

- A Closer Look at the Value of -

IDAHO® 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.¹

THE STUDY FOUND THAT IDAHO® 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® Russets.



INCREASED PRICE

STABLE DEMAND/VOLUME

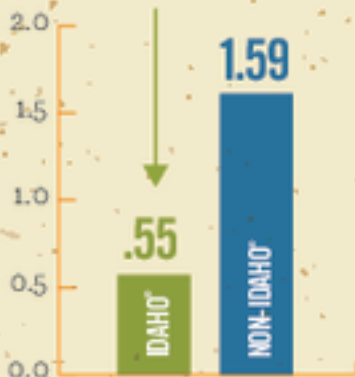


THE FINDINGS SUGGEST

that retailers don't need to discount Idaho® Russets to the same degree as non-Idaho® 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® 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 authors conducted using 88 questionnaire

Geography: 7 states

Demographics: 20+ years old up to 55/2014

18 Regions in 1 Total US

Level of Detail: Monthly data broken out by variety and pack

DO: Volume in US

Source: Rickman, Ph. D. with Budget-Markets, LLC using survey data from 2014 and provided to the Idaho Potato Commission

Geography: For more, U.S. in context with the Rickman, provided for context data and information may apply.

http://www.idahopotatoes.com/forms/priceelasticity