

**Potatoes USA
Executive Committee Meeting Minutes
Monday August 7, 2023
Hyatt Regency Milwaukee
Milwaukee, Wisconsin**

Welcome, Roll Call, and Introductions

Chairperson Mike Carter called the meeting to order at 8:01 AM CT.

Committee members present included Mike Carter, Jason Davenport, Shelley Olsen, Mike Larsen, Les Alderete, Leah Halverson, Jeff Jennings, Ed Staunton, Dennis Wright, Trever Belnap and Jennifer Gogan. Steve Elfering, a past Potatoes USA Executive Committee member was also present.

Staff members Blair Richardson, Chelsea Gray, Kim Breshears, Monica Heath, and John Lundeen from Potatoes USA were present in person as well as Deanna Bakken from USDA.

Bruce Blakeman from Heart and Mind Strategies and Curtis Cummings from Kungfu AI were both present via Zoom.

Antitrust Statement

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

Welcome

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

Minutes Approval

A **MOTION** was made by Mike Larsen and seconded by Shelley Olsen to approve the minutes from the Executive Committee Meetings held on June 27, 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, and some regions are beginning to harvest their crop.

CEO Report

Blair Richardson provided an overview of the Potatoes USA 2023 Summer Meeting schedule for the week.

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

Recent Industry Events:

Jun 26	Potatoes USA ExCom	Lake Tahoe, CA
Aug 7-9	Potatoes USA Sum Mtg	Milwaukee, WI

Future Industry Events:

Aug 16	APRE Board Mtg	Virtual
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	Spud Sessions (Mktg Trip)	Idaho
Nov 8-9	Montana Seed Seminar	Missoula, MT
Nov 6	APRE Board Mtg	TBD
Nov 7-9	PMANA Meeting	TBD
Nov 14-15	Idaho Harvest Meeting	Fort Hall, ID
Dec 4	ExCom Mtg	Denver/Virtual
Dec 4-6	Planning Prep Meetings	Virtual
Dec 5-6	National Chip Program	Chicago, IL
Jan 3-4	Maine Potato Conf	Presque Isle, ME
Jan 8-9	Potatoes USA Mtgs	Austin, TX
Jan 10-11	POTATO EXPO	Austin, TX
Jan 16-18	Idaho Potato Conf	Pocatello, ID
Jan 23-25	WA/OR Potato Conf	Kennewick, WA
Jan 24-25	Eastern Shore Ag Conf	The Shore, VA
Jan 31-Feb 1	Mid-Atlantic F&V Conf	Hershey, PA
Jan 31-Feb 1	Michigan Potato Conf	East Lansing, MI
Feb 6-8	So. Rocky Mtn Conf	Colorado
Feb 6-8	Wisconsin Potato Conf	Stevens Point, WI
Feb 21-22	Northland Potato Conf	Grand Forks, ND
Feb 26-Mar 1	NPC DC Summit	Washington, DC
Feb 26-28	<i>Potatoes USA AMS/FAS Meetings</i>	
Mar 5-6	Minnesota Area 2 Mtg	TBD
Mar 11-14	Potatoes USA Mtg	Denver, CO

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

Bruce Blakeman from Heart and Mind Strategies shared their proposal for a strategic planning process for Potatoes USA. The company cited strong association and agricultural experience, highlighting how collaborative, efficient, and engaging their process is. The proposed budget for Heart and Mind Strategies was \$45,000 to cover the project and additional travel expenses.

Les Alderete made a **MOTION** to recommend that the Administrative Committee approve \$45,000 for the Heart and Mind Strategies strategic planning process and related expenses, Dennis Wright seconded.

Curtis Cummings with KungFu.ai presented a proposal to use generative artificial intelligence to increase positive potato digital sentiment over time. The AI would use APRE research and other studies to respond to comments on social media with data to encourage positive sentiment surrounding potatoes. The investment from Potatoes USA would be \$475,000, and Potatoes USA would own the intellectual property rights of the AI system. The solution includes a human in the loop to ensure alignment with Potatoes USA's goals.

A **MOTION** was made by Ed Staunton and seconded by Leah Halverson to recommend the Administrative Committee approve \$475,000 for Kungfu.ai to develop a potato-positive generative artificial intelligence model.

Department Updates

Domestic Marketing:

Kim Breshears shared the latest potato sales data. More consumers have been eating away from home since 2003.

Kim shared the latest media coverage information, noting that social media volume is significantly higher than traditional media. Potatoes are gaining more positive coverage as time goes on in traditional media. This is usually the most critical sector against potatoes. In social media, positive coverage outweighs negative greatly. Social media tone in FY23 was 78% positive, 16% neutral, and 6% negative. The top topic on both social and traditional media is popularity and taste.

The marketing team recently conducted Gen Z research which was very insightful and valuable information to target this age group and encourage them to become long-term potato consumers. The team watched them cook, looked in their pantries, and went to the grocery store with them. More information will be shared during the Administrative Committee meeting.

International Marketing:

Kim Breshears shared export data from July 2019 to June 2022. The volume of exports increased by 48% and the value of exports increased by 140%. 5-year potato export volume is down 1%, but year over year is up 4%, mostly driven by dehydrated potato products.

Mexico fresh exports: 17% increase since full market access in May 2022, 21% increase year over year (July-May).

Potatoes USA has temporarily ceased market activities in Thailand. This quarter, Agralytica will conduct a market assessment in Thailand to determine if it makes sense for Potatoes USA to continue doing business here moving forward.

Industry Outreach:

Kim Breshears shared that Potatoes USA is getting involved in the Health Meets Food curriculum, which is a 30+ module educational series developed to change the dialogue between healthcare professionals and their patients about food and health. The curriculum ties into the existing "food as medicine" dialogue and messaging, and the team wants potatoes to be a core piece of this. Bonnie Johnson is currently going through training. The team plans to have Chefs RJ Harvey and Aurora Hollenbeck become trainers and certify the SpudLab in Denver to become a training facility with the program.

The first SpudLab TV broadcast will take place on August 23, 2023. RJ and Aurora will make a trending salad dressing recipe using potatoes. The broadcast was started for the industry, but the team will see if they can reuse the content to use for consumers.

Research:

John Lundeen shared a budget amendment to allow for contingency funding for the Soil Health Project because the project did not receive SCRI funding this year. The Soil Health project is long-term in nature, and continuity is important for the researchers to continue the rotations and pull soil samples. The project will apply for SCRI grant funding again next year.

A **MOTION** was made by Jennifer Gogan and seconded by Trever Belnap to recommend the Administrative Committee approve the \$100,000 FY24 special project amendment for Soil Health Project continuity funding.

John also shared his recent travels on behalf of the Research team.

Finance and Policy:

Monica Heath shared that 22 delinquent handlers owe \$41,000. Assessments are at \$14.4 million. Monica is considering investing some of the board-designated funding, avoiding any risky investments.

Monica also reviewed FY24 Budget amendment #1.

USDA-AMS recently approved the following: Employee Travel Policies, Independent Contractor Travel Policies, and Record Retention and Destruction.

Administrative:

Chelsea Gray shared the new private flight reimbursement procedure. Potatoes USA will reimburse for a private flight cost up to the amount of the equivalent commercial ticket. The cost will need to be calculated by Potatoes USA 3 weeks before the travel date.

Chelsea shared that 12 board member applications had been received as of August 3rd for the upcoming 2024 board term year. Potatoes USA has increased outreach to minority farming organizations and is hopeful our nominees are approved quicker this year.

The board restructuring ruling may be official in 2024. If this is the case, the board will begin making the transition to the new structure during the 2025 nominations process.

Blair Richardson continued the discussion on the Board Restructure, communicating that significant changes will need to be made to the US Potato Board's Bylaws and Committees to reflect the new board structure. Potatoes USA staff will identify the needed changes and present them to the Executive Committee in December 2023. The final document will be provided to the Executive Committee and the Finance & Policy Committee for consideration by the March 2024 board meetings. Implementation can be expected by March 2025, if the rulemaking is confirmed in 2024.

Blair also recommended the Executive Committee consider reorganizing the operating committees in alignment with more modern program strategies and funding. Suggested committees might include: Market Development, Communications, Nutrition and Healthy, Culinary, Production Research, Finance & Policy. This topic was just for the Executive Committee to begin thinking through and will be revisited at the December Executive Committee meeting.

USDA Update

Deanna Bakken stated the rulemaking process is moving forward, albeit slowly.

Other Business

Blair Richardson shared an upcoming event the National Potato Council is coordinating to meet with the legal and technical teams in Mexico City to express gratitude for support and effort in US Fresh Market Access in Mexico and discuss ongoing strategies. Blair asked the Executive Committee if Potatoes USA staff members should attend given safety concerns. The Executive Committee chose not to send Potatoes USA staff to Mexico for this event.

Executive Session

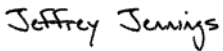
At 12:31 PM, Shelley Olsen made a **MOTION** and was seconded by Leah Halverson to go into Executive Session.

At 1:13 PM, 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 1:14 PM.

Approved by:

DocuSigned by:

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Secretary/Treasurer

10/26/2023

Date