

IDAHO POTATO PULSE



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Government Affairs Report

By Pat Kole

This week, I'll be meeting with many of the lawyers from all of the major grocery stores around the US and Canada. This annual meeting gives us a chance to be proactive and establish relations with grocery chains that move our fresh, frozen and dehydrated products. These relationships have big dividends for our industry and can help us prevent mislabeling of our Idaho® potato products.

"Well, in the when it rains it pours category..... In the last two weeks we got hit with the Mexican trucking related tariff increases and the McDonalds review of pesticide use on potatoes. Both of these will be challenging issues." – John Keeling, National Potato Council.

Next week, I'll be in DC to meet with John and my counterparts from most of the other potato growing states. While there, we'll meet with key staffers from committees important to our industry, our Congressional delegation, federal agency personnel, and allied industry friends. We'll discuss the Endangered Species Act, the 6th Circuit decision in the Cotton case, Immigration issues, Chemical and Food Safety legislation, the Transportation Reauthorization Bills, WIC and School Nutrition Reauthorization and PCN. We're working with many groups to address the Mexican Trucking/Tariff issue as well. The key observation I'd make is that elections do have consequences. The agenda at the national level is much different than three months ago. Agriculture is going to have to be more proactive if it wants to be a player on these key issues that could severely impact our ability to successfully operate our farms, sheds and plants.

Industry Relations Report

By Todd Cornelison

PLM/Bin Promotion Huge Successes

Each year we enter the month of February with a couple of thoughts in mind, how long will this winter last and how effective will the Potato Lovers Month promotion be? Well, I can answer one of those questions: Potato Lover's Month (PLM) was extremely successful. Entries, compared to last year were up 10%, and due to that success, we already have a partner signed up for next year's PLM. This partner is willing to assist in the promotion by committing \$150,000.00 to the cause! Pictures of the winning entries should be on the IPC website by next month and I encourage you to take a look at these entries because some the exhibits are quite astounding.

In congruence with this year's PLM, and due to industry concerns, the IPC launched another promotion aimed at balancing the market. The fear this year was that as Idaho geared up to meet the demands of PLM, which is a Non A or small bag promotion, we would over supply the carton market and therefore drive carton prices down. So enter the Jumbo Bin Promotion. Warehouses had the option of taking "jumbo" potatoes, which is the preferred retail terminology for potatoes in the 40-60 count size range, and putting them into consumer bags. These bags were then put into bins which could be placed right on the retailer's floor without any more unpacking or shelving. The price on 40-60 count cartons prior to PLM was approximately \$11.00. The price on 40-60 count cartons after PLM remained at approximately \$11.00. There is now a wide industry belief that this promotion really helped stabilize the market and helped maintain carton pricing.

Pressure on Non- A markets

Just like the weather in Idaho, if you don't like the potato market, wait a day and it will change. A month ago, our charge was to balance the carton market with the increased small bag production of PLM. Now we have a new concern, our shipments out of Idaho for the past month have been very robust. The Norkotah crop, for the most part, is now behind us and we have mostly Burbanks left. The size profile of these Burbanks is on the small side, therefore putting an extreme amount of pressure on small bag pricing. There is discussion of putting a final small bag promotion together for the year and trying to ease this pressure. The challenge: our promotional monies are exhausted due to the success of PLM and the Jumbo Bin Promotion, and currently, some warehouses are reporting fair demand for Non-A. There is also discussion of another way to handle this situation, warehouses could

voluntarily increase the minimum size of their Non-A to 5 ounces, sending the 4 ounce potatoes to the processor. The downside of this being, growers would only receive process price for these potatoes.

Calendar

April

- 20-24 United Fresh Produce Association Convention, Las Vegas, NV
21 PSO (ProduceSupply.org) meeting, Las Vegas, NV at the front end of United Fresh convention.
25 Global Conference on Food Safety, Las Vegas, NV.
27-29 NPC State Managers meeting, Washington, D.C.

May

- 5 United Potato Growers of Idaho Board meeting, Idaho Falls, ID
8 IEOPC Meeting, Twin Falls, ID
14-15 IPC Commission Meeting, Boise, ID
16 IPC Marathon, Boise, ID
15-19 NRA Show, Chicago, IL

June

- 2 United Potato Growers of Idaho Board Meeting, Idaho Falls, ID
4 American Potato Trade Alliance (APTA) meeting, Washington, DC
17 IGSA Board Meeting, Idaho Falls, ID
17-19 NPC Summer Board of Directors meeting, Richland, WA
23-24 IPC Commission Meeting, Boise, ID
28-30 S.W. Foodservice Expo, Dallas, TX

July

- 9 IGSA Board Meeting, Idaho Falls, ID
31 Registration opens for 2010 Potato Expo to be held in Orlando, FL January 4 -6, 2010.

August

- 4 United Potato Growers of Idaho Board Meeting, Idaho Falls, ID
17-19 FMI Sustainability Summit, San Francisco, CA

September

- 2-4 IGSA Annual Convention, Sun Valley, ID
3 IPC Commission Meeting, 7:30 a.m. Breakfast, Sun Valley, ID
14-17 USPB 2009 State/National Workshop, Location TBA