

**Potatoes USA  
Executive Committee Meeting Minutes  
Monday, December 4, 2023  
Potatoes USA Boardroom  
Denver, CO**

**Welcome, Roll Call, and Introductions**

Chairperson Mike Carter called the meeting to order at 1:01 PM MT.

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

Staff members Blair Richardson, Kim Breshears, Monica Heath, and Chelsea Gray were present. Deanna Bakken from USDA was present. Harrison Hodges was present via Zoom from USDA.

**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 the meeting and thanked everyone for joining.

**Minutes Approval**

A **MOTION** was made by Jeff Jennings and seconded by Trever Belnap to approve the minutes from the Executive Committee Meeting held on October 11th, 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. There were not many updates since the updates given in October except for some storage issues being reported here and there.

**CEO Report**

Blair Richardson provided an overview of the December Committee meetings. Blair also reviewed some of the recent and upcoming industry events.

**Recent Industry Events:**

Oct 30-Nov 3	Spud Sessions	Idaho
Nov 7	APRE Board Mtg	Virtual
Nov 7	Fresh Working Group	Denver, CO
Nov 8-9	PMANA Meeting	Las Vegas, NV
Nov 8-9	Montana Seed Seminar	Missoula, MT
Nov 14-16	Idaho Harvest Meeting	Idaho Falls, ID
Dec 1	APRE Agency RFP Virtual	

Dec 1	IOC Pre-strategy	Virtual
<b>Future Industry Events:</b>		
Dec 4	ExCom Mtg	Denver/Virtual
Dec 4	Comp Committee Mtg	Denver
Dec 4	Finance Com Mtg	Virtual
Dec 5	Nutrition Pre-strategy	Virtual
Dec 5-6	National Chip Program	Chicago, IL
Dec 5	Domestic Pre-strategy	Virtual
Dec 7	Int'l Pre-strategy	Virtual
Dec 11-12	Washington Seminar	Spokane, WA
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	H&M iLabs Session	Denver/Virtual
Mar 5-6	Minnesota Area 2 Mtg	TBD
Mar 11-14	Potatoes USA Mtg	Denver, CO
Apr 8-12	Int'l Reps Meetings	_____, USA
May 5-16	CRCEO Mtg	Denver, CO
May ____	NC Grower Meeting	Elizabeth City, NC
May ____	All Agencies Meeting	Denver, CO
Jun 9	WA Potato Shippers	Leavenworth, WA
Jun 10-12	IFPA Conference	Washington, DC
Jun 17-21	Japan Market Visit	Japan
Jun 23-26	World Potato Conf	Adelaide, Australia
Jun 26-27	NPC Summer Meeting	Fort Collins, CO
Jul 9-11	PSA Conference	Chicago, IL
Jul 21-25	PAA Conference	Portland, OR
Jul ____	NFPT Summer Mtg	_____
Aug 5-7	Potatoes USA Summer	Vancouver, BC
Aug 9-15	China Market Visit	China
Aug ____	APRE Board Mtg	Virtual
Aug 28-30	IGSA Conference	Sun Valley, ID
Aug ____	PRAC Meeting	_____
Sep ____	State/Nat Workshop	_____
Oct ____	NFPT Field Day	E Grand Forks, MN
Oct ____	ExCom Outreach	ND/MN-?
Oct 17-19	IFPA Conference	Atlanta, GA
Oct ____	CRCEO Meeting	_____
Nov ____	APRE Board Meeting	_____
Nov 8/9	PMANA Meeting	_____
Nov ____	IPC Harvest Meeting	_____
Nov 24-26	INTERPOM'24	Kortrijk, BE

Dec 2	IOC Pre-strategy	Virtual
Dec 3	ExCom/Fin/Comp Mtgs	Denver, CO
Dec __	NCP Variety Selections	Chicago, IL
Dec 4/5/6	Pre-strategy sessions	Virtual

A **MOTION** was made and seconded to approve Blair Richardson’s travel to the above events as needed.

Blair Richardson provided an update on the Strategic Alignment process. March 5<sup>th</sup> will be the iLab date. Mr. Richardson encouraged the Executive Committee members to talk with growers in their regions and encourage them to attend.

Curtis Cummings, Lawrence Gray, Benjamin Herndon, Beth Bell, and Nathan Mandi from KungFu.AI joined the meeting via Zoom to give a project update. The project is moving along and should be ready for deployment in 2024.

**Potato Market Update**

Kim Breshears shared potato sales data from Q1 of fiscal year 2024 (July-September 2023). Retail dollar sales are up 9.5% in total compared to a year ago. Volume (fresh weight equivalent) percentage sales were down 1.7% compared to a year ago.

**Department Updates**

**Domestic Marketing:**

Potatoes USA recently held a Fresh working group meeting. It was one of the most successful meetings of this group to date. There were a lot of outside speakers covering topics such as Gen Z, a retail sales data summary, the rise of the Food as Medicine movement, and sustainability data by generation.

The team is working on a press release on the results from the recent Path to Purchase Study to distribute in the coming weeks.

Potatoes USA has submitted clarifying questions on the Dietary Guidelines for Americans. These Guidelines set the foundation for how potatoes can be used in schools and for government programs.

The Food Service team is hosting a Domestic Culinary Immersion in the Spud Lab.

RJ and Aurora have two innovation sessions coming up. One with Fuzzy's taco shop and one with Matador foods, which is a frozen appetizer manufacturer out of Oklahoma.

Kim shared the recent Thanksgiving Promotions, which include a consumer press release, media interviews, and a Strava Challenge, “Tater Trot: 5K Your Way”.

**International Marketing:**

More information regarding the Regional Agricultural Promotion Program Grant (RAPP) has been shared. There is a total of \$300 million dollars eligible from 2024-2029 focused on enabling exporters to break into new international markets. Ineligible markets include Canada, European Union, Mexico, China (including KH and Macau). Applications are due 2/2/2024, and all potato industry applications must be submitted through Potatoes USA.

There is an additional Specialty Crop Grant totaling \$100 million with no geographic boundaries. This is pending Notice of Funding Opportunity.

**Industry Outreach:**

Kim Breshears presented some of the results from the recent Grower Survey. 86% of 2023 respondents were satisfied or very satisfied with communications from Potatoes USA, compared to 82% in 2020.

Recent Industry outreach events included an Idaho Spud Sessions and the Big Idaho Potato Harvest.

Regarding reputation management, Potatoes USA sent another response to the CIA regarding their statements to "limit potatoes." The team does this annually to stay on top of their negative comments regarding potatoes.

The Industry Outreach team is compiling a fact sheet of all activities Potatoes USA is engaged in related to reputation management.

**Research:**

John Lundeen is attending the NCP meetings in Chicago and was unable to attend.

**Finance and Policy:**

Monica Heath shared assessments are currently at \$5.275 million. There are fifteen delinquent handlers totaling just over \$30,000.

The FY23 Draft Audit had no findings for an unmodified clean opinion. The total net position is \$12,726,440.

Ms. Heath next shared the FY24 draft budget amendment. It included an increase in assessment revenue of \$300,000 based on additional acreage across the U.S. this last year. Monica noted this can be adjusted again at the 2024 Annual Meeting if necessary.

Monica Heath also covered FY25 Budget line item changes. The marketing line item will be changed to "Market Development." Communications, Nutrition and health, and Culinary will receive their own budget line items. All hotel and flight costs will be assigned to specific programs to help represent the true cost of a meeting. There will be a line item for non-program travel, to cover anything which does not fall under a specific program.

Monica shared the FY25 Draft Budget. She also covered parts of the act, plan, board policies and bylaws that will need to be changed based on the pending new board structure.

**Board Transition:**

In expectation of USDA approval for the proposed restructuring of the Potatoes USA board of directors, Blair Richardson presented recommendations for strategic changes to the committee structure for the Executive Committee's consideration.

The Potatoes USA Board should be considered the base of the entire organizational structure, with the Finance and Policy Committee directly above the board. All programs and activities approved by the board are based on the budget, policies, and bylaws managed by the Finance and Policy Committee,

with the operational implementation of the budget and programs being the responsibility of the CEO and the administrative team.

The administrative team oversees and supports the staff responsible for the programs and activities approved by the board of directors. All research and promotion programs and activities will fall under the responsibility of four primary committees – Nutrition & Health, Culinary, Production Research, and Market Development. The Communications Committee will be responsible for oversight of all communications with the industry and target audiences. Within the Market Development Committee, the board should form three subcommittees for Retail Programs, Foodservice Programs, and Consumer Programs.

In the future, there will no longer be an Administrative Committee. All board members will be invited to attend all meetings and to sit on one of the committees. The Executive Committee will consist of the nine committee chairs and co-chairs, the chairperson, and the past chairperson.

There will be two co-chairs for the Production Research Committee, one chair each for Health & Nutrition, Culinary, Communications, and Finance & Policy. There will be three co-chairs for the Market Development Committee.

The need for three co-chairs of this committee is based on a focus on marketing and promotion efforts designed to build new demand for potatoes and/or defend existing demand. These activities and programs will be based on three program categories – foodservice, retail, and consumers. Accordingly, we shall create one subcommittee for each focal point within the new Market Development Committee. The subcommittees will be responsible for oversight of related activities on a global basis.

Except for the Market Development Committee, each committee may have up to 12 committee members – up to 36 members (12 per subcommittee) for the Market Development Committee. Each of the committees and subcommittees will have a member of the Potatoes USA staff assigned to act as the liaison and program leader. This individual will work with the chairs and co-chairs to communicate with committee/subcommittee members, prepare for committee/subcommittee meetings, and implement the strategies, objectives, and tactics approved by each committee or subcommittee.

As the changes are implemented, the number of board members will decline from approximately 98 in 2025 to approximately 75 in 2026 and approximately 56 from 2027 and beyond. During this transition, we will have larger meetings during the traditional Summer and Winter meetings. It is recognized that attending all three meetings each year can be a challenge. Therefore, each meeting will be made available for attendance through a video conferencing option such as Zoom or Microsoft Teams.

#### **USDA Update**

Deanna Bakken reported the nomination package continues to move through USDA.

#### **Other Business**

There was no other business to discuss.

#### **Executive Session**

At 3:56 PM, Shelley Olsen made a **MOTION** and was seconded by Ed Staunton to go into Executive Session.

At 4:51 PM, Chairperson Mike Carter ended the closed session and returned the meeting to an open session.

During closed session, the Compensation Advisory Committee provided the following recommendations and guidelines to the Potatoes USA Executive Committee.

1. Merit raises shall be constrained within a range between 0% and 6% on an individual basis at the discretion of managers and approval by the CEO, with an objective average of between 3.0% and 3.5%.
2. A uniform Cost of Living base compensation adjustment for all staff shall be implemented at a rate of 3.0%.
3. Compensation adjustments related to promotions or substantially changed job responsibilities shall be based upon new benchmarking studies conducted by a third-party entity.
4. The supplemental bonus budget for FY2024 shall be \$70,000 again.
5. No changes have been recommended for non-compensation benefits.
6. No changes have been recommended for vacation/sick leave.

The Executive Committee supported the recommendations unanimously and authorized the Potatoes USA CEO to implement the recommendations within the parameters summarized.

**Adjourn**

Chairperson Mike Carter adjourned the meeting at 4:52 PM.

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Approved by:

DocuSigned by:  
  
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Secretary/Treasurer

1/29/2024

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Date