

POTATOES USA
WINTER ADMINISTRATIVE COMMITTEE MEETING MINUTES
January 9, 2024
Hilton Austin
Austin, TX

Welcome

Chairperson Mike Carter officially called the 2024 Winter Meeting to order at 11:34 AM CT.

Antitrust Statement

The Antitrust Statement was displayed for all attendees. A copy of this was also provided for attendees on BoardEffect.

Roll Call and Introductions

Roll call was conducted, and Administrative Committee members present included Les Alderete, James Baker, Trever Belnap, Nathan Bender, Jess Blatchford, Mike Carter, Ryan Christensen, Wendy Dykstra, Taylor Grant, Dan Gundersen, Leah Halverson, Kory Hansen, Jeff Jennings, Jace Jensen, Braden Lake, Bevan Lenz, Brian Mahany, Kyle Michael, Ryan Moss, Shelley Olsen, Kevin Schleicher, Eric Searle, Camburn Shephard, Alison Sklarczyk, Clifton Smith, Ed Staunton, Colin Szawlowski, Jeff VanOrden, Marvin Wollman, Dennis Wright and Ben Zechmann. Administrative Committee members Jeff Irving, Bruce Richardson, and Jason Tillman were present online.

Guests present included Deanna Bakken with USDA/AMS, Travis Blacker with the Idaho Potato Commission, Kelly Turner with Michigan Potato Industry Commission, Brandy Tucker with the Washington State Potato Commission, Shawn Boyle with Idaho Grower Shipper Association, Tamas Houlihan, Ellie, and Joe Kertzman with Wisconsin Potato and Vegetable Growers Association, Jeannie Tapley with Maine Potatoes, Jessica Bradshaw and Jim Ehrlich with Colorado Potato Administrative Committee, Jaap Dellman with Potato World Magazine, Gary Roth with Oregon Potato Commission, Nigel Crump with AUSPICA, Jonathon Springstead a grower from Oregon, Steve Elfering a grower from Idaho, Cedric Porter with World Potato Market News, Curtis Cummings with KungFu.AI, and Bruce Blakeman with Heart and Mind Strategies.

Lorri Greenhoe from the Michigan Potato Industry Commission and Marcy Parker with the Oregon Potato Commission were present via Zoom.

Also present were Potatoes USA staff members Blair Richardson, Kim Breshears, Chelsea Gray, RJ Harvey, Aurora Hollenbeck, Monica Heath, John Lundeen, Caitlin Roberts, Bonnie Johnson, Marisa Stein, Heather Campbell, and Alyssa Green. Staff members present via Zoom included Kayla Vogel, Dinah Tobey, Mary Kate McCandlish, Tiffany Kocir, Jennifer Miller, Robert King, Pamela Lee, and Nicole Field.

Call for Proxies

Mike Carter called for any proxies for the 2024 Winter Meeting. There were four proxy forms submitted to USDA.

Approval of Minutes

Chairperson Mike Carter requested the approval of the minutes from the August 2023 Summer Meeting. The minutes were shared with the Administrative Committee via BoardEffect.

A **MOTION** was made and seconded to approve the 2023 Summer Meeting minutes.

Working Committee Reports

Executive Committee Report

Mike Carter shared the Executive Committee endorsement for committee realignment. The change aims to align the committees to the current and future budgets, programs, and activities.

Mike shared that the Research Committee and the Finance and Policy Committee would remain largely the same as they are today. The bulk of the proposed changes are related to marketing and communications. These committees would all be focused on activities domestically and internationally. New Operating Committees include Nutrition and Health, Culinary, Communications, and Market Development. Market Development would have three subcommittees: Foodservice, Consumer, and Retail.

The Executive committee will include chairs/co-chairs of each Operating Committee. The number of members for each Operating Committee will be:

- Research and Analysis: Up to 12 Members with two co-chairs
- Finance and Policy: Up to 12 Members with one chair
- Nutrition and Health: Up to 12 Members with one chair
- Communications: Up to 12 Members with one chair
- Market Development: Up to 39 members, 3 Subcommittees, one chair for each subcommittee.
 - Retail Subcommittee: Up to 13 members, one chair
 - Consumer Subcommittee: Up to 13 members, one chair
 - Foodservice Subcommittee: Up to 13 members, one chair

Mike reminded everyone that the board will have roughly 83 possible seats after the transition. All board seat calculations are still based on production, in addition to one seat per state. All board members will be assigned to the above Operating Committees.

A **MOTION** was made and seconded to approve the proposed committee structure. The Administrative Committee will gather via video meeting in February to approve the necessary bylaw changes.

Curtis Cummings presented an update on the AI project in development for the potato industry. The technology should be ready for use on X in March 2024. Next, the team will begin exploring other platforms to expand to.

Domestic Marketing Committee Report

Kim Breshears shared headwinds and tailwinds for the Domestic Marketing Committee. Headwinds include potatoes continuing to be America's favorite vegetable, a growing U.S. Population, potatoes being cost-effective, consumers caring more about health and wellness since 2020, the Potatoes Fuel Performance positioning being effective, and meal inspiration driving consumer purchases. Tailwinds include inflation, the nutritional benefits of potatoes not being fully understood, labor being tight, it being harder to gain audiences' attention, and technology changing the marketing landscape.

Leah Halverson and Les Alderete, co-chairs of the Domestic Marketing Committee, shared a report from the Domestic Marketing Committee meeting. Key accomplishments include:

- Completed a retail Path to Purchase study

- The Potatoes USA team hosted a Culinary Medicine Immersion with the American College of Lifestyle Medicine in the Spud Lab.
- Provided supporting documentation to ensure the Dietary Guidelines for Americans Committee has thorough information about potatoes and their nutritional contributions to the diet
- Advanced carbohydrate quality research through the Institute for the Advancement of Food and Nutrition Science
- Supported Texas-based retailer HEB with new in-store signage
- Hosted four operators for a Culinary Immersion in the Spud Lab
- Held three innovation sessions with large-volume operators
- Met with chefs from the top 200 chains at industry events

Bonnie Johnson explained a special funding request the Domestic Marketing Committee approved on 1/8/23 and has recommended for the Administrative Committee's approval. The funding would provide additional nutrition research for data to support the potato's place in the vegetable category. A **MOTION** was made and seconded to approve the Special Funding Request of \$63,000 for additional nutrition research. The motion was passed by unanimous vote.

Research Committee Report

Trever Belnap, co-chair of the Research Committee, shared a report from the previous Research Committee meeting.

Trever encouraged the growers to attend meetings with researchers. Trever highlighted recent program wins, beginning with the PRAC. There were 11 letters of support written across five grant sources in 2023. Two pre-proposals were submitted for SCRI funding. There were 67 letters of support for the Soil Health II project and 55 for Diploids II. NCP and NFPT program wins include strong meeting turnouts, the pipelines of candidates have been healthy, and the team has received positive feedback on the meetings held. Trever also encouraged everyone to visit the PRAC booth at the Potato Expo this week to connect with the Research Committee and meet with scientists.

International Marketing Committee Report

Shelley Olsen, co-chair of the International Marketing Committee, shared a report from the International Marketing Committee meeting the day before. Shelley's Executive Summary stated:

- Last year, the U.S. recorded record exports in value and volume, beating the FY19 peak.
- Strong growth in exports over the last 20 years
- Annual crop fluctuations have impacted annual exports, as have transportation, port, and pandemic disruptions
- Approximately 20% of the crop is exported annually
- Mexico became the largest export market in FY23
- Imports surpassed exports in FY22 and FY23
- The U.S. global market share ranges from 19-25%
- Currently evaluating the U.S. positioning and go-to-market value proposition in a post-pandemic marketplace

Upcoming grant funding opportunities include: Market Access Program (MAP), Quality Sample Program (QSP), Technical Assistance Specialty Crops (TASC), Emerging Market Program (EMP) and Regional Agricultural Promotion Program (RAPP).

Key accomplishments for the International Committee from July-December 2023 include:

- Hosted 24 chefs for reverse trade mission – new menu launches are already happening
- More than 20 new menu launches and several new operators purchasing U.S. potato products
- Continued trade servicing and merchandising convinced several operators to switch to U.S. potatoes from competitor products
- Trained over 800 culinary students trained on the U.S. potato curriculum
- Hosted audits/site visits for:
 - Korea table stock
 - Taiwan
 - Japan Plant Health
- Supported the Korea & Japan APHIS Bilateral Meetings
- Completed Thailand market assessment
- All seven seed varieties sent to Cuba were planted on December 26th.

Industry Outreach Committee Report

Ed Staunton and Dennis Wright, co-chairs of the Industry Outreach Committee, shared a report from the Industry Outreach Committee meeting the day before.

An Industry survey was fielded in November 2023. The Industry survey respondents believe input costs, labor, regulations, water, and health perceptions are the biggest challenges facing the U.S. potato industry 83% of respondents believe consumers are more favorable to potatoes today than ten years ago. More growers believe the economic opportunities for growers will contract, a significant change from last year. 79% of respondents think Potatoes USA is doing a good or excellent job strengthening the demand for potatoes. High satisfaction and awareness of Potatoes USA's communications and programs were recorded.

Key accomplishments for the Industry Outreach Committee from July-December 2023 include:

- Increase in grower survey participation by 44%
- Four media corrections, over 30% correction rate this FY
- Chef's Council Spud Lab Think Tank Session
- AI proof of concept
- Held Industry Events
 - Fresh Working Group
 - Idaho Spud Sessions
 - National Chip Program
 - five state/regional meeting presentations

Finance and Policy

Jeff Jennings, chair of the Finance and Policy Committee, presented the results of the FY23 Audit by KC&M. They presented an unmodified opinion with no findings. The statement of Net Position was \$12,726,440 and the Statement of Activities was \$111,016.

A **MOTION** was made by Jeff Jennings and seconded by Jess Blatchford to approve the FY23 Audit. The motion was passed with unanimous support.

Ms. Heath 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. The FAS funding line item has been updated to actual awards received, decreasing the line item by \$611,100.

In addition, the Special Project for Domestic Marketing was increased by \$63,000 to cover additional data needed for the AI project. Special Project for International Marketing was decreased by \$70,000 because Potatoes USA does not need as much for ATP matching in FY24. The Special Project for Industry Outreach line item increased by \$75,000 for work on the dietary guidelines.

Under the FY24 Draft Budget Amendment, Administrative expenses increased by \$20,000: \$15,000 for professional recruitment for open staff positions and \$5,000 for modifications to the international rep website for the anticipated RAPP Funding.

A **MOTION** was made by Jeff Jennings and seconded by Eric Searle to approve the FY24 budget amendment #2 as presented during the Finance & Policy Committee Meeting. The motion was passed with unanimous support.

Monica Heath reviewed the FY25 draft budget.

Ms. Heath also covered parts of the Bylaws that must be changed based on the new board structure. This included removing Administrative Committee references, changing the title of the Annual Meeting to Spring Meeting, and removing mail as a primary form of communication.

A **MOTION** was made by Jeff Jennings and seconded by Jess Blatchford to approve the Finance and Policy staff complete the necessary edits to the Bylaws for Administrative Committee review and final approval in February 2024. The motion was passed with unanimous support.

Jeff Jennings reviewed the necessary Board Policies that must also be made according to the new board structure. These include adding a purpose statement, an updated diversity statement, removing Administrative Committee references, changing the name of the Annual Meeting to Spring Meeting, and adding a separate section for USDA-designated funds and board-designated funds.

A **MOTION** was made by Jeff Jennings and seconded by Eric Searle to approve these changes to the Board Policies. The motion was passed with unanimous support.

Jeff Jennings reviewed the updated meeting proxy form, which was updated for the new committee structure and includes a staff signature section.

A **MOTION** was made by Jeff Jennings and seconded by Jess Blatchford to approve the revised meeting proxy form. The motion was passed with unanimous support.

Mike Carter had to leave for another meeting and transferred Chairperson responsibilities to Shelley Olsen.

Global Market Review

Cedric Porter of World Potato Markets presented a Global Market Review highlighting frozen potato production around the world.

World Potato Congress Overview

Nigel Crump of Auspica gave an overview of what attendees can expect at the WPC taking place in Adelaide, Australia June 23-26, 2024.

APRE Update

Bonnie Johnson shared an APRE update, highlighting a study by Gene Ahlborn from the Department of Nutrition, Dietetics, and Food Science at Brigham Young University titled, “The effects of potato presentation on vegetable intake in school-aged children”. The key finding of this study was that kids who eat potatoes during school meals are more likely to eat more total vegetables. Many major news outlets reported on the study, which was a big win for potatoes. APRE is also in the process of reviewing proposal presentations for an agency to help manage the program. They plan to have a contract in place by February 1, 2024.

USDA Update

Deanna Bakken from USDA AMS shared the 2024 board member nomination packet continues to move through USDA approvals.

The formal rulemaking comment period ended on 10/5/23. AMS received 13 comments. The final rule was sent to the Federal Register on January 2nd. It was published on the morning of 1/8/24.

CEO Update

Blair Richardson shared a link for all attendees to register for the Heart & Mind Strategies iLab taking place on Tuesday, March 5th at 11:00AM. This is an important opportunity for everyone in the industry to have input on Potatoes USA’s strategic plan and future of the organization.

Closing Comments

The Potatoes USA 2024 Spring Meeting will be held March 11-13, 2024, in Denver and the 2024 Summer Meeting will be held January 8-9, 2024, in Vancouver.

Closed Session

Shelley Olsen asked the committee if there was a need for a closed session. It was determined that there was no need for a closed session.

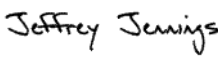
Other Business

There was no other business to report.

Adjourn

Shelley Olsen adjourned the meeting at 3:02 PM CT.

Approved by:

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Secretary/Treasurer

4/4/2024

Date