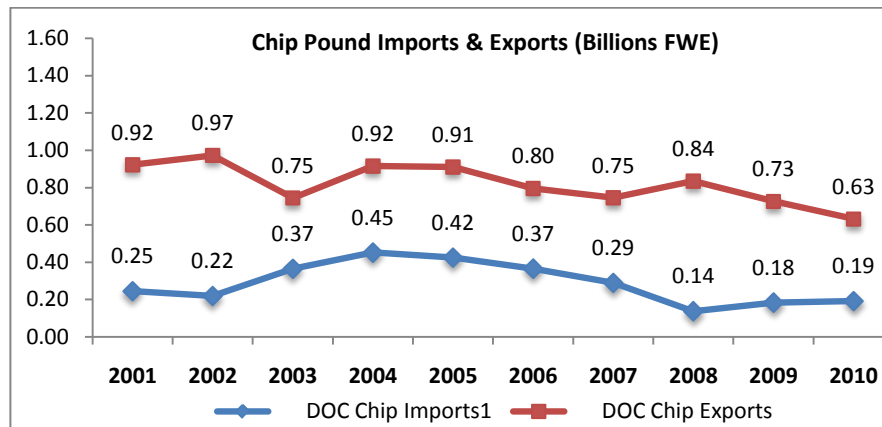
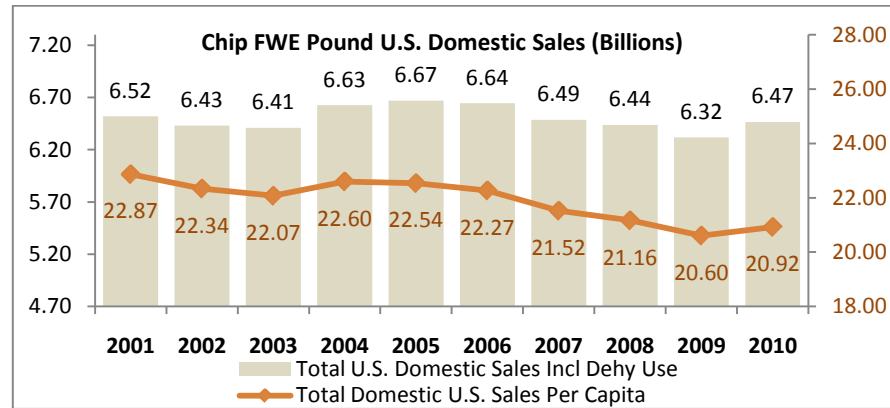
¹Assumed included in U.S. Domestic Sales Estimates. ²Domestic sales minus imports. ³Domestic sales minus imports plus exports.

Chips

U.S. Domestic Sales. After falling for the past several years, Chip sales (including dehy use) were up 2.3% in 2010.

Imports & Exports. Exports continued to tail off, while imports remained constant.

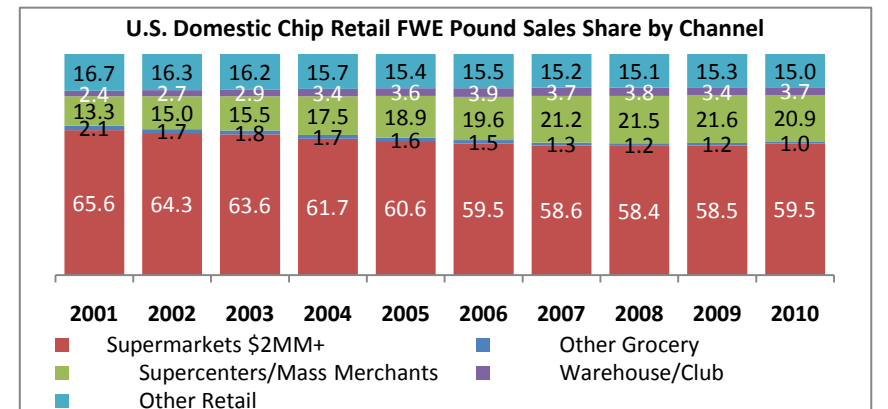
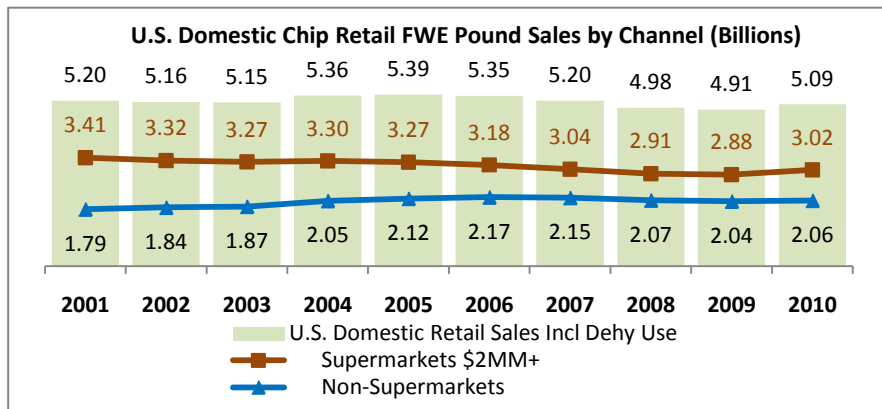
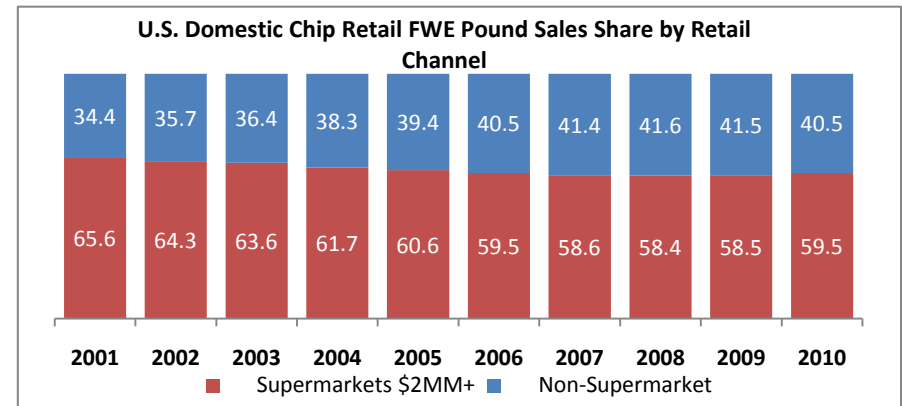
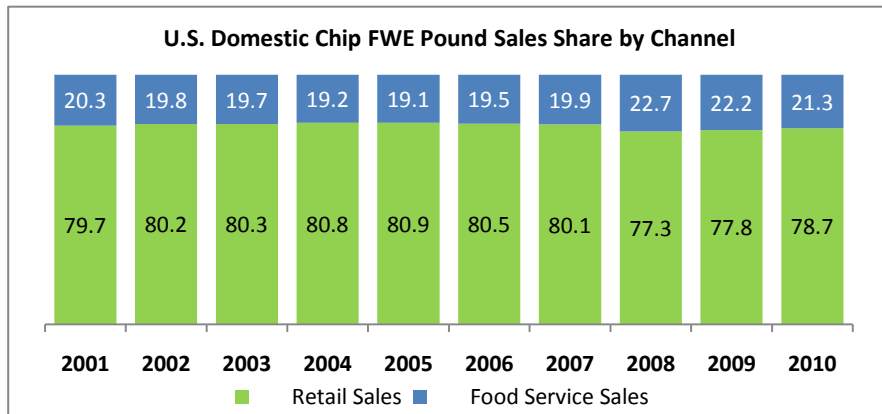
Total Utilization of U.S. Potatoes. Total use of chipping potatoes rose 2.5% in 2010.



Chips

Retail vs. Foodservice. Retail continues to account for just under 80% of total U.S. chip sales.

Within Retail. While steadily declining in importance early in the decade, supermarkets appear to have stabilized at about 60% of total retail sales.



Sum of Segments

The data which follows includes estimates for *retail frozen ready-to-eat* potato ingredient use and *canned* potatoes, neither of which is detailed above. It does *not* include estimates for *potato stix*, or any allowance for *starch*, *ingredient use for dehy other than chips*, *seed potatoes*, *animal feed*, or *waste*.

Sum of Key U.S. Potato Segment Utilization Estimates

	Millions of FWE Pounds										% Chg '10/'09
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
U.S. Domestic Retail Sales	14,813.7	14,893.1	15,028.2	15,264.3	15,249.8	15,242.1	15,032.6	14,608.9	14,928.3	14,863.5	-0.4%
Supermarkets \$2MM+	11,213.2	11,078.5	11,054.1	10,875.6	10,696.6	10,379.5	10,158.1	9,720.7	9,845.9	9,830.7	-0.2%
Non-Supermarkets	3,600.5	3,814.5	3,974.2	4,388.7	4,553.2	4,862.6	4,874.5	4,888.2	5,082.3	5,032.8	-1.0%
Other Grocery	379.0	312.1	331.4	333.1	299.3	288.6	246.8	228.0	237.3	216.2	-8.9%
Supercenters/Mass Merchants	1,843.8	2,096.5	2,211.3	2,538.6	2,732.2	2,864.7	2,929.3	2,999.4	3,142.4	3,081.6	-1.9%
Warehouse/Club	391.2	452.1	492.8	583.9	606.7	643.4	646.4	653.9	679.6	710.8	4.6%
Other Retail	1,016.7	990.6	981.4	983.8	971.4	1,128.1	1,051.9	1,006.9	1,023.1	1,024.3	0.1%
U.S. Domestic Foodservice Sales	22,267.7	21,406.2	21,091.6	20,853.2	20,869.1	21,084.7	22,008.8	21,884.0	21,353.0	21,017.1	-1.6%
Total U.S. Domestic Sales	37,081.4	36,299.2	36,119.9	36,117.5	36,118.9	36,326.7	37,041.4	36,493.0	36,281.2	35,880.6	-1.1%
DOC Potato Imports ¹	3,286.3	3,680.1	4,134.2	4,511.3	4,092.7	4,082.0	4,327.7	4,586.6	4,443.4	4,352.8	-2.0%
Domestic Utilization of U.S. Potatoes²	33,795.1	32,619.2	31,985.7	31,606.2	32,025.6	32,243.7	32,712.2	31,904.1	31,834.8	31,524.7	-1.0%
DOC Potato Exports	4,441.5	4,369.4	4,023.0	4,460.9	4,823.8	5,124.7	5,404.6	5,668.7	5,409.9	5,636.3	4.2%
Total Utilization of U.S. Potatoes³	38,236.5	36,988.6	36,008.7	36,067.1	36,849.5	37,368.4	38,116.8	37,572.8	37,244.7	37,161.0	-0.2%
U.S. Domestic Retail Sales Per Capita	51.96	51.73	51.74	52.06	51.54	51.09	49.88	48.03	48.68	48.09	-0.01
Total Domestic U.S. Sales Per Capita	130.06	126.09	124.36	123.19	122.07	121.75	122.90	119.97	118.31	116.10	-0.02

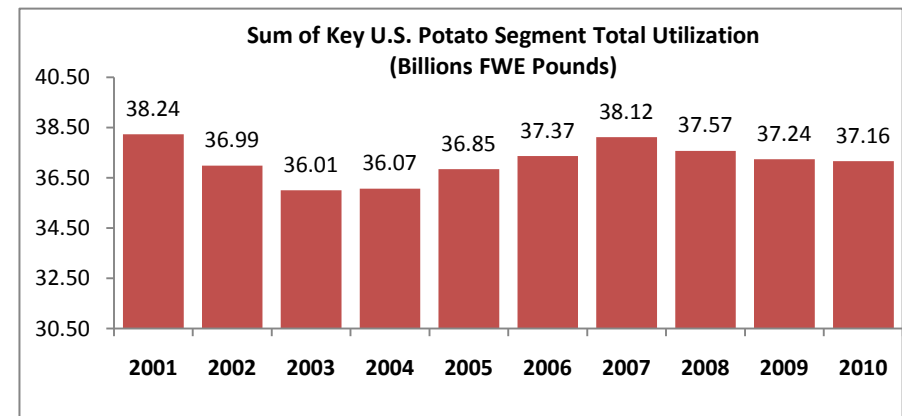
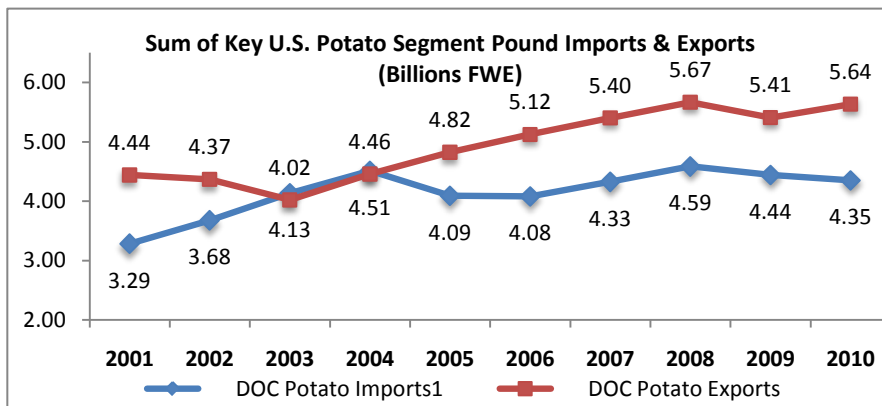
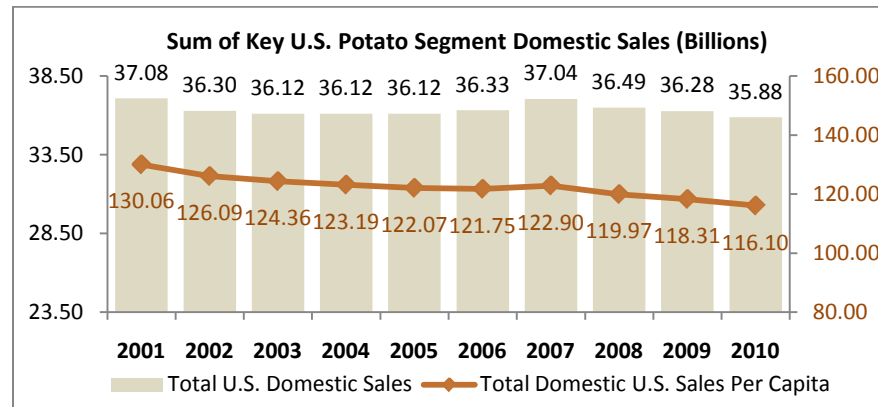
¹Assumed included in U.S. Domestic Sales Estimates. ²Domestic sales minus imports. ³Domestic sales minus imports plus exports.

Sum of Segments

U.S. Domestic Sales. Total sales have declined over the past 4 years, with 2010 off -0.4% over 2009.

Imports & Exports. Exports continue to be a bright spot, having rebounded to the 2008 level (+4.2% over 2009), while imports fell slightly.

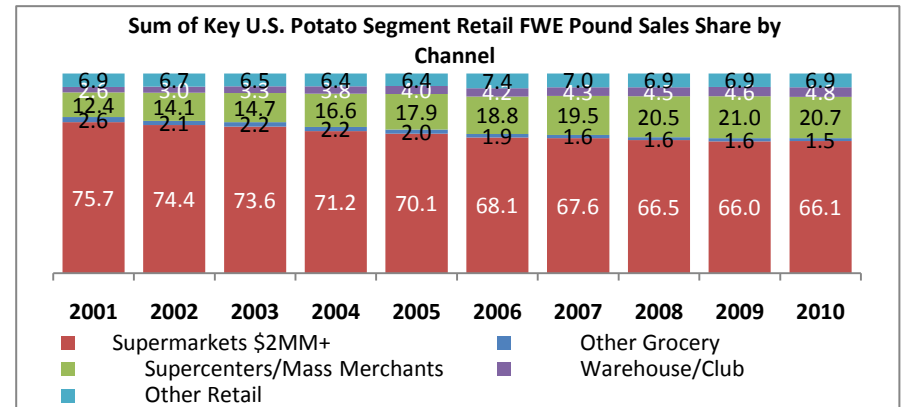
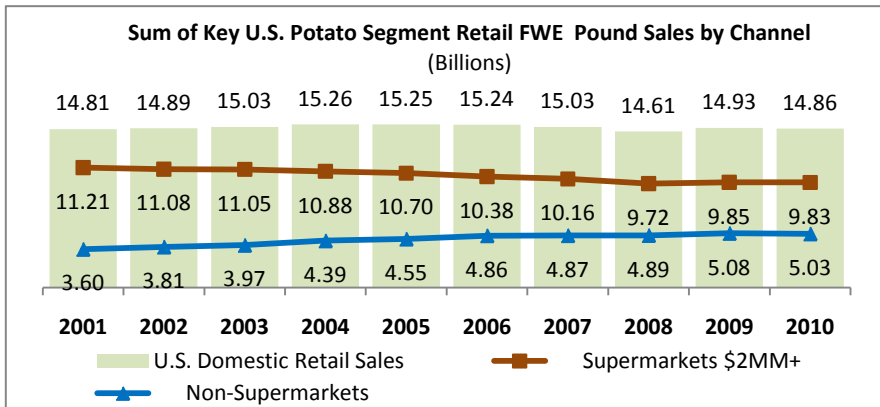
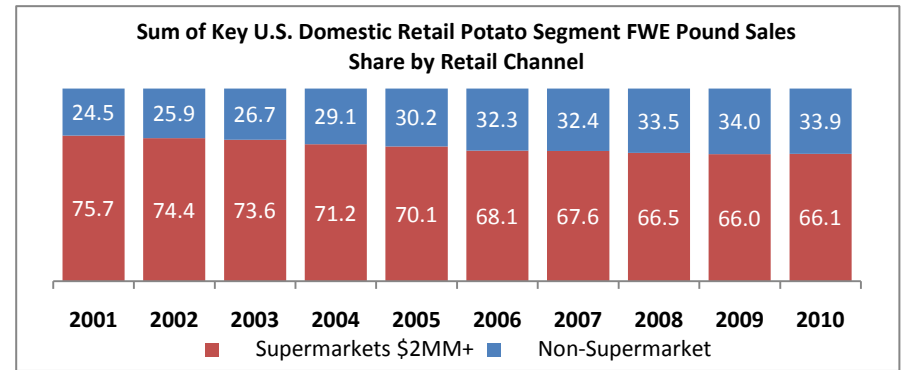
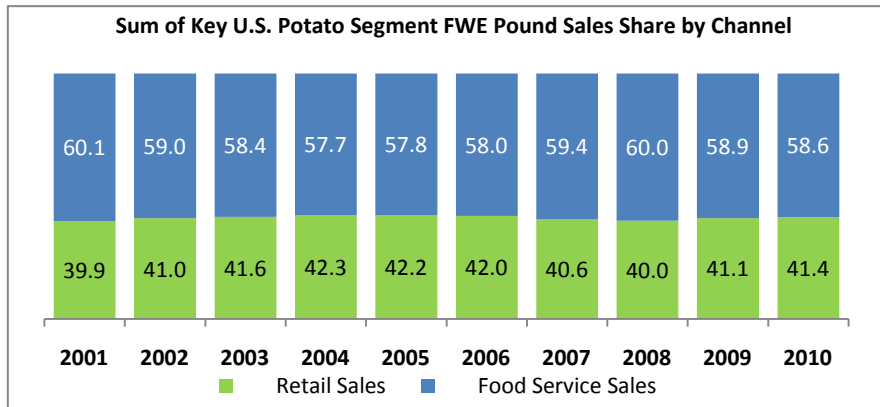
Total Utilization of U.S. Potatoes. Total utilization was off slightly in 2010 compared to the year before (-0.2%).



Sum of Segments

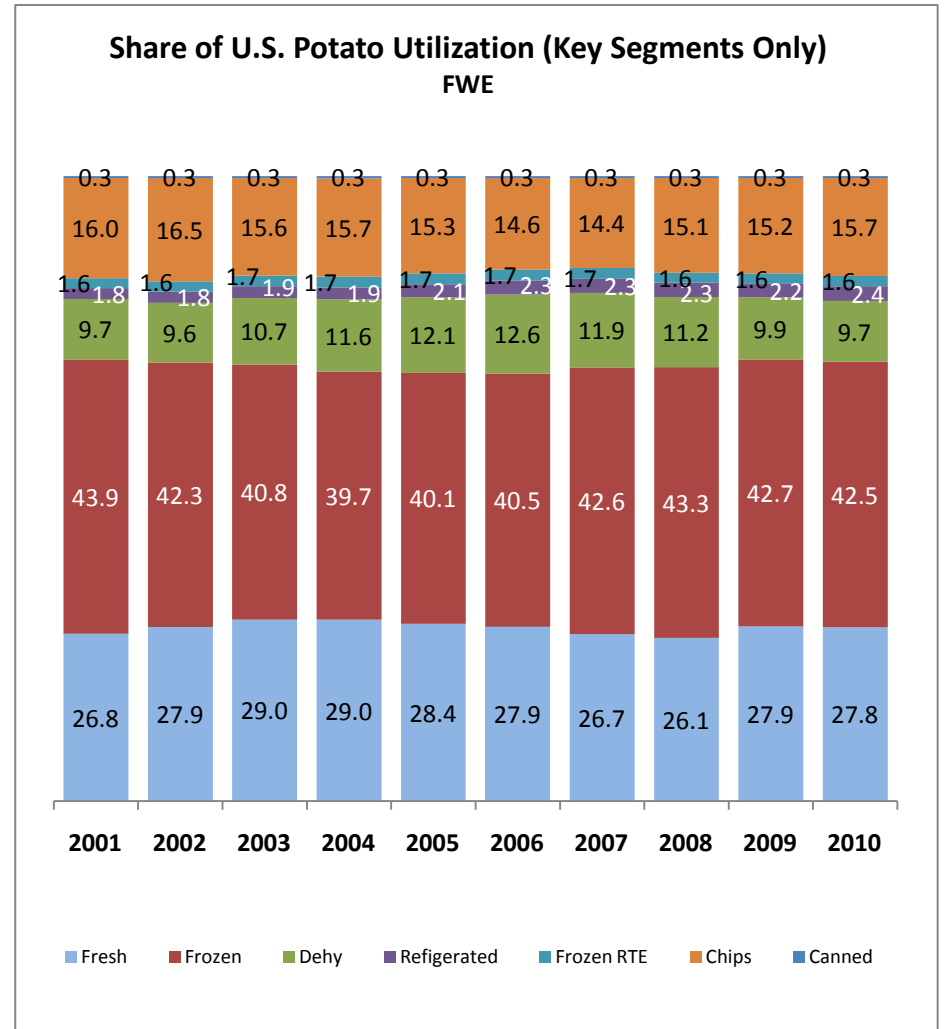
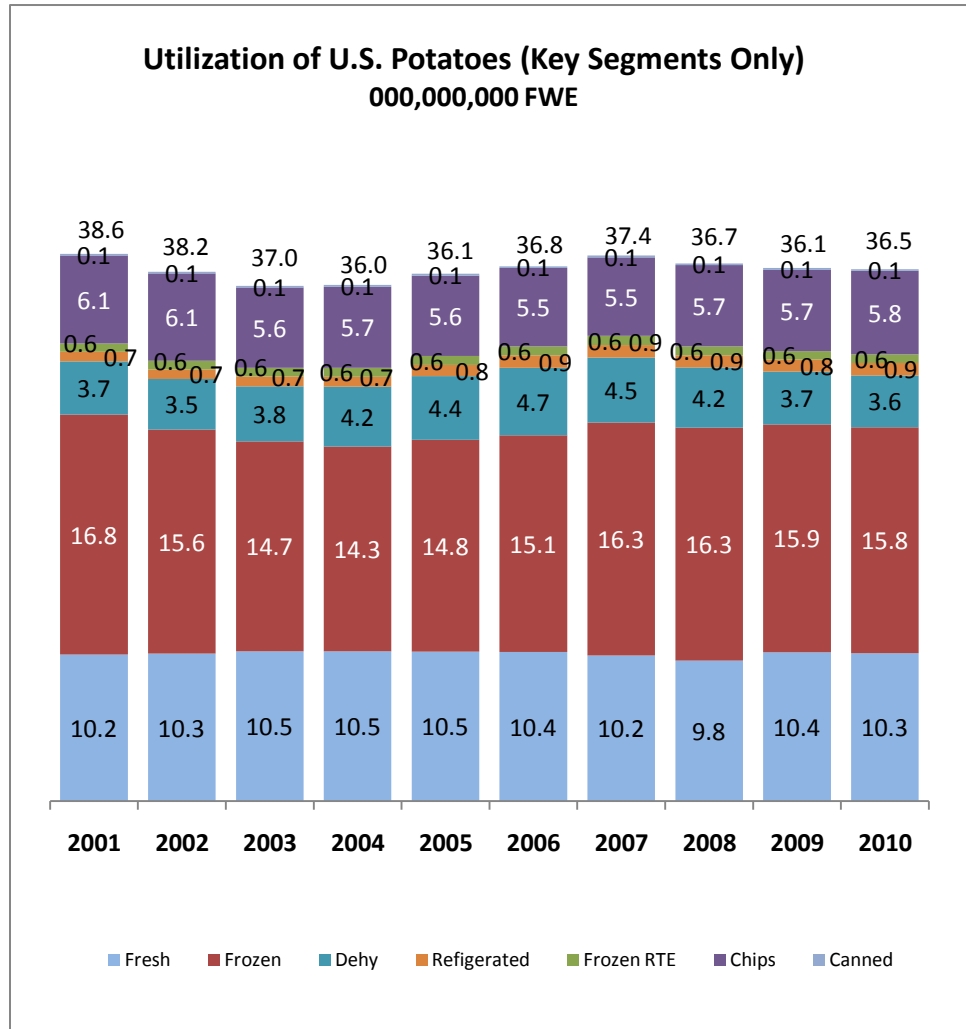
Retail vs. Foodservice. Foodservice shares were off slightly in 2010, but still accounted for nearly 60% of total sales.

Within Retail. While experiencing heavy losses in the first half of the decade, supermarkets share seems to be stabilizing at about two-thirds of total sales.



Sum of Segments

Utilization by Type. Over the past decade frozen and chips have declined in importance while fresh and refrigerated have gained.



Key Segments = Fresh, Frozen, Dehy, Refrigerated, Chips, Frozen RTE, Canned

Data Sources

Direct Measures Used in Estimation Process

The USPB purchases available measurements of potato sales by pounds and dollars from four sources: Nielsen Scantrack®, Nielsen Homescan®, Perishables FreshFacts®, and the NPD Group's POTATOTRAC®.

1. Nielsen Scantrack®. The Nielsen Company has been in the business of measuring retail sales for some 80 plus years. The Scantrack measurement system is built on supermarket UPC scanner sales collected from a sample of cooperating supermarkets across the U.S. Nielsen projects sales for a variety of geographic areas. The USPB purchases UPC pound and dollar data for the U.S. and 9 census areas on a quarterly basis for fresh (available for UPC only), frozen potatoes, refrigerated potatoes, dehydrated mashed potatoes, dehydrated specialty potatoes, and potato chips. This data is available from 2000 through the present.
2. Nielsen Homescan®. Over the past few years Nielsen has developed a consumer purchase panel to measure sales across all retail channels. By 2006, the panel reached 260K households globally, and 125K households in the U.S. Panel members are trained to record all UPC purchases brought home on a specially designed home scanner. This panel data offers two key benefits: 1) It provides dollar sales of products brought home from all retail categories, and 2) sales may be analyzed by purchasers as well as by channels. Data is available for 2006 through 2009 for all major potato retail products except fresh and for all retail channels.
3. Perishables' FreshFacts®. The Perishables Group specializes in perishable marketing including produce. Their FreshFacts measurement system uses raw data collected by the Nielsen Company on perishable product sales in more than 12,000 U.S. supermarkets. FreshFacts enumerates these sales of both UPC (prepackaged) and PLU (loose) fresh potatoes by type and package size in pounds and dollars. Results are provided for some 40+ individual U.S. markets as well as for census areas and total U.S. Data is available from 2004-2009.
4. NPD Group's POTATOTRAC®. POTATOTRAC is a cooperative wholesale foodservice measurement service. Data through 2006 includes sales from 4 major North American frozen potato processors: Cavendish, Conagra (Lamb-Weston), McCain, and Simplot. Beginning with 2007, McCain Canada was added, and reporting procedures were modified by the supplier. POTATOTRAC participants report that their combined sales currently account for about 93% of all frozen potato sales to U.S. food service. The data collected is categorized and combined totals are played back to all POTATOTRAC clients (currently believed to be limited to those 5 processors and the USPB). The USPB receives POTATOTRAC reports in dollars and pounds on a quarterly basis. Data is available for 2000 to the present, with reporting procedures modified with the 2007 data.

Import and export data compiled by government sources is also factored into utilization data. The figures used are published by the *Economic Research Service* based on data acquired from *USDA, FAS, and FATUS*.

Other Measures Employed

Several other sources of published information about U.S. retail and foodservice sales are monitored in the course of arriving at the USPB estimates.

1. The *Nielsen Company* provides annual estimates of total retail dollar sales in the U.S. by channel (ACV or All Commodity Volume). These estimates are published each May for the preceding year. From time-to-time Nielsen also publishes a variety of useful statistics on retail sales based on scanner sales data as well as consumer reports, chiefly from Nielsen's Homescan®.
2. *Willard-Bishop* periodically publishes estimates of grocery channel sales and forecasts.
3. *Progressive Grocer* regularly reports on major grocery category retail sales and forecasts by channel in their *Annual Report of the Grocery Industry*. Likewise, we review published data from *Supermarket News*, and *Grocery Headquarters*, and other available trade publications and public information.
4. *Technomic Inc.* annually reports estimates of foodservice dollar sales by channel.
5. *Mintel* occasionally publishes data on food sales.
6. *CREST*®, a service of the NPD Group, collects and analyzes daily consumer reports of purchasing from U.S. commercial restaurants by item. This service is purchased periodically by the USPB (most recently for the 2008 calendar year).
7. *NET*®, a service of the NPD Group, collects and analyzes consumer reports of all foods served in-home and away from home on an item level. The USPB has subscribed to reports analyzing potato performance annually for more than 20 years.
8. Corporate annual reports from retail organizations such as Wal*Mart, Costco, Kroger, etc., provide insights into levels of food sales by channel.
9. Financial analysts' reports on major food companies and food retailers also provide insights into trends in food sales by channel.
10. The USPB initiates proprietary marketing research studies from time to time to learn more about potato use. For example, 2008 the USPB commissioned Technomic inc. to conduct a survey of the major foodservice distributors and mass feeders specifically to determine the size of the fresh market in foodservice. In 2009 the company was again retained to determine the extent of use of potatoes in retail frozen ready-to-eat dinners and entrees (such as those offered at retail by Swanson, Banquet, Lean Cuisine, etc.).

General Methodology

Fresh Retail Sales

Supermarket fresh sales volumes are presented as reported by Nielsen Scantrack and Perishables FreshFacts. Non-supermarket fresh retail sales are based on a series of assumptions applied to estimates of *All Commodity Volume (ACV) by channel*, published annually by the Nielsen Company. These assumptions established values in each channel for: a) the importance of food sales relative to total sales, b) the value of each channel's customers compared to supermarket customers, c) the value of the potato offerings relative to supermarket offerings, and d) the relative value of fresh potato offerings compared to supermarkets.

Other Retail Sales (Frozen, Dehy, Refrigerated, Chips)

Supermarket sales volumes are presented as reported by Nielsen Scantrack. For the period 2000-2005, non-supermarket retail sales were based on the same assumptions as those outlined in the *Fresh Retail Sales* section above.

Beginning in 2006, Nielsen Homescan® data was available, providing the share of potato product dollar sales by segment by channel. Estimates of the average price/pound relative to supermarkets were used to convert dollar shares to pound volume shares. Homescan pound volume shares were then applied to pound sales volumes in supermarkets to obtain pound sales volumes for all other retail channels. Chips required one additional step: Since Nielsen Homescan purports to measure only sales of product brought into the home, adjustments were made based on estimates of the percentage of sales in each channel taken home. In other words, Homescan estimates were inflated by these factors.

Channel	Assumed \$/lb relative to Supermarkets		Assumed % Chips Taken Home
	Frozen/Dehy/Refer	Chips	
Supermarket	1.00	1.00	0.95
AO Grocery	1.05	1.10	0.90
SuperCenter/Mass	0.95	0.95	1.00
Warehouse/Club	0.95	0.95	1.00
All Other*	1.10	2.00	0.30

*Convenience store, Vending, Drug store, All Other Outlets

Foodservice Sales

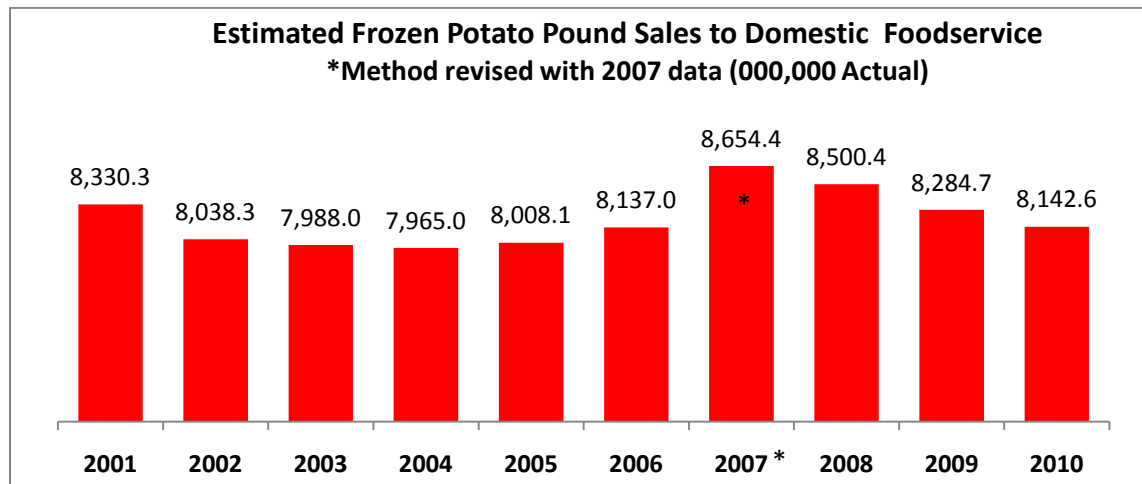
All foodservice estimates are based on three measures:

1. Pound and dollar sales of frozen potatoes to U.S. foodservice operators and distributors by type of product from 2000-2010 from NPD's PotatoTrac.
2. Estimates of total fresh pound sales volume by foodservice channel from Technomic's 2008 U.S. Fresh Potato Foodservice Volume Study.
3. Distribution of restaurant servings by potato end use type for 2005-2008 from NPD's CREST®.

Domestic Frozen Potato Sales to Foodservice

POTATOTRAC® data is the basis of estimates of frozen potato sales to domestic foodservice. Data from 2000 to 2006 was provided by the 4 original participating processors (Cavendish, Conagra (Lamb-Weston), McCain, and Simplot). Exports as reported by FATUS were removed from these figures to obtain total domestic frozen potato sales.

In 2010 McCain Canada joined the participants, and data reporting procedures were changed so that domestic sales were reported directly. Data was recast back to 2007 and the results from the 2007-2010 periods as reported by both the original and the revised methods were compared. The new methodology sales were found to be consistently about 5% greater than the original, but the pattern of changes (the trends) were very similar. Unfortunately, this change in reporting methods has to be considered when looking at the absolute numbers over the entire decade.

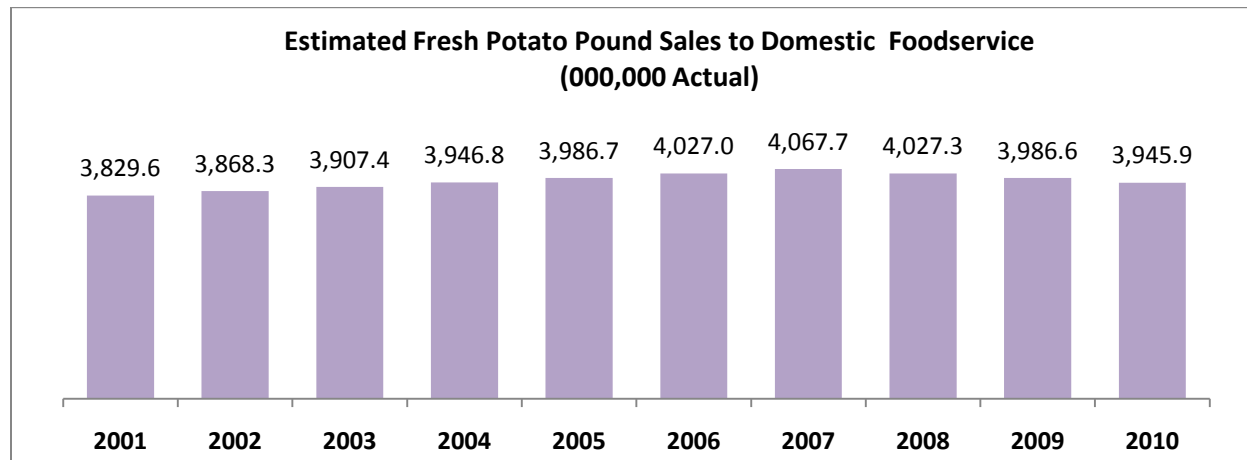


Domestic Fresh Potato Sales to Foodservice

In early 2008, Technomic Inc., was commissioned by the USPB to conduct a study of the U.S. foodservice industry to determine the size and trend of the fresh, unprocessed potato segment by operator type. 486 structured interviews were conducted with operators in targeted segments and 30 interviews were conducted with distributors (broadline, produce specialists, and terminal market companies), and findings are summarized in the following chart.

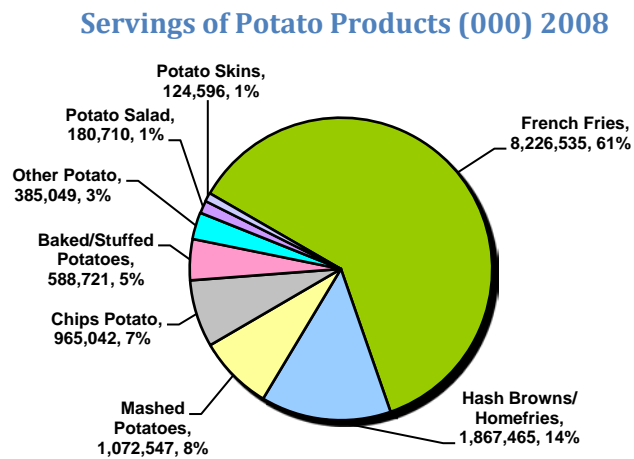
Segment	Description	Pounds		Operator Purchases	
		MM	% Share	\$ (MM)	%
Full service restaurants	<ul style="list-style-type: none"> ▪ Midscale ▪ Casual dining ▪ White table cloth 	2,637	65%	\$870	64%
Limited service restaurants	<ul style="list-style-type: none"> ▪ Fast food ▪ Quick casual ▪ Cafeteria/buffet 	411	10	143	11
Education	<ul style="list-style-type: none"> ▪ K-12 schools ▪ Colleges 	295	7	97	7
Healthcare	<ul style="list-style-type: none"> ▪ Hospitals ▪ Nursing homes ▪ Senior living 	246	6	81	6
Travel & leisure	<ul style="list-style-type: none"> ▪ Hotels ▪ Recreation 	227	6	75	6
Business & industry	<ul style="list-style-type: none"> ▪ Corporate dining 	134	3	45	3
All other Foodservice	<ul style="list-style-type: none"> ▪ Supermarket foodsvc ▪ Retail hosts ▪ Military ▪ Corrections 	118	3	39	3
Total		4,068	100%	\$1,350	100%
Technomic Assessment of U.S. Foodservice Market for Fresh Potatoes, 6/27/08					

Further, the study indicated that in the period 2005-2008, fresh potato sales in foodservice grew about 1% per year. Growth from 2008-2011 was anticipated to be at the same level of 1% annually. However, CREST and other data sources documented softening foodservice sales beginning in 2008, and so 2008-2010 fresh sales were estimated to have declined by approximately 1% annually.



Distribution of Restaurant Potato Servings by Type

NPD's CREST® service measures consumption of foods in commercial restaurants. The 2008 CREST study indicated how servings of potato products were distributed to restaurant customers by end use type. While this is only a snapshot, the distribution wasn't significantly different than that reported by CREST for 2003, 2005, or 2007.



Arriving at the Final Estimates

Together, the frozen and fresh estimates above account for the overwhelming majority of total potato sales and consumption in the foodservice industry (some 95% by our estimates). The balance of the market (dehy, refrigerated, and chip sales) were estimated based on the CREST restaurant serving data. This required assumptions about the potato types used to produce each of the end use dishes and assumptions about the average size of each serving. Finally, the data for restaurant dehy, refrigerated, and chip sales was projected to mass feeders (business and industrial, educational facilities, health facilities, and other institutional operations) to cover the entire foodservice arena.

Population and FWE Conversion Factors

Actual pound volumes were converted to Farm Weight Equivalents using the following factors:

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
U.S.POPULATION (000,000)	285.1	287.9	290.4	293.2	295.9	298.4	301.4	304.2	306.7	309.1
Fresh	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08
Frozen	1.82	1.79	1.75	1.72	1.71	1.70	1.70	1.70	1.70	1.70
Dehy	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Refrigerated	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Frozen RTE	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Chips	4.03	4.01	4.01	4.04	4.04	4.04	4.00	4.00	4.00	4.00
Canned	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6

U.S.POPULATION from U.S. Department of the Census

Fresh - assumes 8% loss (shrink) in retail/foodservice operations

Frozen – assumes increasing efficiency in processing operations

Dehy – industry standard

Refrigerated – frozen industry standard

Frozen RTE – Assumes 34% dehy, 33% frozen, 33% fresh

Chips – assumes increasing efficiency in processing and takes into account % baked/formed chips

Canned – industry standard