

FY25 Budget Comments

The Agriculture Marketing Service (AMS) at the United States Department of Agriculture (USDA) has approved Potatoes USA's request to restructure the board. As such, we have made necessary adjustments to the format of the FY25 budget. The changes are noted in this document and will be explained in detail during Potatoes USA's Annual Meeting (March 2024).

Revenue

Assessments: The Assessment revenue has decreased to \$15,700,000 because we expect a reduction in acreage in FY25.

Research Contributions: The Research Contributions have decreased by \$3,000 to \$467,000.

Interest Income: The Interest Income has increased to \$250,000. Potatoes USA has certificates of deposits and United States Treasury Notes that will be maturing in FY25 thereby increasing the interest income for the year. In addition, we expect the interest rates to be high through most of the fiscal year.

FAS Funding: Grants awarded by the Foreign Agricultural Services (FAS) to Potatoes USA change from year to year. FAS Funding includes the Market Access Program (MAP), Technical Assistance for Specialty Crops (TASC), the Quality Samples Program (QSP) grants, and the newest Regional Agricultural Promotion Program (RAPP) grant.

Total budgeted Revenue: \$23,816,700

Program Expenses

FAS Funding: The FAS Funding expense budget line item matches the FAS Funding revenue budget.

Market Development: The Marketing budget has been renamed to Market Development and has been allocated \$7,349,7000 for FY25.

Research and Analysis – The Research & Analysis budget has decreased to \$1,643,000. The funds for Potatoes USA's participation with the Alliance for Potato Research and Education (APRE) organization were relocated to the Nutrition and Health committee. The seed budgets that used to fall under Marketing have been relocated to Research and Analysis. The budget was also increased due to an increase in outside, unassigned funding.

Communications – The Industry Outreach committee has been renamed to Communications. The budget has been increased to \$1,600,000 because any communication and outreach expenses that were under different committees in FY24 were moved to this budget for FY25.

Nutrition and Health – The Nutrition and Health committee is new for FY25 and has a budget of \$1,650,000.

Culinary – Culinary is also a new committee for FY25 and has a budget of \$550,000.

Summer Meeting – All of the meeting budgets were separated out for additional transparency and will now include all travel costs (e.g., airfare, mileage, shuttles, etc.) for staff and board members. The budget for the Summer Meeting has been increased to \$261,500. (See comments for the Travel budget below.)

Winter Meeting – The Winter Meeting budget has been increased to \$215,000 for the reasons noted above.

Spring Meeting – This budget line item was formerly known as Annual Meeting. The Spring Meeting budget has been increased to \$272,000.

Special Project- Grant Matching – The board is requesting \$150,000 as a requirement for the Regional Agricultural Promotion Program (RAPP) grant matching. Potatoes USA is required to match approximately 11% of all federal grant awards.

Total Budgeted Program Expenses: \$20,855,700

Administrative Expenses

Salaries and Benefits: The Salaries and Benefits budget has increased by \$300,000 to cover annual increases for insurance and benefits.

Office Lease: The Office Lease budget has increased to \$200,000 to cover increases to Potatoes USA's rent.

Office and Insurance: The Office & Insurance budget has increased to \$411,000 to cover taxes and utilities. During FY23 the board approved increasing the depreciation limit to \$5,000. Therefore, the budget has also been increased to cover the purchase of new laptops as needed.

Professional Services: The Professional Services budget has increased by \$4,500 to allow for additional audit fees and training.

Travel (non-program): The travel budget has decreased to \$75,000. The travel budgets for the Executive Committee, Administrative Committee, and Staff have

been reallocated to the meeting budgets under Program Expenses. This travel budget will cover all travel that is not specific to a program or meeting.

Special Project – Assessment Website – Potatoes USA is requesting \$20,000 in special project funding to build a website where handlers will have the option to pay handler reports via a secure, customized site that will also track their payment history.

Total Budgeted Administrative Expenses: \$3,670,000