

Toaspern:

Hello everyone! Welcome to the first episode of *Potato-cast*, the new Potatoes USA podcast. I'm John Toaspern, Chief Marketing Officer at Potatoes USA.

Cervantes:

And I'm Natalia Cervantes, Potatoes USA Conversation Architect, and your host.

After our most recent grower survey, we learned that you, our favorite potato loving people, enjoy learning about the freshest market insights and updates with the on-going Potatoes USA programs.

We also learned that you are looking for more ways to receive this kind of information. Outside of emails and social media, we hope this podcast will be an additional way for you to consume the valuable information you are looking for- on the go! *Potato-cast* will be released monthly. We hope you subscribe so you never miss an episode and continue to stay informed about the many ways Potatoes USA strives to support you.

Our Marketing Year 21 started July 2020 and it's fair to say that like most organizations, we have had to learn to re-adjust. In today's episode, John and I will cover the big highlights from the last six months.

Let's get into it, John, what should we be keeping in mind going into 2021?

Toaspern:

Do we have a time limit to this this thing? Because we have got a lot to cover.

Let's talk about Domestic first. And start by addressing the elephant in the room, the foodservice sector took a big hit. As of December 1, more than 110,000 restaurants have closed permanently or temporarily and 10,000 of those closed during the last three months alone. Total losses have reached \$215 billion through October. For potatoes specifically, there was a decline in sales of frozen to the foodservice sector of 1.1 billion pounds. The Beyond Restaurant and Full-Service sectors have suffered the biggest declines in business with Quick-Service Restaurants faring the best. This has led to a recovery in sales of fries, but a continuing reduction in sales of fresh table potatoes to foodservice.

To support foodservice operators during this difficult time, Potatoes USA ran a very successful social media campaign to remind consumers of how much they were missing fries and encourage them to go get some!

Cervantes:

That's right.

We launched some social media posts that focused on providing packaging suggestions for takeout and delivery, cost effective menu ideas, and showing potatoes versatility to support a variety of cuisines. Many restaurants have been shrinking their menus and

reducing the number of items they bring into the back of the house. Which is exactly why it was so important for us to help them understand how versatile potatoes can be!

Everything from loaded fries, potato bowls, spudwiches, POTATOAST! Potatoes everywhere!

Toaspern:

You're not wrong Natalia.

Potatoes are on 84% of menus but the one place potatoes are not expected is Pizza! Well, we took that challenge head on with our Potato Pizza Contest.

Cervantes:

I started with Potatoes USA right as we launched that contest. Can you remind me?

Toaspern:

The contest was pretty interesting.

We asked U.S. chefs to fire up their ovens and innovate with potatoes. We had two categories, one being of course, potatoes as a pizza topping and the second one being potatoes as a side dish for pizzeria menus. And let me tell you, with over 115 entries, the chefs did not disappoint.

Cervantes:

And I remember now, the grand prize for potatoes as a pizza topping went to the Portuguese Potato Pizza!

Toaspern:

And followed by the Potato Chorizo Pizza with Pickled Red Onion and Avocado, and a Vodka Cured Smoked Salmon Pizza with Crispy Potatoes. The winning side dishes were Pepperoni Pizza Skins, Loaded Pizza Baked Potatoes, and Pull Apart Potato Pizza.

Cervantes:

And if hearing all that didn't make you hungry, any recipe by our Chef RJ will! In fact, I fueled with my potatoast this morning. I'd say that's my favorite new recipe RJ has come up with recently.

Toaspern:

Yes, RJ has been very busy. He worked tirelessly this last 6 months to come up with over 60 new recipes.

Comes as no surprise but as people stayed home more, they began to seek out fresh ideas to cook home meals. We saw that as an opportunity and put Chef RJ's recipes front and center, on social media.

Cervantes:

We really leveraged Facebook and Instagram to promote these new and exciting recipes.

In November, Datassential reported that more than half of consumers in the U.S. are bored of the same food and 79% are craving something new. So, shout out and thank you to RJ for continuing to share all these new and exciting ways to cook with potatoes.

From simple baked potatoes or having fun with dehy by making donuts. People enjoy cooking with potatoes.

Toaspern:

And fueling with potatoes. Don't forget fueling.

Remember the Team Potato zoom event we had in November with fitness enthusiast Susan Haag, our lead influencer for Team Potato. She shared with the team her favorite pre, during and post ironman potato dishes. Did you know she's done over 100 ironmans?

Cervantes:

She's actually done 123 and counting.

Toaspern:

That is impressive.

It's really been a lot of fun to see the Team Potato members become more engaged than ever online.

Cervantes:

I love their passion for being active and staying active with potatoes! It's great! And Team Potato is not the only place that's talking about the benefits of potatoes!

Potatoes also saw a spike in media coverage, for their nutrition, performance value, and versatility. Potatoes have been listed as being nutrient-dense by several media outlets, including *Livestrong* and *WebMD*. *The Beet* showcased potatoes as a performance fuel while *Real Simple* and *Yahoo! Style* highlighted its versatility.

Toaspern:

And don't forget cost efficiency. *EatingWell* said that "Potatoes provide more nutrients per penny compared to most vegetables." And *Delish* said potatoes "are one of the cost-friendliest and most nutrient-dense starches out there."

Cervantes:

Potatoes are America's favorite vegetable!

What about other countries? What have U.S. potatoes been up to around the world?

Toaspern:

There have been numerous menu launches in the target markets, all covering a wide range of cuisines. In Japan, loaded U.S. shoestring fries were launched at 332 Lotteria outlets, and a promotional campaign featuring takeout resulted in the launch of 50 new U.S. potato-based menu items at different restaurants.

In Malaysia, fresh and frozen U.S. potatoes were launched, from mashed potatoes at a Fish & Chips chain to loaded tater drums at K-Fry outlets.

And in South Korea, the Wisconsin Cheese Potato Pizza launched at Papa John's, along with seven other menu launches at volume outlets, including Gochujang Fries at Shake Shack.

In Thailand, Cheesy Fries and Mexican Flavored Fries launched at Taco Bell as a result of co-op promotion. And that's just a handful of them!

Cervantes:

A handful indeed!

With all the travel restrictions though, how did we manage to still engage internationally?

Toaspern:

Three words. Virtual culinary presentations.

In Japan, an online workshop was hosted to educate consumers on the use of dehydrated and frozen potato products. Dehydrated potato flake sales were up nearly 50% over the same time last year.

Chef RJ Harvey has also been making his usual excellent contributions to these demonstrations, virtually of course. He recently joined a virtual chef's seminar in the Philippines and demonstrated how to prepare Bahn Mi loaded fries and potato donuts made with U.S. potatoes.

Cervantes:

He is certainly staying busy!

And I know we have been working to expand U.S. potato exports by developing new markets. A lot of work has gone into expanding marketing efforts into the United Arab Emirates and Saudi Arabia. How is that going?

Toaspern:

That is going great! The markets are quickly gaining interest from U.S. industry members and potential buyers in the Gulf Cooperation Council region and marketing activities are underway. At the end of December, we held a virtual trade mission for U.S. companies to meet potential customers, 23 individual meetings were held over a two-week period.

In addition to the trade meetings, we also are helping to prove to the trade in the United Arab Emirates that importing ocean freight containers of U.S. fresh potatoes is viable and much more cost effective than airfreight, we actually have a mixed load on the water right now.

Cervantes:

That's great!

And if I may add, we've also worked with one of the leading foodservice trade publications in the region to develop four recipes made with U.S. potatoes – potato gratin, lobster cheese fries, the ultimate fries board, and russet potato waffle eggs benedict. These recipes are being promoted in publications and made into videos with prominent chefs to inspire other chefs and highlight the benefits of U.S. potatoes.

Toaspern:

You know you raise a good point, we must always focus on highlighting the benefits of the exceptional quality and consistency of U.S. potatoes. The world potato market continues to get more and more competitive with more and more countries producing and exporting fries and other products. This has been exacerbated by the significant impacts of the pandemic in Europe which has led the to the EU selling excess fries into the world markets at very low prices.

Cervantes:

It seems the timing could not have been better with the launch of the new 'Buy U.S.' campaign since it focuses on three key factors that distinguish U.S. potatoes from potato products of other origins: quality, consistency, and leadership.

Toaspern:

You're right.

And the campaign goes beyond factual attributes to also create an emotional connection between U.S. potatoes and international customers. The campaign features the slogan "United States of Quality. A Potato Unlike Any Other From a Place Unlike Any Other." This campaign comes to life in an array of assets from digital promotions, to post cards to product brochures to trade show booth backgrounds.

Cervantes:

While this campaign is great for changing buyers' hearts and minds of U.S. potatoes, there must be some barriers beyond our control to getting more U.S. potato products in other countries. Any updates on that market access?

Toaspern:

Yes, big strides have been made in some areas, but the work is never done.

Last spring China opened for exports of fresh chipping potatoes from the Pacific Northwest. This was a culmination of twenty years of work, but the final details and processes are still being worked out.

There were also a couple of wins in Japan. The tariffs on U.S. fries were lowered to the same levels faced by Canada and the EU, and by April 2021, there will be no tariff on U.S. fries. Additionally, we achieved year-round access for chipping potatoes into Japan. It has been very gratifying to see U.S. chipping potatoes being shipped this fall and winter when they used to only be able to go February – July.

Cervantes:

That's really great news! Since Japan is the largest export market for U.S. potatoes, right?

Toaspern:

Yes, and Japan continues to be a growth market for U.S. frozen potatoes. One of their largest Foodservice chains switched from EU to U.S. fries and has since had sales increase.

Beyond promoting U.S. potatoes in Japan, our focus is getting access for fresh table-stock potatoes.

We are also working to get more states approved to ship fresh potatoes to Korea, this should be achieved much more quickly. There are a number of countries, Morocco, Bangladesh, Egypt and others where we are working to gain access for U.S. seed potatoes.

Cervantes:

And speaking of seed potatoes, we just had a big breakthrough in getting an import protocol for U.S. seed potatoes to enter Cuba.

Toaspern:

Yes, that was a historic achievement and coincides with the first ever seed potato variety trials being conducted in Cuba. Potatoes USA is the first ag organization to utilize USDA Market Access Program funds in Cuba. These MAP funds are covering the costs of the variety trials there.

Cervantes:

What other role does USDA play in this market expansion?

Toaspern:

Good question, USDA APHIS and FAS are key partners in opening and developing these international markets. But our main partner in opening up the international markets is the National Potato Council and the state potato organizations, it takes all of us in the potato industry working together to open and develop these markets.

Cervantes:

The export potential here is vast! What's the overall export situation looking like?

Toaspern:

With the pandemic hitting Asia first we started to see declines in exports in March with May & June being the hardest hit. Fortunately, before that the U.S. had been achieving record exports so the overall decline for the marketing year was only 4%. Since the beginning of this marketing year in July we have seen a gradual recovery in exports, they are still below 2019 levels, but each month the decline is shrinking. For October we saw increases in exports to some key markets, notably a 3% increase to Japan and a 15% improvement to Taiwan versus 2019.

Cervantes:

You know, it also sounds like the bar was set high since exports for this period in 2019 were at record levels.

And while there were probably other variables, either way, to make it simple for our listeners, I'm going to link all supporting reports and documents for this episode on potatoesusa.com so they can read about the variables at their leisure.

Toaspern:

Very good. That would be much easier than me trying to explain it!

Cervantes:

John, we've covered a lot for our first episode. I'd love to talk to you about the work we've been doing with the National Potato Council and Alliance for Potato Research and Education, but I think we are running out of time!

Toaspern:

And I think I need to go fuel with some potatoes. We are doing this monthly, so we'll have more time in our next episode for me to answer ALL of your questions about the NPC and APRE.

Cervantes:

Agreed, thank you for your time John.

All supporting documents for data provided in this episode can be found on potatoesusa.com. To see all the great information available about potatoes or new and fun ways to cook with potatoes visit potatogoodness.com.

Thank you for listening to our first episode of *Potato-cast*! Please subscribe on Spotify or Apple Podcast by searching for *Potato-cast*.

I am your host, Natalia Cervantes.

Until next time, take care everyone.