

FY22 Budget Comments

Revenue

Assessments: The Assessment revenue has been increased to \$14,600,000. Potatoes USA expects to see a small increase in production for FY22.

FAS Funding: Grants awarded by the Foreign Agricultural Services (FAS) to Potatoes USA change from year-to-year. Potatoes USA was awarded an additional \$89,496 in Market Access Program (MAP) funds for FY22 and expects to have \$1,250,000 remaining in Agricultural Trade Promotions (ATP) funding. FY22 will be the final year Potatoes USA will be allowed to use the ATP grant.

Total budgeted Revenue for FY22: \$21,965,250

Program Expenses

Marketing: The Marketing budget has been increased to \$9,900,000. The increase will cover travel, both domestic and international, and standard increases to benefits. The increase will bring the department closer to their original FY21 budget.

FAS Funding: This budget is related to the FAS Funding revenue line item.

Industry Outreach: The Industry Outreach budget has been increased by \$86,000. This increase will cover travel, meeting, and additional industry communications expenses. All these budget line items were significantly reduced in FY21.

Research & Analysis: The Research & Analysis budget has been decreased by \$10,000. The FY21 budget was increased to cover no cost extensions on contracts.

Annual Meeting: The Annual Meeting budget has been increased to \$236,000. Potatoes USA hopes all Board Members will be able to attend an in-person meeting in March 2022, so the increase will cover travel expenses.

Special Project – International Marketing: Potatoes USA's is required to match a portion of the ATP funds used each year.

Special Project – Research and Analysis: We have moved the \$250,000 that was being held as designated funding (Research Escrow) to a special project for the Research and Analysis department. We expect the study to start in FY22.

Total Budgeted Program Expenses for FY22: \$20,057,500

Administrative Expenses

Salaries & Benefits: The administrative salaries and benefits have been increased by \$104,050 to account for standard increases to benefits. All salaries & benefits are presented in a single budget line item. The salary for the CEO is provided in his annual contract.

Travel: During FY21 the travel budgets were significantly decreased due to worldwide travel restrictions. Potatoes USA hopes staff and board members will be able to resume travel during FY22. As such, all travel budgets have been increased: Executive Committee has been increased by \$173,000; Administrative Committee has been increased by \$151,000; and Staff has been increased by \$60,000.

Office & Insurance: The Office & Insurance budget has been increased by \$42,500. The increase accounts for our move to a larger building in Denver where we anticipate additional overhead costs (i.e., electricity, water, etc.). The IT Support and Copier budgets have also been increased.

Office Lease: The Office Lease budget has been increased based on the new building lease.

Professional Services: The Professional Services budget has been decreased by \$13,000. The Computer/Software budget has been decreased because many laptops were replaced in FY21.

USDA User Fee: The USDA User Fee has been increased to \$225,000. In addition to a regular annual increase, Potatoes USA expects to have a management review performed during FY22.

Special Project – New Building: The special project for the new building for FY22 will cover construction, moving, and IT costs. At the request of USDA, the budget line item has been moved from Program Expenses to Administrative Expenses.

Miscellaneous: The Miscellaneous budget has been decreased by \$12,300. At the request of the Executive Committee, the FY21 budget was increased. This increase is no longer needed for FY22.

Total Budgeted Administrative Expenses for FY22: \$4,686,250