

IDAHO POTATO PULSE



Brought to you by the Idaho Potato Commission

Website: www.idahopotato.com

President's Report By Frank Muir

February is an exciting month for Idaho® potatoes. Not only is it National Potato Lover's Month, but a major international event is taking place in Idaho right now. The Special Olympics World Winter Games began February 7th and will continue through February 13th. Over 10,000 visitors from 95 countries are in Idaho for the games. The Idaho Potato Commission is a proud sponsor of the event. This sponsorship has included: 1) awarding every athlete a custom Spuddy Buddy, enclosed in the official cobalt blue color of the Special Olympics; 2) over 8,000 potatoes donated for key meals to feed the athletes and their families; 3) over 6,000 famous Idaho® potato pins handed out; 4) special appearances of Spuddy Buddy at several major events (athletes around the world all want to have their photographs taken with the famous mascot); 5) I have been invited to present the medals to the winning teams of the most popular event – floor hockey on February 13th; and finally, Denise Austin conducted a satellite media tour on February 6th speaking to news anchors across the country about Idaho® potatoes, their nutrition and value, and tie to Special Olympics.

I have had the opportunity to speak to families from all over the world, from South Africa to Russia, from India to China, and so forth. They universally respond, "Idaho® potatoes are the best in the world!" A local news anchor commented, "All the visiting athletes are asking two questions: 1) Where are the potatoes and 2) Where is the snow?" I'm happy to say they will be served loads of famous Idaho® potatoes during their stay here.... and it began to snow (at least a trace) on Monday!

Government Affairs Report By Pat Kole

At the Federal level, the focus has been on the stimulus package. However, other issues continue to be worked on, albeit more quietly. During the National Potato Council Public Policy Conference (NPCPPC) February 23-26, meetings are scheduled with our Congressional delegation, agencies and allied industry groups. Our Idaho group will be splitting into teams to cover a wide range of meetings from EPA on pesticide issues; USDA/FDA on GAP and Food Safety issues; to APHIS/PIM on Trade issues. Also important to us is Transportation, and IGSA's Travis Blacker has stepped into a leadership role in an important coalition working to increase truck weights for 6 axle vehicles. IPC is working with IGSA as well.

At the state level, the bad economic news continues and law makers see little alternative to reducing education funding. The percentage of state general fund dollars going to education (over half) makes it difficult to envision how education funding can't be touched in order to meet the requirement of a balanced budget. The immigration issue was also center stage this week. Brent Olmstead of the Coalition for Immigration Reform made a presentation to both the Senate and House Agriculture Affairs Committees to lay out the factual record regarding immigration in Idaho. The coalition anticipates that a mandatory "E-verify" bill will be introduced in the Legislature, perhaps as early as this week.

Industry Relations Report By Todd Cornelison

IPC promotional programs move Idaho volume to the forefront:

The Idaho Potato Commission Retail and Foodservice divisions run numerous promotional programs that stimulate sales throughout the year. However, due to how many there are, and the many other things the IPC does it's hard to show direct impact. This year, based on the strength of the programs and the weakness of the overall potato industry we can do just that.

In late December and January Idaho shipped over 700,000 CWT for three consecutive weeks. All other states were off. What caused that? The IPC programs.

During that month we had a major promotion with Publix (1000 stores that are exclusively Idaho resulting in shipments in the hundreds of trucks per week).

We also were launching Potato Lover's Month Display Contest where 2-3,000 stores build major displays resulting in hundreds of incremental truckloads being ordered (and a shift from non-Idaho product to Idaho® potatoes so they can enter). In fact over 125 Military Commissaries change their orders away from other states to Idaho just to participate.

Another major retailer was running a unique Idaho display program where Idaho had bins in hundreds of stores that normally don't even stock an Idaho bag.

In response to concerns over the size profile of the crop due to the deteriorating Foodservice industry, the IPC launched a jumbo bin promotion whose goal was to help shift some of the 50-80 count cartons stacking up into bags and hold the pricing of the carton market. Today there are dozens of retailers ordering jumbo bags and as a result, the carton market has stayed where it was rather than crashed as projected.

To further help with cartons, the IPC ran major distributor sales contests for 100 of the huge foodservice distributors that make up so much of the carton market. This increased sales orders in January for a February promotion.

Along with the programs mentioned above, the IPC field group visits every retailer in the US and offers them ad support monies. Ads are directly related to volume. Anything in an ad requires the stores to stock up so getting them to run an ad means more volume sold. In January Idaho ads were up 2% versus last year while the rest of the industry was down 21%!

If you wonder if the IPC promotional programs are effective and generate volume with our customers, you need look no further than the last month.