

POTATOES USA
ADMINISTRATIVE COMMITTEE MEETING MINUTES
January 3, 2023
Gaylord Rockies
Aurora, Colorado

Welcome

Chairperson Jason Davenport officially called the meeting to order at 8:58 AM MT. Jason welcomed everyone to Denver and thanked them for attending the meeting.

Antitrust Statement

The Antitrust Statement was displayed for all attendees. A copy of this was also provided for attendees in their meeting binders. He also thanked the 2022-2023 board meeting sponsors: Sklarczyk Seed Farm, LLC, Wisconsin Potato and Vegetable Growers Association, Teton West, Hillenby, North by Northwest, Webolutions, Foodminds, Rabo Agrifinance, Idaho Potato Commission and Vectra bank Colorado.

Roll Call and Introductions

Roll call was conducted, and Administrative Committee members present included Travis Meacham, Jaren Raybould, Jason Davenport, Mike Carter, Jared Smith, Shelley Olsen, Leah Halverson, Mike Larsen, Kevin Schleicher, Jennifer Gogan, Steve Elfering, Jeff Jennings, Brian Mahany, Ben Zechmann, Wendy Dykstra, Dan Gundersen, Tom Enander, Braden Lake, Ed Staunton, Sammy Stahl, Marvin Wollman, Ryan Moss, Kyle Michael, Jason Tillman, Eric Searle, Tyler Tschirky, Tyler Backemeyer, Kevin Hachey, Jess Blatchford, Dan Blackstone, James Baker, Ryan Christensen, and Taylor Grant.

Guests present included Alex Caryl, Samantha Mareno, and Deanna Bakken with USDA/AMS, Travis Blacker, Sam Eaton, and Ross Johnson with the Idaho Potato Commission, Kelly Turner with Michigan Potato Industry Commission, Mark Klompfen with UPGA, Gary Roth with Oregon Potato Commission, Tamas Houlihan and Joe Kertzman with Wisconsin Potato and Vegetable Growers Association, Donavon Johnson with Northland Potato Growers Association, Jim Ehrlich with Colorado Potato Administrative Committee, Brian Jones with Sun Valley Potatoes, Steve Lerch with Story Arc Consulting, Tanis Roeder with Elevate Your Communication, Vlastimil Rasocha with Europatat, and Christophe Vermeulen with Belgapom.

Also present were Potatoes USA staff members Blair Richardson, Kim Breshears, Natalia Cervantes, Erena Connon, Nicole Field, Chelsea Gray, RJ Harvey, Monica Heath, Robert King, Tiffany Kocir, Pamela Lee, John Lundeen, Mary Kate McCandlish, Caitlin Roberts, Bonnie Johnson, Marisa Stein, Alyssa Green, Dinah Tobey, and Kayla Vogel.

Administrative Committee members present via Zoom included Bevan Lenz, Jennifer Gogan, and Kevin Searle.

Call for Proxies

Jason Davenport called for any proxies for the 2023 Winter Meeting. There were none.

Approval of Minutes

Chairperson Jason Davenport requested the approval of the minutes from the August 3, 2022, Administrative Committee Meeting. The minutes were emailed to the Administrative Committee before this meeting and included in the binder materials.

A **MOTION** was made by Shelley Olsen and seconded by Steve Elfering to approve the meeting minutes.

Working Committee Reports

Domestic Marketing Committee Report

Foodservice: Marisa Stein presented results from research conducted to learn how U.S. consumers feel about potatoes when dining out and to understand the habits and opinions of consumers who frequent restaurants. The results include the following: 60% of patrons expect potatoes to be on menus, and on average, consumers will pay more for a meal with potatoes, ~\$5.20 more. Potatoes maintain 83% menu penetration and 8.1% menu incidence at commercial restaurants. Menu incidence is the average occurrence of a particular item on individual menus, which Potatoes USA began tracking this fiscal year. FY23 volume spiked, increasing by 1.2B lbs. and almost \$2B in value. This is great news in food service, and it is expected to continue to grow.

Culinary: Chef RJ Harvey shared that working with Foodservice Operators has been one of Potatoes USA's most impactful initiatives, opening dramatic opportunities in the culinary program. This is done in two ways: at the operator's headquarters or the Potatoes USA office, in the Spud Lab.

Recently the culinary team conducted a 'Total Tater Takeover' at the University of Michigan, where they conducted a training, demo, and chef ideation session with 14 University of Michigan executive chefs. Next, they served over 1,400 students a wide variety of potato dishes in the dining halls over the next three days. The students especially loved the potato gelato.

The culinary team also conducts on-site innovation sessions to focus on the individual chef's brand. Some recent on-site innovation sessions include GCIA (Global Culinary Innovators Association), Twin Peaks, Another Broken Egg Café, Nordstrom Dining, and the Potato Industry Chefs Council.

Natalia Cervantes shared that we also engage with Foodservice operators via digital platforms. Including Potato University, which continues to inspire chefs.

Natalia presented the potato goodness website visitor demographics from 2020 to 2022. There is significant growth in visits by Gen Z, an increase of 19% for 18–24-year-olds, whom Potatoes USA started to target this year.

Consumer: Kayla Vogel announced that she manages the consumer program alongside Mary Kate. They are leaning in with the performance campaign and targeting everyday athletes and how they fuel with potatoes. The team is exploring new platforms for Team Potato to expand into. Currently, Team Potato is only on Facebook. They will continue efforts there but plan to expand into Strava, a social network exercise app. The new platform will resonate with the target audience of 18–24-year-olds where they can engage in Team Potato challenges, recruit others to join the team and track their activities, keep up with what others are doing, share photos, etc.

Kayla is now on the Fresh Leadership Council within FMI, which consists of a combination of retail suppliers and commodity boards. Her involvement allows Potatoes USA to work directly with retailers to share research on potatoes at retail.

Research Committee Report

Co-Chair Mike Larsen shared an overview of the NFPT program and its operation. The committee consists of processors, growers, breeders, state representatives, and industry members. The NFPT Steering Committee is made up of processors, state commissions, and Potatoes USA representatives. The steering committee takes info from the industry related to new varieties and has a tiering system established to help evaluate the varieties. All data relating to the varieties are kept in a database called Medius. Each year, the NFPT program meets in Grand Forks for a field day to evaluate the trials. Mike Larsen thanked Alyssa Green and John Lundeen for their hard work on the NFPT program.

John Lundeen and Co-Chair Jennifer Gogan shared an overview of the PRAC program. They explained that PRAC reviews research proposals and interviews applicants. The five types of research projects that are submitted include soil health, disease management, technology development, sustainability, and crop management. Next, they choose the top proposals and write and encourage letters of support from the potato industry to help move them forward. In 2022, the two SCRI projects the program is emphasizing are “Ensuring the viability of U.S. Potato Production Systems through management strategies to support soil health” and “Potato insect pest management in a post-neonicotinoid era.” The PRAC mission is to unite potato industry support behind projects with the greatest potential impact on the industry. Since 2016 when PRAC was created, they have received \$30.7 million dollars toward PRAC-endorsed SCRI projects.

Industry Outreach Committee Report

Bonnie Johnson shared that the focus of the Industry Outreach programs is to engage, educate, communicate, and protect. There have been several face-to-face meetings with growers, which drive engagement with Potatoes USA program activities and industry initiatives. Bonnie traveled with Blair and the Executive Committee for a grower outreach in five New England States and with Marketing staff for a retail marketing workshop in Wisconsin.

Erena Connon presented new educational webinars the team is kicking off called Lunch and Learns. This is a new educational resource this year, they are short-form webinars. Recently held a Lunch and Learn focused on fresh retail trends, which was a success. The next webinar topic is consumer trends in food service which will be held on January 18th.

Natalia Cervantes shared that Potatoes USA staff look at which topics are being engaged with so that they can deliver articles that the industry finds valuable via digital communications. The top three *e-mail* topics were Potatoes USA office updates, market updates, and culinary. The top three *website* topics were retail sales, consumer trends, and reputation management. The top industry social media posts were potato research, potatoes in the media, and the potato day holiday. Potatoes USA recorded an organic engagement rate on social media is 6.2% which far exceeds the LinkedIn average engagement rate of 2-3%. The Potato-Cast Season 2 podcast had 1,400 downloads which the team is proud of.

Bonnie Johnson noted that Potatoes USA has an aggressive misinformation correction strategy to protect and enhance the good reputation of US potatoes. This year we outreached to 28 media outlets with a 39% correction rate.

International Marketing Committee Report

Kayla Vogel and Tiffany Thompson presented the international programs covering the audiences for food service, Retail, Consumer, and market access work.

Market Access: Kayla Vogel and Tiffany Kocir shared that Potatoes USA works closely with National Potato Council and Bryant Christie Inc. to monitor potential market access issues. This is to increase market access to all potato types to create demand for US potatoes around the globe.

Looking at current market situations and future potential markets, there are five stages into which each market falls:

1. Awareness (Central America, GCC Region, Mexico, and Thailand) –newer markets that don't have a general awareness of potatoes. Mexico, specifically for fresh potatoes since they only recently gained market access
2. Preference (China, Japan, Taiwan, and Vietnam) -- means they don't necessarily prefer US potatoes. There is still potential to move the needle for fresh access to Japan to the next stage
3. Conviction to try (Malaysia, Philippines, South Korea) – Potatoes USA continues to invest in these markets as there is still an opportunity to grow
4. Purchase
5. Regular purchase

Potatoes USA hosted a reverse trade mission in Colorado for Mexico fresh potatoes in October 2022. This was attended by importers, distributors, and suppliers from Mexico. The attendees visited farms and retail stores, which educated them in merchandising. A tradeshow of the US potato industry was also held for attendees, which allowed for one-on-one conversations.

Another Reverse Trade Mission for food service and retail programs is scheduled for April 17-21, 2023, in Washington, with participants from all targeted markets. A tradeshow, being successful in the previous RTM, will also be included in this RTM. Board members and the industry are welcome to join and set up their booths to build relationships.

A chip-stock sample shipment for a trade show in China in November 2022 was a success. This is only the 2nd sample shipment that has been sent to China. This allowed for fresh samples at the trade show, where importers and chip processors could see firsthand the high quality of U.S. potatoes.

Finance and Policy

Monica Heath shared the results of the 2022 Draft Audit, which had no findings and a net position of \$12,615,424. A MOTION was made by Jeff Jennings to approve the 2022 Draft Audit and was seconded by Jess Blatchford.

Monica Heath shared the updated employee cell phone stipend policy, explaining there is a maximum of \$55 per month stipend. Employees can be reimbursed for international calls if they are required for work. Staff must submit an expense report with a copy of their bill each month for reimbursement.

A **MOTION** was made by Jeff Jennings to approve the cell phone stipend policy as presented and was seconded by Mike Larsen.

Next, Monica Heath presented an updated Employee Handbook, which was included in all attendees' binders for the meeting. The last handbook was created in 2011. Potatoes USA worked with PassioHR and USDA to include all federal and state policies.

A **MOTION** was made by Jeff Jennings and seconded by Taylor Grant to accept the new employee handbook as presented.

Global Market Review

Cedric Porter, the editor for World Potato Markets, a weekly newsletter that shares potato and potato product trade, production, and price information, presented information on the European potato crop and how it has declined over the past 20+ years. European usage of potatoes is relatively strong. Fry exports from Belgium, Netherlands, France, Germany, and Poland have increased steadily, except for a dip in 2020 and 2021 due to COVID.

Alliance for Potato Research and Education

Bonnie Johnson shared that the White House just held its 2nd Summit on Hunger, Nutrition, and Health. The summit's goal is "Ending hunger and improving healthy eating and physical activity by 2030 while addressing disparities." APRE's goal is to maintain potatoes' categorization as a vegetable. They plan to investigate opportunities for research funding and topics to secure this position.

Dietary Guidelines for Americans announced their first committee meeting for the first week in February 2023. The work of the Quality Carbohydrate Coalition is more important than ever to help bolster potatoes' position firmly in the vegetable category.

The FDA has redefined the term "healthy," which is the first update since 1994, moving from a nutrient-based definition to a food group-based definition. All fresh potatoes are included in the "healthy" definition, but processed potatoes will have additional parameters.

The Culinary Institute of America and APRE continue to have an open dialogue regarding Menus of Change and disparaging claims about potatoes.

Bonnie shared that APRE has helped 52 studies gain funding since 2015 and \$750k-\$1M in annual research rewards.

Bonnie also highlighted the five research studies published in 2022.

Potatoes USA has a new quarterly newsletter promoting potatoes as a vegetable created especially for nutrition professionals to help them learn more about potato nutrition.

CEO Update

Blair Richardson shared that because the demand is exceeding the current supply, the team is adjusting programs accordingly and focusing more on long-term marketing and creating long-term demand for potatoes through improving the industry image, creating opportunity, more proactive tactics, and enhancing brand reputation.

Mr. Richardson gave insight into the growing use of artificial intelligence in business and everyday life. He stressed the importance of the potato industry's awareness of artificial intelligence and the potential impact it could have in the future. Blair highlighted artwork created by AI systems representing famous artists' in regard to potatoes, potato farming, potato products, and the future of potatoes to highlight how AI can be used as it is today, and how accurate and realistic the technology already is. He further stressed that while the technology is very new for public use, it is likely that it will be one of the most significant disruptors in marketing and communications that we have ever seen.

Mr. Richardson thanked the growers for their continued support and stressed the team’s excitement about the future of the potato industry and what they can do to position potatoes in a positive way, so more people are consuming potatoes more often and in more ways.

Closing Comments

Jason Davenport encouraged everyone to attend lunch, where Dr. Andrew Brown from the University of Arkansas will present the results from his latest research study: “Good Plants, Bad Plants: How Plant-Based foods are labeled ‘healthy’ or ‘unhealthy,’ and what it means for research questions for food and health.”

Closed Session

Chairperson Jason Davenport asked the committee if there was a need for a closed session. It was determined that there was no need for a closed session.


Other Business

There was no other business to report.

Adjourn

Chairperson Jason Davenport adjourned the meeting at 11:27 AM MT.

Approved by:

DocuSigned by:

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Secretary/Treasurer

4/28/2023
Date