

- A Closer Look at the Value of -

# IDAHO<sup>®</sup> POTATOES

A RECENT STUDY BY ARIZONA STATE UNIVERSITY LOOKED AT VALUE AND PRICE ELASTICITY

## PRICE ELASTICITY

is the value that helps determine the relationship between a change in the quantity demanded of a particular good, and a change in its price.

## THE STUDY FOUND THAT IDAHO<sup>®</sup> RUSSETS

are much less elastic than russet potatoes from elsewhere. This means that when the price goes up, the resulting lost volume is significantly less than non-Idaho<sup>®</sup> Russets.



INCREASED PRICE

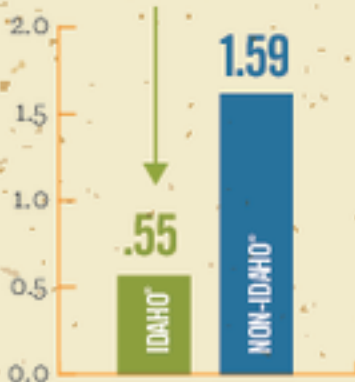
STABLE DEMAND/VOLUME



THE FINDINGS SUGGEST

that retailers don't need to discount Idaho<sup>®</sup> Russets to the same degree as non-Idaho<sup>®</sup> Russets for fear of a decline in volume.

BASED ON 5lb BAGS of russet potatoes.



Like in golf, the lower the score the better.



## LOWEST

vulnerability to competitive pricing.

## HIGHEST

potential for increased profit margins.

*"The fact is that even if you pay 10 cents per bag more for Idaho<sup>®</sup> Russets, you can charge 20 cents per bag more at retail."*

**SETH PEMSLER**

Vice President,  
Retail and International Programs  
Idaho Potato Commission

Study Info provided by:

The analysis conducted using the specified data

On topic: Potatoes

Sample size: 200 weeks ending 8/27/2016

88 Supercenters in 27 states

Control of total weekly sales determined by variety and pack

DO: Idaho - U.S.

Source: Nielsen, Inc. in collaboration with Idaho Potato Commission. For more information, visit [www.idahopotato.com](http://www.idahopotato.com).

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