

**POTATOES USA
MINUTES OF THE ANNUAL MEETING
TUESDAY, MARCH 14, 2023
Four Seasons Hotel (with Zoom videoconference option)
Denver, Colorado**

Call to Order

Chairperson Jason Davenport called the meeting to order at 7:35 a.m. He asked Members to review and remain mindful of the Antitrust Policy Statement they have all signed.

New Board and Re-nominated Board Member Confirmation

Chairperson Davenport called on Alex Caryl, USDA Marketing Specialist overseeing Potatoes USA. On behalf of the USDA, Caryl thanked all the Board Members for their hard work, dedication and service to the potato industry and Potatoes USA. She asked the new producer Members to come forward. Chairperson Davenport read their names: Trever Belnap, Jim Corneillie, Sander Dagen, Aron Derbidge, Charlie Husnick, Jeff Irving, Ben Josephson, Rhonda Kleyn, Eric Makarewicz, Dave Masser, David Mundt, Tom Nilson, JD Schroeder, Blake Underwood, Levi Underwood and Jake Wardenaar.

On behalf of Tom Vilsac, Secretary of Agriculture, Ms. Caryl swore them into office, reminding them of their duty to carry out the Board's responsibilities on behalf of the entire potato industry. "This is a national board," she said. "You have an obligation to represent all potato producers who pay the check-off assessment."

Chairperson Davenport then read the names of the reappointed Members.

Board Restructuring Update

Blair Richardson updated attendees on the proposed restructuring of the Potatoes USA Board, an effort initiated almost two years ago to reduce the number of seats on the Board. At this point, Potatoes USA is getting close to having a proposed rule to be published in April. Once it is published, 30 days will be allowed for interested parties to provide comments. Mr. Richardson encouraged Members to let USDA know whether they support this change or not. Following that, USDA will review the comments. If the comments are overwhelmingly supportive, it is likely that, by the time the new selection process begins next April, it will be under the new structure, resulting in a Board a little more than half the size of the current Board. This should not affect anyone who has just been appointed; if you have been appointed for three years, you should be able to serve out that term.

Announcements and Sponsors

Chairperson Davenport thanked the 2023-24 Board Meeting sponsors:

- **Platinum Sponsors:** One Four Group, Rabo AgriFinance
- **Gold Sponsors:** Foodminds, Lamb Weston, North by Northwest Boise, Sklarczyk Seed Farm, Teton West and Wisconsin Potato and Vegetable Growers Association
- **Silver Sponsors:** Vectrabank Colorado and Webolutions
- **Bronze Sponsors:** SRG and Tasteful Selections

Call for Proxy Votes

Chairperson Davenport asked for any proxy votes sent by Board Members unable to attend to be submitted to USDA. Potatoes USA staff reported those votes had been submitted.

Introductions

CEO Blair Richardson welcomed the guests who are not Board Members. They included: Julie Cerenzia from Bryant Christie; Jim Ehrlich, Helen Smith and Jessica Bradshaw (attending virtually) from the Colorado Potato Advisory Committee; Jamey Higham, Travis Blacker and Darren Bitter from the Idaho Potato Commission; Shawn Boyle from the Idaho Grower Shippers Association; Zeke Jennings, Makaylah George, Laurie Brickham and Kelly Turner, from Michigan Potato Industry Commission (Mr. Jennings was present in person and the other three virtually); Kam Quarles and Mike Wenkel from the National Potato Council; Donovan Johnson from the Northland Potato Growers Association; Dale Lathim from the Potato Growers of Washington; Mark Klompfen and Doug Posthuma (Alsum Farms) from United Potato Growers of America; Alex Caryl, Samantha Mareno and Deanna Bakken from the United States Department of Agriculture; Chris Voigt and Brandy Tucker from the Washington State Potato Commission; Tamas Houlihan and Dana Rady from the Wisconsin Vegetable and Potato Growers Association; and stenographer for the minutes, Julie Lancaster.

He recognized the Potatoes USA staff as a group, asking them to stand and commending the work and energy they put into all Potatoes USA's programs and activities.

Approval of Minutes

A **MOTION** was made and passed to approve the January 3, 2023, Administrative Committee Meeting Minutes that were emailed to Members and included in the Annual Meeting materials.

Strategic Plan

Blair Richardson reviewed Potatoes USA's approach to strategic planning. Rather than writing a strategic plan periodically, the organization has a dynamic strategic plan that is updated annually to adapt to new challenges and opportunities while maintaining the organization's high-level strategies, vision, and mission. All activities in all the programs support the mission of strengthening demand for potatoes: creating more ways for more consumers to eat potatoes more often.

One refocused objective was proposed for Domestic Marketing: "Expand the categorization of potatoes as a vegetable in U.S. and global nutrition guidance systems." No changes were proposed in the International Marketing, Research, and Industry Outreach categories.

A **MOTION** was made and passed to approve the updated Strategic Plan, specifically the Mission Statement and Goals contained within the Strategic Plan.

Executive Committee Report

Chairperson Davenport thanked the Executive Committee and the staff for their work over the past year; he looks forward to the coming year. The committee has had a great meeting so far this week; the new Executive Committee will meet on Wednesday and go over the new structure and plans for the Board.

Domestic Marketing

Chief Marketing Officer Kim Breshears presented the Domestic Marketing update and program review.

Domestic Market Update

Potatoes are America's favorite vegetable, and have been since 2017, when potatoes surpassed broccoli in that role. Demand is strong; consumers continue to want and eat potatoes.

Sales Trends

Looking at the data on a fresh-weight equivalent (volume) basis, the trend line of U.S. sales has been upward over the past 10 years. Factors driving that demand over the past five years include increased imports and increased retail sales, while foodservice sales dropped due to the pandemic.

Crop Distribution

Based on sales over the past five years of potatoes grown in the US (fresh weight equivalent), with data considered through June 2022:

- **Retail.** About 40% is sold through the retail channel.
 - Chips are the dominant form, followed by fresh tablestock, frozen and dehy.
 - In fresh potato sales,
 - Russets are the leading type, followed by red, yellow, white, petite, medley, and all other types.
 - Five-pound bags are the leading pack size, with 10-lb. bags next in popularity, followed by all other package sizes, but the 1-to-2-lb. pack size is growing in popularity.
- **Foodservice.** About 40% is sold through foodservice.
 - Frozen is the dominant form, mainly fries, followed by shapes, formed hash browns and other types.
 - There was an 18% year-over-year (YOY) (6/2021-6/2022) increase in fresh potatoes sold in foodservice, with roasted, mashed and baked leading the charge.
 - Dehy also enjoyed a substantial year-over-year increase, 19%, with mashed being the primary type.
 - About 80% of volume sold in foodservice comes from sales to restaurants, with quick-serve restaurants leading in potato sales, followed by casual, fast casual and then other types of restaurants.
 - The remaining 20% of volume comes from "beyond restaurants," including travel and leisure, healthcare, colleges and universities and other outlets. Although a smaller category, this sector experienced a 30% YOY growth from 2021 to 2022.
- **Exports.** About 20% is exported.

Potatoes are not only America's favorite vegetable, but they are also America's favorite takeout dish, America's favorite side dish, and the number one vegetable sold in America at retail in terms of volume. These number-one rankings have been consistent for a couple of years. This is an enviable position to be in.

Potatoes Fuel Performance Marketing Campaign

The "Potatoes. Real Food, Real Performance". campaign was launched in 2018. Consumers love potatoes for many reasons (they can be eaten in several ways, they are filling, versatile, satisfying, etc.). But there are barriers to break through. Potatoes have been vilified, misunderstood, and ignored, with negative articles appearing in the popular and academic

press about potatoes being fattening, dangerous, and problematic, and potatoes coming under attack by leading institutions (e.g., the Culinary Institute of America asked chefs to limit potatoes in their menus).

The Potatoes Fuel Performance campaign was launched to fight back against this misinformation. One objective was to move from a permissive stance, "you *can* eat potatoes," to "you *should* eat potatoes." Potatoes USA conducted an in-depth investigation of existing research about potatoes and their association with health-related topics, such as heart health, cognitive function, diabetes and others. It was clear that athletic performance was a promising topic to focus on, as many scientific studies support potatoes and athletic performance.

Ms. Breshears summarized the evolution of the campaign, from research through launch in 2018 with a focus on high-performance athletes. In 2020-21, the message was broadened to target adults aged 25-54 and, in 2022, narrowed to concentrate on Young Millennials (ages 26-35) and Generation Z people (18-25). The idea is to encourage these younger consumers to become lifelong lovers of potatoes. In 2023, the focus continues to be on Generation Z, with an emphasis on brain health as well as body health. Ms. Breshears played two short social media videos that demonstrated aspects of this evolution.

To date, the campaign has had a big impact. Since 2017:

- Potatoes have continued to widen the gap over former favorites broccoli and corn
- Consumer beliefs are changing. The annual Attitudes and Usage Survey shows increasing agreement with potato descriptions such as "Provides nutrients," "Provides sustained energy," "Good for athletic performance," "Good for weight management."
- More positive media coverage has been appearing in the national media and on nutrition- and health-related sites.
- Since APRE (Alliance for Potato Research and Education) was launched, many studies have been funded and published. (See APRE report later in these minutes.)
- More than 2 million nutrition-related searches have occurred on potatogoodness.com.
- Potatoes USA has worked with 60 nutrition and food influencers.
- Potatoes have been featured at events and were named the "Official Performance Vegetable" at Rock 'n Roll Marathons and Ironman Marathons
- State and regional organizations and individual companies have held 30 performance-related events.
- Twenty international events have been sponsored by Potatoes Fuel Performance.
- Team Potato has 4200+ members – people who like to compete and actively promote potatoes as a performance vegetable.
- Since the campaign's inception, 75+ new nutritious recipes are available on potatogoodness.com and promoted in Potato USA's advertising.

FY24 Program Review

Ms. Breshears brought up the team to discuss plans for the next fiscal year, beginning in July 2023.

Nutrition

Potato USA's Director of Nutrition and Industry Relations, Bonnie Johnson discussed the strategy in the strategic plan designed to ensure that potatoes are categorized as a vegetable in U.S. and global nutrition guidance systems. They are currently categorized that way in the U.S. dietary guidelines and public health systems, but not in all countries.

The members of Gen Z are not getting their nutrition information from doctors or dietitians. They are getting it from TikTok, Instagram, other social media platforms, and from their

friends. We need to work on reaching those people to make sure that the messages they promulgate about potatoes are correct. It's not just educating the "food police" (old-school dieticians) but people who are influencing food decisions at a social level.

There is a lot of activity going on in public health around nutrition guidelines. Potatoes USA needs to be there to:

- Educate K-12 food service about how they can implement the new school breakfast guidelines using potatoes as a source of fuel for performance.
- Work with WIC paraprofessionals to ensure they understand how potatoes fit into the WIC packages and can confidently recommend potatoes as part of a healthy diet to their clients.
- Partner with people already committed to the guidelines, such as those from the White House Conference on Hunger, Nutrition and Health, to ensure potatoes are carried through on their ambitious goals.
- Attend events, build relationships and work with organizations where the experts are who can comment on the dietary guidelines.

In the past, potatoes have played a supporting role in such organizations as Food as Medicine, the National Produce Prescription Collaborative, IAFNS (The Institute for the Advancement of Food and Nutrition Sciences), and the International Fresh Produce Association. Ms. Johnson said that Potatoes USA hopes to take it up a notch and become a leader in the field. For example:

- IAFNS funds a great deal of nutrition and food-science research, with strict integrity standards. Ms. Johnson was invited to sit on the carbohydrate committee and start writing charters for those research projects. It's important to make sure that potatoes are seen in a positive light and that glycemic index is not used as a measure of carbohydrate quality when those studies are funded.
- Work with groups like the International Fresh Produce Association to make sure that potatoes are elevated there.
- Work with healthcare organizations with produce prescription programs to ensure that potatoes are included without restriction.

Potatoes' place in the nutrition conversations among scientists and professionals will ultimately influence consumer conversations.

Foodservice Program Overview

Director of Marketing Marisa Stein presented program recommendations for the new fiscal year. Focuses include:

- Gen Z, whose spending power and influence are ever-increasing.
- Embracing technology, which can make the programs more efficient in many ways.
- Research is the backbone of every strategy we execute.

State of the Industry. Foodservice drives most of the trends we see in our programs today. Since the pandemic, Foodservice has made almost a full comeback, although operators are still experiencing challenges. To remain competitive or even afloat, they are willing to invest in innovation.

Target Audience and Characterization. The foodservice industry is a behemoth. It's diverse, but the staff looks for commonalities between different types of operations to see if potato menu items can solve operational challenges. The staff also attempts to group foodservice operators by their motivations and philosophy. They have identified five archetypes for which they craft specific messages:

- Mainstream magnet, e.g., Burger King. Basic. Very set expectations on their offerings.

- Fence sitter, e.g., Golden Corral. Set menu rooted in tradition.
- Controlled explorer, e.g., Panera Bread; restaurants that offer better-for-you options.
- Culinary adapters, innovators, and trendsetters, e.g., Jason's Deli.
- Cutting edger, Ruth's Chris Steak House (fine dining).

Messaging. The above categories make it easier to personalize conversations and tailor the messages for ways potatoes can address the operational issues a foodservice outlet is facing. Our messaging, "You say problem, we say potato." Whether it's inflation, labor or food waste, messages can be tailored accordingly.

Tactics. To get to these audiences, Potatoes USA uses these tactics:

- Strategic presence at events, where staff can speak to a wide variety of operators, fostering existing relationships and developing new ones.
- Enhance Potato University, our educational online platform for operators of all things Potatoes.
- One-to-one culinary innovation sessions in the Spud Lab.

Recipe for Success. Increasing the number of innovation sessions + expanding the online education platform = more menu launches.

Culinary Program

Chef RJ Harvey spoke. "That recipe for success does ring true in foodservice," he said. "When you have incredible innovation using an amazing crop that each of you pours your heart and soul into growing, and couple that with education on how to solve some of those operator solutions, that does lead to more menu launches in foodservice."

The culinary program supports all of Potatoes USA's marketing programs. For foodservice, Chef Harvey and Chef Vince are a two-man team that creates hundreds of recipes that you can find on potatogoodness.com and through the Board's various social media outlets.

Recipe Development. Over the last two years, Chef Harvey and helpers have created hundreds of recipes, but it's not just about creating an enticing and delicious recipe. Chef Harvey is a registered dietician, and understanding how potato nutrition combines itself in a dish is important to foodservice operators.

Culinary Information Sessions. Operators want to work with Potatoes USA. They are thrilled, not only because of our ability to understand their challenges but also because the Board has invested in the best test kitchen in North America. Food service operators like being able to work with our chefs in the Spud Lab. When they can't travel to the Spud Lab, Chefs RJ and Vince go to them.

Since Chef RJ joined Potatoes USA six years ago, the team has done innovation sessions with 28 major national brands.

Menu Launches and Recipes. Out of the 28 national brands mentioned above, 14 have had a new potato menu launch within one year of working with Potatoes USA. (The average menu launch takes 3-5 years.) In addition to the menu launches, hundreds of recipes are showcased on social media, or accompanied by a media article, or used in a demonstration at a foodservice event. Foodservice operators pay attention.

Domino's Announces Loaded Tots. "A little over three years ago we had a vision where we could get more potatoes on pizza menus," Chef Harvey said. "We showcased potatoes on top of pizza and showed how potatoes could be a side dish on pizza menus. We worked with

some pizza chains and saw some boost on pizza menus. But it's interesting when an operator you haven't worked with takes note. Just last month, Domino's, the largest pizza chain in the country, announced that they were launching three potato dishes on their menus at all their locations, for the first time in their 63-year history."

Focus on Colleges and Universities. In the coming year, the Board plans to work with colleges and universities more than in the past. Numerous institutions have already been contacted and are eager for Potatoes USA to come and work with them. This allows Potatoes USA to showcase interesting potato dishes that can work in their college cafes and address issues like food costs, labor costs, and staying on trend, and it also provides a unique opportunity to engage with their students – members of Gen Z, who tend to be excited about food trends, flavor, and authenticity.

Consumer Program

"Every generation learns things differently and retains information differently," Senior Global Marketing Manager Kayla Vogel said. "So, it's important for us to have a very targeted approach for how to reach them and what we want them to achieve from interacting with us,"

Gen Z. The age range for the consumer demographic Gen Z ranges from 9 to 24 years, but Potatoes USA's target audience for the upcoming marketing year is potential potato purchasers aged 18-14. The primary message to them is: "Potatoes. Real Food. Real Performance®." The message is delivered through:

- Content, created internally or with outside partner creators.
- Social media.
- "Activation" – making sure we're asking the consumer to do something that shows us that they are changing the way they interact with and think about potatoes.

Content and Social Media. Ms. Vogel showed a brief video made by a partner creator showing people how to cook potatoes in their home kitchen. She pointed out that we have about 3 seconds to gain a person's attention by scrolling through their social feed. The team uses social media to help consumers to learn more, not only about cooking and nutrition but also about sustainability, growing practices, and what is involved with getting potatoes onto their plates. Gen Z consumers are very interested in these sorts of stories.

About 52% of Gen Z people say they get much of their inspiration from TikTok. Gen Z consumers want the information, a credible story, and want to hear it from their peers. So, the team works with different influencers to show how potatoes fuel their performance in everyday activities. Ms. Vogel showed an example of a video created by a TikTok creator to help tell the story.

Activation. Team Potato is an effort to get consumers involved. It has been on Facebook for a while; recently, it was launched on Strava™, a fitness-tracking app. Some 100,000 people participated in the Potato Power-up Challenge in February. They learned about the nutritional benefits of potatoes and showed how they performed with potatoes. There was participation from all 50 states and some foreign countries. Potatoes USA will continue using Strava and other partners in the coming year. Another partner is Classpass, which connects people through gyms in different communities and focuses on people with everyday active lifestyles.

Retail

The retail program is focused on a different audience: retail decision makers – high-level grocery store managers who make big-picture decisions about what will go on the shelf, how products look on the shelf, and how to utilize that space to sell more potatoes. The program will also focus on retail digital marketers in the coming year. Many people use the online space

to make purchasing decisions, whether purchasing their groceries in the store or online, so the team wants to be sure potatoes are represented effectively online.

Program Components include:

- Research - Research projects include a basket analysis study, a merchandising study, and in the coming months, there will be a Path to Purchase study to show what consumers are doing in the process of deciding to purchase potatoes.
- Media – Information is distributed in trade publications like *The Packer*, a trusted retailer partner. This coming year the team will also work with *Produce News*.
- Outreach - Direct outreach is essential. This year we will utilize LinkedIn more, whether through direct outreach or media campaigns, so retailers know about Potatoes USA and are encouraged to use us as a resource as they make decisions about the potato category.
- Toolkits – The Potato Retail Toolkit is all-encompassing information for retail decision-makers. The team plans to make a digital toolkit that allows them to utilize our resources in the online space to promote potatoes.

Budget Review and Vote

Kim Breshears returned to the stage and invited Members to reach out to the Marketing staff with any questions or comments about the activities described. She showed a slide summarizing the Board’s FY 24 Marketing Budget. Of the \$9,800,000 total Marketing Budget, \$4,750,000 is dedicated to Domestic Marketing. Of that, the consumer program is the largest category. In terms of proportions, the retail program is the only category being increased this year, to help enhance potatoes’ digital presence on retail sites.

A **MOTION** was made and passed to approve the proposed FY24 Domestic Marketing budget.

CEO Blair Richardson said this was the first time he had seen the plans for FY 2024. He said this was one of the most exciting things he’s seen since he’s been in the industry: the progress and successes to date, the capabilities of the team, where we’re going with it, and the opportunities we have.

Gen Z Panel

Tannis Rowan, a speaking coach who has been working with Potatoes USA for the past five years, introduced a panel of five Gen Z individuals who had agreed to appear in this panel and had not been briefed on the questions they would be asked. The participants included two men and three women. One works in HR at Xcel Energy; another is a realtor; the third is a mom and childcare provider, the fourth is a full-time student who also works at an Amazon fulfillment center; and the fifth runs a small crochet business in Denver.

Panel Discussion

The following is a summary of the questions Ms. Rowan asked and the panelists’ responses.

- **How do you find answers to burning questions?** Go to Google or TikTok.
- **How do you figure out how to do something practical, like how to repair a leaky faucet?** Most of the panelists would go directly to YouTube or TikTok. A couple said they would call their grandfather or Facetime their dad.
- **How do you decide which title to trust?** Some panelists look at the subscriber count; others choose whichever one comes up first and move on to the next if they don’t like it. They tend to skip sponsored titles. If a video is longer, they fast forward to the good part.
- **Which social media platforms are you on?**
 - Instagram - 3 out of 5

- TikTok - 2 out of 5
- Most panelists listed several platforms. Platforms mentioned were Instagram, TikTok, Pinterest, YouTube, Facebook, Twitter and Snapchat.
- **Do you follow a particular influencer and, if so, what about them makes you want to follow them?** The panelists named some of their favorite influencers. In explaining why, they mentioned that the person was funny and/or authentic. "I can tell if they are really being themselves and sharing content that they like."
- **Have you ever purchased something because you saw an influencer online mention it or recommend it?** All but one of the panelists had purchased something following such a recommendation. The one who hadn't purchased had forwarded such a suggestion to a friend if they knew the friend was looking for something like that.
- **How often do you eat out vs. eat at home in an average week?** Two of the panelists rarely go out to eat. The others tend to eat out 4-5 times per week.
- **How many of you eat 3 meals a day plus snacks?** Three of the five said yes.
- **How many meals in a week do you think contain food that is good for you, and what do you think is good for you?**
 - I work out 5 days a week and I'm fine fueling my body with pretty much whatever.
 - I maintain a primarily plant-based diet. Most or many of my meals are healthy, but I also eat a lot of carbs and pasta. Pasta is not very healthy.
 - I'm a Type I diabetic, so I'm very conscious about carb counts in foods and trying to use healthier, more natural carbs versus highly processed ones. But I do snack, and I do enjoy cooking.
 - Most of my meals are balanced whole foods. I avoid artificial and processed foods. If I'm going out to eat, I try to eat cleanly. But as far as my snacking goes, it's processed all the time. Doritos rule.
 - Primarily plant-based diet. I eat a lot of rice, beans, potatoes and sweet potatoes. A lot of vegetables and a lot of carbs. Everyone in my house tries to buy clean and healthy ingredients. We trade with people who have farms and gardens in their back yards.
- **Do you eat healthier at home or when you're eating out?** All agreed that they eat more healthfully at home.
- **What is your favorite healthy thing to eat at home?**
 - The lemon chicken from Trader Joe's. It's precooked so you can heat it up; it's easy, it's quick, contains a vegetable, a sweet potato.
 - I have a rice and quinoa dish that comes in a bag and you microwave it for 90 seconds.
 - Falafel, made from scratch when I can.
 - I like mixing any other vegetables with sweet potatoes and king oyster mushrooms, zucchini, and any other vegetables and some rice and whipping up random sauces with that. Doesn't make me feel lethargic; I feel nourished and enjoy it.
- **Is there a particular meal of the day you most commonly eat at home?** Some panelists said "breakfast" and the others "dinner."
- **Do you go grocery shopping and, if so, do you shop online, pick it up, go in the store? What are your grocery shopping habits?** All panelists shopped for groceries in stores. One panelist shops weekly or once every two weeks; another goes about once a month. The other three panelists go frequently – 3 or 4 times per week.
- **How do you decide what you're going to make?** Most panelists mentioned TikTok or Pinterest. Other inspirations were "cooking shows on TV or YouTube," "recipes from friends, or family," "go to the fridge and see what we have on hand," and "random cravings."
- **Have you ever purchased potatoes at the grocery store?** All panelists had.
- **Do you know what kind?** Panelists mentioned russets, sweet potatoes, yellows and Yukon golds.

- **What is your favorite way to eat potatoes?** Tater tots, French fries, mashed, oven roasted.
- **Do you cook potatoes and, if so, how?** Two panelists mentioned air fryer cooking. Another mentioned the Instant Pot, and the others oven or stovetop.
- **For those of you using air fryers, how did you learn how to cook potatoes in the air fryer?** The air fryer users responded, "by guessing."
- **Do you typically order potatoes when you're out at a restaurant?** Yes.
- **What type of potato would you order at a restaurant?** Mashed potatoes. French fries; those are harder for me to make at home. French fries or Tater tots. Definitely tater tots or mashed potatoes. All of the above.
- **Would you say that social media and websites have been a bigger influence on your recipes and cooking advice, or your parents, grandparents, and traditional things you learned?** Three of the five said social media and websites had been a bigger influence. One said there was a pretty even balance, and the other panelist said their family had been more of an influence.
- **We talked about social media so far, but I'm curious, do you use any other community apps, such as Discord or anything else?** One panelist uses the Discord and Geneva group platforms, mostly for smaller groups that they find on social media somewhere else and join through the links, or to talk to friends from other parts of the world that they don't see frequently.
- **Are you confident in what you think is good nutrition and healthy, or are you searching for that on the internet?**
 - For me, it's more what makes me feel good and how I look.
 - My mother is a nutritionist and fitness instructor. A lot of what I know about health I learned from my family, so I don't rely so much on the Internet and social media.
 - Since I got diagnosed with diabetes, I have had to learn these things and I did use the internet a lot and still sometimes use it for reference, the nutrition facts for a specific thing. Or if I'm going out to eat, I look up the nutrition facts. I do feel pretty confident in general nutritional knowledge.
 - I have always felt pretty confident in knowing what's good for me and what isn't. Especially finding food items that aren't processed or artificial, that are whole and naturally grown. It's pretty easy to find that nowadays.
 - I don't really search for it on social media. I just go off how I feel. And my dad is a big health person, and he sends me articles.
- **When you are dining out, are you looking for an experience, or just to get fed quickly and get out?** It depends on the occasion. Panelists said sometimes they go out because they're hungry in the moment and are just looking for food, but most of them also enjoy the experience of going out to eat something they can't make at home, or something new and exciting, or to enjoy a meal with friends.
- **When you are cooking, do you lean toward fewer ingredients or more ingredients?** Most panelists keep it simple with just a few ingredients (plus spices). Two enjoy making soups and stews or trying new recipes with lots of different items.
- **Instagram reels or TikTok, and why?** The consensus was TikTok. "I like the community a lot more on TikTok," or "You can get more authentic, smaller groups of people that wouldn't necessarily get reach on Instagram," and "TikTok is where I can go to find creators, new people I don't know."
- **Going back to the nutritional makeup of foods, would knowing the specific nutritional breakdown of a specific food or food group influence your buying decisions or your menu decisions?**
 - If it was easily accessible information that I would be able to know right away, it would probably sway me over a different product that doesn't provide that info or that would make me think it's inferior as a result, it would sway me.

- If I knew that a certain product had more vitamins or more protein or less carbs, if I had a recipe that called for this, if it was a comparable product, I would definitely switch it for the healthier option.
- **How important is knowing where your food is coming from? How deep have you ever dug into getting down to the producer or where or where the food is coming from to really understand the operation?** In general, the panelists would like to know more about where their food comes from. One panelist said, "I'd like to know more about that, but I just don't see that anywhere on my social media, so I don't even think about it."
- **In a scenario where you go shopping and you have a limited income, what product would you view as the best bang for your buck to fill you up and give you energy?**
 - Rice or oatmeal
 - Rice and beans and potatoes
 - Rice, beans, potatoes, oatmeal. They provide a lot of nutrition.
 - Sweet potatoes
- **Would you be willing to pay more for food if there's a sustainability message on the package and, if yes, what percent higher would you pay?** The panelists were wary of greenwashing and most said they would be skeptical of a sustainability claim, especially on a product from a large corporation; they might believe it from a small company. One pointed out that the packaging itself would also have to appear sustainable for them to believe that the product was sustainable. One panelist said that, if they were convinced that a product actually was sustainably sourced, they would pay 15 or 20% more.
- **When you think of potatoes, do you think carb or vegetable? And secondly, do you think traditional potatoes or sweet potatoes are healthier?**
 - Four panelists agreed that they think "carb," and that sweet potatoes are healthier.
 - One panelist said, "I think of them interchangeably as a carb and a vegetable. More specifically with sweet potatoes because I know they have a lower carb count than regular potatoes. In my brain, at least, they're healthier."

Panel Discussion Wrap-up

Ms. Rowan asked a final question:

- **What is your favorite thing about potatoes?** Panelists responded with answers ranging from the diverse ways you can cook them, to their taste, to the ease of cooking potatoes, to historic and cultural aspects of potatoes.

Ms. Rowan thanked the panelists and said to the audience, "My hope is you all learned a little about Gen Z today. It's easy to make stereotypes about all the different generations. We wanted to bring them here to let you see just how diverse they are and how amazing they are as a generation."

Domestic Marketing Committee co-chairs Steve Elfering and Travis Meacham thanked the panel and Tannis Rowan for the presentation and thanked the staff for all the work they are doing with Domestic Marketing.

International Marketing

Kim Breshears presented the International Marketing report.

International Market Update

About 20% of the U.S. crop is exported to the world. The top markets are Canada, Mexico, and Japan. The other markets making up the top 10 are South Korea, Philippines, Taiwan, Malaysia, Guatemala, China, and Hong Kong, in that order.

Over the past 5 years, exports measured by volume have decreased by about 1%, reflecting volatility with COVID and shipping issues. Looking at exports by volume for just this year (FY 2023), frozen potato exports have increased by 3%, dehy exports have increased by 22% (Dehy is used in many snack food products globally), and fresh exports have decreased by 6%. Finished chips account for a small proportion of the overall exports.

Each country has different rules and allows the import of different products. Potatoes USA's marketing programs in specific countries include international marketing representatives on the ground who carry out the marketing plans that Potatoes USA provides them. There are currently programs in 10 countries in Asia (although the Burma program is set to be discontinued next year) and nine countries in Mexico and Central America.

The program gets approved through the Foreign Agricultural Service; often grant money is received to help execute the program in addition to what the Board pays.

One big win: Last May, after a 20-plus year battle, the U.S. potato industry was granted access to export fresh potatoes into the entire country of Mexico, not just the border region. Since then, volume exports to the region are up about 12% for fresh potato exports there. It's a huge opportunity for the U.S.

FY24 International Program

Senior Global Marketing Manager Kayla Vogel and International Marketing Manager Tiffany Kocir presented an overview of plans for the upcoming fiscal year. The goal is always to strengthen the demand for U.S. potatoes in all the target markets around the world,

Within each unique market, Potatoes USA focuses on specific target audiences: food service operators and culinary students, retailers, importers and distributors, consumers, and potato growers. At the same time, the Board works with the U.S. government, the NPC, and the entire industry on maintaining or increasing market access for U.S. potatoes to make sure the markets are still there to sell to.

Messaging

The messaging used in the international markets focuses on messages shown to really resonate with each specific audience, stressing the quality, consistency, and industry leadership of U.S. potatoes.

Program Components and Activities

- **Education.** The program seeks to establish a base level of potato knowledge for all the target audiences, specifically U.S. potato knowledge. This is done through attending trade shows, hosting websites, hosting reverse trade missions, holding culinary school trainings for students and instructors, holding trade workshops and seminars, and doing nutrition and performance education at the consumer level, including in-store promotions and online promotions.
- **Outreach.** This includes in-store and online promotions, technical training for retailers on merchandising, supply chain management, retaining product quality, and how to teach customers how to use the product.

- **Culinary innovation.** Potatoes USA works with high-profile chefs to train them on U.S. potatoes, helping them develop recipes and works at the retail level, helping high-profile and large-volume operators with recipe and menu development.
- **Community.** Potatoes USA has been hosting athletic events in the international markets concerning the performance campaign. Team Potato has expanded into the international markets, allowing an avenue for publicizing the nutritional content of potatoes and their role in performance.

Seed Export Program

John Lundeen presented this segment, beginning by discussing the strategic flexibility required in the seed market.

Over the past three years, issues have affected the Board's approach. They have included COVID, changing regulations, competitive factors, changes in varieties being grown in the U.S., a mismatch of U.S. testing procedures with a given country's testing procedures for viruses like PVYN, and others. In addressing such issues, the Board has refocused its target market from five markets in FY22 (Cuba, Central America, Morocco, Bangladesh, and Indonesia) to two in FY23: Cuba and Guatemala. Proposed for FY24: Retain Cuba and Guatemala and add two more Central American countries: Panama and Nicaragua.

Unlike the reps in the other international programs, the international reps working with the Seed Export Program are based in the U.S. They travel to the target market countries to meet with growers and attend events.

Highlights

- In a reverse trade mission on July 24-29, 2022, four Guatemalan representatives (two importers, a trial agronomist, and a grower) came to Maine. They had a great trip and saw how we test and how our seed growers run their operations, giving the best, high-quality certified seed possible.
- Potatoes USA staff printed new trade materials, including seed cards in English and Spanish on major export varieties and an overview of how the export process works.
- New trials have been set up in different regions in Guatemala.

Low Points

- Cuba rejected a load of Year 3 trial seed; now there is dialog going on about how to harmonize the testing programs of the two countries.
- Supply of seed: Fewer U.S. seed growers are shipping internationally. Also, some varieties that were historically preferred in each market now have no seed acreage in the U.S. Other varieties have to be found.

Plans for FY24

Potatoes USA will continue to focus on Central America, including getting new varieties to Guatemala. Potatoes USA will attend a grower event in Guatemala and the harvest of the Year 1 trial in Panama and Nicaragua and set up the Year 2 trials for those two countries. In Cuba, the Board will work on synching its phytosanitary standards testing with the way Cuba is doing it and will also move the Cuba seed grow-out to the southeastern U.S.

Budget Review & Vote

Kim Breshears explained that the international work planning cycle works differently than any other Potatoes USA program. Staff members write a detailed grant proposal that includes the proposed marketing strategy for each market in which the Board has a program. The proposal

is submitted to the Foreign Ag Service, and Potatoes USA is evaluated along with every other commodity group in the U.S. for the efficiency of their plan. Not only does the proposal outline what the Board proposes to do and where they think there's an opportunity to grow U.S. exports abroad, but it also includes the results of the program year over year to provide a long-term view of how effective the program has been in the past. MAP (Market Access Program) funding is awarded based on the submission and past successes.

The MAP award for FY 2024 is \$5,598,370, down slightly from the amount received for FY23 (\$5,696,449). Ms. Breshears explained that the total pool of funds had remained the same, but the overhead dollars needed for FAS to operate the program was higher, so the amount available for granting was reduced.

"To use these dollars, we have to have a certain percentage of matching funds so that the industry has some skin in the game, if you will," Ms. Breshears said.

Ms. Breshears showed several slides to explain the proposed budget:

- USDA grant funding for FY22, FY23, and FY24, including MAP funds plus five-year grants already in place from the QSP (Quality Sample Program) and the TASC (Technical Assistance for Specialty Crops) program, representing a total of \$5,978,370 in FAS funding for FY24.
- The FY24 Board Budget Summary shows that out of a total Marketing budget of \$9,800,000, the Board's International Marketing budget is \$2,500,000 – that is the amount of Potatoes USA board dollars that will be combined with the \$5,978,370 in FAS grant funds to carry out the International Marketing programs.
- A breakdown showing how the \$8,478,370 combined FAS+Board dollars are allocated by the program (foodservice, retail, etc.) in the FY24 Budget recommendation.

A **MOTION** was passed to approve the proposed FY24 International Marketing budget.

New Trade Regulation & Statistics Database

Ms. Breshears introduced Julie Cerenzia, director of research and information services at Bryant Christie Inc., a consulting firm focused on getting trade and export flowing for food and agricultural products. Potatoes USA hires them to help with market access issues.

Bryant Christie has maintained a trade and regulation database for Potatoes USA and its members since 2002. The technology and architecture behind the database had become quite dated. Ms. Cerenzia's staff has now built out a new architecture that can better support the database while also taking steps to improve the information there.

The database is accessed from the Potatoes USA website and will continue after the new database is launched. The information is already there, and people are encouraged to use it even before the new platform launches.

Originally the database was designed to pull together reporting from GAIN (Global Agricultural Information Network) and other reporting out of U.S. embassies, USDA, and notifications made to the WTO and various overseas governments. Every week, a team of analysts monitors hundreds of foreign government gazettes, websites and portals, and the trade press in several languages, catching new regulations as they are emerging and tracking them as they evolve so that the database remains up to date.

The database contains phytosanitary requirements; retail labeling requirements, including front-of-pack nutrition labeling warning symbols cropping up in markets around the world;

and packaging requirements – technical standards for food contact materials, detailed tariff tables for U.S. products being exported, and tariff rates being applied to competitors from other origins. The new platform will have improved user-friendliness and security. Individual users will need to request access from Potatoes USA, but once granted, they can manage their access through an individual password.

The database has value for anyone in the industry with a compliance role, from making crop-protection decisions to managing the export process to designing or sourcing packaging or labels for retail products. Ms. Cerenzia asked Board Members to ensure that people in their organizations who would benefit know about the database.

This Trade Regulation Database will be housed on the same platform as the pesticide MRL database, also maintained by Bryant Christie and funded by the U.S. Government, to which all U.S. producers have access. Although the two databases are funded through different sources, users can now toggle between them as account options.

Upcoming Reverse Trade Mission

Potatoes USA hosts reverse trade missions for its international markets, bringing participants to the U.S. to see the process of what goes into producing high-quality U.S. potatoes. They see farms, processing facilities, retail stores – the whole chain that goes into producing potatoes. The next one will be held the week of April 17. Around 80 people are coming from 12 international markets. The focus will be on retailers, food service importers and distributors, and retail importers and distributors.

Kayla Vogel encouraged Members to sign up to attend a tradeshow on April 19 in Pasco, WA, where they would have an opportunity to interact with international reps, importers and distributors, and retail decision-makers in global markets.

Suspension of the Annual Meeting

Chairperson Davenport commented on the value of the panel discussion and the other presentations. He then suspended the meeting for lunch.

Reconvening of the Annual Meeting

After the break, Chairperson Davenport reconvened the Annual Meeting, reminding Members about the Antitrust Policy.

Industry Outreach

Bonnie Johnson presented this segment.

Grower Input

Grower input came from both the annual Grower Survey and a brainstorming session at the Winter Meeting.

Grower Survey

The Grower Survey was sent to the Potatoes USA industry database in November 2022. There were 106 respondents; Ms. Johnson noted the response rate was “dismal, but up from 90 in 2021.”

One survey question was, "What are the biggest challenges facing the U.S. potato industry?" The top answers were production costs, labor shortage and cost, inflation, shortage of supply, and water. Ms. Johnson showed a slide demonstrating how answers to this question have fluctuated over the past few years.

Growers are interested in trends and how much consumers are spending. Ms. Johnson summarized the top-ranking articles published last year and the top three resources (e.g., handouts) downloaded.

Although some 72% of respondents felt that Potatoes USA is doing a good job in strengthening the demand for potatoes, 11% were unsure about what the Board does. Ms. Johnson said she took it upon herself to move those numbers into the excellent category.

Winter Meeting

- At the winter meeting, the Board brought in Steve Lerch, a former Google employee and a strategy and digital marketing expert, to coach participants through questions about innovation and moving the industry forward quickly. Topics covered:
 - Innovation starts with culture. Lerch asked growers to write headlines they would like to see in the next five to ten years. The results were mind-stretching and fun and included some aspirational goals.
 - Innovation comes from anywhere. Crowdfund potato ideas at colleges and universities to learn what Gen Z people want and how they think about potatoes, vegetables, and eating. Do cross-promotions with other marketing and research boards. Get youth involved in promoting potatoes.
- Other matters discussed at the winter meeting:
 - Communication feedback. The Board is looking at sending out text messages with news on certain key topics to counter inundated email inboxes.
 - Marketing kits, including cookbooks: Potatoes USA plans to produce a whole series.
 - Bring young people in to provide feedback.

Reputation Management

Ms. Johnson discussed incorrect information that has appeared in media articles and blog posts about potatoes and the steps the Board has taken to address them. For example, Potatoes USA contacted the publisher in the following cases, asked for a correction, and got it, based on the science presented:

- "Potatoes may be among the five worst 'plant-based foods' for cancer," appeared on The Express. After Potatoes USA contacted the publisher, The Express removed potatoes from the headline and changed the story to reflect the science.
- "5 Carbs to Limit When You're Building Muscle," with potatoes first on the list, appeared on Livestrong. Potatoes USA asked for a correction; the story was updated, and potatoes were taken off the list entirely.

Based on data from 2022, the first year for which full-year data exists, more than half the potato stories appearing in the media were positive. Most stories focused on cooking prep, followed by lower numbers of stories on health, culture/history, or affordability.

Potatoes USA does its best to fill the pipeline with positive information, trying to get more and more positive stories in the press to overtake any negative stories out there. For 2022, the ratio of positive-to-negative media coverage was 3:1 in traditional media and 12:1 in social media. Over time, those ratios should become even more definitive.

Industry Communication and Collaboration

Industry outreach is evolving. Once primarily about communications and potato industry collaboration, it now includes international collaboration and culinary leadership within the potato and ag industries.

Communications

Communication is very strong; changes in the infrastructure are making it possible to regularly push out quality information that Members can use. PotatoesUSA.com got a bit of a facelift and has some additional functionality, including the ability to do real-time updates in-house.

Email updates went from weekly to monthly; some people like that, and others want more. The lunch-and-learns have been successful. And, of course, there are in-person meetings.

Although the Industry Outreach team is primarily Erena, Natalia, and Bonnie, the entire staff are here for industry outreach, so growers are invited to reach out when needed.

New for 2024:

- Add a Gen Z industry insider's group.
 - Recruit Gen Z advocates from Board Member families and ag organizations.
 - Have them ID and develop opportunities to extend positive potato messages to a new audience.
 - Activate them to extend the Board's marketing efforts and reputation management activities.
- The Growing Together campaign is an initiative to help build an information pipeline with positive potato messages and to expand that to the broader ag industry and popular press.

If we're not telling the story, somebody else tells it for us.

Potato Industry Collaboration

The industry Outreach team works with NPC, the state and regional organizations. Bonnie Johnson goes to the winter meeting and talks with the state groups, media outlets, and more. Industry collaboration is important to show strength in numbers. If you look at the total number of potato growers in the U.S., it is not that many, but potatoes' impact on the U.S. economy is unbelievable.

International Collaboration

CEO Richardson and Chairperson Davenport's attendance at the World Potato Congress last summer led to the Polish Potato Federation inviting them to come and speak about that performance campaign. The Polish Potato Federation adopted that campaign in their own country, perpetuating that performance message with potatoes. There is interest from Europatat (the European Potato Trade Association). We get new signups in our newsletter daily, and they're not just from the U.S.; we are reaching people across the globe.

Culinary Collaboration

A few years ago, Potatoes USA began a Potato Industry Chefs council, enlisting chefs working or consulting with state organizations, processors, and potato companies, with the idea of driving volume through ideation, Chef RJ Harvey said.

The council started with calls every month or so and has evolved into offering in-person opportunities to work together. Last August, numerous Potato Industry Chefs Council chefs came to the Spud Lab, talked about trends, visited some Denver-area restaurants featuring

potatoes in new and interesting ways, and spent a day in the Spud Lab cooking and creating. Within 8 hours, they created 32 dishes. Some were flops and some hits, but those concepts can now go to their customers; some might be the next things you see on Bon Appetit's YouTube channel or in Food and Wine magazine.

Chef RJ showed a video about the Spud Lab. The space is not only intended as a chef workshop but also as a place to collaboratively gather with food service operators, chefs, retailers, and consumers; on the video, various chefs commented about their appreciation for the well-equipped lab and for the collaboration opportunity.

In the Spud Lab, Chef RJ and his team will be doing more outreach to the entire potato industry. including:

- YouTube Live recipe demonstrations
- Cook-alongs
- Short clips of kitchen hacks and tips will be shared on social media channels

They also hope to work on a Potatoes USA keepsake cookbook that would include some favorite dishes, innovative ways to work with potatoes at home, traditional recipes from Board Member families, and global or regional flavors.

Chef RJ invited Board Members to spend time in the Spud Lab in Denver, even to cook there. Everyone in the potato industry is welcome to come and use it as if it were their own home.

Kim Breshears encouraged everyone in the room to help Potatoes USA tell the story – when they see something of interest in one of the newsletters or a social post, to share it with their communities. The younger generation is visually savvy, and we want to mobilize them and give them tools to tell the pro-potato message as much as possible. These are people who love to hear from those who are growing the product. "So be advocates and don't be shy," she said. "And if you have ideas of things we can do, call any of us. We love to get new ideas and we love to bring them to life."

Budget Review & Vote

The Industry Communications proposed budget for FY24 is \$626,000. Ms. Breshears briefly discussed the breakdown of that figure into categories, such as Reputation Management, Industry Communications, International Collaboration, etc., to implement the programs described in the above section. She invited Shelly Olsen, the Industry Outreach Committee chair, to the podium.

A **MOTION** was made and passed to approve the proposed FY24 Industry Outreach budget.

Research Committee Report

John Lundeen asked the members of the Research Committee to stand. He briefly talked about their work on the PRAC committee and fry trials. He called on Mike Larsen, Co-chair of the Research Committee, to formally open this segment of the meeting.

A **MOTION** was made and passed to approve the meeting minutes from the January Research Committee meeting held in Colorado.

APRE Update

Howard Goldstein appeared via Zoom to present this report.

APRE Overview & Progress Report

Since 2016, when Food Minds began managing the program,

- 52 studies have been funded.
- 28 manuscripts have been published (more than half of the studies).
- 6 reviews and commentaries have been published; these commentaries can combine data from different studies into a cohesive story.
- 57% of the studies currently in the pipeline include fried potatoes.

APRE's research program is a long-term strategic investment. Building an evidence base takes time. Each study typically takes two to four years to get off the ground, get the data, publish the study, and promote it, so ongoing investment is essential.

"We started APRE as more of a reactive program," Mr. Goldstein said. "There was a lot of misinformation about potatoes over the decades, so we had to have a research program that pushed back on that." Now they aim to understand the environment and ensure they have the correct studies in the pipeline that will yield findings that will allow the industry to be proactive and get ahead of the issues that may be happening down the road for potatoes.

APRE invests in three strategic platforms:

- cardiometabolic health
- healthy dietary patterns
- healthy lifestyles

More or less equal numbers of studies in each of these three pipelines are getting closer to publication.

Study Deep Dive: Potato Protein vs. Milk Protein and Exercise Performance

Why even look at potatoes in the world of performance? The global sports nutrition market is huge and growing. Individuals in this field are very focused on nutrition, food, and what they put in their bodies. There is currently a groundswell of opinion among sports-focused individuals and health professionals in favor of moving away from highly processed sports supplements created in labs and instead looking toward more whole food sources.

There's a great story to tell with potatoes and carbohydrates for fueling performance, but there's also the nutrient of protein. After exercise, you need to repair your muscles and grow new muscles. There is a push to look at plant-based protein. The amount of protein in a potato is not high, but the quality of that protein is extremely high.

Mr. Goldstein described in some depth a recently published study in which a researcher based in Holland evaluated the effectiveness of potato protein versus milk protein in repairing muscle and building new muscle after exercise. Not only was the protein shown to increase or repair muscle growth at rest or after exercise, but also the results were the same between potato and milk protein, which is sometimes considered to be a gold-standard source of animal-based protein.

After studies are published, APRE distributes press releases to the media and study updates to researchers to keep the researcher community aware of these studies so that they will use them when conducting future research on their own. When a study has very strong findings, APRE often sees an organic pickup across the media, whether for consumers, trade, or research. This protein study got such a pickup, resulting in more than 27 million impressions on online media.

Study Deep Dive: Baked Potatoes vs. Beans and Type 2 Diabetes

For decades, potatoes have been in the crosshairs as a food that causes diabetes – that potatoes cause weight gain and blood sugar control issues. Goldstein referenced misinformation from the Harvard School of Public Health, WebMD, and Diabetes Meal Plans.

Thanks to APRE and Potatoes USA's work, a movement has started that is repositioning the potato and showing that people with type 2 diabetes can include it as part of a healthy diet. Also, the World Health Organization's recent guidelines on carb quality make it clear that it's not glycemic index or starch digestibility that are important in defining carb quality, but rather dietary fiber and sources of carbohydrates: people should be choosing whole grains, vegetables, including potatoes, fruits, and pulses, to get their carb needs met.

Mr. Goldstein described the population studied and the approach used in a study conducted by researchers based at Pennington Biomedical Research. They questioned whether potatoes can be part of a weight loss regimen for people with insulin resistance, whether a diet with potatoes can decrease someone's weight and have a cascading effect to improve their type 2 diabetes issues, and how a weight loss diet with potatoes compares to a weight-loss diet with beans. (Beans are considered a "halo" food regarding type 2 diabetes and health.)

Diets identical except for a side dish – potatoes in 50% of the cases and beans in the other 50% – were shown to have almost the same results across all measures and were both effective for weight loss. Potato consumption did not adversely affect insulin resistance or impact blood sugar control. It didn't affect cholesterol or the individual's blood lipids; both potatoes and beans were similar in satiety and fullness.

Following the study's publication, APRE sent out the following key messages with a press release and a study alert:

- Yes, people with type 2 diabetes can enjoy a side dish of potatoes and lose weight without impacting their blood sugar control.
- Despite the general impression that beans are superior, calorie-for-calorie, potatoes are of equivalent quality. In a new study, people with type 2 diabetes had similar outcomes on weight loss, and blood sugar control when either beans or potatoes were included as a daily side dish.

The result was great media coverage and headlines in outlets as popular as Medical News Today and New York Post. Potatoes and type 2 diabetes, and a total of 776 million impressions.

On the Horizon: Anticipated 2023 Publications

Mr. Goldstein summarized the eight publications anticipated in 2023. They cover performance, type 2 diabetes, school meals, colorectal cancer and metabolic syndrome.

Question from the Audience

- **Question:** How did Harvard get it so wrong?
- **Answer:** That opens up a conversation about researcher bias and personal opinions and following a narrative versus following science. I'll leave it at that.

Program Updates

John Lundeen presented updates on the Research Department's various programs.

PRAC (Potato Research Advisory Committee)

With PRAC, the industry's "hit rate" of funded research proposals has increased. For all specialty crops, only about 20% of proposals make it through the approval process, but PRAC

sees a success rate of about 2/3. Mr. Lundeen attributes this to the focus PRAC brings to the process – concentrating mainly on SCRI (Specialty Crop Research Initiative), setting priorities and endorsing only a small number of projects, as well as the work that goes into the review process and getting letters of support. Also, SCRI always asks for an outreach component on each project, and PRAC helps give the scientists a communication mechanism back to the growers.

Beyond SCRI, there are other funding sources, mainly through USDA. For example, last year, an initiative called Climate Smart inspired four proposals from the group; two were submitted and one was funded. Numerous other funding sources have been considered over the past few years. “We’re always reaching out to the scientists,” Lundeen said, “asking them how else we can help them meet their goals.”

NCP (National Chip Program)

The program currently has 13 public breeders in the U.S.; the program looks at tens of thousands of candidate varieties, then tests those with the potential to come into the program for trials in multiple locations. The program evaluates many dimensions of these candidates, including disease resistance, climate resiliency, storability, flavor, and chip quality. The data is all stored in a data management platform called Medius.

Mr. Lundeen discussed some specific candidates that have come through the system, been commercialized, and are now available. Additional varieties now emerging out of late-stage trials that will be moving forward. Other candidates are just moving into mid-stage trials, where only a third of an acre or a full acre is planted. “It’s a nice, healthy pipeline,” he concluded.

NFPT (National Fry Processing Trials)

This program is similar to NCP in that seed acres are being watched and tracked. Six state organizations and six trial sites are involved in NFPT. The fry processors voted to increase their contributions in the program, recognizing that input costs and other costs were up. The three-year pipeline has filled out since the system was re-engineered in CY20. Although there was only one Year 3 Candidate in CY20, there were 10 in CY23. Also, several candidates are now being commercialized in conjunction with Tri-State Trials and other regional trials.

Research Committee Discussion

Mr. Lundeen called on Mike Larsen, co-chair of the Research Committee, to lead a discussion with Research Committee members in the audience. Mr. Lundeen asked, “What was the most interesting research committee activity you were involved in?” Most had found PRAC particularly interesting and satisfying because PRAC is efficient and effective at getting funding. One member, referring to both PRAC and NCP meetings he had attended, said, “What I like most about both groups is that you can see results, and our input as growers matter. That’s very satisfying.”

Mike Larson talked about NFPT, the program he’s been most involved with. He commended the high level of grower involvement and the fact that all the major processors are involved; he feels that developing a new potato variety is quite collaborative and productive. He also had the opportunity to travel with Jason Davenport and Blair Richardson over the year and learn about True Potato Seed and its use in developing new varieties; he felt this approach has very real potential for the future.

Goals for 2023

Alyssa Green, Research Communications, summarized program goals for the 2023 calendar year for PRAC, NFPT and NCP. They included specific goals for each program as well as general

administrative goals for the overall Research program, such as more consistent outreach to growers and scientists, ongoing development of that network to help get great proposals on the table and teaching funded teams how to better talk to others about their projects. Recent outreach to research scientists included a recent visit to Colorado State University, where staff met with postdocs involved in research and walked them through the process of submitting proposals through PRAC.

FY24 Budget

Mr. Lundeen summarized the assumptions underlying the proposed budget and the reasons for the proposed changes. He showed a slide comparing the FY23 budget against the compared FY24 budget, including the expected industry contributions. The proposed Research budget total was \$2,050,000 – the same as for FY23.

Mike Larsen asked for a Research Committee vote to approve the research budget, noting that the Board would be voting on the budget after the Finance and Policy Committee report.

A **MOTION** was made and passed to approve the proposed budget.

Mr. Larsen commended the program and closed the Research Committee portion of the meeting.

Diabetes Study

Justin Davenport announced that the Idaho Potato Commission would work with the American Diabetes Association to continue the diabetes work connected with the APRE-funded study. "It's an excellent way to leverage the APRE studies to help advance opportunities for us in the potato industry," he said. "That's a good example of what can be done with some of these studies. We really appreciate that."

Finance and Policy Committee

Finance Committee Chair Jeff Jennings introduced Vice President of Finance & Policy, Monica Heath. Ms. Heath directed Members to the documents to be reviewed in BoardEffect. She stated that the Finance Committee would vote on the motions during this presentation, then, following the committee meeting, all motions would be put to the full Board for a vote.

A **MOTION** was made and passed to approve the Finance Committee minutes from the winter meeting.

FY22 Audit

Steven R. Corder, CPA, CGMA, President & Shareholder; and Emma C. Bodine, CPA, Manager; of Kunderling, Corder & Montoya, P.C.; reported on the Potatoes USA audit they had conducted for the fiscal year ended June 30, 2022. They briefly described the audit process, which included meeting with USDA to review both the audited financial statements and the required organization-wide single audit, checking for compliance with federal grants received.

As of June 30, 2022, Potatoes USA was very liquid, with \$8.7 million in FDIC or fully collateralized cash investments. Assets exceeded liabilities, with a net position of \$12.6 million, a decrease of about \$869,000, due to increased spending and the leasehold improvements at the new office location. Total revenue was about \$21 million, with \$15 million in assessment revenue and \$5.7 million in grant income. Total expenses were about \$22 million. Internal controls were reviewed; the auditors had no significant recommendations

for management. In the single audit, there were no non-compliance, findings, or questioned costs. They issued an unmodified or clean opinion on these financials.

The Finance Committee made and passed a MOTION to approve the FY22 audit.

FY23 Financial Statements

Ms. Heath did a top-line review of the FY23 financial statements.

- **Statement of Net Position.** Cash and investments were down from the previous year, which was expected due to the FY22 expenses to finalize Potatoes USA's move to the new office; and likewise, Capital Assets and Capital Lease Obligations were up. The total net position is \$12,477,475.
- **Statement of Activities.** Assessments and grants were both up. Expenditures were up, partly because of increased grant spending but also because overhead increases were year-to-year. The change in net position was \$ (137,950).
- **Grant Financials.** Ms. Heath reviewed MAP, QSP and ATP funds spent down to date.

FY23 Budget Amendment #2

Ms. Heath summarized the changes proposed to bring the budget into line with the actual financial statements, a special project for the IOC that would raise program expenses, and how Proposed Budget Amendment #2 would affect the undesignated funding, then presented the following budget summary:

Budget Summary

	Amendment #1	Proposed Changes	Amendment #2
Revenue	\$ 22,978,000	160,000	23,138,000
Program Expenses	20,076,000	16,000	20,092,000
Administrative Expenses	3,548,500	(72,000)	3,476,500
Total Expenses	23,624,500	(56,000)	23,568,500
Revenue (Under) Expenses	\$ (646,500)	216,000	(430,500)

A **MOTION** was made and passed to approve the FY23 Budget Amendment #2.

Assessment Rate

Ms. Heath reviewed the assessment formula set in The Plan. Potatoes USA is asking to keep the rate at \$0.03 per hundredweight for FY24.

A **MOTION** was made and passed to retain the Assessment Rate at \$0.03 per hundredweight for FY2024.

FY24 Draft Budget

After summarizing the revenue figures, program expenses and undesignated funds projected for FY2024, noting differences from the previous year, Ms. Heath presented the following budget summary by major category.

Revenue	\$ 22,300,000
Program Expenses	18,886,500
Administrative Expenses	3,528,500

Total Expenses	<u>22,415,000</u>
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Revenue (Under) Expenses	\$ (115,000)
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A **MOTION** was made and passed to approve the FY24 Budget.

Policy Update

Ms. Heath talked about changes being made to update various policies and procedures. One general change in numerous documents is that position titles are being omitted or more general titles used. Specific changes include:

- Record Retention & Destruction. References to outdated records and data sources have been removed, the email policy has been changed to a 90-day retention, and a litigation hold statement added.
 - A **MOTION** was made and passed to approve the Record Retention & Destruction Policy.
- Employee Handbook. This is a new, fully updated policy. The policy was voted on during Winter Meeting, but USDA requested additional changes.
 - A **MOTION** was made and passed to approve the Employee Handbook.
- Employee Travel Policies. This document includes updated travel agency requirements and pre-approval process, clarified receipt requirements, and a shorter expense report timeline (14 days vs. 60 days previously) for staff who travel.
 - A **MOTION** was made and passed to approve the Employee Travel Policies.
- Contracting Policies and Procedures. Contracting procedures were in multiple documents; the new document combines the contract-awarding requirements from FAS and AMS.
 - A **MOTION** was made and passed to approve the Contracting Policies and Procedures.
- Independent Contractor Travel Policies. The new policy clarifies allowable expenses and the approval process, including receipt requirements. It will also allow the international reps to submit approval requests through the portal.
 - A **MOTION** was made and passed to approve the Independent Contractor Travel Policies.

Ms. Heath encouraged Members to feel free to reach out to her or anyone on the finance team with questions at any time. "It is so important to us that you understand these numbers," she said. "These are your numbers; this is your money."

Budget Approval and Board Business

Chairperson Davenport came forward to facilitate voting by the full Board on the motions that had been made and passed by the Finance Committee.

A **MOTION** was made and passed to approve the FY22 audit.

A **MOTION** was made and passed to approve the FY23 Budget Amendment #2.

A **MOTION** was made and passed to retain the Assessment Rate at \$0.03 per hundredweight for FY2024.

A **MOTION** was made and passed to approve the FY24 Budget.

A **MOTION** was made and passed to approve the Record Retention & Destruction Policy.

A **MOTION** was made and passed to approve the Employee Handbook.

A **MOTION** was made and passed to approve the Employee Travel Policies.

A **MOTION** was made and passed to approve the Contracting Policies and Procedures.

A **MOTION** was made and passed to approve the Independent Contractor Travel Policies.

USDA Update

Alex Caryl, FAS Marketing Specialist overseeing Potatoes USA, stated that she and her office are working hard to get the Board restructuring rule changed; changing a regulation is a lengthy process with many steps to get through, and they are taking it one step at a time.

Caucus Topics and Instructions

Blair Richardson summarized the topics recommended to be covered in the caucus meetings and encouraged the caucuses to add any other topics meaningful to them.

- Industry Outreach
 - Are current efforts working?
 - Increase these efforts?
 - Thoughts on costs/benefits related to Industry Outreach
 - Suggestions?
- Diversity
 - Encouragement from USDA
 - Suggestions of ways to satisfy diversity objectives
- Future Threats
 - What are the most significant threats facing the potato industry in your region?

Audience Discussion

Chairperson Davenport invited attendees to pose questions about the day's presentations; Chairperson Davenport, CEO Richardson, and other staff responded as appropriate. The discussion included the following points:

- Whether APRE needs more money and the fact that APRE's research permeates all the work Potatoes USA is doing.
- Raising the assessment rate vs. right-sizing the organization for the future.
- The rationale behind having some functions handled by staff and others by contractors.
- Why Generation Z, as opposed to older people, is the current marketing target.
- The complexity of Potatoes USA's marketing programs.
- What regional fluctuations in yield and processed products and imports figure into assessments and the organization's financial health.
- Current status of Japanese market access.

Suspension of Meeting

Chairperson Davenport suspended the meeting at 4:05 p.m., announcing it would resume on Wednesday morning, March 15, 2022, at 9:00 a.m.

POTATOES USA

MINUTES OF THE ANNUAL MEETING

WEDNESDAY, MARCH 15, 2023

Four Seasons Hotel (with Zoom videoconference option)

Denver, Colorado

Call to Order

Chairperson Davenport reconvened the meeting at 9:00 a.m. He called the Members' attention to the Antitrust Statement and acknowledged the 2023-24 Board meeting sponsors.

Dispelling Health Myths in the Media

Bonnie Johnson introduced Lauren Manaker, MS, RDN, LDN, CLEC, CPT. Ms. Manaker is a registered dietician and owns a clinical practice counseling patients about women's nutrition

and health needs. She is a freelance writer in the nutrition field, writing for such outlets as Oxygen.com; Eat This, Not That; and Living Well. She also appears as a guest expert on TV and podcasts.

Ideally, one's health care provider is the most trusted source of nutrition information, Ms. Manaker said. But because of barriers to seeing doctors – limited consultation time per patient, access/coverage issues, etc. – that's not where most people get their information. Instead, they get it from social media, "Dr. Google," well-meaning friends and family, TV, podcasts, and print media. We are getting bombarded with this information.

Millennials (born 1981-1996) have families, make food decisions for their families, and dictate what the next generation will eat. Millennials and Gen Z (born 1997-2012) tend to get information from influencers on social media channels. A survey of adults of Gen X (born in the 1960s and 70s) and younger showed that a large percentage (94%) agree that social media plays a role in how one handles a healthy diet. Some 78% of participants reported that they get information about a healthy diet from social media, the leading channels being Instagram, YouTube, Snapchat, and WhatsApp, followed by Twitter, Facebook, and others.

Many people with no health background say whatever they want on social media, and no one is vetting this information. They intend to get traffic to their website or channel and to get "likes" and comments. Sensational headlines get people's attention. Not every influencer or online writer is motivated to help readers.

Health misinformation is now recognized as a problem by the medical community. People can get sick when they follow incorrect recommendations, such as cutting out an entire food group. Health misinformation can affect perceptions and sales of potatoes. If a popular influencer with six-pack abs says, "I got this way because I don't eat carbs," that can affect sales.

Such misinformation is also a concern for the health and wellness community. Potatoes have fiber, Vitamin C, they are an economical nutrition source, they have potassium, which is a nutrient of concern in the U.S., and they are a source of carbohydrates. What this means for people is that potatoes give you energy, gut health support, immune support, heart health support, and they are affordable nutrition.

Common misconceptions include:

- Potatoes only provide carbs and nothing else.
- Low-carb eating is healthy.
- Anything white is bad.
- Potatoes are full of fat and salt.

As a result of such misconceptions, people can miss out on the benefits of potatoes.

Nutrition information is continually evolving thanks to new research; this can lead to confusion and older, less accurate information still being promulgated. People educated in nutritional science can understand the nuances of the science, but "Joey, Mr. 20-year-old who's making TikToks," may not.

That's why having reputable people in the media is essential to dispel this misinformation. Ms. Manaker and her colleagues are competing against people who are very creative, engaging, and "clickbait-y," so they work hard to make their stories as timely, exciting, interesting, and new as possible, focusing on topics that people are searching for and care about. They pitch topics to the editor. Once a story is approved and written, there is usually

a team that optimizes it for SEO (Search Engine Optimization) to get it on top of the Google search results, as well as someone to fact-check the story.

Even if the author's goal is to put good information out there, the media outlet's goal may be to get more traffic to their site and get more people to read their articles, to make their advertisers happy, to get clicks. Ms. Manaker said the outlets she writes for prioritize good, accurate information, but many brands reach out to her just wanting to get their sales up.

Ms. Manaker and her colleagues enjoy working on the following kinds of stories:

- Highlighting less-known details, such as that all potatoes contain antioxidants, but purple potatoes have a unique anthocyanin that may help support brain health.
- Taking complicated scientific data and breaking it down so people can understand.
- Sharing less common ways to prepare potatoes
- Combatting misunderstandings
- Reminding people that not all ways of preparing potatoes are high in fat and salt
- Highlighting the nutrient density of potatoes
- Highlighting factors that affect the nutrition: toppings, serving size, what else are we eating with the potato? It's not the potato but how we're serving it.
- Reminding people that potatoes are vegetables.

They work to get information out to healthcare providers and the public.

We hear about the Rule of Seven in sales, which pertains to media as well, Ms. Manaker said. People need to hear a message at least seven times before it clicks. Getting a fact like "Potatoes contain Vitamin C" out there in various ways helps deliver the information.

"We're trying to move people from being confused to being empowered, so they can make the right food choices with the right information, not led by fear," Ms. Manaker said. "We want them to be led by facts and understand, for example, that potatoes are not just carbs or not loaded with fat and salt. They are a nutritious part of a balanced diet, part of the guidelines, and something that should be a part of our diet."

Questions from the Audience

- **Question:** Have you always been a fan of potatoes?
- **Answer:** A fan of the taste, yes, but when I attended school over 20 years ago, I was not taught that potatoes were part of a healthy diet. Nutrition science is evolving.
- **Question:** What can general consumers do to combat misinformation without getting into arguments on social media?
- **Answer:** Lean on the data; that makes your points harder to argue against.
- **Question:** Are there enough studies on the health benefits of potatoes or do we need to spend more money on that?
- **Answer:** There are many studies to use already, but from the perspective of interest and breaking news, new studies are fantastic to have.
- **Question:** In the Gen Z panel discussion, the participants stated that potatoes are a carb and that sweet potatoes are healthier than white potatoes. What is a bullet-point, quick best case to present to someone for that?
- **Answer:** The biggest challenge is the message that white foods are void of nutrients. It's misinformation, and it takes repeat messaging to educate people differently. As

for sweet potatoes versus, say, russets, it's not an apples-to-apples comparison. They both have their benefits.

- **Question:** You mentioned that not many people get their nutritional information from the dietary guidelines. With the 2025 dietary guidelines now in preparation, is there anything we can do to elevate those guidelines in consumers' minds?
- **Answer:** People are not very interested in the guidelines per se, but referring to them in other articles helps continue to build an accurate nutrition story.

- **Question:** In the nutrition community, are folks tying the carbon footprint of food into the discussion?
- **Answer:** Yes, there is a huge push to do this. People, especially among the younger generation, like to hear the whole story: the effects a food is having on the environment, how it affects individuals and families. We're reminding people that humans grow these potatoes, and families have farms. When all they see is the potato on the shelf at their grocery store, they don't necessarily make the connection. Sustainability is a very big focus right now.

- **Question:** In the Generation Z panel yesterday, a lot of them were leaning on plant-based diets. A question we didn't ask them is why? Is it the environmental footprint, the health aspect, or maybe animal husbandry rights?
- **Answer:** It depends on the person, but those are the three main reasons. Some of that comes from misinformation. It's in the farmer's best interest to have happy cows, but when a Netflix show comes up showing cows being tortured every day, that's what people see and believe. So, it's everywhere, it's challenging to have people truly understand what's accurate and what gets people to watch a documentary.

- **Question:** I see a lot of headlines with a numerical value, like five reasons, seven, ten. How do you know what number to use?
- **Answer:** It depends on how long I want the article to be. There's no magic formula; odd numbers are preferred for some reason.

Chairperson's Comments

Jason Davenport reported on the past year, commenting on these activities:

- Travels with Blair Richardson to Interpom in Belgium and meetings with the Belgian organization leaders and the Irish Potato Federation.
- Attending the World Potato Congress last May in Dublin, where he and other Potatoes USA representatives had the opportunity to speak.
- Bringing Members to Dana Point for the 2022 Summer Meeting.
- Grower outreach opportunities in the Northeast U.S. as well as Virginia and North Carolina
- Taking the Marketing team to Wisconsin and working with some Wisconsin groups on marketing

He commended various Potatoes USA staff members for their work and how they represent growers. He thanked his Executive Board. He thanked his wife and family and work colleagues for their support, especially because of his heavy travel schedule. He has enjoyed working with the NPC, the state organizations he's had the opportunity to work with, and especially Blair Richardson.

He expressed his appreciation to the Board Members and to the potato industry as a whole. As a kid growing up on a farm, he didn't want to farm and went to work in another field, but

eventually he decided that farming is a good life and a great way to raise a family, so he came back, even though his dad had sold the farm and he had to start over.

"It's a unique way to make a living, it's a unique way to meet new people and meet people in the industry that you represent, and build camaraderie, partnerships, alliances, and friendships, and even just friendly competition in a way," he said. "I appreciate what this industry has done for me. I appreciate everything that you guys do for me. Thank you so much."

Nomination and Election of Chairperson

Jaron Raybould came forward to provide the report from the Nominating Committee. The committee submitted Mike Carter for the person of Chairperson of the Board.

A **MOTION** was made and passed to elect Mike Carter Chairperson of the Board.

New Chairperson's Comments

"It is truly an honor and a privilege to be up here today," Chairperson Carter said, adding that he feels blessed every day to wake up and get to be part of this industry, along with some of the hardest-working people he's ever met, who also play well together and can work as a team.

In answer to the question, "What is your vision," he would start by looking back a few years ago when there was a group that had the vision to establish APRE and to fund that, to provide a baseline for fighting for the integrity of the potato. He hopes that this current Board has the same capability to envision where the organization can be in 10 years so they put the next generation in a good position.

At the same time, it's critical to continue to do the things that are making us successful right now: the international and domestic marketing, the blocking and tackling to make sure our product is in the right place and is seen in the right light, and that we continue to work on exports.

He commended the current Executive Committee and the all-star staff. He thanked his wife, his family, and his partners back home in advance for the slack they will need to pick up over the coming year.

"I value all of the relationships in this room," he said. "I am confident that this group is going to be successful. I think we are going to put ourselves in a position for long-term success. And it's going to require the efforts of everybody in this room. I'm looking forward to working with you to accomplish that."

Announcement of New Administrative Committee Members

Chairperson Carter announced the 2023-24 Administrative Committee members:

North Central	Mike Carter, Wendy Dykstra, Leah Halverson, Kyle Michael, Kevin Schleicher, Camburn Shephard, Alison Sklarczyk, Ben Zechmann
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Northeast	Jennifer Gogan, Jeff Irving, Brian Mahany, Colin Szawlowski
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Northwest	James Baker, Trever Belnap, Jess Blatchford, Ryan Christensen, Taylor Grant, Dan Gundersen, Kory Hansen, Jace Jensen, Martin Kimm, Braden Lake, Mike Larsen, Ryan Moss, Shelley Olsen, Eric Searle, Jeff VanOrden, Jake Wardenaar, Marvin Wollman, Dennis Wright
South Central	Les Alderete, Bevan Lenz, Jason Tillman
Southeast	Jeff Jennings, Bruce Richardson
Southwest	Nathan Bender, Ed Staunton
Importers	Clifton Smith
Public Member	Norbert Bomm
Past Chairman	Jason Davenport

Nomination and Election of Officers

Jaren Raybould read the Nominating Committee’s recommendations for officers:

Les Alderete, Trever Belnap, Mike Carter, Jennifer Gogan, Leah Halverson, Jeff Jennings, Mike Larsen, Shelley Olsen, Ed Staunton, Dennis Wright

Chairperson Carter asked whether any of the nominated people wanted to decline their nomination (they did not), and whether there were any more nominations (there were not).

A **MOTION** was made and passed to confirm the nominated slate of officers for Potatoes USA.

On behalf of the Nominating Committee, Mr. Raybould presented Jason Davenport to fill the Ex-Officio role of Past Chairman and act as the chairman of the nominating Committee for the 2023 Board of Directors.

A **MOTION** was made and passed to confirm Jason Davenport to the Ex-Officio position of Past Chairperson of the Board and Chair of the Nominating Committee.

Committee Appointments

Chairperson Carter announced that the Executive Committee had made the following Administrative Committee appointments:

Domestic Marketing: Les Alderete and Leah Halverson, co-chairs; Norbert Bomm, Wendy Dykstra, Dan Gundersen, Jeff Irving, Braden Lake, Bruce Richardson, Jason Tillman, Jeff VanOrden

International Marketing: Mike Larsen and Shelley Olsen, co-chairs; James Baker, Nathan Bender, Taylor Grant, Kory Hansen, Kyle Michael, Ryan Moss, Kevin Schleicher, Clifton Smith, Jake Wardenaar

Research: Trever Belnap and Jennifer Gogan, co-chairs; Ryan Christensen, Martin Kimm, Brian Mahany, Camburn Shephard, Ben Zechmann

Industry Outreach: Ed Staunton and Dennis Wright, co-chairs; Jace Jensen, Bevan Lenz, Alison Sklarczyk, Colin Szawlowski, Marvin Wollman

Finance and Policy: Jeff Jennings, chair; Jess Blatchford, Eric Searle

Caucus Reports

Region: North Central – Alison Sklarczyk, MI, reporting

Topic: Industry Outreach

- Caucus members either strongly oppose or strongly accept a text message option.
- Caucus recommends opt in/opt out text messaging on a limited basis to counter too many emails.
- Continue podcasts.
- YouTube channel is not getting as much interaction.
- If the Board consolidates, there may be less opportunity for Members to share info with other industry members in their areas. Consider offering a subscription service to non-Board members or incentivize growers to continue sharing Potatoes USA info.
- Continue what we're doing but focus on some new opportunities with text messaging.
- Continue state visits; work on doing those by region (versus by state) each year and offer a Zoom meeting as well.

Topic: Diversity

- It's not just gender or ethnicity, but also including more younger or older members, farming size and practice.
- Perhaps a beginning farmer segment for those getting started in the industry.
- Consider other groups, like veterans.
- We're doing an overall good job at creating a diverse Board.

Topic: Future Threats

- Foreign pathogens or pests, namely potato wart.
- Land use and availability: solar farms, urban encroachment, availability based on rotational crops and other competition.
- Labor market, adverse effect wage rates and technical labor force.
- Government overreach. Continue to look for neonic alternatives.
- Lack of succession planning within our farms.
- Water availability and quality.

Region: Northeast – Jeff Irving, ME, reporting

Topic: Industry Outreach

- Visits by Potatoes USA to the regions offer the best bang for the buck.

Topic: Diversity

- Continue spreading the message of diversity to the individual states and organizations.

Topic: Future Threats

- Rising input costs.
- Land availability – solar farms and urban encroachment.
- Labor shortages and the need to automate more efficiently.
- High interest rates and inflation.

Region: Northwest – Shelley Olson, WA, reporting

Topic: Industry Outreach

- The caucus reviewed last year's efforts and concluded that the current strategy is very effective.

- Suggest the Research team attend regional field trials.
 - Would give Potatoes USA a different level of exposure to the growers and a different grower group
 - Use that time as an opportunity to share the APRE journey and APRE results.
- Encourage Board members to attend processor meetings.
- Encourage Board members to share Potatoes USA updates at their state meetings.
- Caucus recommends an increase to the IOC budget.
- When the Executive Committee travels to different regions, tailor the message specifically to that region (strong seed-growing region, processors, fresh, etc.).

Topic: Diversity

- Look within farms and sheds for employees who might qualify to be Board members .

Topic: Future Threats

- All the same concerns as reported by other caucuses.
- In areas where Potatoes USA can actually help, the number one concern is competition in both import and export markets.
- Consumer perception of sustainability and its impact on our industry.
 - To better understand the consumer definition of sustainability, add the topic to the Attitudes and Usage study.
 - Identify what our industry has done about sustainability so we have a broad view industry-wide about what that means for us.
 - Tailor that sustainability messaging and progress made.

Region: South Central, Steven Barrett, TX, reporting

Topic: Industry Outreach

- Continue regional in-person attendance by Potatoes USA staff at ag shows and regional conferences.
- Focus on ways to better highlight successes. Members get many emails with a lot of information; look for better ways to say, "this tangible result happened" as a result of specific efforts.
- Have staff do quarterly updates at state organization meetings. Even if costly, the in-person connection is helpful.

Topic: Diversity

- It's largely up to all Board Members to be scouting, interacting with our own regions, looking for ways to be more diverse and be diligent about always being on the lookout.

Topic: Future Threats

- Shortage of water is huge in our region and can have a big impact on the volume of potatoes produced.
- Water ties in with government overreach.
- Lack of certified seed.
- The connection with the Mexico market and the criteria they may use to reject our potatoes and our seed.
- Labor, especially not having a coherent, consistent policy.
- Government regulation: not knowing what other kinds of constraints and requirements they will put on us that make producing potatoes more expensive.

Region: Southeast – Jeff Jennings, NC, reporting

Topic: Industry Outreach

- Doing a good job but have to continue moving forward.
- The benefits outweigh the costs.

Topic: Diversity

- An ongoing challenge. State organizations will help as much as they can. One of the toughest things we face.

Topic: Future Threats

- Labor.
- Government intervention.
- Loss of farmland – solar farms, losing land to green energy.
- Lack of young growers, and those who are trying to make a go of it are facing labor issues or investing in equipment and facing high interest rates (not just younger growers; everyone is facing the interest rates).
- Potatoes USA is doing a good job – We need to just continue to charge, always be on the offensive and keep moving forward.

Region: Southwest – Nathan Bender, CA, reporting

Topic: Industry Outreach

- Overall, efforts are successful.
- He reminded Members that, upon request, Potatoes USA will send out flyers and swag for local events.
- The caucus values what the Board is doing.

Topic: Diversity

- The caucus has 25% female members on the caucus and 50% of the group is organic farmers – encourages other caucuses to follow suit.

Topic: Future Threats

- Water.
- Labor is getting tougher and tougher. The proposed 32-hour workweek that people have been floating would kill agriculture.
- Trucking regulations for trucks going into California are challenging.

Importers – Kevin Hachey, NB, reporting (via Zoom)

Topic: Industry Outreach

- Current efforts are hitting all the right groups.
- Gret job addressing negative perceptions of potatoes.
- Trade show reports are always interesting.
- Trip reports, especially in the last three years when people couldn't travel, it was very interesting to read the reports and see what's going on in the market.
- Caucus enjoys the emails from the Potato Board and thinks they are relevant and interesting.
- Caucus members have used culinary videos quite a bit and sent them to customers.
- Spud Lab - members of the caucus have used it and the caucus sees the potential in using it even more.

Topic: Diversity

- Consider diversity of different potato offerings: fingerlings, smalls, purples.
- Get together with groups like the Young Farmers of America, 4-H, high schools. With the expense of college and people not wanting to be \$100,000-200,000 in debt, maybe we can attract some young farmers to join the agribusiness.
- Consider bringing in a speaker or consultant to make sure we're staying up to date on Diversity and Inclusion; have someone at our fingertips that we can use to help promote this.

Topic: Future Threats

- Weather.
- Lack of water in certain regions.
- Loss of agriculture chemicals that are being struck off the list.

- Threat of the loss of the art of cooking from home: lack of time to prepare food; everyone is on a time crunch and wants convenience.
- Be sure to keep front and center the fact that the potato is designated as a vegetable.

Delegating Authorities of the Board

A **MOTION** was made and passed to formally delegate the full Board's authorities to the Administrative Committee until the full Board meets again in March 2024.

Chairperson Carter reminded Members that, although the board structure is expected to change, all Board members are still very much part of the team, and that it is incumbent upon all Members to go back and fill in others in their regions about the things happening with Potatoes USA.

CEO Report

"Is anyone excited?" Blair Richardson said. "We're the #1 vegetable in America, we're going up in consumption. We can't even keep up with production . . .we're making progress as an industry."

Successes

- Potatoes have been America's favorite vegetable since 2017 and, with the help of other national and regional organizations, we've continued to expand our lead over the other vegetables.
- Consumer demand is strong: volume sales are up 9% compared to 2012.
- U.S. Potato Exports have grown 8% compared to 2012. Even though US potatoes have decreased in market share, there is more demand for potatoes globally.
- International Market Development is up, with \$32.8 million in grants awarded over the past five years.
- Success in expanding international markets. For example:
 - Achieved fresh access to all of Mexico, with an increase of 12% in fresh exports since the market opened
 - Achieved year-round chip-stock access to Japan, with an increase of 75% I fresh exports since year-round access
- \$30.7 million in PRAC-endorsed SCRI projects between 2016 and 2021. By bringing the industry together to focus on two or three grants per cycle, there has been a big change in consistency in getting funding. Although this doesn't benefit Potatoes USA directly, it allows our universities to justify ongoing research for potatoes and is important for everyone in the industry.
- A deeper understanding of potato nutrition, with APRE's record of 52 studies funded, 28 published, 6 reviews and commentaries published, and 16 studies presented at conferences.
- Health perceptions about potatoes are improving.
- More positive media coverage. With social media influencers who are more interested in saying something cool to build their follower list than in telling the truth, it's important to drive that discussion or someone else will do it.
- International potato organizations are engaged in positioning potatoes as a performance fuel; Potatoes USA has also been reaching out to European journals to correct misinformation about potatoes.
- Potatoes USA has become a culinary leader, launching a world-class commercial kitchen.

- Helped launch new menu items, with 50% of innovation sessions resulting in new menu items.
- And, most importantly, the image of potatoes is changing from “couch potato” to a performance fuel. Together with other organizations, we are changing what people think about our product at a core level. This is a massive win.

Just because we’re having all these successes, Mr. Richardson pointed out, doesn’t mean that every one of us, on an individual basis, has success financially every year on our farm. There’s not a marketing organization or a board that’s out there that can assure financial success. All we can do is provide the opportunity for people to make good decisions and figure out how to take advantage of that opportunity. That is our job.

Time to Update/Recreate the Strategic Plan?

Mr. Richardson reviewed the evolution of the current marketing thrust. It started in 2014 with a discussion: what’s the one core fundamental thing that would have the most positive impact on the industry if we could change it? That led to the Board authorizing a large research project to determine potato attributes important to consumers. Evaluation of that data ultimately helped prompt the choice of the “couch potato to performance fuel” direction, and efforts on that focus started in 2017. An increased focus on APRE research began in 2018; moving the “performance fuel” message into the international markets began in 2019, and a more focused campaign to fight back against misinformation in the media happened around 2020 or 2021.

“We thought it was going to be 9-10 years before we were really going to start seeing good positive results from what we were doing of the lifespan of this initiative,” he said. “But we started seeing them much sooner than expected.” It’s not that we should stop moving forward on this plan; our team is positioned to further take this plan forward. But in 2028 we will need a new focus.

Is it time to update or recreate the Strategic Plan? the current one was created in 2015, as a dynamic plan that is updated annually. Many changes have been made over the past years. Perhaps even more will be made over the next eight years: global realignment, regional alliances, Artificial Intelligence, Post-success uncertainty.

The Future

It’s time to think about the future – not the next two years, for which planning is well underway, but for the next 5, 10, 50 years. We are at a point of juxtaposition, where multiple factors are colliding that will change our paradigm: global realignment, regional alliances, Artificial Intelligence, post-success uncertainty.

He showed a video clip from 1970 that foretold the concept of people having access to computers in their homes . . . and one from 1995 that talked about the Internet and email. The sound tracks included people discussing these concepts, incredulous about the predicted changes in information access and communication. “This is kind of where we are with artificial intelligence right now,” Mr. Richardson said.

Now, 50 years after the organization was created, we need to start thinking about it as if it were brand new today, he said. What are you interested in for the future of your families and your businesses? If there were no boundaries, what would we create as the most efficient structure to achieve that vision? Would our mission differ from “Strengthen Demand for Potatoes”? What would our staffing requirements be?

Recommendation

The Executive Committee has authorized Richardson to research consulting firms focused on the future and determine costs for developing a new strategic plan. It is not necessarily focused on AI; it could be in global trade, deglobalization, banking, etc. Richardson plans to get a formal recommendation to the Administrative Committee to be considered by the December planning meetings and then, by January, to vote to create special project funding.

These conversations about a potential new direction will be extended out to the state and national organizations, other tangential organizations that have a stake in where the industry goes, and all the growers and importers across the industry so that everyone stays on the same page throughout the process.

He showed another video showing how machines will do chores, housework, and care work more and more within a decade. The video predicted that people would spend 59% less time grocery shopping, which raises questions about how to attract the attention of the person making buying decisions in that scenario. "If it's a computer that is making that decision for them based on preferences that they have been inputting into their data stream for the past two years, I want to be on that system," Mr. Richardson said. "I don't want other commodities to take our place there. I want us to understand how we get there first.

"It's going to be a fun thing to go through," he added. "it's going to be scary and daunting, but once we come out the other side, I think we'll be so much further ahead than our competition, that we're going to be able to take advantage of it and move the needle again.

Questions from the Audience

- **Question:** When Gen Z walks into a store and impulse-buys a potato, what is driving their impulse buy? Because they looked great? Because the packaging was awesome? Because they were a good deal, or on an endcap?
- **Answer:** (Kayla Vogel) We are conducting a path-to-purchase study right now that will give us some of these insights. It'll look down into different demographics, different types and pack sizes as well, and where it's located in the store or online, so we can see if there are any differences based on these factors.
- **Question:** Sweet potatoes are on the "Clean Fifteen" list [from the 2022 Shopper's Guide to Pesticides in Produce produced by the Environmental Working Group]. Potatoes are not.
- **Answer:** (Blair Richardson) But we are off the Dirty Dozen list. Sweet potatoes are harvested by hand. There are so many fallacies in that data. All 12 items on the Dirty Dozen list meet the requirements of the USDA and FDA. But it's the 12 by number of chemicals or crop products that are used on the crops. They don't even study everything every year. We are one of the founding members of the Alliance for Food and Farming, and their entire focus is on the EWG's Dirty Dozen List.

Closing Comments

Mike Carter commended Blair's energy, passion, and vision. "We live in an exciting time, and I think the things you're proposing will lay the framework for what things look like in the future. I'm excited to be along on this journey and hopefully leading in any way I can here."

Upcoming Meeting Dates

The Summer Meeting for Executive and Administrative Committee members is scheduled for August 7-9 in Milwaukee, WI.

The next Annual Meeting will be held March 11-13, 2024, at the Four Seasons Hotel in downtown Denver, CO.

Other Business

Bruce Richardson, a fresh grower from Virginia, commended the work that Blair Richardson (no relation) and his staff are doing to move the organization forward and keep it ahead of the curve. He led a round of applause to thank Past Chairperson Jason Davenport for his hard work and leadership over the past year.

"And having served with Mike, I can guarantee that we have a great leader standing behind that podium right now," Mr. Richardson said. "Mike is very introspective, professional and strategic, so I know we'll be in good hands for the next 12 months."

Adjourn

There being no other business, Chairperson Carter adjourned the 2023 Potatoes USA Annual Meeting at 11:39 a.m.

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Approved by:

DocuSigned by:
Jeffrey Jennings
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9/26/2023

Secretary/Treasurer

Date