

THE PRODUCE NEWS

Vol. 123, No. 27

FOUNDED IN NYC • 1897

December 28, 2020

VISIT WWW.THEPRODUCENEWS.COM FOR THE LATEST INDUSTRY UPDATES

Potatoes, pandemics and persevering

Dear produce industry friends,

To my mind, 2020 was the year of the “p” word—the word that has defined so many aspects of our lives since March.

nc

That word, of course, is “pivot.” It’s what we do at the Idaho Potato Commission when a global pandemic swoops in and upends all of our carefully laid plans for the year ahead. When we suddenly have way too many large-size foodservice russets and not nearly enough retailer potatoes or retail bags or trucks. And no one knows if it’s going to be like this for weeks or months or even years.

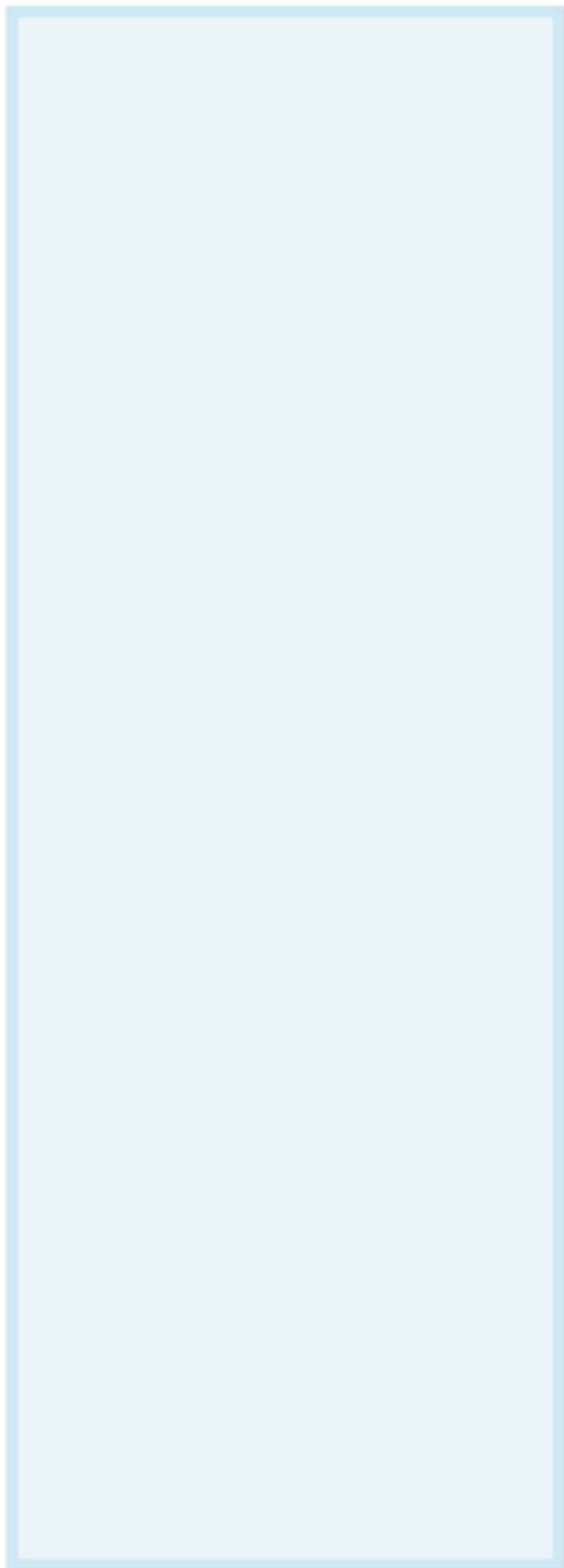
So when the pandemic hit us all in early March, IPC did what IPC does best: We put our heads together and immediately pivoted into action. We moved foodservice potatoes to retail stores and shared data-driven strategies for maximizing sales despite the twists and turns of the pandemic situation. We helped retailers show their shoppers how to store potatoes long term and provided recipes for consumers who weren’t used to cooking at home every night. Also, many consumers all of a sudden had a household full of children (preschool age through returning college students) to feed. They needed economical and easy-to-prepare menu ideas.

You can read all about our pandemic pivot in this special Idaho potato issue of The Produce News. It’s not over yet, either, as we continue to expand on our new Covid data initiatives and adapt to lasting shifts in consumer behavior, like purchasing larger pack sizes. We’re certainly hoping we can put the pandemic behind us sooner rather than later, but we’re fully prepared to keep pivoting as long as we need to.

Please don’t hesitate to let us know if there’s anything we can do to help your retail business adapt and change to meet the new challenges this year will bring. We’re all about the pivot.

Frank Muir

President and CEO
Idaho Potato Commission



Reaping the rewards of the 2020 Idaho potato harvest

The 2020 Idaho potato harvest was a welcome exception to the year's doom and gloom: Ideal growing weather and harvesting conditions yielded a bumper crop of exceptional Idaho potatoes.

"We had the perfect growing season, and to top it all off, our harvest was just beautiful," said Travis Blacker, industry relations director for the Idaho Potato Commission. "Retailers aren't going to see any damage at all because we had good conditions and good temperatures. Sometimes we get worried if we have some really hot days, but we didn't have a lot of those in 2020. We're all pretty proud of this year's Idaho crop."

The state planted 295,790 acres in 2020, down 4 percent from the previous year due to pandemic-related demand issues, said Blacker. But he's not anticipating any supply challenges in 2021, even if consumer demand fluctuates more widely than usual as markets open up or shut down in response to local pandemic conditions.

"The size of the crop is good, and we won't have any problems getting retailers the product they're looking for this year," he said. "In addition to our traditional russets, we continue to grow more and more red and yellow potatoes every year. We're becoming a one-stop shop for whatever kinds of potatoes that retailers need for their local market demands."

More than 90 percent of Idaho's potato acreage is dedicated to russet potatoes such as Burbank, Norkotah, Ranger and Western, while about 6 percent is used for niche varieties like golds, reds and fingerlings. When approximately 13 billion pounds of Idaho spuds hit the market each year, you can feel confident that our shippers have the supplies you need.

"Retailers have come to rely on Idaho for its great quality potatoes, and this year will be no exception," said Blacker.

THE PRODUCE NEWS

FOUNDED IN NYC • 1897

Jack Bricker • President • bricker@theproducenews.com • (816) 520-6306
www.theproducenews.com
P.O. Box 1542, Paramus, NJ 07653

EDITORIAL

EDITOR & PUBLISHER

John Groh
Tel: (201) 981-9477
groh@theproducenews.com

ONLINE EDITOR

Ryan Beckman
Tel: (732) 207-5302
beckman@theproducenews.com

MANAGING EDITOR

Graig Levitt
Tel: (917) 426-5017
levitt@theproducenews.com

VIDEO & SOCIAL MEDIA EDITOR

Maggie Giuffrida
Tel: (520) 227-5909
giuffrida@theproducenews.com

EDITOR-AT-LARGE

Tim Linden
17 Loma Linda Court
Orinda, CA 94563
Tel: (925) 258-0892
Fax: (925) 258-0893
tim.linden@gmail.com

ARIZONA, TEXAS, MEXICO, MIDWEST & COLORADO EDITOR

Tad Thompson
Tel: (215) 411-5291
tadwrite@gmail.com

WESTERN EDITOR

(Pacific Northwest, San Joaquin & Coachella Valleys)
Adam Campbell
36 N Chelan Ave, #A
Wenatchee, WA 98801
Tel: (509) 670-2213
campbell@theproducenews.com

WESTERN EDITOR

(California except San Joaquin & Coachella Valleys)
Dennis O'Brien
P.O. Box 223423
Carmel, CA 95022
Tel: (831) 206-1502
obrien@theproducenews.com

EDITOR EMERITUS & VP

Gordon M. Hochberg
Tel: (914) 261-2893
hochberg@theproducenews.com

ADVERTISING SALES

WESTERN SALES MANAGER

(Pacific Northwest, San Joaquin & Coachella Valleys, Colorado, Arizona and Texas)
Adam Campbell
36 N Chelan Ave, #A
Wenatchee, WA 98801
Tel: (509) 670-2213
campbell@theproducenews.com

WESTERN SALES MANAGER

(California except San Joaquin & Coachella Valleys)
Dennis O'Brien
P.O. Box 223423
Carmel, CA 95022
Tel: (831) 206-1502
obrien@theproducenews.com

EASTERN SALES MANAGER

(Eastern U.S., Florida and Georgia)
Marilyn Orso
21075 Bella Vista Circle
Boca Raton, FL 33428
Tel: (561) 483-9224 • Fax: (561) 483-9983
orso@theproducenews.com

CAROLINA AND MIDWEST SALES MANAGER

Nancy Campoli
Tel: (201) 802-7809
campoli@theproducenews.com

DIGITAL SALES MANAGER

Ryan Beckman
Tel: (732) 207-5302
beckman@theproducenews.com

ART/PRODUCTION

CREATIVE & PRODUCTION DIRECTOR — Anthony Addamo, (201) 954-6281 • addamo@theproducenews.com
DESIGNER — Colleen Brozyniak, (201) 628-2295 • Fax: (908) 889-6903 • brozyniak@theproducenews.com

THE PRODUCE NEWS

FOUNDED IN NYC • 1897

Circulation Audited By

The Produce News (ISSN 0032-969X) is published semi-monthly; except for three issues in March, July and August, \$85 per year by The Produce News, P.O. Box 1542, Paramus, NJ 07653. Call (201) 986-7990. Periodicals postage paid at Oradell, NJ 07649 and additional post offices. POSTMASTER: Send address changes to The Produce News, PO Box 349, Congers NY 10920-0349

PUBLISHER'S DISCLAIMER

Advertisers assume all liability for content of advertisements published as well as claims made against publisher relating to content of advertisements. In the event of legal action or claim made against publisher resulting from content of advertisements, advertiser agrees to fully defend and hold harmless publisher. Advertiser agrees to pay any expenses resulting from legal fees or judgments against publisher due to content of advertisements.

New deep data dives put retailers on top of the potato category

Helping retailers leverage data for better category management is an important mission for the Idaho Potato Commission in any year. In 2020, that mission became even more essential as retailers encountered the ups and downs of the new pandemic-driven marketplace.

"When Covid blew up, consumers were buying as many bags of potatoes as they could," said Seth Pemsler, IPC vice president-retail/international. "Potatoes were out of stock in some places from the initial panic buying."

But even as the panic subsided and supply chains adjusted to the new normal of more consumers cooking at home, the near-term future of potato purchase patterns wasn't readily apparent.

"We had to rethink a lot of our traditional assumptions about what consumers would buy and what pack sizes they would buy, because none of us had ever been in this situation before," said Ross John-

son, IPC international marketing director. "When consumers' shopping patterns shifted, seemingly overnight, retailers who were prepared with large russet displays were better prepared to handle the shift. Our focus on delivering clear data has been an asset for our promotion directors to use in the field. The insights we have shared have helped retailers adjust and maximize their profits."

Meaningful category data

As potato sales have achieved double-digit weekly sales growth amid the whirlwind of market changes, IPC has made a dramatic switch in how it advises retailers about the potato category.

"In the past, we were able to talk about how well Idaho potatoes were doing within the category," explained Johnson. "But since we know that Idaho potatoes command almost a 40 percent market share, we have shifted our focus to

advising on the entire category. By looking at the category the same way that a category manager or buyer looks at it, we have made the data more impactful for the retailer."

Johnson said IPC previously singled out Idaho potatoes in its data. But because Idaho can supply retailers with every variety of potatoes, the Idaho data is now included in the russet data, in addition to data for red, yellow and white potatoes.

New groupings for gourmet (specialty potatoes that may include fingerling, baby, marble or mixed) and convenience (any fresh potato that can be prepared in the package in which it is purchased) also have been added to provide better insights into how much of a retailer's category should be dedicated to these two types of products.

"We are working to help retailers understand that convenience and gourmet potatoes do not cannibalize from russets—the driver of the category," said Johnson. "Our analytics have shown that russets are what consumers are looking for in ad circulars. What we have seen successful chains do is focus their ads on the russet category (bulk, 5- or 10-pound bags) and then offer in-store TPRs on the gourmet and convenience items to encourage

CONTINUED FROM PAGE 6

impulse buying. When everyone wants potatoes, you have to try and think of new ways to encourage incremental purchases."

Covid performance assessments

Starting in May, IPC began offering retailers Covid-specific personalized data reports, using Nielsen data dating back to February 2020 that can be analyzed and compared with a retailer's competition.

"Typically, retailers buy based on what they did in the past. Now, we obviously need more information because the category is up 10-15 percent since the pandemic," said Pemsler. "We can help retailers plan right now so they don't over buy or under buy. We can see what's gone on in the past four to five months after the panic buying—that's what we should be looking at. Are consumers buying 10-pound bags instead of 5-pound bags? Russets rather than convenience products? Then you can adjust purchases and shelving to meet that demand."

With access now to both Nielsen and Kroger data, IPC has the most robust database ever compiled for the produce category, said Johnson.

"We are able to help retailers understand exactly what their competition is doing," he said.

Data has become even more important to retailers during the pandemic, said Mike Krage, IPC retail promotion director-Northeast/Midwest. "Interest from retail-

ers to understand the most current trends in the potato category has increased substantially during this last nine months," he said. "We update our data every four weeks, so that allows retailers to be able to make decisions based on the fast-changing purchasing habits of consumers during this pandemic."

The new Covid performance assessments have been a big hit with retailers as data-driven guides to where their opportunity gaps lie, said Kent Beesley, IPC retail promotion director/West.

"We review ad performance, what item is advertised, the space allocation to each item in the category, use of secondary displays, how each item ranks in sales, how the item advertised is perceived by the consumer. They can see their areas of strength and the areas where they can improve potato sales by moving in a different direction," he said.

One retailer in the Southwest, for example, followed the recommendations from its Covid performance assessment and has increased dollar sales 16 percent over its competition, said Johnson. "Due to the positive feedback we've received from the more than 20 retailers we have presented these reports to, we will continue with this new data set going forward," he said.

Merchandising insights

IPC data also can help retailers allot the most advantageous amount of space for potatoes within the produce department. IPC advises retailers to carefully consider space to sales in allocating the category.

"So much excitement has been found in the convenience category that many have gone too far with merchandising an excess amount of convenience products," said Johnson. "Retailers can really help their produce departments excel by looking at the amount of dollar sales the potato category contributes and allocating the appropriate amount of space to the category, saving on labor and reducing out-of-stocks on high-velocity items."

The success of secondary potato displays, too, is backed by data showing that this merchandising strategy can encourage shoppers to put spuds in their baskets.

"Earlier this year, we ran a test with a prominent West Coast retailer where they placed secondary display bins throughout the store," said Johnson. "We learned that the stores that took the time to put up a simple side stack of potatoes or an additional bin achieved a 22 percent increase in sales."

Spud Stats

- Potatoes make up 25 percent of all produce tonnage in the department, on average.
- 84 percent of shoppers know they are buying potatoes before they go shopping.
- The average ring when potatoes are in the basket is \$85, compared with \$43 when potatoes are not purchased.

Covid sales gains in 2020

Potato dollar sales increase over comparable week in 2019 for week ending:

March 1	+0.7%
March 8-29	+64.4%
April 5-26	+50.2%
May 3-31	+37.7%
June 7-28	+21.7%
July 5-26	+19.7%
August 2-30	+13.4%
September 6	+16.1%

Source: IRI, Total U.S., MULQ. 1 week % change vs. year ago

Retail promotion directors expand roles during Covid

Retail promotion directors for the Idaho Potato Commission are used to being road warriors. They're also used to doing whatever it takes to get retailers what they need. So when much of the country abruptly shut down for Covid last spring, the IPC promotion directors were fully prepared to switch gears, working from home to ensure retailers could continue to provide Idaho potatoes to their customers.

And thanks to IPC's immediate actions in early March, the potatoes kept moving, said IPC president and CEO Frank Muir.

"When the government was shutting down restaurants in March, we knew that it would impact about 60 percent of our Idaho potato business," said Muir. "Meanwhile, potatoes were flying off the shelves at retail. So our No. 1 objective was to start shifting potatoes to retail. We had to get creative."

Early initiatives

To address both foodservice oversupply and retail under-supply issues, IPC worked with shippers and retailers to have foodservice cartons of large-size restaurant spuds shipped directly to the retail stores.

"IPC immediately put together a program of offering our 8-pound bag Idaho russets in bin quantities," said Mike Krage, retail promotion director-Northeast/Midwest.

Retailers could put the 50-pound cartons directly on top of the shelves, then take off the lid for an instant display. In addition, the bins required less labor since they didn't have to be refilled as often as shelves would be. They also allowed retailers to reallocate some of their merchandising space from bags to bulk, since bags were in short supply at the time.

"We aligned with the retailers and showed them where

 CONTINUED ON PAGE 9

they could go for product," said Kent Beesley, retail promotion director/West. "We spent a lot of time and resources making sure they could get what they wanted."

IPC also created a one-page sheet for retailers with tips on how to display the cartons, followed by a series of flyers on merchandising best practices during the pandemic, such as waterfalling and secondary displays.

"About once every three weeks, we'd send out a one-sheet with recommendations on how to keep up with the strong demand for potatoes," said Beesley, who added that IPC plans to make the flyers an ongoing program.

A 10-week recipe idea program that ran from April through June enabled retailers to offer their shoppers fresh inspiration for preparing Idaho potatoes, said Krage. "After about eight weeks, consumers were looking for another way to cook potatoes beyond baked and mashed," he said. "We put together a program of high-resolution pictures that retailers could put into their circulars. Many of the marketing departments got very involved in recipe sharing with their customers, and I know they got a lot of great feedback from their customers."

Zooming into action

Although the retail promotion directors are looking forward to the day when they can once again travel regularly to meet with retailers in person, they've found some distinct advantages to online meetings.

"The commission has had pretty seamless communication with all of our retailers in supplying them with data through the use of Zoom, Microsoft Teams and Webex," said Krage. "This has really assisted us greatly in getting our deliverables to retailers quicker than we would have normally. And we've found that the retailers are all up to speed on communication technology."

Beesley concurred, saying, "Meeting with retailers by Zoom has been really good. They see that we're the real deal for helping them with the category."

Future spud supplies

IPC is working to ensure that retailers will be able to meet the projected ongoing boost in demand for potatoes, said Seth Pemsler, IPC vice pres-

ident-retail/international.

"The Idaho potato industry has made structural changes to help meet possible demand," he said. "Many of our shippers have increased their bagging capacity, so Idaho is now much bet-

ter prepared. We also just finished a great harvest and will have consistent volume available as it has been in the past. So we're very well-positioned for retail."

STOCK UP NOW ON IDAHO® POTATOES FOR THE HOLIDAYS!



The holidays are fast approaching and last year russets accounted for 67% of all potato category volume sales.



THE AVERAGE AMOUNT SHOPPERS SPEND WHEN POTATOES ARE INCLUDED IN THEIR BASKET.

Shoppers with bags/potatoes in their basket only spend an average \$47.32



88% households that purchase fresh potatoes



Image Collection by Idaho Potato Commission, IPIC and PotatoesUSA

"I am proud to be part of such an innovative project," said Sarmiento. "I am convinced that the health effects from the highly nutritional components of the potato will significantly increase my resistance and performance naturally."

"I'm honestly excited to learn how eating potatoes will impact my training, ultramarathon races and my recovery," he added.

Sarmiento said he first met the IPC team 14 years ago and appreciates the commission's commitment to quality and good nutrition. At home, he likes to prepare flavorful Idaho potatoes in an air fryer for an easy, healthy dish.

"I also like Idaho potatoes because they remind me of a favorite character—Mr. Potato Head from the movie 'Toy Story!'" he said.

Racquetball player *Paola Longoria*

"I love to work in partnership with a brand that has quality products," said 31-year-old Paola Longoria, the most successful international racquetball player in history with 30 global titles.

Longoria was recently elected by her peers to an eight-year term on the Panam Sports Athlete Commission, whose flagship event is the Pan American Games.

The nine-time Pan American Games gold medal winner is a big fan of potatoes for their nutritional assets, which can help improve athletic performance, she said.

"I love to eat potatoes," Longoria said. "They provide a lot of nutrients that help my body recover from an intense workout. Potatoes also provide an excellent source of iron, more than any other vegetable."

As the former No. 1 men's doubles badminton player in the world, Tan Boon Heong is dedicated to advancing his sport through his new badminton academy in Malaysia. He is also committed to promoting healthy nutrition through his role as a brand ambassador for Idaho potatoes.

"Potatoes are associated with health benefits because they are rich in vitamins, minerals and antioxidants," which

➔ CONTINUED ON PAGE 20

IPC helps drive consumer engagement with potatoes

With or without a pandemic, the Idaho Potato Commission keeps consumers coming back for more Idaho spuds at their local supermarkets.

"All of our consumer marketing programs leverage each other, starting with our base of national television commercials," said Frank Muir, IPC president and CEO. "Our creative, consistent communication ensures that shoppers think about Idaho potatoes when they make up their grocery lists."

IPC created a new television commercial last spring to connect emotionally with consumers as they began to come to grips with the reality of the pandemic.

"Our new TV commercial, 'Side Dish,' is all about how America needs comfort food right now, and it will run through the end of March 2021," said Muir. "It demonstrates that Idaho potatoes can be much more than a side dish."

In fact, Marketing Dive digital news reported in June that the "Side Dish" ad was one of the leading product-focused

ads that resonated with consumers in the second quarter. Among the top 10 ads, the Idaho potato commercial scored the highest on the product-related metric, according to Marketing Dive.

IPC also has been quick to address consumers' rapidly evolving needs for potato recipe ideas and storage tips as the pandemic continues.

"We have a lot of communication on easy-to-use recipes on our website, and we increased how often we distribute our consumer e-newsletters, which also feature easy recipes," said Muir. "Consumers have learned to cook at home again—not like their grandmas used to do, but they have learned how to assemble and chop and make simple recipes."

Other changes in consumer habits, such as grocery shopping online and watching sports at home rather than in large stadiums, have spurred IPC to re-examine where and how to deploy effective promotional initiatives.

"It's going to take awhile—maybe years—before folks are comfortable gathering in large groups," said Muir. "There will be more home usage for potato skins, fries and other foods that people enjoy during stadium events. So we'll be doing more advertising on televised sports programs [for these types of products]."

"We're also adding more advertising through retailers to promote Idaho potatoes to the increasing numbers of shoppers who are going online to select their groceries. We're taking advantage of that new trend already," he added.

IPC plans to maintain its in-person consumer-facing initiatives as much as possible in 2021, adhering to the latest pandemic safety recommendations, said Muir. The New Year's Eve Idaho Potato Drop, for example, was still able to take place with appropriate social distancing rules in place, and the Big Idaho Potato Truck is scheduled to begin its annual tour in March if possible.

"Last year, we brought the truck back immediately when the shutdowns started," said Muir. "We have social media postings for the truck every day when it's not on the road, so its many followers can stay connected to the traveling tuber."

