

**Potatoes USA
Executive Committee Meeting Minutes
Monday December 5th, 2022
Potatoes USA Office
Denver, Colorado**

Welcome, Roll Call and Introductions

Chairperson Jason Davenport called the meeting to order at 12:57 PM MT.

Committee members present included Leah Halverson, Jeff Jennings, Jason Davenport, Jaren Raybould, Jared Smith, Shelley Olsen, Mike Carter, Steve Elfering, Mike Larsen, and Travis Meacham. Committee member Jennifer Gogan was present via Zoom.

Staff members Chelsea Gray, Blair Richardson, Kim Breshears, Kayla Dome, and Monica Heath from Potatoes USA were present in person. Alex Caryl, Samantha Mareno from USDA, and John Lundeen from Potatoes USA staff were present via Zoom.

Antitrust Statement

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

Welcome

Chairman Jason Davenport welcomed everyone to the meeting and thanked them for joining in person and online. He was excited to be in the Potatoes USA offices and see what was happening in the Spud Lab.

Minutes Approval

A **MOTION** was made by Mike Carter and seconded by Steve Elfering to approve the minutes from the Executive Committee Meeting on October 25, 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 the group an update on their region. The discussion was related to high input costs and tight seed supply going into the next growing season.

CEO Report

Blair Richardson reviewed the schedule for the December Planning Meetings this week. Mr. Richardson reviewed some of the recent and upcoming industry events.

Recent 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

Future Industry Events:

Jan 2-5	POTATO EXPO	Denver, CO
Jan 6	WPC Board Meeting	Denver, CO
Jan 9-12	Maine 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 6-7	Minnesota Area 2 Mtg	TBD
Mar 12-15	Annual Meeting	Denver, CO

Blair Richardson reviewed a restructured format for the Potatoes USA Winter Meeting in January, focusing more on encouraging board member input and interaction.

The Friday after Potato Expo, Potatoes USA will host a handful of meetings at the office: USDA/ AMS training Session, SCRI- Funded Nematode Research Team, and the World Potato Congress board meeting.

World Potato Congress:

Blair and Jason are still discussing with the World Potato Congress regarding hosting the biennial World Potato Congress in the US in 2033. There are no updates to report since the last Executive Committee meeting in October.

Interpom in Kortrijk, Belgium:

In November, Blair Richardson and Jason Davenport attended Interpom, an initiative of Belgapom, the official trade association for the Belgian potato trade, growers, and processors. Members of Europatat and Belgapom are interested in learning more about how Potatoes USA gained support from the US Government for current marketing programs and learning more about the aggressive approach Potatoes USA has taken to promote potatoes. They are also interested in having members of the Potatoes USA marketing team attend their meetings in Poland next summer.

EU Potato Market:

Blair and Jason gave an overview of the EU Potato Market and how it may affect the supply and demand for Potatoes in the U.S. There is strong demand for potatoes globally. Still, there have been recent obstacles for EU potato growers. Most notably with the announcement of the European green deal.

Harvard Data:

Potatoes USA will receive the results of Drs. Allison and Brown's study the week of December 19th. Dr. Brown will present the results at the Potatoes USA Winter Meeting in January.

Department Updates

Retail Trends:

Kayla Dome shared that several questions have arisen from growers about the demand for red potatoes from consumers. Potatoes USA reviewed the sales volume for fresh potato SKUs by pack size over the last five years and compared the various pack size availability in retail outlets across the U.S. The number of retail stores selling 8 lb, 10 lb, and greater than 10 lb bags of red potatoes significantly decreased in 2018 and never returned to higher levels. The number of retail stores carrying 8 lb yellow potatoes has increased from zero in 2022 to over 300 in 2023. The Executive Committee discussed this and ultimately felt the shift from larger bag reds and yellows was not necessarily attributable to consumer preferences but to timing, crop losses, and retailers wanting to avoid significant gaps in product.

Sales Data:

Kim Breshears reported the latest sales numbers. Domestic Retail Sales YTD value is up 17.5% since the same time frame one year ago. Volume is down 2.2%. The average cost to the consumer is \$2.26/lb for all potato products. Last FY, the consumer paid \$1.95/lb on average. There was nothing new to report regarding Foodservice sales data since the data is available annually in September.

Exports: 1st quarter of FY data: export volume of frozen product compared to the same time last year down 3.8%, dehy up 1.3%. Fresh declined 15.3%.

Import Data: This is the first time the team is digging into import data. Import volume compared to 5 years ago has increased by 28%. Imported data shows product is coming from Canada, Belgium, Mexico, Germany, and the Netherlands (top 5 countries only listed)

Domestic Marketing:

New consumer videos are in production featuring the fueling benefits of potatoes for the body and brain; Kayla is championing the new creative. Team Potato held another successful event over Thanksgiving; over 100 people participated, and Team Potato gained 30 new members because of the event. Team Potato is now on Strava! This is currently awaiting AMS approval. Potato University recently had 80 new signups due to the Foodservice team's outreach at events. Kayla, Kim, and Marisa are preparing an RFP for a path to purchase study. The goal is to learn how consumers decide which types of potatoes they buy at retail.

International Marketing:

Potatoes USA received a MAP funding letter for \$5.6 million for FY24. The total MAP funding was down 2.6% due to rising overhead costs, but our grant only decreased by 1.7%. The team is pleased with the outcome. Fresh chip-stock samples were shipped successfully to China for the second year for a tradeshow to garner the interest of chip manufacturers. The shipment also establishes a precedent with Chinese authorities regarding the product's viability and interest. U.S. seed varieties have been approved for export to Morocco.

Industry Outreach:

Members of the Potatoes USA marketing team visited Wisconsin to meet with many growers in the region who don't typically attend board meetings. The team conducted a 3-hour workshop, including retail and culinary innovation activities. Feedback from participants was highly positive. In addition,

Potatoes USA was asked to join one grower's monthly marketing meeting, and one grower is coordinating a meeting with a retailer and Potatoes USA.

Research:

John Lundeen reported that the Research team is gathering letters of support for two projects titled "Ensuring viability of U.S. Potato Production Systems through management strategies to support soil health" and "Enhancing integrated insect pest management strategies for U.S. potato production systems."

Over the next few days, John and Alyssa Green will be in Chicago at the NCP meetings looking at candidates and deciding what should move ahead through the trial systems.

Finance and Policy:

Assessments are at \$5,090,000, up about \$110,000 from last year. There are currently 29 delinquent handlers for a total of \$94,360. The Executive Committee expressed no concerns about the latest FY23 Assessment Revenue budget. The KC&E Audit went smoothly, with no findings to report. Potatoes USA will need to update the policies and procedures related to the bank account in China once Finance has access to the ICBC bank account. Potatoes USA staff will get approval from USDA before making the first wire transfer.

USDA Update

Alex Caryl shared that new board member nominations are being reviewed. It is a slow process, but these are moving along.

Potatoes USA has a tentative green light from USDA lawyers to move forward with informal rulemaking for the proposed board membership structure.

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.

The new Board Management Software Potatoes USA is implementing will be rolled out to the board ahead of the Potatoes USA 2023 Annual Meeting.

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

Employee Handbook:

Monica Heath shared that Potatoes USA has received updates from USDA and edits to make to the Employee Handbook. The final draft should be finished and ready for voting at the upcoming Winter Meeting in January.

Executive Session

At 3:10 PM, Jason Davenport made a **MOTION** and was seconded by Mike Carter to go into Executive Session.

At 3:39 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 3:39 PM.

Approved by:

DocuSigned by:
Jeffrey Jennings
464CC7293D3F435...

Secretary/Treasurer

1/10/2023

Date