

**Potatoes USA  
Executive Committee Meeting Minutes  
Tuesday June 27<sup>th</sup>, 2023  
Hyatt Regency Lake Tahoe  
Incline Village, Nevada**

**Welcome, Roll Call, and Introductions**

Chairperson Mike Carter called the meeting to order at 7:29 AM PT.

Committee members present included Jason Davenport, Shelley Olsen, Mike Larsen, Les Alderete, Leah Halverson, Ed Staunton, Dennis Wright, Trever Belnap, and Mike Carter. Jennifer Gogan and Jeff Jennings attended via Zoom.

Staff members Chelsea Gray and Blair Richardson from Potatoes USA were present in person.

Staff members Kim Breshears, Monica Heath, Bonnie Johnson, and John Lundeen were present via Zoom. Alex Caryl, Harrison Hodges, and Deanna Bakken from USDA also attended the meeting via Zoom.

**Antitrust Statement**

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

**Welcome**

Chairman Mike Carter welcomed everyone to the meeting and thanked them for joining.

**Minutes Approval**

A **MOTION** was made by Les Alderete and seconded by Shelley Olsen to approve the minutes from the Executive Committee Meetings held on March 13, 2023, and March 15, 2023.

Copies of the meeting minutes were provided to attendees via email before the meeting and were made available for Executive Committee members to view via BoardEffect.

**Regional Reports**

Each member of the Executive Committee gave the group an update on their region.

**CEO Report**

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

**Recent Industry Events:**

Apr 24-28	Industry Boards	Washington, DC
May 1-5	Czechia GastroFest	Prague, CZ
May 2-4	CRCEO Meeting	Miami, FL
May 11-12	IPC Board Meeting	Boise, ID
May 17	APRE Meeting	Denver, CO
Jun 5-7	EUROPATAT	Gdansk, Poland
Jun 12-17	Int'l Rep Meeting	Vietnam
Jun 20-22	PSA Meeting	Houston, TX
Jun 26-29	NPC Summer Meeting	Lake Tahoe, CA

**Future Industry Events:**

Aug 7-9	Potatoes USA Sum Mtg	Milwaukee, WI
Aug 28-31	IGSA Conference	Sun Valley, ID
Sep 5-8	Potato Europe & CNIPT	Tournai, Belgium
Sep 11-14	IFPA Conference	Washington, DC
Sep 18-22	State/Nat'l Workshop	Traverse City, MI
Sep 18-22	ICQC Conference	Italy
Oct 10-14	NY/PA Outreach Trip	NY and PA
Oct 30-Nov 3	Marketing Team Trip	Idaho
Nov 8-9	Montana Seed Seminar	
Nov 6	APRE Board Mtg	TBD
Nov 7-9	PMANA Meeting	TBD
Nov 14-15	Idaho Harvest Meeting	Fort Hall, ID
Dec 4-5	ExCom Mtg and Strat	Denver/Virtual
Jan 8-9	Admin Comm Mtg	Austin, TX
Jan 10-11	POTATO EXPO	Austin, TX

Blair provided an overview of the Potatoes USA Summer Meeting schedules for August 7-9, 2023, in Milwaukee, WI, and the grower outreach meetings in New York and Pennsylvania, October 10-14, 2023.

A **MOTION** was made by Mike Larsen and seconded by Shelley Olsen to approve Blair Richardson's travel to the above events as needed.

Potatoes USA is seeing more interest from EU countries to adopt performance messaging. Recent engagement with EU organizations has included the following presentations:

- World Potato Congress Webinar: "Changing the Conversation about Potatoes"
  - This presentation reached 120 viewers live and, within days, an additional 39 viewers on the Congress Youtube Channel.
- Czechia Gastrofest: "Changing the Conversation about Potatoes"
- Europatat: "Changing Consumer Perceptions of Potatoes – A More Aggressive Approach to Marketing and Communications"

Upcoming presentations will be centered around these topics:

- Potato Europe: How Europe Can Build on Potatoes USA's Accomplishments
- Great Britain Potato Industry: What and How Potatoes USA has Done to be so Successful
- Australia World Potato Congress 2024: Health and Nutrition Highlights, Quality Carbohydrate Coalition, Proactively Defending the Potato

**Department Updates****Domestic Marketing:**

Kim Breshears shared the latest potato sales data. Retail sales from July 2022-June 18, 2023, are the highest in dollar sales on record, \$16.2 billion, 17.1% above last fiscal year. Total store sales volume is down -2.4% but exceeds pandemic sales by 2.5%. The average price consumers spend for potatoes is \$2.35 per pound, 20% higher than last year.

Fresh potato sales for the same timeframe are up 16.7% in value; volume is down -2.5% from the prior year. The average price for fresh potatoes is \$1.01 per pound, 19.7% higher than last year.

Yellow and petite potatoes are the only types that increased sales volume, 7.3%, and 0.3%, respectively. The “all other” category also grew 8.9%. White potato volume sales decreased the most at 16.8%. All pack sizes 8 lbs. and higher decreased in sales.

The marketing team is finalizing the nutrition, food service, retail, and consumer marketing programs for FY24. After an RFP review, Potatoes USA recently hired three new agencies to support the nutrition program. All have unique expertise to advance the potato industry’s nutrition goals. The team is evaluating RFPs for a retail marketing agency that strengthens the digital marketing expertise needed in the category.

In July, the team will conduct in-home Gen Z consumer research to learn more about this generation, their cooking skills, attitudes about potatoes, food shopping, and restaurant behaviors. Research insights will be shared during the summer meeting.

The food service program is focused on innovation sessions. As a result of the International Corporate Chefs Association (ICCA), Potatoes USA is in discussions with BJ’s, Millers Ale House, Sizzler, Twin Peaks, Fuzzy’s, and Coopers Hawk about innovation sessions.

#### **International Marketing:**

Kim Breshears shared export data from July-April 2023. The data shows that the volume of frozen potato exports decreased by 4.27%. The decline was smaller in Potatoes USA’s target export markets at -3.85%, compared to -6.74% in non-targeted markets. Target markets reference the countries where Potatoes USA conducts marketing programs. The value of exports increased by 20.54%, with a similar pattern of Potatoes USA target markets outperforming all other markets (20.93% compared to 18.38%). Fresh potato exports decreased -5.33% in volume; however, the value increased by 13.7%. Dehydrated Potato exports have significantly improved this fiscal year. Export volume increased by 26.89%, and the value increased by 33.27%. Fresh potato exports to Mexico have increased by 19.84% since July 2022, and the value has increased by 48.98%. As of April 2023, fresh potato exports totaled \$83,891,494.

The U.S. and Mexico conducted a fresh potato audit in the San Luis Valley, required by the work plan. The Mexicans were professional and courteous and asked questions based on science to understand our processes better and see if we were following the protocol. The Mexicans appreciated our transparency and willingness to show them whatever they wanted.

One official said he thought the program was running better than expected for only being a year old. The US industry complies with the 2022 work plan, and the Mexicans were satisfied. This was stated explicitly and was appreciated.

Mexico is interested in exporting fresh potatoes to the U.S. There is an agreement in place, but to date, they have yet to import potatoes to the U.S. APHIS raised the issue of increasing the bag size on exports to Mexico, and SENASICA agreed to consider it.

In April, Potatoes USA hosted a reverse trade mission in WA that included 75 importers, distributors, and retailers from ten countries and two regions with marketing programs worldwide. The trade mission emphasized U.S. fresh and processed potatoes from field to store, including tours of a research facility, fresh and processed potato farm visits, potato processing plants, the shipping port, and retail stores. An industry trade show allowed participants to meet members of the U.S. potato industry.

After the RTM, several international participants asked for U.S. potato supplier lists and expressed their interest in purchasing U.S. potatoes. Potatoes USA expects more concrete results in the coming months.

The annual international marketing representative meeting was held on June 12-16, 2023, in Da Nang, Vietnam. The annual meeting allows the staff and marketing reps to discuss current market conditions, review the Unified Export Strategy (UES) for the fiscal year beginning July 2023, ensure alignment, share success stories, and discuss marketing issues. The meeting also allows for one-on-one meetings between staff and each country to discuss market-specific issues. The meeting revealed a need to reexamine the Buy U.S. story since competition is intensifying and the U.S. has a tariff disadvantage in several countries.

The staff submitted the FY25 UES grant application to FAS (Foreign Ag Service) on May 20, 2023.

### **Industry Outreach:**

Bonnie Johnson reported that Potatoes USA is wrapping up the second full year of aggressive media outreach efforts to correct inaccurate information. During this time, they've reached out to 56 media outlets – including 21 this fiscal year – with a correction rate of about 33%. Potatoes USA has secured corrections this year in outlets like Fox News (53M monthly visitors), U.S. News & World Report (34M monthly visitors), and Eat This, Not That (11M monthly visitors).

Potatoes USA also works on priorities, beyond headlines, to the broader industry. For example, at this time last year, Potatoes USA launched an innovative ad campaign targeted at the CIA's Menu of Change event, which delivered positive potato nutrition messages directly to conference attendees by creating a digital fence around the event. Afterward, Potatoes USA followed up with attendees who engaged with the ads and were pleased to discover that people who clicked through from that campaign spent about two-and-a-half minutes on our website, 28% longer than the average visitor. They are reprising this effort again this year, and the ads are up, helping educate people who may be getting a less favorable point of view on potatoes from the CIA/Harvard.

APRE met in May and decided to fund two new studies. It was an open RFP process, and they received 14 proposals.

Study #1: "The Impact of Plant-based Diets that Include Potatoes, Legumes, and Whole Grains as Consumed in Real-life Settings on Nutrition, Economy, and Environmental Sustainability" Lead Investigator: Joan Sabate, MD, DrPH, Loma Linda University. This study will assess how high versus low consumption of potatoes, whole grains, and legumes – assessed together within the framework of a plant-based diet – affect nutritional adequacy, diet quality, and costs to the consumer and the environment.

Study #2: "Effect of Potatoes on Brain Energy Metabolism." Lead Investigators: Candida Rebello, Ph.D., RD, and John Kirwan, Ph.D., Pennington Biomedical Research Center. This study will examine the effect of a low energy-dense Mediterranean diet featuring potatoes on brain insulin resistance, brain ketone utilization, body weight, and insulin resistance.

### **Research:**

John Lundeen shared his recent travels to the North Carolina grower meeting and Washington/Oregon Potato Field days. He is visiting Shearer's later this week and hopes they will rejoin the national chip trial program.

PRAC has two significant proposals in the final decision process, including "Soil Heath: Chapter 2" and "Neonic Alternatives."

**Finance and Policy:**

Monica Heath shared that seventeen delinquent handlers owe \$46,000. Pamela has conducted desk reviews, collecting over \$85,000 from delinquent handlers. Potatoes USA has eight audits this year, keeping them very busy. Importer assessments continue to grow.

**USDA Update**

Alex Caryl introduced Harrison Hodges as the newest USDA AMS employee. Alex shared that USDA appreciates Potatoes USA's efforts to expand outreach during the nomination process. Alex feels this might help push board member nominations through faster than last year. Alex also mentioned that AMS recently asked Potatoes USA to send AMS all FAS approvals. All other commodity boards do this, and it is standard.

**Other Business**

Blair Richardson shared a proposed overhaul of the board meeting structures and purposes. The upcoming new board structure provides the opportunity (and need) for change.

Potatoes USA staff have identified the purpose and objective of each meeting, with each having a different purpose. The new structure plans to enhance board member participation and utilize time more efficiently.

Blair highlighted the following for the 3-4 Board and Administrative Committee meetings.

The March Annual Meeting will focus on strategies, formal board business like swearing in of board members, and recognition. As well as highlighting guest speakers with information relevant to the board and the industry, industry challenges, and networking opportunities for board members.

The August Summer Meeting will reflect on the prior fiscal year with a deeper report on all programs and activities and how learnings are being applied to the new fiscal year's programs and activities. It will also include a board member Q&A session and board member training activities.

Individual committees will hold December Planning Meetings virtually to review strategies, challenges, and opportunities. This is an interactive opportunity to question strategy and prepare for the January meeting discussions. The Compensation Committee will also meet.

January/Winter Meeting will be committee-focused, emphasizing board member interaction and engagement. Committee meetings will be held concurrently to build more opportunities for input from board members. Interaction between board members and staff is a priority, and the formal board meeting will be short.

Blair Richardson contacted several companies to find the right fit for a strategic alignment process. Ultimately, he suggests Heart and Mind Strategies. This process will involve engagement with the potato

industry, including state and national organizations and other groups. It will be a multi-section process and will take up to a year. A rough cost estimate was discussed. No action was taken; Blair just provided a status update to ensure it is aligned with the Executive Committee's expectations.

Blair introduced the Scenario Planning activity the Executive Committee is participating in after the meeting concludes. He encouraged everyone to be engaged and not hold back.

**Executive Session**

At 10:18 AM, Les Alderete made a **MOTION** and was seconded by Shelley Olsen to go into Executive Session.


At 10:48 AM, Chairperson Mike Carter ended the closed session and returned the meeting to an open session. No actions were taken during the closed session.

**Adjourn**

Chairperson Mike Carter adjourned the meeting at 10:49 AM.

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Approved by:

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Secretary/Treasurer

9/26/2023

Date