

FY23 Budget Comments

Revenue

Assessments: The Assessment revenue has been increased to \$15,400,000. Potatoes USA expects to see an increase in production for FY23.

Contribution Revenue: The Contribution Revenue has been decreased by \$17,250. The decrease is due to a reduction of work performed for meeting and outreach services for which Potatoes USA is reimbursed.

Interest Income: The Interest Income has been increased by \$15,000 to \$55,000. Potatoes USA has certificates of deposits and United States Treasury Notes that will be maturing in FY23 thereby increasing the interest income for the year.

FAS Funding: Grants awarded by the Foreign Agricultural Services (FAS) to Potatoes USA change from year-to-year. FAS Funding includes the Market Access Program (MAP), Agricultural Trade Promotions (ATP), Technical Assistance for Specialty Crops (TASC), and the Quality Samples Program (QSP) grants.

Total budgeted Revenue for FY23: \$22,978,000

Program Expenses

Marketing: The Marketing budget has been decreased by \$50,000 to \$9,850,000. The decrease is to balance the FY23 budget for Potatoes USA.

FAS Funding: The FAS Funding expense budget line item matches the FAS Funding revenue budget.

Research & Analysis: The Research & Analysis budget has been decreased to \$2,050,000. The FY22 budget included \$500,000 for no cost extensions on contracts from FY21 and a base budget of \$2,000,000 for new FY22 activities.

Summer and Winter Meetings: The Summer and Winter Meeting expenses have been moved from the Administrative Expense category to Program Expenses. Moving the meeting budgets provides additional transparency on how funds are spent.

Special Project – International Marketing: Potatoes USA's is required to match a portion of the ATP funds used each year. This special project line item is Potatoes USA's matching contribution.

Total Budgeted Program Expenses for FY23: \$20,016,000

Administrative Expenses

Salaries & Benefits: The administrative salaries and benefits have been increased to \$1,850,000 to account for annual increases to benefits. All administrative salaries & benefits are presented in a single budget line item.

Travel: The Executive Committee and Administrative Committee travel budgets have been decreased by the Summer and Winter Meeting expenses. No actual change has been made to the budgets for travel or the meetings.

Office & Insurance: The Office & Insurance budget has been increased by \$41,000. The increase accounts for our move to a larger building in Denver where there is additional overhead (i.e., electricity, water, wifi, etc.).

Office Lease: The Office Lease budget has been decreased to \$185,000. The FY22 budget included rent for the old and new office locations. The FY23 budget is for the new building only.

Professional Services: The Professional Services budget has been increased to \$188,000 to account for increased payroll and audit expenses.

USDA User Fee: The USDA User Fee remains at \$200,000 for FY23. All commodity boards pay for the services provided by USDA.

Miscellaneous: The Miscellaneous budget has been decreased to \$2,500. This budget is used for travel related to assessment desk reviews, if needed.

Total Budgeted Administrative Expenses for FY23: \$3,088,500