

**Potatoes USA
Executive Committee Meeting Minutes
Tuesday, October 25 2022
Hampton Inn and Suites
Presque Isle, Maine**

Welcome, Roll Call and Introductions

Chairperson Jason Davenport called the meeting to order at 9:01AM ET.

Committee members present included Jennifer Gogan, Travis Meacham, Jaren Raybould, Jason Davenport, Mike Carter, Mike Larsen, and Shelley Olsen. Committee members Jeff Jennings and Steve Elfering were present via Zoom.

Staff members Blair Richardson, Chelsea Gray, and Bonnie Johnson with Potatoes USA were present in-person. Kim Breshears and Monica Heath from Potatoes USA staff and Alex Caryl from USDA were present via Zoom.

Antitrust Statement

The Antitrust Policy Statement was acknowledged and accepted by all attendees. Zoom attendees are required to accept the Antitrust Policy Statement when logging into the meeting platform. A copy of the Antitrust Policy Statement is also provided to meeting attendees in advance of meetings.

Welcome

Chairman Jason Davenport welcomed everyone to the meeting and thanked them for joining in-person and online.

Minutes Approval

A **MOTION** was made by Shelley Olsen and seconded by Mike Larsen to approve the minutes from the Executive Committee Meeting on Monday, August 1st 2022.

Copies of the meeting minutes were provided to attendees via email in advance of the meeting.

Regional Reports

Each member of the Executive Committee gave an update on their region to the group. Discussion was related to supply issues, shipping issues, and weather issues.

CEO Report

Blair Richardson reviewed the schedule for the New England grower outreach trip taking place this week.

Potatoes USA staff have very full travel schedules coming up. Mr. Richardson shared the State National meeting in September was one of the best in recent years.

Mr. Richardson reviewed some of the recent and upcoming industry events.

Recent Industry Events:

Aug 17	APRE Board Meeting	Virtual
Aug 19-21	Polish Potato Fed	Poland <i>with Dr. Katherine Beals</i>

Aug 24-26	IGSA Conference	Sun Valley, ID
Sep 18-22	State/Nat'l Workshop	Charleston, SC
Sep 26-28	CRCEO Meeting	Washington, DC
Oct 3-6	Mexico RTM	Colorado
Oct 15-19	SIAL/True Seed Mtgs	Paris/Netherlands
Oct 24-25	NFPT Field Day	Grand Forks

Future Industry Events:

Oct 27-29	IFPA Conference	Orlando
Nov 2-3	Montana Seed Seminar	Missoula, MT
Nov 8-12	WI Mktg Outreach	Wisconsin
Nov 15-16	Big Idaho Fall Harvest	Ft. Hall, ID
Nov 16	APRE Board Meeting	Denver
Nov 25-30	Interpom	Belgium
Dec 5-7	Planning Meetings	Denver
Dec 5-7	Chip Meetings	Chicago, IL
Jan 2-5	POTATO EXPO	Denver, CO
Jan 6	WPC Board Meeting	Denver, CO
Jan 9-12	Main Potato Conf.	Presque Isle
Jan 16-19	Idaho Potato Conf.	Pocatello, ID
Jan 23-26	WA/OR Potato Conf.	Tri Cities, WA
Jan 30-Feb 1	Mid-Atlantic F&V Conf.	Hershey, PA
Feb 6-9	WI Grower Ed. Mtg.	Stephens Point, WI
Feb 6-9	So. Rocky Mtn. Mtg.	Center, CO
Feb 21-24	NPPGA ICE	Grand Forks, ND
Feb 27-Mar 3	NPC Fly-In	Washington, DC
Mar 12-15	Annual Meeting	Denver, CO

SIAL and True Potato Seed:

Blair Richardson, Jason Davenport and Mike Larsen shared their learnings from their recent trip to Salon International de L'Alimentation (SIAL) in France which consisted of two days exploring trends for new potato products and front of package labeling. There were a variety of different labeling trends on display from different countries. Advancements are being made with regard to True Potato seed in Europe, with 4 breeders leading the efforts. Commercialization is estimated for India/Africa in 2027 and in the United States by 2030.

December Planning and Winter Meetings:

Mr. Richardson shared the new format for the December Planning and Winter Meetings which will have a greater focus on encouraging board member input and interaction.

Potatoes USA Board Structure:

Alex Caryl stated the proposed structure is still awaiting a response from the USDA OGC.

Harvard Data:

Drs. Allison and Brown request for access to the 2011 study by Dr. Mastafarian has been approved. They will review the data, conduct their own study, and plan to publish their findings in 2023.

Employee Handbook:

Mr. Richardson shared the employee handbook has been updated and reviewed by Potatoes USA's Human Resources agency. USDA is currently reviewing.

Department Updates

Domestic Marketing:

The utilization of all potatoes grown in the U.S. (retail, foodservice, and exports, minus imports) grew 2.1% from the prior fiscal year for a total of \$33.2 million pounds. The total amount of potatoes sold in the U.S. was 5.3% higher than the prior year. Potato imports grew 8.7%, helping to meet the strong demand for potatoes in the U.S. Sales & Utilization data is based on fresh weight equivalent.

Technomics, a foodservice research company, tracks foodservice sales annually for Potatoes USA. Foodservice sales from July 2021-June 2022 increased by 12% in volume and 25% in value (the amount foodservice operators paid suppliers).

Retail sales are provided by IRI. Fiscal year-to-date sales from July-September 2022 are up 17.8% in value, but down 2.1% in volume. The price per pound is up 20.4%. Price-per-pound refers to the amount consumers are paying for potatoes at retail and is an average of all potato products sold.

FDA released its long-anticipated definition of “healthy” and is asking for comments by mid-December. While we don’t see any impact on Potatoes USA communications, there may be packaging implications. Potatoes USA, in addition to NPC, will meet with potato processors and fresh packers/shippers to ensure they are aware of the definition and gauge their concerns on the topic.

Potatoes USA sponsored a talk at the ASN Satellite Symposium on carbohydrate quality with three quality carbohydrate coalition members. The event was attended by 200 nutrition scientists and received strong engagement. This is the first of many future sessions planned with nutrition scientists to discuss a topic of great importance to ensuring potato nutrition is favorably positioned with nutrition thought leaders.

The inaugural issue of the Spud Science Spotlight newsletter was distributed in September. The open rate was nearly 54%, with a click-thru rate of 9.2%, both are exceptional and far exceed industry norms for newsletters. Potatoes USA is encouraged by the interest in potato-related nutrition topics by nutrition professionals.

The foodservice team has attended numerous events this past quarter with great success. As an example, last week they attended Menu Directions, an event of non-commercial operators in South Bend, IN. Kikkoman was so excited about the information Potatoes USA shared, they are distributing Potatoes USA’s Asian potato resources with their sales team and their brokers. In addition, a K-12 school district wants to come to the Spud Lab before the School Nutrition Association conference in July for an innovation session. The University of Wisconsin head chef said it’s the best presentation he’s ever seen and wants to work with Potatoes USA to train his seven sous chefs. Finally, 25 new operators signed up for Potato University.

This week, the team is working with the University of Michigan to do a potato takeover across their entire campus.

The consumer program has shifted the strategy to focus exclusively on performance. The initial results are encouraging. For example, on TikTok, there have been over 13,000 clicks to the website which is impressive since TikTok features individual content creators and doesn’t ask anyone to click through.

Facebook and Instagram ads are also running and there have been over 6,000 landing page visits. The marketing team has been very busy engaging with all the comments on social media as a result of the ads.

International Marketing:

Exports from July 2021-June 2022 increased by 4.3% in sales and 0.15% in volume. This growth was driven by a 5.8% increase in frozen exports and a 10.5% growth in fresh exports. This offset the decreases in dehy exports of -6.2% and chips by 1.2%.

Exports for the first two months of this fiscal year, July and August, were down 9.6% in volume, but up 17.7% in value. The volume decline was due to a 22.4% decrease in fresh sales compared to the prior year.

Potatoes USA hosted a reverse trade mission in early October that included 14 participants from major retailers, importers, and distributors from Mexico. The event was very well received by Mexican buyers and U.S. industry representatives in attendance. The addition of a trade show was new and received high praise from all participants. Potatoes USA will begin including trade shows as part of future Potatoes USA-hosted RTMs.

Fresh chipping potatoes (Lamoka and Mackinaw) arrived in China this morning, only the second time in history U.S. grown potatoes have been allowed into the country. The potatoes will be on display at the CIIE expo occurring November 5-10 in Shanghai. Despite the market opening for the import of chipping potatoes two years ago, there have been no import permits issued due to the significant capital expenditures required to bring Chinese facilities into compliance.

Potatoes USA will host another RTM from April 17-21 with importers and distributors from all the countries we conduct marketing programs in. The RTM will take place in Washington state. Attendees will fly into Seattle, then travel to the Tri-Cities where they will visit farms, storage/packing facilities, processing plants, and a research facility. A seminar and trade show will be held at the hotel in Pasco. The RTM will conclude back in Seattle with retail visits, a foodservice tour, and a port tour. Planning for this event is underway.

Potatoes USA is the lead cooperator coordinating the development of a front-of-packaging labeling database that will be concluded in December 2023.

Industry Outreach:

Since July 1, Potatoes USA has reached out to four publications about inaccurate potato information. None of the publications revised their stories, but one engaged in a good dialogue and will contact Potatoes USA in the future prior for information. This represents a decrease in the number of articles published with inaccurate information, to the prior year. Fundamentally this is a good thing since less potato misinformation was published, but too early to read too much into this decrease.

Blair Richardson sent a follow-up email to the CIA last month inquiring on the status of their Menus of Change principles discussions. They responded immediately and said that work is still in process but asked if Potatoes USA had any additional research to provide. As such, Potatoes USA developed a summary of the latest potato nutrition research for which they were grateful. While their principles remain unchanged, we are pleased with their engagement and interest in the latest research.

In addition, in the last email correspondence, Potatoes USA offered to sponsor an educational session about the latest nutrition research on potatoes and is hopeful they will accept the offer.

Potatoes USA hosted the first in-person culinary innovation session with three potato industry chefs from RPE, Oregon Potato Commission, and Simplot in addition to Potatoes USA chefs' RJ and Vince. In total, 23 recipes were developed that ranged from beverages, entrees, snacks, and desserts using all formats. *Restaurant Business* will feature these concepts in an article that will showcase how potatoes can help provide operational excellence and aid in the reduction of food costs across the menu. In addition, Amy Myrdal Miller asked to use the photos and concepts in an article she is writing about potatoes. The recipes will be on PotatoGoodness.com as well.

The annual grower survey will be sent to all contacts in the Potatoes USA database on November 1, 2022. Results will be shared with the Admin Committee at the December planning meeting. Two versions will be issued, one to the general potato industry and one to Board members.

The volume of industry newsletters has been reduced from 23 to nine, from July-August. As a result, open rates and click-through rates have increased, indicating that fewer newsletters are driving increased engagement.

Research:

John Lundeen was unable to attend the meeting because he was in North Dakota at the National Fry Processor Trials (NFPT) meeting in North Dakota. Blair Richardson reported within the Potato Research Advisory Committee (PRAC) there are 3 projects on the table. There is a PRAC committee meeting next week to decide which 2 to move forward with.

Finance and Policy:

Monica Heath reported KC&M is in the office completing the audit this week. She will have a draft budget by the Winter meeting. Monica asked if there is anything, in particular, the Executive Committee wants the auditors to focus on; nothing was requested. Monica's main focus this year was assets because of the new office building.

Assessments for FY22 ended at 15,400,000.

Monica asked if the Executive Committee wanted to adjust assessment revenue for FY22 at this time. She noted this is not urgent because the Administrative Committee will not consider recommendations until the meeting in January. The Executive Committee has one more meeting in December during which more information will be available.

Jason recommended waiting until December to make a decision.

USDA Update

Alex Caryl reported they are still waiting on if formal rulemaking will be required for the board structure changes. All names for nominations are going through background checks currently. It is not uncommon for Potatoes USA to receive questions from the Secretary or Under Secretary regarding the nominees. Alex shared she has 5 new people joining her team, 2 of whom are local to Denver.

Other Business

Chelsea Gray shared changes to Potatoes USA's travel program. Travel will now be booked by Potatoes USA staff using an Online Booking Tool (OBT) provided by Frosch. There will still be 24/7 Frosch agent support and an option to book with Frosch agents, but this will reduce travel booking fees.

Chelsea Gray presented a Board Management Software called BoardEffect. BoardEffect will be a place for all board binders, minutes, agendas and other materials to live online in one secure place, instead of printed documents. A **MOTION** was made by Shelley Olsen and seconded by Travis Meacham to move forward with utilizing BoardEffect. A 20-minute orientation to the platform will be held at the 2023 Potatoes USA Annual Meeting.

The 2023 Summer Meeting will be held August 7-10, 2023 in Milwaukee, WI at the Hyatt Regency.

World Potato Congress:

Blair Richardson and Jason Davenport shared an update on the World Potato Congress host locations, asking the Executive Committee to weigh in on the idea of the U.S. hosting the event in 2032.

- 2024 Australia
- 2026 Kenya or Israel
- 2028 Belgium
- 2030 Kenya/Israel or India
- 2032 United States?

A history of the last time the event was held in the U.S. was shared as well as the potential pros and cons of hosting the event. The Executive Committee discussed and a **MOTION** was made by Mike Carter and seconded by Travis Meacham to form an exploratory committee to research further and decide if hosting the World Potato Congress in the U.S. is something the industry should consider.

Blair Richardson showed 2 grower spotlight videos the marketing team created for International programs.

Executive Session


At 12:28 PM a **MOTION** was made by Mike Larsen and seconded by Shelley Olsen to go into Executive Session.

At 12:36 PM Chairperson Jason Davenport ended the closed session and returned the meeting to an open session. No actions were taken during the closed session.

Adjourn

Chairperson Jason Davenport adjourned the meeting at 12:37PM.

Approved by:

DocuSigned by:

464007293D3F435...
Secretary/Treasurer

12/8/2022

Date