



# STRATEGIC PLAN

Effective July 2023



# MISSION, VISION, VALUES

- **MISSION:** Strengthen demand for potatoes
- **VISION:** Create positive change in the industry through innovative and inspiring approaches
- **WE VALUE:**
  - Stewardship**
    - Wisely managing our human, natural, and material resources
  - Forward-thinking**
    - Innovative and future-focused thinking in all that we do to grow long-term demand vs. short-term sales
  - Transparency**
    - Saying what we mean, matching our behaviors to our words, and building trust in all our actions
  - Respect**
    - Open communication, diverse idea sharing, and respectful engagement throughout the industry
  - Collaboration**
    - Working together with state, regional, and national organizations, as well as other industry or commodity groups when appropriate, for the greater good of the industry
  - Accountability**
    - Assessing our performance and proactively pursuing a results-driven culture

# GOALS

- Establish new markets for potatoes
- Increase new channels and usage of potatoes
- Improve perception of the nutritional and health benefits of potatoes
- Optimize coordination of national and regional research efforts
- Expand awareness, understanding, engagement, and involvement of Potatoes USA members and industry

# STRATEGIC INITIATIVE FILTERS

The potato industry faces multiple challenges as well as multiple opportunities each year. However, resources are limited, and decisions must be made on allocating our resources. Filters are used to create a transparent and unbiased decision-making process that staff, members of Potatoes USA, and other industry members can clearly understand. Hard filters are yes/no questions. If the answer to a hard filter is no, it is immediately dropped for an initiative under consideration. If the answer is yes, the initiative moves forward to the soft filter questions. Soft filters are a rating system with overall scores calculated based on all questions. The initiatives that rate the highest will most likely be the first funded. This will help us allocate our limited resources in a manner that is clear and easy to understand.

## ■ HARD FILTERS

- Can it be done under the legislation governing the National Potato Promotion Board?
- Is the risk level acceptable?

## ■ SOFT FILTERS

- Does it create long-term demand for potatoes?
- What is the cost vs. benefit (cost per unit of demand strengthening)?
- Does it create net new demand?
- Does it deliver a measurable impact?
- Is it innovative?
- Does it enhance our competitive position?
- What is the breadth of impact across the industry?
- Does it deliver a positive nutritional message?
- Does it improve grower and industry engagement or involvement?
- Is it scalable and actionable for the industry?
- Does it inspire changes in behavior?
- Does it create program or funding leverage internally or externally?



# DOMESTIC MARKETING

## ■ OBJECTIVES

- Advance the positive perception of potatoes
- Expand the categorization of potatoes as a vegetable in U.S. and global nutrition and guidance systems
- Enhance the understanding of potato nutrition
- Increase the understanding of how consumers shop for potatoes
- Improve opportunities for potatoes across retail stores
- Increase the usage of potatoes on menus
- More people eating more potatoes in more ways

## ■ POINT OF VIEW

Domestic demand for potatoes is growing. The potato is America's favorite vegetable, the number one vegetable sold in retail, and the favorite side dish in foodservice. The potato's domestic market strengths include affordability, consumer affinity, versatility, widespread consumption, positive nutrition factors, consistent supply, sustainability, and a strong farming story.

Potatoes continue to be challenged by negative health perceptions, especially given that two of the most popular forms are fried, and many preparations include ingredients high in calories. The misunderstood use of the glycemic index and glycemic load for evaluating carbohydrates negatively impacts potatoes and is a growing concern. In addition, the glycemic index has been criticized for its variability based on many factors, including meal timing, health status, and genetics. A nutrient-based carbohydrate scoring system used in place of the glycemic index would improve the health perceptions of potatoes and clarify the place of potatoes as a vegetable in healthy eating patterns.

The pandemic profoundly impacted what, where, and how food was consumed, but those impacts have subsided as the market moves back toward pre-pandemic buying behaviors. This includes consumer food spending; more is spent on food away from home.

Potatoes USA programs must continue strengthening consumer affinity for potatoes by ensuring they understand the product's nutritional benefits and the many ways to enjoy consuming them throughout the day. Retailers must also understand how consumers decide to buy the potatoes and how to enhance the category's performance by implementing merchandising best practices across the store. Equally, the foodservice industry needs to know that potatoes are highly sought after by their patrons, cost-effective, and versatile.

Positioning potatoes as a performance vegetable takes advantage of many trends, including functional foods, plant-forward dishes, whole and natural foods, and the consumer's desire to perform at their best throughout the day. The biggest obstacle is that most consumers do not consider potatoes as fuel for performance. By creating a moment of re-evaluation and fostering an understanding of the benefits of potatoes, the potato industry can establish a new paradigm about potatoes in consumers' minds. Other foods like chocolate milk, avocados, eggs, and tree nuts have reinvented themselves as superfoods. Potatoes should be able to do the same thing.

The movement toward plant-based diets and sustainable food sources provides endless opportunities for potatoes—and creates challenges. Potatoes have long been considered a side dish.

Potatoes often get categorized as starch—not a vegetable. Therefore, they are not promoted as part of plant-based diets. This creates exceptional opportunities to position the potato as the perfect fit for plant-forward diets that provides nutritional value, versatility, and consumer acceptance.

To strengthen demand for potatoes, Potatoes USA's programs must focus on the opportunities for all products, in all sectors, through bold and inspiring initiatives. To motivate "more people to eat more potatoes in more ways," the marketing programs must be focused and consistent.

## ■ STRATEGIES

- Advocate for scientific research to strengthen the nutritional position of potatoes
- Provide education and resources that allow nutrition thought leaders to discuss potatoes' nutritional benefits confidently
- Position potatoes as a nutrient-dense vegetable
- Continue to establish the performance benefits of potatoes
- Implement targeted marketing programs for nutrition professionals, consumers, retailers, and foodservice
- Demonstrate the possibilities of potatoes through culinary development and demonstrations
- Cultivate strategic partnerships to expand reach and impact

## ■ PROGRAMS

- Consumer
- Nutrition Professional
- Retailer
- Foodservice

## ■ SUPPORTING PROGRAMS

- Research
- Culinary
- Industry Outreach



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# INTERNATIONAL MARKETING

## ■ OBJECTIVES

- Create diversified selling opportunities for all product types
- Expand and maintain demand and access for U.S. potatoes across the globe

## ■ POINT OF VIEW

U.S. potato exports have been an engine of growth for the industry for more than 30 years, accounting for approximately 20% of the U.S. potato crop. The worldwide pandemic had an impact on

U.S. potato exports, however, demand has returned. In 2022, U.S. potato exports reached a record \$2.1 billion in sales.

Establishing a solid presence in the international markets and putting forward a compelling Buy U.S. message is paramount to retaining and growing U.S. market share. The U.S. has established a strong position in many markets and has successfully increased U.S. potato exports across all product types while expanding applications. To maintain this strong position, Potatoes USA must aggressively promote the high quality and profitability benefits of U.S. potato products and the services offered to loyal U.S. customers to highlight our products' value. This is especially important as competition from the E.U., Canada, China, and India is increasing, and U.S. supply remains tight.

The relatively low consumption of potatoes in most target markets presents both an opportunity and a challenge. In many markets, potatoes are not widely grown or consumed. The lack of preconceived notions about potatoes allows for more significant and straightforward innovation, creating an opportunity to adopt new products, dishes, and uses. However, these opportunities

are hindered by the lack of familiarity with potatoes and potato products. Moreover, U.S. potatoes must adapt to strong preferences for local foods. Finally, where domestic production of potatoes exists, the local industry is often protected by the government, creating access issues for U.S. potatoes.

Potatoes USA's international marketing program is challenged by each market's different stages of development. Even within each market, access to different products varies, and the demand by sector is inconsistent. The international marketing program currently targets those countries where the greatest demand can be generated in the near term. However, Potatoes USA must also help position the industry to take advantage of future growth opportunities. New market development must continue to ensure that the U.S. potato industry has future sales opportunities.

Misconceptions of potato nutrition exist in international markets, as they do in the U.S. These nutritional misperceptions are exacerbated because, in many cases, fried products dominate U.S. exports. While not as prevalent internationally as domestically, U.S. potatoes and products have fallen into usage ruts in the more established international markets. Food safety is a significant issue in international markets. Fortunately, U.S. foods are considered safe, which is a strong selling point.

One of the biggest threats to U.S. exports is the number of U.S. free-trade agreements. Competitors are moving quickly to gain duty-free access to most Asian and Latin American markets. Tariff challenges may reduce U.S. competitiveness and result in lost market share. The similarities between the international and domestic markets mean similar strategies and programs can often be utilized, improving efficiencies and creating synergies. However, all programs must adapt to the local culture and be implemented based on individual market opportunities. The worldwide demand for food will continue to grow; the U.S. potato industry's opportunity is to make sure U.S. potatoes are a key source.

## ■ STRATEGIES

- Work with the U.S. government, the U.S. potato industry, and foreign countries to enhance market access
- Individualize marketing programs in high-opportunity markets
- Implement targeted marketing programs for volume-driving foodservice operators and retailers
- Enhance consumer favorability toward U.S. potatoes
- Effectively position U.S. potatoes for their higher quality, product consistency, and value
- Educate the U.S. industry on trade opportunities
- Monitor trade lead responses

## ■ PROGRAMS

- Foodservice
- Retail
- Consumer
- Chipping Potatoes
- Seed Potato Exports

## ■ SUPPORTING PROGRAMS

- Market Access
- New Market Exploration and Development
- Industry Outreach



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# RESEARCH

## ■ OBJECTIVES

- Provide leadership to the U.S. potato industry's research efforts
- Institutionalize variety development programs in the chip and fry sectors while increasing transparency
- Create a robust body of nutritional evidence to promote the health and lifestyle benefits of potato consumption
- Enhance the availability of research data to
- U.S. potato growers
- Where possible, obtain outside resources to increase the overall research budget

## ■ POINT OF VIEW

The complexity of the potato drives the research of this popular vegetable. As varied and versatile as potatoes are, many unique challenges face the chip and fry sectors and drive the need for enhanced varieties within each sector. When geographic tendencies and the associated stresses—environmental, pest, and disease—on potatoes are considered, research variables and opportunities within the potato industry increase exponentially.

State, regional, and sector interests frequently compete for limited research resources to strengthen the competitive position of their respective growers. As the nation's primary research, education, and marketing entity for the potato industry, Potatoes USA is uniquely positioned to take a leadership role in helping coordinate and guide the industry's national research efforts.

There is also the real threat of potatoes' perceived lack of nutrition. Due to the nature of this threat, the industry is adopting a long-term strategy to address it, regardless of whether that research is sponsored exclusively by Potatoes USA, or in conjunction with affiliated organizations within the industry.

As with most research, the resources necessary for a robust effort are substantial. Research may or may not be pursued, depending on resources available to pay for the research. Combining or leveraging resources whenever possible can create a more positive outcome.

Regardless of the type of research, it is only as good as Potatoes USA's ability to communicate the results, whether the audience consists of growers, processors, researchers, consumers, trade, or a combination thereof. Therefore, it is critical for Potatoes USA to share results of the research proactively.

## ■ STRATEGIES

- Identify attainable research opportunities with broad
- appeal within the industry through regular communication and coordination with industry leaders
- Seek ongoing opportunities to communicate product and nutritional research results to applicable stakeholders
- Leverage Potatoes USA funding with additional state, federal, and private funding to increase the impact of research
- Seek ongoing enhancements to chip and varietal development programs to enhance the breadth of testing conducted
- Focus the research sponsored by the Alliance for Potato Research and Education on the areas of greatest potential positive impact for the U.S. potato industry, including areas of future threats

## ■ PROGRAMS

- The Potato Research Advisory Committee
- National Chip Program
- National Fry Processors Trial



# INDUSTRY OUTREACH

## ■ OBJECTIVES

- Protect and enhance the good reputation of U.S. potatoes and the U.S. potato industry
- Distribute relevant and timely market data
- Amplify positive and consistent potato messages
- Communicate how Potatoes USA is strengthening demand for potatoes

## ■ POINT OF VIEW

Potatoes USA implements an array of marketing and research programs. These programs are very effective, but it is challenging to convey all aspects and impacts due to their complexity and volume. Growers primarily focus on producing the best crop, not industry issues, so capturing their attention is paramount to Potatoes USA's industry outreach efforts.

The diversity of the potato industry creates additional challenges, including where, what, and how businesses and farmers operate. Commercial potato production is in over thirty-five states, and farm sizes range from 5 to more than 50,000 acres. The industry also specializes in what it produces for different market segments. These differences mean U.S. potato industry members are interested in and respond to messages and information differently.

Fortunately, everyone shares a passion for potatoes and a robust potato industry. Industry Outreach strives to distribute relevant and timely market data and distill Potatoes USA's programs into meaningful and interesting messages. These messages are created and delivered in a succinct and relevant manner to reach all aspects of the industry through the appropriate communication platforms. These efforts seek to inform a vast base of constituents and generate engagement and involvement.

The industry's engagement in Potatoes USA programs is of growing importance as we promote the performance strategy. Getting everyone in the industry to support the "Potatoes. Real Food. Real Performance." message is critical to changing consumers' opinions of potatoes.

The humble spud seems to draw more controversy than it deserves. Perhaps, as with most people and institutions at the top, others want to pull it down. There is a constant need to defend potatoes, particularly from a nutritional perspective, and provide the facts about potatoes and their nutritional benefits to decision-makers, influencers, and the general public.

Industry Outreach communications must be two-way. Just as it is important to communicate to the industry, we must listen and respond. We monitor the pulse of the industry and provide insights and information to the Administrative Committee and management staff to ensure awareness. Concerns will be identified and addressed early on. New ideas on improving the U.S. potato industry communications and Potatoes USA programs will be conveyed to those who can bring ideas to fruition.

The goal is for the industry to know the who, what, why, how, and where of topics impacting the potato industry and of Potatoes USA programs. This is accomplished by using cost-effective communication vehicles.

## ■ STRATEGIES

- Monitor issues, develop messaging, and respond when appropriate
- Address misunderstandings about potato nutrition
- Convey market research, trends, and insights impacting the U.S. potato industry
- Encourage the industry to use consistent messages and resources
- Meet with industry members to share market and program insights, and understand issue of concern



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