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## Idaho Potatoes

Industry Situation 4/10/2020

### **Retail:**

For the third week in a row potatoes led the produce category up 65% for the week ending 3/29. While foot traffic at stores declines as panic buying subsides, basket size is increasing significantly. Customers are being told by to shop infrequently and to purchase 2 weeks of supplies each time to minimize exposures. One positive of this is that consumers may buy larger sized bags of potatoes for now, changing the trend from smaller bags which has gone on the last decade.

After helping retailers optimally merchandise cartons, the IPC retail team has shifted our focus to assisting shippers by convincing retailers to buy larger bags with traditionally foodservice size potatoes by launching a jumbo bin promotion. Bin promotions have been successfully used in the past to shift retailer preferences when size profile of the crop is out of proportion. The goal of this year's activity is moving 10 oz. and larger potatoes into bags to be sold at retail. Initial response by shippers and retailers has been exceptionally strong with orders on the books already.

Jumbo bin promotion flyer below:



# IDAHO® POTATOES JUMBO BIN PROMOTION!



**\$25**  
per 1,000 lb  
**BIN**  
(prorated)  
with bags of any  
variety of JUMBO  
Idaho® Potatoes  
(greater than 10 ounces)

## Promotion Terms

- During this promotion the Idaho Potato Commission will be offering an incentive of \$25 per 1000 pound bin (prorated) with bags of any variety of JUMBO Idaho® Potatoes (greater than 10 ounces).
- Please contact any authorized Idaho® Potato shipper or your Idaho Potato Commission Field Representative for more details.
- For a complete listing of shippers or field representatives, visit our Web site at [www.IdahoPotato.com/retail](http://www.IdahoPotato.com/retail).

## When

This promotion applies to product shipped between April and May, 2020.

## How

Get the promotion form at [www.IdahoPotato.com/binpromo](http://www.IdahoPotato.com/binpromo), the Idaho Potato Commission office, field personnel, or any Idaho shipper. Print and fill out the form and submit it with the appropriate proof-of-purchase invoices.

## Eligibility

- The promotion applies to bags of any variety of JUMBO Idaho® Potatoes (greater than 10 ounces).
- 1,000 pound bins (prorated) qualify for the promotion.
- Paperwork must be postmarked no later than June 30th, 2020.

## Proof of Performance

- Invoices must specifically identify the purchase of bins with bags of any variety of JUMBO Idaho® Potatoes (greater than 10 ounces).
- Bins must be shipped between April and May, 2020.
- Any approved Idaho® Jumbo bag or bin will be accepted.

## Payment

Payment will be made directly to the party who pays the invoice, not the ship-to party. Retailers buying from wholesalers will need to gain any applicable payment from their wholesaler. Distributors or brokers will also be responsible for payment to their customers if they take ownership of the product.

Submit all forms and qualifying invoices to the Idaho Potato Commission.



## THE IDAHO POTATO COMMISSION

P.O. Box 1670, Eagle, ID 83616 • [IdahoPotato.com](http://IdahoPotato.com) • [seth.pemsler@potato.idaho.gov](mailto:seth.pemsler@potato.idaho.gov) • (208) 334-2350



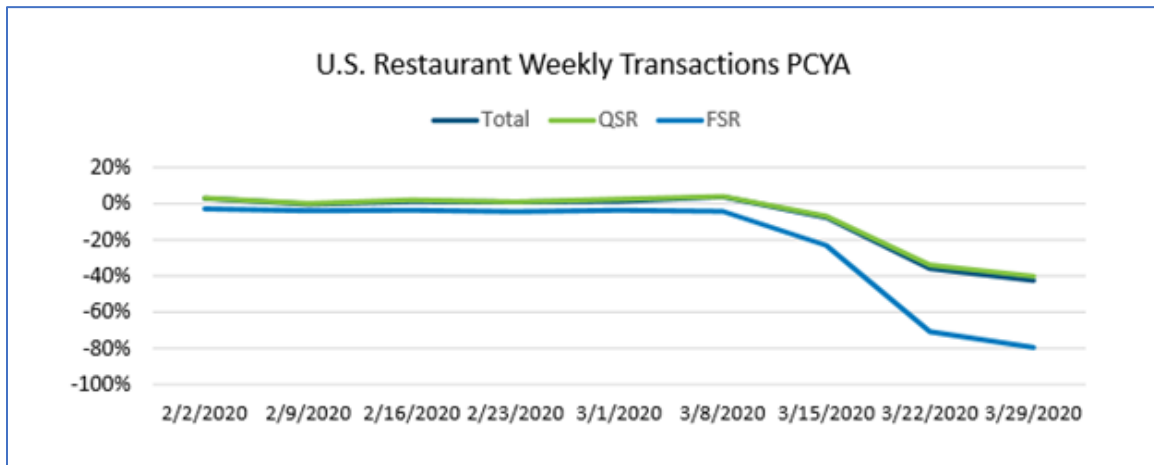
**Foodservice:**

CORE efforts – children of restaurant employees. The IPC is participating in an effort which will deliver new recipes to the Foodservice database, developed by industry chefs, who will donate their fees to CORE, a non-profit industry organization (Children of Restaurant Employees). Recipes will be deployed in an e-blast to Flavor & the Menu readers. There will also be a print spread in the June issue of Flavor & the Menu magazine, showcasing the campaign and supporting brands.

Industry continues nosedive. The National Restaurant Association now expects to see between 5 and 7 million hospitality service workers lose their jobs in the next three months. Chili’s/Maggiano’s business off 70%; Shake Shack sees 70% drop in sales, lays off 20% of corporate staff; unemployment claims are led by the accommodation and food service segments.

Announcing major furloughs or layoffs including Ruth’s Hospitality, Chuy’s Holdings, The ONE Group Hospitality, Danny Meyer’s Union Square Hospitality Group, Cameron Mitchell Restaurants, Landry’s, J. Alexander’s, Golden Corral, Luby’s, and CraftWorks Holdings. Logan’s Roadhouse fires 18,000 of their furloughed employees. Cheesecake Factory furloughs 41,000 workers. Darden furloughs 20% of corporate staff and 150,000 hourly restaurant workers. More to come.

For the week ending March 29, total restaurant transactions are down 42%, dropping another 6 points. While this is a fast-moving target, we now estimate that more than 97% of all U.S. commercial restaurant locations are restricted to off-premise sales only.



Chik-fil-A offers Family Meal bundles through the drive-thru, starting at only \$13.25

Food delivery is 300 times more popular vs. a month ago, according to Yelp data



One bit of good news – Wingstop (who uses Idaho Potatoes) same-store sales for the last 2 weeks of March was **up 8.9%**. Carry-out & delivery was already 80% of their business prior to Covid-19. While overall transactions have declined slightly, growth in average ticket has mitigated the declines, due to purchases of more family-style meals.

Distributor news:

Our Foodservice Promotion Managers are assisting their retail counterparts as needed.

We are also approaching distributors about opportunities specifically with non-commercial accounts, i.e. healthcare and military accounts as these are accounts who are serving MORE people vs. fewer. The proposal and ideas we are presenting are a cost-efficient, nutrient-dense, versatile, and portable food product that can solve numerous needs for the channels.

Sysco just furloughed all Produce Managers to July 31. They will bring them back if things pick up prior to that date

One US Foods distributor has just sold 800 cases of 50ct Idaho's to a local retail chain for only \$4.00 per case. US Foods as a company is down 75% in produce sales. What is really getting jammed up in the pipeline is the #2 potato.

US Foods also tells suppliers they are extending terms and discounts 30 days (not sure of the PACA impact on this move). They are also partnering with retailers to deliver product to their warehouses and stores and their warehouse personnel have been contracted to supply some needed labor to retailers as well.

IPC changed the website banner on the main Foodservice page and is directing operators to recipe items good for take-out/delivery (see below):



We have developed new message for our digital ads:



### **Delivery-Friendly: Idaho® Potato Gnocchi with Peas**

A great make-ahead dish, these billowy Idaho® Potato dumplings are boiled to al dente texture and topped with a tender green pea tendril purée. Just brown the gnocchi and package sauce separately for customers to reheat.

**Get Take-Out & Delivery Friendly Recipes - Right Here.**

ADVERTISEMENT:



### **International:**

Latin America – In Mexico, our largest market, they are officially under a government ordered quarantine. The exchange rate is fluctuating 4%-6% daily. The Idaho Potato Commission has distributed a newsletter the for each of the last three weeks to communicate with buyers the situation in the US market and offer consumer tips regarding how to properly store potatoes. In addition, a border retailer, has reached out to the IPC and we will participate in a their Socially Responsible Campaign. The campaign will award consumers for their loyalty to the store, providing a fun platform where consumers will be invited to show how they creatively use Idaho potatoes while at home, through an online home cooking campaign, facilitated by the store.

Asia – Most countries in Asia are in a government ordered lockdown. In Malaysia, the military patrols the streets with roadblocks to make sure people stay home. This has led to a reduction in consumer panic buying. Singapore is similar with their announcement this week calling for a month long “circuit breaker.” The trends of e-commerce and delivery services are exploding. Additionally, many Muslims are entering Ramadan season where they fast from sunrise to sunset. As such, the IPC has partnered with Master Chef Sabri Hassan to create 5 at home videos of how to cook with Idaho Potatoes. The recipes created will focus specifically on learning how to prepare Ramadan’s breaking-the-fast meals using Idaho Potatoes.

### **Industry relations:**

Before this pandemic started, the Idaho Potato Commission has been working with Farm Service Agency on being included for WHIP+ funds (wildfires and hurricanes indemnity program plus) to help growers that were affected by the heavy moisture and then early frost and snow in October 2019. This will require a federal register notice that likely will take some time. Currently they are thinking that if all goes well, later this summer growers could apply for these



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funds. Growers will need to provide examples and documentation of how their crop was affected by moisture and temperature to qualify.

Idaho Potato Commission is working with the National Potato Council and the other state potato organizations to request from the USDA, Department of Defense, US AID, the Department of Prisons, Food Banks and all other government entities and charities that could use potatoes and potato products. These potato products will be in all forms; dehydrated, frozen and raw products. This will help move the current crop in storage that has been affected by the temporary foodservice shutdown.

A letter was sent to the Secretary Sonny Perdue this week asking USDA to consider the following under the recently passed CARES Act that included \$14 billion for the replenishment of the Commodity Credit Corporation and \$9.5 billion for agricultural producers affected by COVID-19. The ask was for items like fresh produce purchase and direct payments to specialty crop producers like potatoes. This letter was signed by 108 members of Congress, including Fulcher and Simpson.

There has also been some relief issued through the Department of Transportation for HOS (hours of service) and weight limits for shipping and transportation essential goods.

If anyone has any questions about this, please contact the Idaho Potato Commission.