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Colorado Potato Administrative Committee
San Luis Valley Office – Area II

Strategic Marketing Plan
February 28, 2001

Presented By
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Department of Agricultural and Resource Economics

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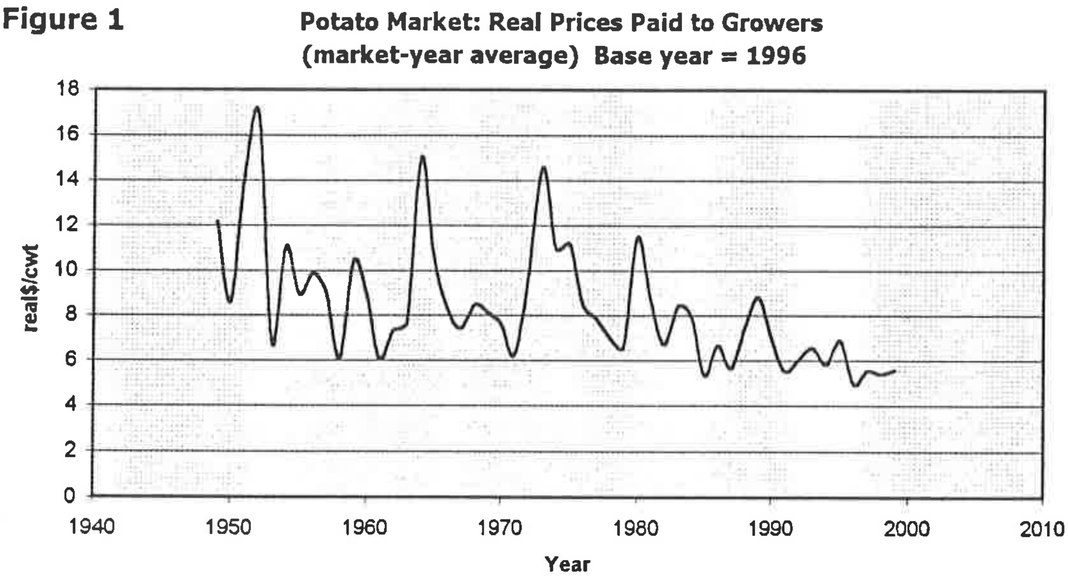
Introduction

In the fall of 2000, Colorado State University (CSU) was asked to do a market study for the potato growers of the San Luis Valley (the Valley). Potato yields during the past year (2000) were at record highs in the Valley – from 435 cwt/acre to 500 cwt/acre and prices were at record lows -- $1.80 to $2.75/cwt. Real prices in general for fresh potatoes have been on a downward trend since 1950 (See Figure 1); thus expanding the existing market and finding new markets for fresh and processed potatoes is an important issue for the potato growers in Colorado as well as nationwide.

Figure 1



Other factors are having an impact on the manner in which vegetable growers are conducting business, many of which can benefit the potato grower, if properly addressed. Some of the specific factors affecting the potato grower are:

- The consumer is much more health conscious today consuming 49 pounds more fresh fruits and vegetables per capita in 1999 compared to 1986.
- Consumers are demanding greater variety and convenience to help accommodate their hectic schedules.
- The consumer has proven they are willing to pay higher prices for convenience and quality.
- Consumers are eating out more: 48% of total spending for food in 1999 was in the food-service sector, which was up from 44% in 1992 and 40% in 1982. (Source: ERS, USDA)
- In 1987, an average grocery store carried 173 product items. This number has almost doubled to 345 product items in 1998. (Source: ERS, USDA)

- Supermarkets are offering more ready-to-eat type dinners including pre-packaged salads.
- The consumer is **not** demanding discounts as a motivation to purchase or to stimulate their desire for repurchase.
- In 1997, 19% of retail produce sales were branded products, compared with only 7% in 1987. (Source: ERS, USDA)

The Valley's success is dependent on a firm understanding of consumer trends and shifts in not only demographics but also the behaviors exhibited by the consumer. It is well known and understood that the strategies for bringing the Valley's potatoes to market must reflect the want of the consumer while maintaining and supporting the distribution channels.

To put this study into perspective for current marketing conditions, it would be helpful to look at what is known about the overall industry, the competition, the supply chain, and the consumer. Once this foundation is built then an exploration of the strengths and weaknesses of the potato growers in the Valley will round out the framework. Understanding in concrete terms where the industry is will act as a springboard for where the Valley's growers should go.

Current Market Conditions

The Industry and Colorado

According to the USDA, per capita use of potatoes, the largest US vegetable crop, rose 10 percent to about 142 pounds (fresh equivalent) in 1999. Both fresh and processing uses increased. While processed consumption, which now accounts for 66 percent of the potato crop, has been rising during the last 10 years, fresh consumption continues to remain relatively stable at around 48 to 50 pounds per person.

Although potato harvested area was down 4 percent in 1999, record-high yields left US potato production up 1 percent to 478.1 million hundredweight (cwt). This was the second largest crop on record after the 493.3 million cwt of 1996. Despite higher prices in the US market, import volume of fresh-market potatoes from Canada declined 17 percent. However, frozen potato imports from Canada continued to climb to another record high, up 13 percent from the previous year.

US fall-season potato growers were expected to harvest 3 percent more acres in 2000. Increased area for harvest was expected in Minnesota (up 13 percent), Idaho (5 percent), North Dakota (5 percent), and Washington (3 percent). Reduced acreage was expected in New York (down 18 percent), California (6 percent), and Colorado (2 percent).

The net value of potato trade (export value minus import value) remained relatively constant in 1999, totaling $386 million. On the export side, the value of 1999 potato and potato-product exports rose 6 percent to $806 million due to a sharp rise (133 percent) in potato flake exports, most of which were shipped to the European Union. On a fresh-weight-equivalent basis, the volume of all potato exports totaled 58 million cwt, up 30 percent from 1998. Frozen products accounted for 21.5 million cwt (up 4 percent), while dried and dehydrated products (excluding starch) tripled – accounting for about 21 million cwt compared with 7 million the previous year. For the first 4 months of 2000, frozen french fries continued to drive all potato imports higher (up 16 percent), while export volume dropped 10 percent due to reduced flake exports to Europe. (Source: Vegetables and Specialties Yearbook, July 2000, ERS-VGS-281.)

Colorado consistently ranks within the top six states for production and harvest acreage. In the chart below you will note Colorado ranks 5th in acreage for harvest and 6th in fall production acres. Idaho, Washington, Wisconsin and North Dakota capture the top spots. (Source: Colorado Administrative Committee, Market Policy Statement, 2000-2001 Fall Crop)

	Acreage for Harvest	Ranking	Fall Production In Acres	Ranking
Colorado	**75,600**	**5**	**25,752,000**	**6**
Idaho	441,000	1	134,980,000	1
Maine	63,000	6	17,813,000	8
North Dakota	115,000	3	26,400,000	5
Oregon	56,500	8	28,230,000	4
Washington	175,000	2	95,200,000	2
Wisconsin	85,000	4	34,000,000	3
Minnesota	60,000	7	18,020,000	7
Michigan	47,500	9	14,963,000	9
New York	21,000	10	6,758,000	10

There is a sharp departure from the utilization breakdown seen on a national base as compared to utilization within Colorado. The National Potato Council's 2000-2001 Potato Statistical Yearbook breaks down the US utilization as shown below. The Valley's corresponding breakdown has been added for the purpose of comparison.

Total Production - US	Table Stock	Processed	Other
475,771,000 cwt	124,467,000 cwt	281,862,000 cwt	69,442,000 cwt
	26.20%	59.20%	14.60%
Total Production - CO			
* 25,762,000 cwt	17,157,492 cwt	1,623,006 cwt	6,981,502 cwt
5.41 % of US Production	66.60%	6.30%	27.10%

* Numbers are approximate
Source for The Valley's numbers: Colorado Potato Administrative Committee, Market Policy Statement 2000-2001 Fall Crop

Colorado's utilization appears to be flip-flopped on the table stock and processing as compared to the division at the national level. It is assumed the national picture reflects the increasing demand for processed potatoes domestically and internationally. This fact may be support for additional studies into increased or new processing capabilities within Colorado. This will be addressed more in the recommendations.

The Competition
Colorado's competition at the state level comes primarily from Idaho, Washington, North Dakota, Oregon and Wisconsin. These states, as seen on the previous page, have higher production numbers and acres for harvest. Within these states the most formidable is Idaho because of its branding of the Idaho potato and its success in educating and maintaining awareness with the consumer. Washington and Wisconsin are positioned in the consumer's mind as states that are environmentally friendly as well as fresh and clean.

Idaho's success in branding the Russet as an Idaho potato supports the notion that Colorado could also benefit from branding potatoes. The Valley and the state have many distinctive and nationally recognized attributes that could form the foundation for such an endeavor. Further, part of the Idaho differentiator in some of their campaigns is their growing conditions. Sunny warm days and cool nights, melted snow used for irrigation (the consumer may see this is a "pure" and "environmentally appealing") and the soil is volcanic based. The latter has a bit of romance associated with it. However, as we know here in Colorado, the growing conditions are very similar with the exception of Colorado's loam as compared to the Idaho volcanic based soil. Colorado can emulate Idaho using the growing conditions as a benefit to the potatoes grown in the Valley coupling those with the high-alpine valley and the majestic mountains.

Canada is giving Colorado a different type of competition. Nationwide the imports from Canada came in at 2.03 million pounds. Of those imports, 30.1% were fresh potatoes, 15.4% seed, 48.3% frozen, .4% flakes or granules, .06% dried and flour, and 5.7% starch. The frozen market has the largest share of the imports; a form of processing that Colorado does not currently engage in high volumes. (Source: ERS, USDA)

The Customer-Retailers, Packers and Institutions
Attachment I shows the Valley's 1999-2000 shipments by type (Source: Colorado Potato Administrative Committee, Market Policy Statement 2000-20001 Fall Crop). The reseller purchases the Valley's potatoes primarily in bulk (35.39% of the total) with 5.69% going to the processors. The remainder of

the crop is packaged either in poly, cartons, paks or bags. The survey of consumers, which will be discussed later in this paper, gives some interesting feedback on the size bag and quantity of potatoes that is most often purchased.

In the November 2000 survey results published by The Perishable Group, Inc. the reseller provided some valuable insight into what would help them sell more potatoes and how the potato supplier could help them. The potato's role in retail is a profit generator has slipped from the top spot in revenue per square foot to sixth with the majority of retailers viewing the potato's performance as flat. The potato now lags behind bananas, apples, tomatoes, pre-packaged salads and grapes. Of particular interest is the retailers' projection that the potato is moving toward a value-added, convenience product requiring simple preparation and easy meal solutions on the part of the consumer.

On a promotions side, the majority of promotions are in the fall and winter months only. These promotions are in the form of primary and secondary ads, special features and displays. Evidence supports a **lack** of motivation on the consumers' behalf to use coupons; retailers' in the Perishable Group's study further supports that notion. This theory is further supported by the research conducted by CSU for this study. (See those results in the Survey Section of this report.) Complimentary product promotion has shown some encouragement as having a positive effect on potato purchase. This is an area that may require further study.

To increase the sale of potatoes, resellers either need an improved awareness for or have requested the following:

- Light protection, better rotation of inventory and better temperature control
- Additional and improved merchandising ideas and point of purchase (POP) displays, promotional plans and support
- Awareness of cooking or preparation methods by potato type
- More promotional materials
- Ideas for cross-selling, complementary product placement
- Uniformity in labeling
- Product consistency in texture and quality
- Additional consumer information to help them market the potato
- Consumer, market and competitive data
- Reviews of the categories

It also important the growers are aware of the changes occurring in the industry as a whole, which has witnessed increased coordination between shipper and buyer with the increased use of shipper/retailer contracts for vertical coordination. When using these contracts, shippers need to be guaranteed a large supply pf product in order to meet their contract specifications with retailers. In order for producers to meet these criteria, *cooperation is essential*. Retailers and shippers alike will demand a *consistent market supply* of products.

In addition, recent consolidation has the top 20 retailers consisting exclusively of retail *chains*. In 1999, the four largest food retailers' share of grocery store sales was 27%, up from 18% in 1987; the eight largest retailers' share was 38%, up from 27%; and the 20 largest retailers' share was 52%, up from 39%. Grocery-oriented wholesalers undertook 32 mergers and acquisitions in 1999 with the food-service wholesalers completing 31. Shippers have also been consolidating; the top two bagged salad firms in 1999 selling to supermarkets accounted for 76% of total fresh-cut salad sales. This integration is indicative of where and how business will be done in the future and successful competition within this chain will require cooperation among growers throughout the Valley. (Source: ERS, USDA)

The Customer-Consumers

The potato is a vegetable that needs no introduction into the American home. Nearly one-quarter of all at-home meals include potatoes; they complement beef, pork, poultry and fish/seafood. However, there is a shift in meal preparation with a greater emphasis on convenience and the use of processed potatoes. The demand for frozen potatoes is up while the chilled pre-cut product is slowly gaining in recognition. This good news is tempered by the fact that the potato purchase is not spontaneous (90% of potato purchases are planned). The consumer has demonstrated little imagination regarding preparation options. (Source: The Perishable Group, Inc) Because of weak branding efforts, the consumer is not able to distinguish between a Colorado potato and one from another state. In fact, the shape, size and coloring of the Russet will often elicit a response that the potato must be from Idaho.

See the survey section of this report, to review in detail the consumers' feedback relating to the Valley's potato.

The San Luis Valley Grower

The San Luis Valley supplies 92% of the Colorado potato crop; because of its high altitude and proximity to the mountains, there is a reduced impact by pests and debris. Coupled with the cold winters, the Valley requires less pesticide and puts out a crop with smoother skins. The Valley grows at least 83 varieties of potatoes with approximately 77% going to fresh market and 23% processed (these percentages vary from those shown in the National Potato Council's 2000-2001 Potato Statistical Yearbook; there is no explanation for the variance). The varieties breakdown as follows:

San Luis Valley Potatoes by Type

	TOTAL	Russet	Red	Yellow	White	Chippers	Specialty
Varieties by Type	84*	24	13	20	8	8	11
Percentage of Total	100.0%	28.6%	15.5%	23.8%	9.5%	9.5%	13.1%
Totals by (not additive)							
Fresh	65	24	13	18	8	1	1
Processed	20	9	3	3	3	5	
Chipped	5			5		5	
Specialty	20				1		11
Percent By (not additive)							
Fresh	77.4%	100.0%	100.0%	90.0%	100.0%	12.5%	9.0%
Processed	23.8%	37.5%	23.0%	15.0%	37.5%	62.5%	
Chipped	5.9%			5.0%		62.5%	
Specialty	23.8%			25.0%	12.5%		100.0%
Total # with White Flesh	72	24	10	20	8	7	3
Total # with Yellow Flesh	9		3			1	5
Total # with Other Color	3						3

* The Florrisant is categorized both as a Yellow Flesh Potato and as a Chipper
Source: Colorado Potato Administrative Committee, Market Policy Statement 2000-2001 Fall Crop

The purpose for the table above is to illustrate the many varieties in each of the potato categories that contribute to the consumer's confusion over what potato is used for what purpose. More importantly, how does the Valley stand out with its potato production, how can the Valley brand its potatoes so the consumer connects and recalls the name and imagery of the Valley's potatoes?

Conducting an unscientific survey of several large grocery chains in Northern Colorado, potatoes from the Valley were bagged with many different logos and branding images. For those bags that did have the Colorado Potatoes logo displayed, the logo was not easily seen nor read at the bottom left of the bag. Bags of Russets, while packed in the Valley, had no identifying text or imagery to link the potatoes to Colorado much less the Valley. There did not appear to be a common theme, imagery, text, color or layout amongst the bags from the Valley or those from other parts of Colorado. Bulk stock was labeled with only "Russet", "Red", or "Yellow Flesh." No link to the Valley or Colorado was noted.

The Potato

Potatoes are an accepted vegetable in the American diet; with the increased pressure on the consumers' time, convenience is an attribute that takes on greater importance. Potatoes are not an impulse purchase but rather are a planned purchase 90% of the time. Nearly one-quarter of all in-home meals feature the potato either baked, mashed or boiled; the potato is served more often than rice and pasta. According to the Perishable Group, Inc., in-home consumption of the baked potato has increased since 1997. Meals prepared with beef are most likely to feature a potato followed closely by pork or ham. The potatoes' relationship with all four-protein groups (beef, pork/ham, poultry, and fish/seafood) has remained relatively stable over the last 10 years. This supports the conclusion that the potato is a planned purchase; further, it supports the need to motivate increased purchase spontaneity on the part of the consumer.

The frozen food sector continues to grow at an average rate of nearly 5% per year. This coupled with the decline in the use of fresh products for mealtime gives direction for new opportunities. On a similar note, instant mashed potatoes have seen an increased usage of 23.3% over the last 10 years. These last comments support a "heat and serve" marketing thrust.

Potatoes and those specifically grown in the Valley have many positive marketing aspects:

- Reduced need for pesticides – this could be well received by the consumer
- Irrigation waters from melted snows – perceived as environmentally friendly
- Many varieties allowing diverse usage – opportunity for marketing
- Cold winters give smoother skin to the potatoes – a good marketing tool and differentiator from the competition
- Halo effect from the Idaho Russet
- Colorado has an image of being environmentally friendly, pure and clean
- Potatoes have good nutritional value and healthy
    - High in Vitamin C and potassium
    - High in B-6 and fiber
- Low in calories, non-fat, and no cholesterol
- Contain glutathione, an antioxidant that may help prevent cancer
- Well suited to long-term storage
- Organically grown potatoes are available (not a high priority by the consumer)
- Chilled, pre-cut are not seen as cannibalizing fresh sales
- Processed potatoes fit the convenience lifestyle of the consumer
- There is an increased use of baked potatoes in fast-food restaurants

Consumer Survey
Potato Market Analysis

The Survey:

It was agreed that a consumer and broker survey would be administered during late summer, 2000, in an attempt to learn what consumers desired in a potato—what is the market for fresh potatoes or processed products. (Copies of both surveys are contained in Appendix A.)

A consumer survey was developed, reviewed, and revised by the Colorado Potato Administrative Committee (CPAC) during the summer, 2000. The survey was divided into four sections. Section I focused on general consumption patterns and potato attributes that consumers found important including the premium that these consumers were willing to pay for various attributes. Section II dealt with nutrition issues and what would prompt consumers to purchase more potatoes. Section III asked questions about biotechnology and consumers' general attitude associated with genetically modified foods. The last section provided demographic information with which to develop a target audience.

Students from our National Agribusiness Marketing Association (NAMA) at CSU conducted the surveys in supermarkets such as King Soopers, Albertsons, Super Walmart, and Safeway along Front Range Stores in Colorado including stores in Fort Collins, Greeley, Parker, and Denver. They did in-person interviews collecting 437 useable surveys. Some of the totals reflected in the following tables will not add to the previously cited 437 respondents. Not all participants provided the requested information.

Demographics: Tables 1-5

As summarized in the tables below, 60% of the respondents are female with 43% of those responding in the 40 – 55 age bracket. Eighty-six percent had at least some college education with almost half of the respondents earning a bachelors degree or higher. Thirty-one percent had at least one or two children with over one half of the respondents having none. Finally, 60% of those responding to the income question earned $50,000 or more.

Table 1: Gender	
Female	60%
Male	40%
Total Respondents	***407***

Table 2: Age	
16-20	3%
21-24	5%
25-29	9%
30-34	9%
35-39	9%
40-44	16%
45-49	15%
50-55	12%
>55	22%
Total Respondents	***389***

Table 3: Education	
Non Graduate	1%
High School Graduate	13%
Some College	27%
Associate Degree	10%
Bachelors Degree	31%
Masters Degree	15%
Doctorate Degree	3%
Total Respondents	***405***

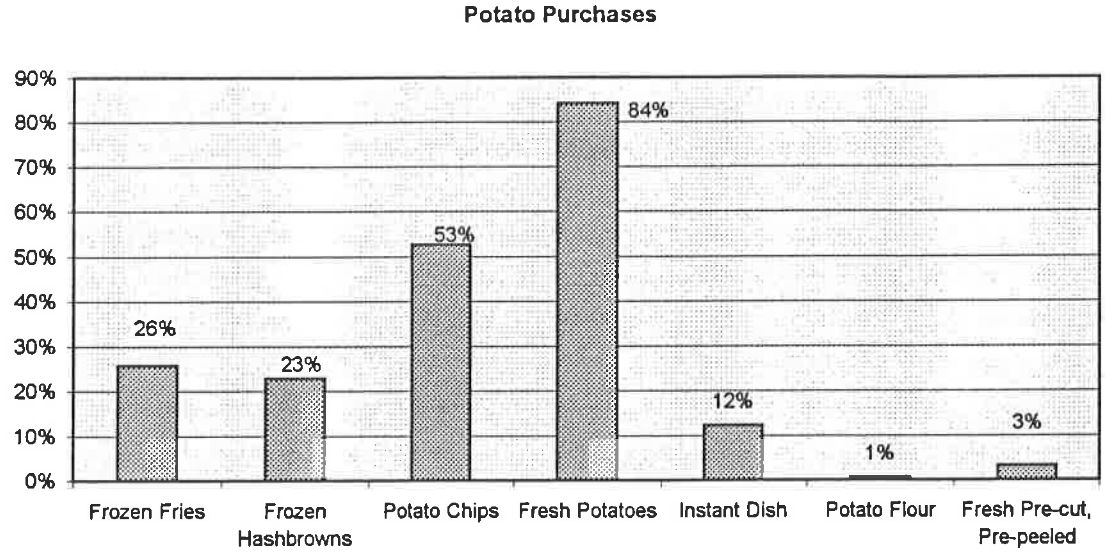
Table 4: Number of Children	
None	54%
One	18%
Two	13%
Three	9%
Four	4%
Greater Than Four	2%
Total Respondents	***402***

Table 5: Income ($000s)	
<$25	14%
$25-50	27%
$50-75	28%
$75-100	16%
>$100	16%
Total Respondents	***378***

Survey Results—Section I: Consumption Patterns

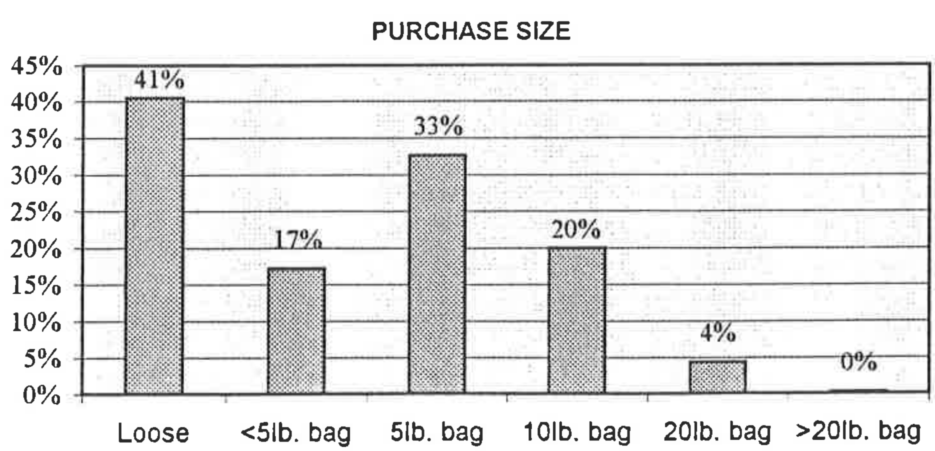
With respect to potato purchases, fresh potatoes are the most preferable and potato chips are the second choice as shown in Figure 2.

Figure 2—Respondents could choose more than one answer



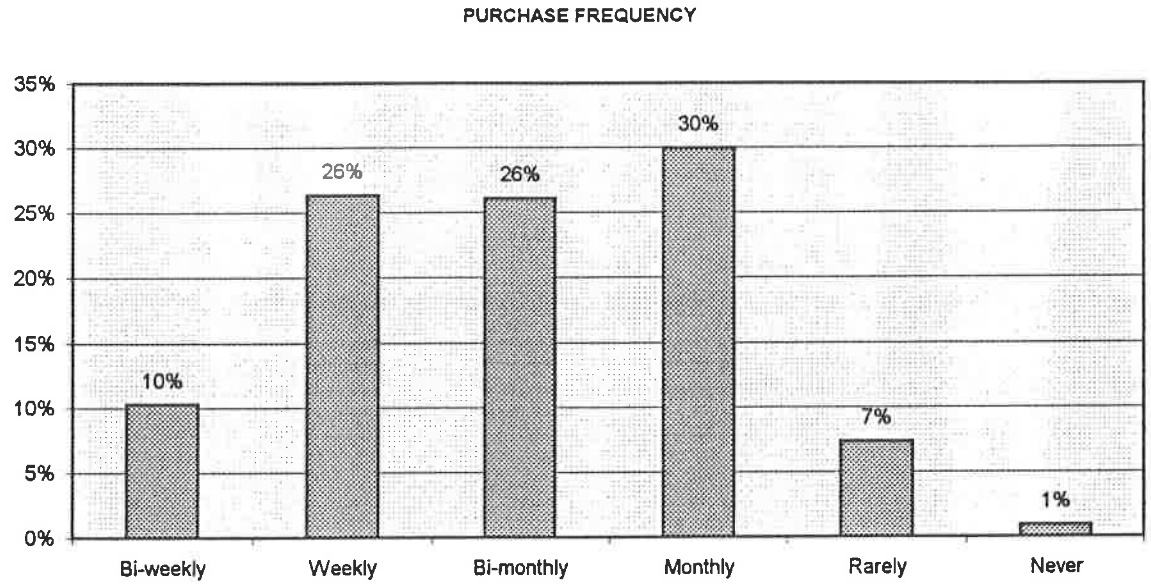
Consumers prefer smaller size purchases with the most preferable size being the five-pound bag (33%) or loose (41%). It was interesting that the less than five-pound bag purchase was less popular than the 5-pound bag. Consumers seem to prefer the loose potatoes but if buying a bag will purchase at least 5 pounds. See Figure 3.

Figure 3—Respondents could choose more than one answer



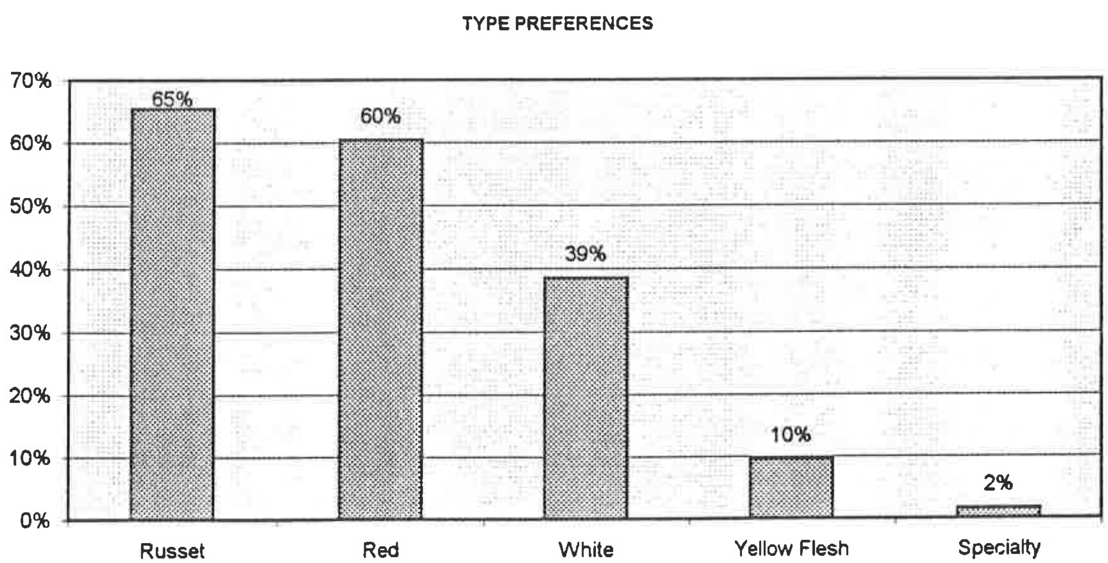
When asked about purchase frequency, 82% of consumers make purchases weekly, biweekly, or monthly as shown in Figure 4.

Figure 4



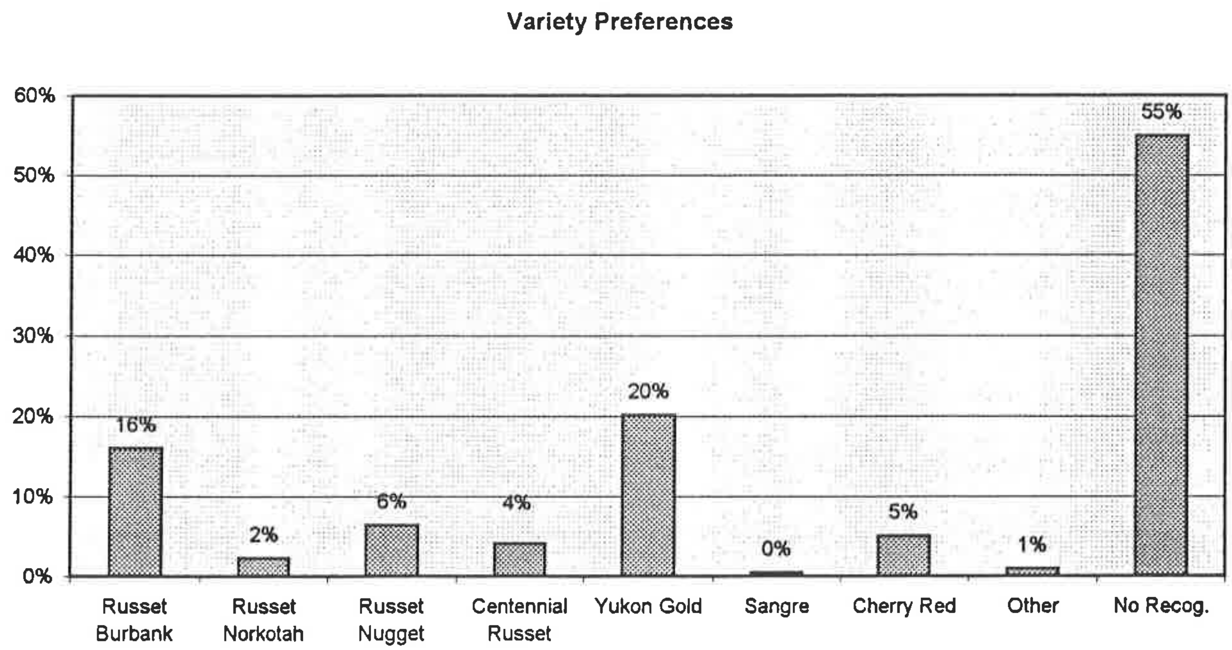
Consumers prefer the russet and red potato to other potato types with 65% and 60% respectively selecting these two potatoes.

Figure 5—Respondents could choose more than one answer



One interesting fact that we observed is shown in Figure 6. When asked about variety of potatoes, 55% of the respondents indicated that they have no recognition with respect to variety. This opens up an excellent opportunity for market niche development. Branding of potatoes could be a way in which a Colorado potato variety could become better known and respected. As noted in the introduction to this report, marketing a commodity at the lowest possible price is not effective in today's market. The consumer is looking for certain attributes in their products and providing a differentiated product will go a long ways towards meeting the consumers' need while providing a new niche for the producer.

Figure 6



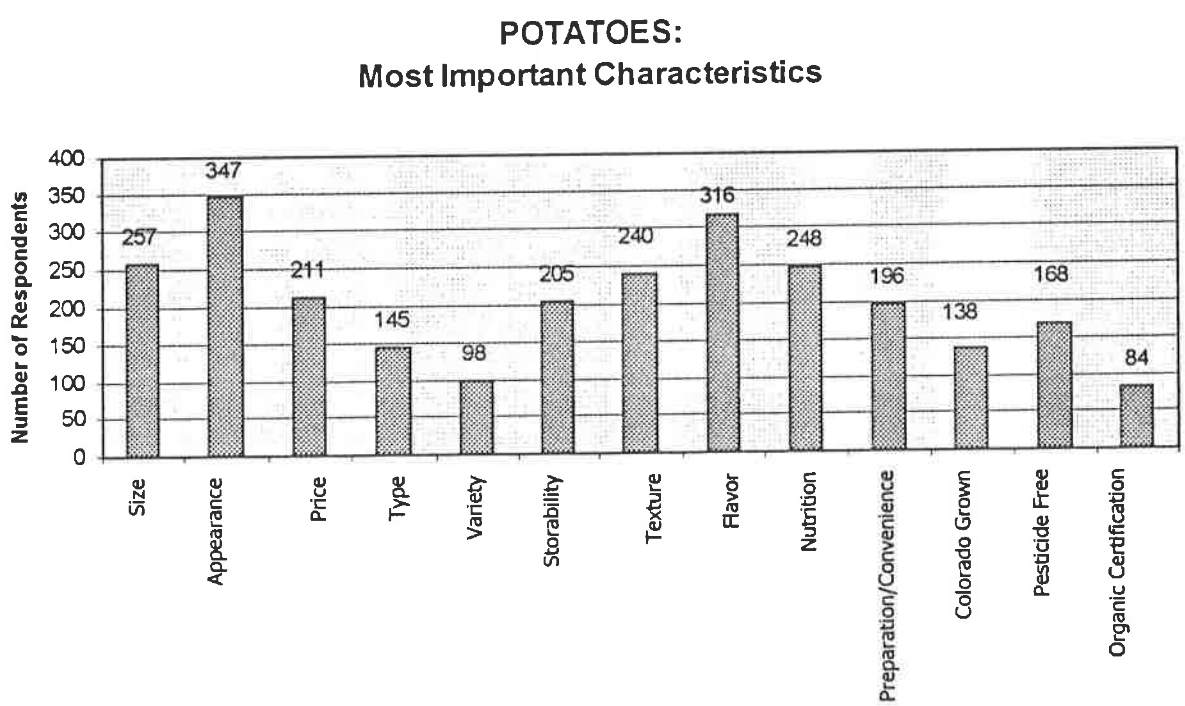
Survey Results—Section I: Important Attributes

Table 6 (in percentage terms) and Figure 7 (in numbers) show how respondents ranked the importance of various potato characteristics. Two points become very noticeable here. First, price is the not the most important characteristic for consumers. Potato purchases are relatively inelastic; thus trying to compete on a discount selling basis would not seem to be an appropriate method for marketing potatoes. Rather, for instance, appearance and flavor both of which signify higher quality are ranked the highest among most respondents. Again, another interesting point to note is where the consumers ranked the attribute *variety,* which received a high importance ranking by only 22% of the respondents. Once again, the potential for branding and improving marketing recognition is important to note.

Table 6: Potato Attribute Importance Ranking

Characteristic	% over Entire Sample
Appearance	79%
Flavor	72%
Size	59%
Nutrition	57%
Texture	55%
Price	48%
Storability	47%
Preparation and Convenience both	45%
Pesticide Free	38%
Type	33%
Colorado Grown	32%
Variety	22%
Organic Certification	19%

Figure 7



Figures 8 - 12 simply take those attributes ranked highest in Table 6 and presents them individually in a pie chart format for more detail.

Figure 8

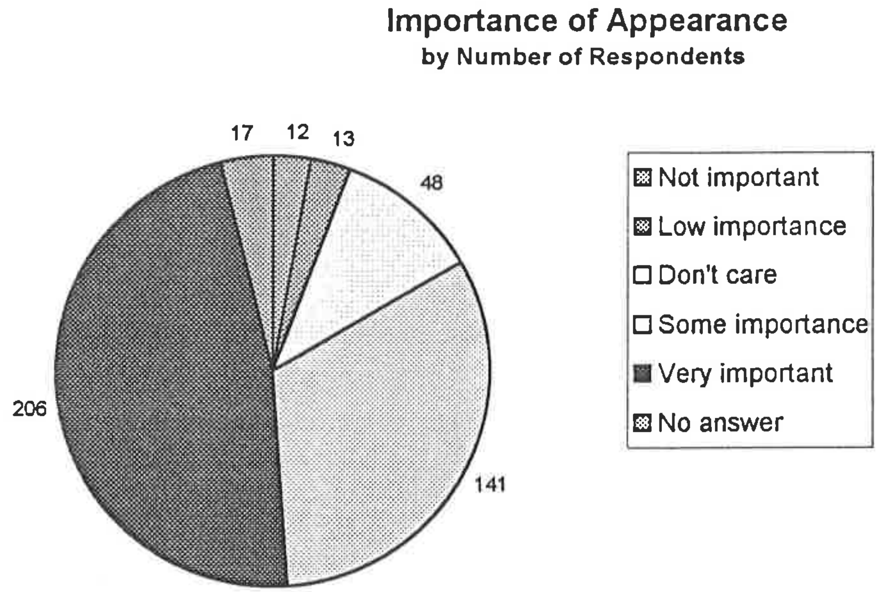


Figure 9

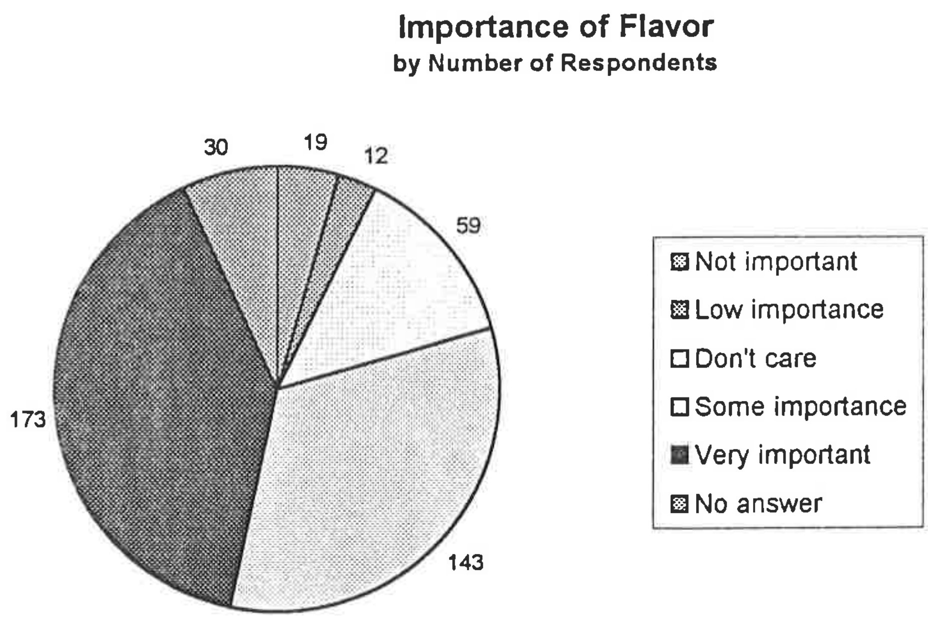


Figure 10

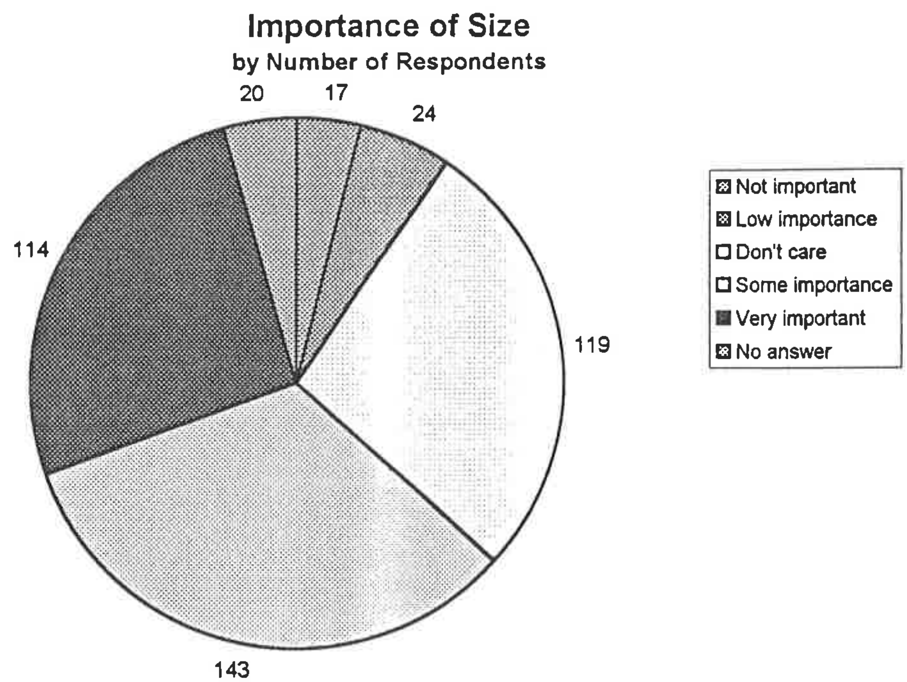


Figure 11

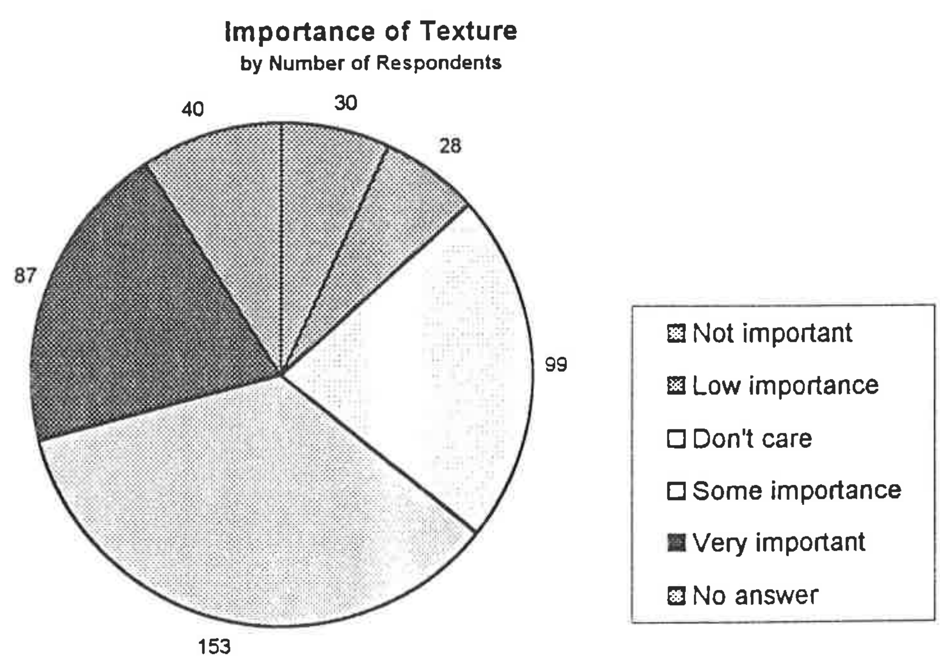
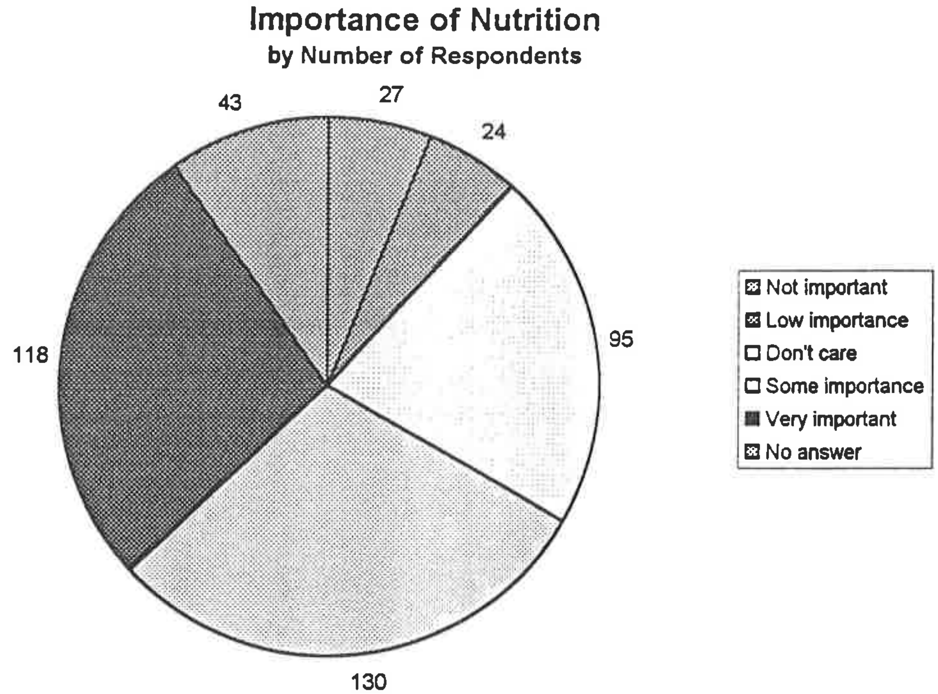


Figure 12



Survey Results—Section I: Willingness to Pay

Tables 7 and 8 summarize the premium that respondents would be willing to pay for various potato attributes. With respect to the attributes ranked the highest (from Table 6), 61% of the respondents were willing to pay some level of premium for appearance, and 57% would pay some level of premium for flavor. In addition to these attributes, consumers were asked if they would pay a premium for a Colorado grown potato and 60% indicated that they would. In particular, Figures 13 and 14 highlight those characteristics garnering the highest level of premiums, which include appearance, pesticide-free, enhanced flavor, storability, Colorado Grown, and specialty potatoes. In particular, 58% were willing to pay a premium for pesticide free potatoes (a comparative advantage for the SLV), 62% were willing to pay extra for storability but only 39% were willing to pay a premium for pre-cut pre-peeled potatoes and 35% were willing to pay for precooked potatoes. Again, we have evidence of the consumers' lack of familiarity with branding and new methods of packaging including chilled potatoes. There is an opportunity here for new variety and process development with the right marketing and promotional tools.

Table 7

Premium	*Specialty*	*Pesticide* Free	*Enhanced* Flavor	*Superior* Appearance	*Colorado Grown* Grown
None	*30%*	*25%*	*25%*	*23%*	*24%*
<5 cents	*10%*	*11%*	*8%*	*12%*	*16%*
5 – 10 cents	*20%*	*22%*	*25%*	*24%*	*25%*
11 – 15 cents	*7%*	*9%*	*11%*	*12%*	*9%*
16 – 20 cents	*4%*	*7%*	*6%*	*8%*	*5%*
> 20 cents	*7%*	*9%*	*7%*	*5%*	*5%*
No Answer	*22%*	*17%*	*17%*	*15%*	*15%*

Table 8

Premium	Superior Storability	Precut/Pre-Peeled	Pre-Cooked	Genetically Modified Free	Organically Grown
None	19%	43%	47%	42%	34%
<5 cents	15%	12%	13%	12%	12%
5 – 10 cents	24%	16%	12%	14%	17%
11 – 15 cents	10%	5%	5%	6%	9%
16 – 20 cents	8%	2%	2%	2%	4%
> 20 cents	5%	4%	3%	3%	5%
No Answer	18%	18%	18%	20%	18%

Figure 13

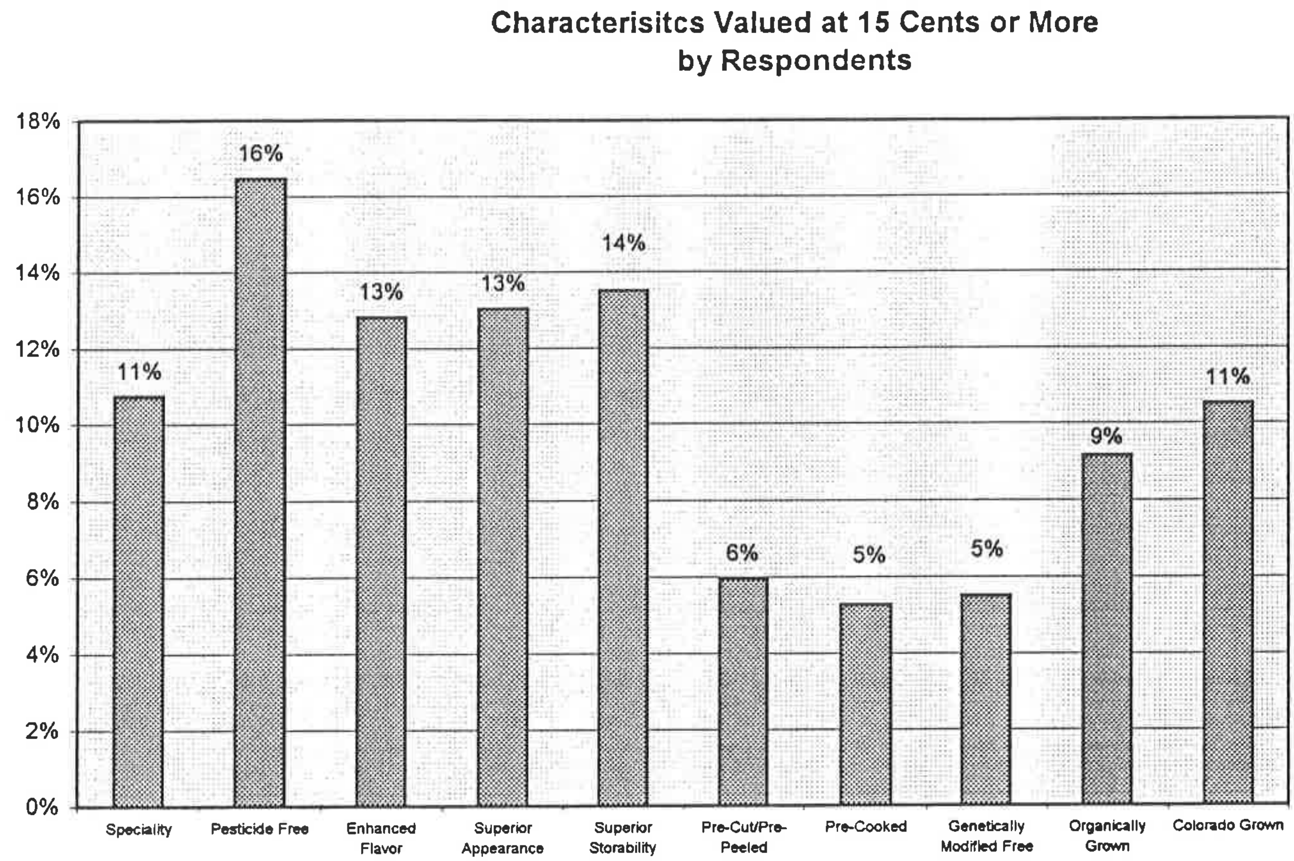
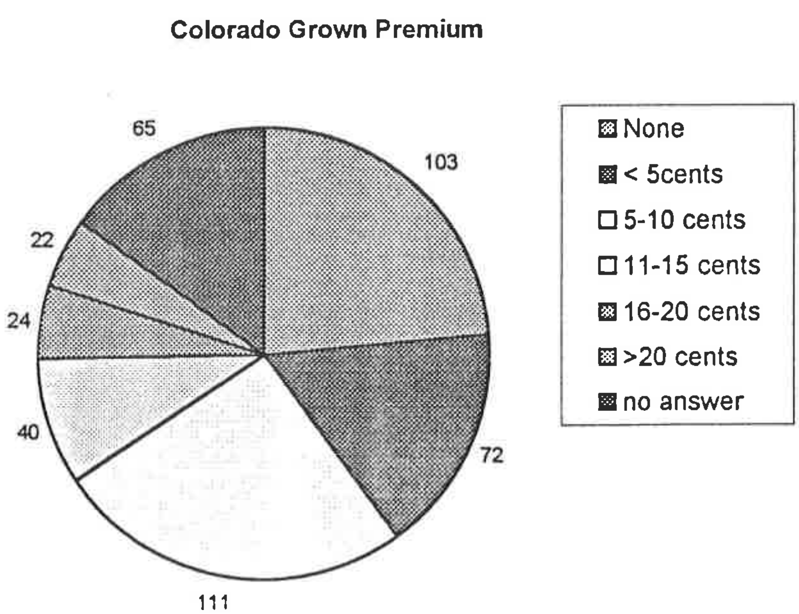


Figure 14



Survey Results—Section II and III: Increased Consumption and Biotechnology Issues

Consumers were asked about their knowledge of biotechnological issues and their support for biotech in improving upon certain characteristics of their potato purchases. As shown in Table 9, there is strong support for biotech techniques that would improve upon nutritional value (an important attribute from Table 6) with 63% respondents willing to support its use. Other attributes ranked high by consumers were flavor (56%), storability and farmers' efficiency (both at 53%). Less than ¼ of the respondents indicated that they would not support biotechnological support of these attributes. Figure 15 shows that over ½ of the respondents feel that biotechnology is important to agriculture. Consumers were also asked about their willingness to purchase a product modified by biotechnology to provide protection against pests resulting in less use of pesticides and 80% said they would support this.

Table 9

Support of Biotechnology by Characteristic	Support	Do not support	Do not Know	No answer
Nutritional Value	63%	21%	11%	5%
Appearance	36%	24%	33%	7%
Flavor	56%	21%	19%	5%
Color	31%	23%	39%	6%
Size	38%	22%	34%	6%
Storability	53%	21%	20%	6%
Efficiency and Sustainability	53%	25%	14%	8%

Figure 15 Biotechnology's Importance to Ag

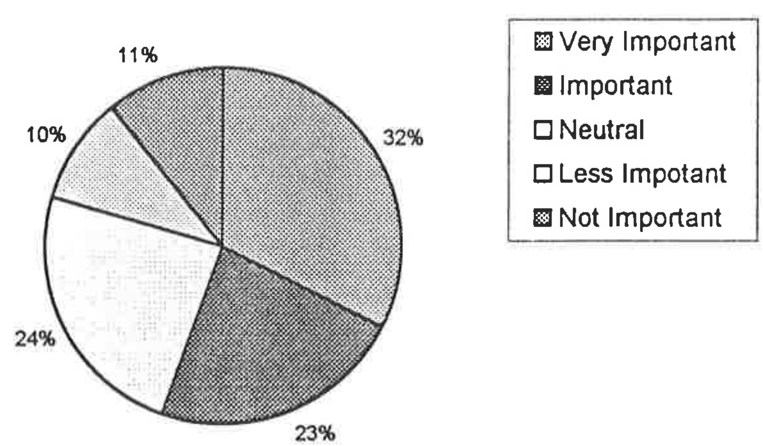
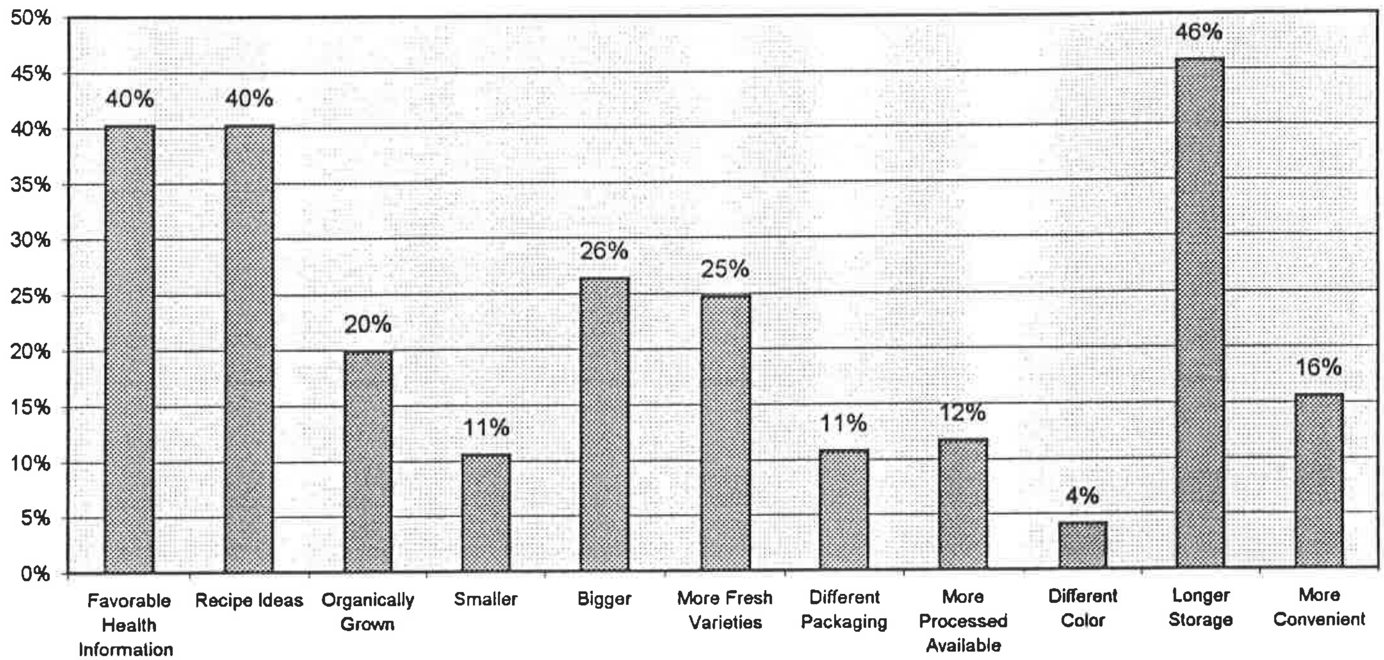


Figure 16 **Likelihood of Purchase Increase**



Consumers were also asked what would encourage them to purchase more potatoes. In other words, what promotional campaigns needed to be addressed? These results are summarized in Figure 16. Forty-six percent of consumers indicated that longer storage would result in more purchases and 40% said that health information and recipe ideas would also result in more potato purchases.

Opportunities for the San Luis Valley Potato Grower

One of the reasons Idaho holds the front-runner's spot in the national potato race is because of their ability to brand the potato. Their packaging, ads, websites, and other promotions link the potato to Idaho. Much like the apple many years ago, the potato is not gifted with an identity for growth origin, regional tastes or looks. Colorado, particularly the Valley, has an opportunity to establish their own brand(s) of potato. Advertising campaigns that are not founded on a solid marketing strategy are not the avenue to the successful branding of a commodity. To brand the potato for recognition, association, and recall to Colorado's San Luis Valley will takes a well thought-out and tested strategic marketing plan that is systematic and action specific. The plan must have specific, measurable goals with built in evaluative tools to assure the grower the results they desire and deserve.

In this section there are many opportunities that are well suited to the potato from the San Luis Valley. The discussion below is provided with the understanding that these are simply ideas and would be embraced or set-aside based on the conclusions of the marketing plan that will be detailed in the recommendations section.

Branding Strategies
Several commodities have been successful in establishing a branding strategy. Using these products as a benchmark, the Valley growers would emulate their successful programs and apply the principles to the potato. Benchmarking is a successful strategy between non-competing product categories. The products listed below may be opportunities for potato growers to benchmark with these industries. A few of those products worth studying are:

- "Beef. It's What's For Dinner."
- "Pork. The Other White Meat."
- "The Incredible Edible Egg."
- "Got Milk?"

Further by studying the fruits and vegetables that have over taken the potato's place as the star of 'revenue generated per square foot' in the grocery store (bananas, apples, tomatoes, pre-packaged salads and grapes), the potato can learn what those industries have done to distinguish themselves from their competition. The Washington apple is a good teacher.

The apple industry is faced with a similar problem of having multiple varieties, each with a different use by the consumer. Some are eating apples, some baking, especially for pies, sauces, freezing, et cetera. At Attachment II-a and II-b is a grower's effort to help the consumer know what apple to purchase for what use. You will see a chart by variety by use and a banner for a specific variety providing increased branding to a specific apple. Around the display bins, each apple is labeled with its respective variety, uses and flavor/texture information. The potato grower could easily emulate this idea, minimizing confusion on the part of the consumer and increasing awareness of the Valley's brands of potatoes. In discussions with produce managers with the large grocery chains, the interest in having promotional type items that helped sales was of high interest. Borrowing the apple banners for this report, the comment from one Safeway store was, "Be sure to bring those back, they are real hard to get and they help us sell apples."

The Valley, by banding together under on common image, can promote their potatoes as distinctive. Using one prominent image and common text on all bags and labeling, the Valley can create an identity unique to them. The Colorado Russet, Colorado Red, Colorado White, Colorado Yellow Flesh, and Colorado Specialty Potato become the flagships for the branding. Relying on the nutritional value of the potato and repositioning them, as a convenient, versatile, and flexible vegetable could become the foundation for greater awareness and increased sales.

For the sake of survival and market strength, the Valley's focus must be on single name, single message from all promotional angles. This single image, single message should ring from the field to the packer to the broker to the retailer/reseller and on to the consumer. Every related paper, bag, carton, label, advertisement, public relations piece and letterhead sporting the Valley's brand will be a powerful tool for brand image and recognition on the part of the consumer.

Co-Branding Strategy

Co-branding is an additional opportunity. In the same vain as described above, the Valley has an identity (brand image) for their product. This brand image could be coupled with the image of the Colorado potato lending strength to each brand, increasing awareness for the products, establishing a "halo effect" from the Valley's products to the states image and visa versa. Co-branding increases the efficiencies of promotional costs and allows for more partnering on advertising campaigns defraying costs on both sides.

Quality Seal or Seal of Approval

The consumer wants assurances that what they purchase meets their expectation for taste, texture and nutritional value. The Valley's growers can capitalize on the consumers' desire for assurances by creating a "Seal of Approval" or "Quality Grade Medallion" or some such "medal" for the produce. Instituting the common Valley branding or a co-branding initiative partnered with a "seal" signifying quality, Colorado grown, tested and approved could be an opportunity to further set the Valley apart from their competitors. Give the consumer something to look for that tells them they have made the right decision.

Opportunities at the Retail Level

Research supports willingness at the retail level to promote the potato. With the potato being dethroned as the #1 revenue generator based on square foot and relegated to #6 is not a pleasing situation. Major retailers across the nation have said they want more consumer information to help them sell, more promotional tools (see the apple industry reference above), and help with the effects of lighting, rotational problems and air circulation. One Northern Colorado Safeway produce manager said they throw out approximately 50 pounds of bulk potatoes daily because of light damage. The opportunities lies in the fact that if the Valley will help them solve their problem of having to throw away 50 pounds of potatoes a day then they are receptive to supporting the Valley's produce. For example: What if the Valley provided the major chains with a green and white striped tent (like you see at the Farmer's Market) for set-up over the bulk potato bin. The potato is protected from the light and the Valley is able to promote their Colorado potatoes on the tails of the awning or tent.

Knowing the potato is a planned purchase 90% of the time gives opportunity to stimulating impulse purchases. Points of purchase recipe cards, dinner ideas, and/or complementary product cross selling are ways to increase the spontaneity of potato purchases. The consumer has clearly said coupons are not important in their purchase decision; that's the good news. The better news is the retailer can aid the increase in potato demand by displaying product promotion ideas that do not deplete the margins further. In-store sampling of potato dishes with coupons for the complementary product attached to the recipe can provide a good foundation for additional purchases.

Co-placement of one product with a complementary product, like bagels near the cream cheese, was made popular on the east coast. The theory is one worth the examination for another retailer opportunity. Co-place potatoes next to the meat counter, the fish counter, in the dairy near the sour cream or bacon. If co-placement is not feasible, consider recipe and dinner ideas (featuring the potato) placed near complementary products to stimulate association with the potato.

Processed Potatoes versus Fresh Market

The opportunity of greater demand comes from the processed side of the industry. Colorado ships predominately fresh market while the nation shows a demand for processed potatoes. Looking at export activity, the processed potato has fair greater demand than fresh market. The Valley does not have the advantage currently of processing plants. This may be an area worth the time and effort for exploration. As the growth figures show, the demand for processed potatoes continues to increase both domestically and internationally while the demand for fresh potatoes is stagnant.

The consumer is clamoring for more convenience items and simplification of meal preparation. Marketing studies project that Generation X and Y will continue the pressure for more meal versatility and flexibility while convenience and simplicity become a standard. With this consumer pressure, the potato must evolve more and more into this convenience item that is simple and quick to prepare. The added-value product to include the chilled pre-packed potato is an avenue worth serious consideration to maintain competitiveness. According to the Perishable Group, Inc., the instant mashed potato is at an all time demand high (up 12.5% since 1995). Per capita hash brown consumption at 6.6 pounds per person is at an all time high. While the chilled potato is not enjoying wide market acceptance, it is steadily growing in appeal as the consumer becomes comfortable with the long storage capability and nutritional value. (On this note, the unenthusiastic embrace of the chilled potato's long shelf life may be offset with disclaimers of no preservatives and no additives.)

Opportunities for Improved Communications

Today's technological advances give the Valley and its supply channels an opportunity for improved communications and better working relationships. Establishing an extranet communication channel would link all the members of the channel together for

- faster and more efficient communiqués,
- decreased miscommunications or time lags between members,
- mutual accessibility to common information,
- a promotions channel from the grower/packer to the retailer
- production numbers, crop information, packing requirements, shipment information and other production related information

An extranet is very similar to the Internet except those with accessibility are limited by need to know, for example: the grower/packer, storage warehouses, transportation companies, brokers, and/or retailers/institutions. Those allowed access are determined by their need to know all or some of the information. Information can be filtered based on the members' position in the supply channel. Some members can add or alter information while others can only read the information. An extranet is a closed communications channel that uses the Internet as its communications link but only those allowed can get to the information.

Expanding and developing the CPAC's website to more of a marketing tool in the interest of branding the Valley's potatoes, the site could serve multiple purposes being a marketing tool directed toward the consumer, a closed communications tool for the supply channel (the extranet), and a promotional tool for the retailer.

Recommendations

Traditionally in a strategic marketing plan a detailed action plan is an integral component. The action plan has not been developed in this case because the options and opportunities are numerous. It is incumbent on the Valley's growers to decide with the assistance of the study group which opportunities and recommendations are most desirable and feasible in what time frame. While the study group sees a specific path for the next step, we believe the growers are part of the overall decision.

Based on the research conducted and the foregoing report, the following recommendations are presented to the San Luis Valley Potato Growers.

****

Contract for the development of an expanded strategic marketing plan focused on the specific options the growers deem most important. This plan should include specifics on where the Valley is, what are its options, how are the best ways to get there. Tantamount to this plan will be the specific action plan to include pricing objectives, product mix recommendations, distribution options and promotional campaigns that support the overall plan, timeframes clearly spelled out, and the measurement assessments that will be used. Finally, the plan will include the anticipated results and a tracking method for progress against those results.

****

Contract for benchmarking studies with the apple, beef, pork, milk, and/or other industries that have successfully branded a commodity. These studies on their techniques and tactics will be the foundation for a branding strategy for the potato industry in the Valley. This study ideally would be part of the strategic marketing plan detailed above.

****

A feasibility study should be conducted regarding the Valley's opportunity for vertical integrate into the processing of potatoes for increased domestic and export sales.

****

To facilitate optimal working relationships during the feasibility studies and expanded strategic marketing plan, recommend workshops for the Valley's growers to improve communications, build a foundation for teamwork, and to build greater trust.

Attachment I

San Luis Valley Potato Shipments by Package Type
1999-2000

	5#	8#	10#	15#	20#	50# Ctn	50# Pak	100# Bag	Bulk	Processed	TOTALS	
Sep	83,943	7,115	192,701	23,483	23,099	174,513	16,872	60,166	248,567	2,704	**833,163**	4.59%
Oct	131,518	8,386	269,789	37,127	39,888	250,132	22,991	105,787	450,898	57,654	**1,374,170**	7.57%
Nov	147,304	20,359	365,223	65,092	73,024	354,379	26,109	132,979	618,402	84,763	**1,887,634**	10.40%
Dec	174,716	15,234	400,694	88,952	67,895	341,677	29,994	146,006	624,008	148,279	**2,037,455**	11.22%
Jan	192,366	21,287	346,598	86,269	61,548	293,720	27,984	121,459	702,687	114,660	**1,968,578**	10.84%
Feb	162,758	13,466	326,362	68,135	66,258	318,003	26,160	147,229	692,249	153,271	**1,973,891**	10.87%
Mar	181,309	14,922	378,365	55,138	94,081	351,469	30,443	124,539	1,015,791	154,907	**2,400,964**	13.22%
Apr	148,922	20,098	349,448	38,346	74,068	305,020	25,083	111,492	941,323	91,492	**2,105,292**	11.59%
May	135,602	22,783	331,123	55,119	84,815	268,284	24,537	117,709	576,634	67,825	**1,684,431**	9.28%
Jun	125,515	27,397	428,041	54,435	72,199	282,539	29,263	160,696	554,086	157,338	**1,891,087**	10.42%
Total	**1,483,953**	**171,047**	**3,388,344**	**572,096**	**656,875**	**2,939,736**	**259,436**	**1,228,062**	**6,424,645**	**1,032,893**	**18,157,087**	
	8.17%	.94%	18.66%	3.15%	3.62%	16.19%	1.43%	6.76%	35.39%	5.69%		

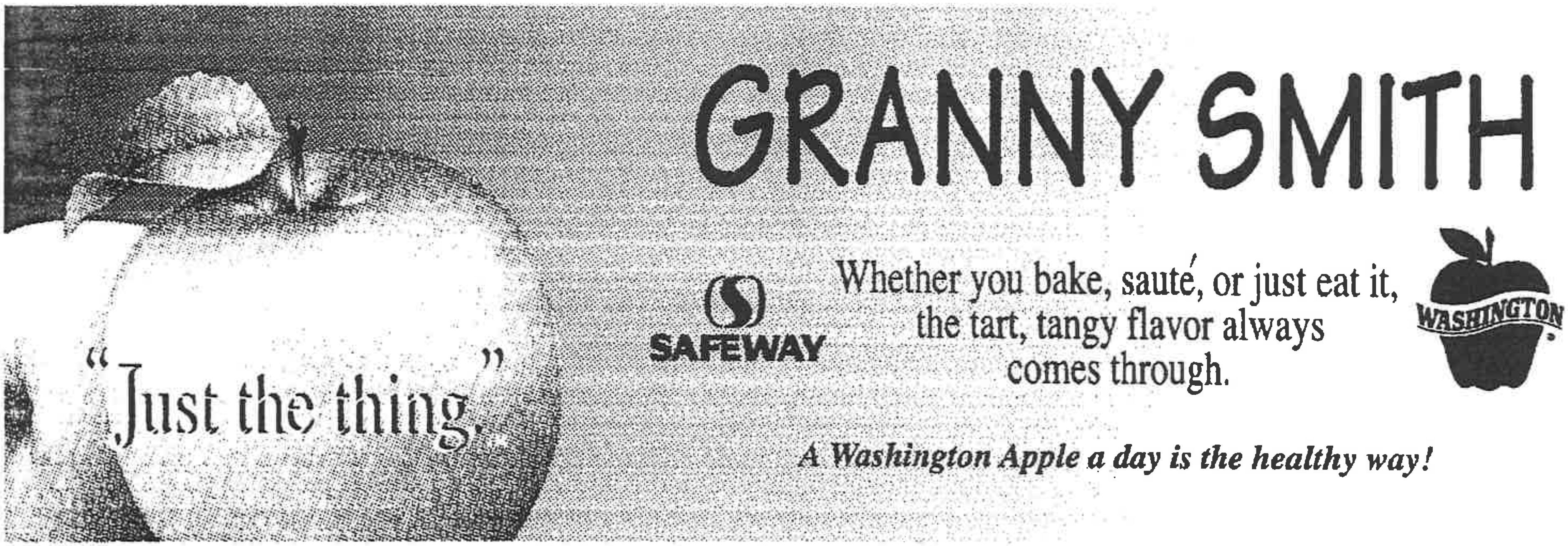
Source: Colorado Potato Administrative Committee – Market Policy Statement 2000-2001 Fall Crop

ATTACHMENT II-A

Recommended Uses For WASHINGTON Apples®

Jonagold	Sweet-Tart, Delicate Crisp	Very Good	Very Good	Good	Very Good	*	Sept. - April
Rome Beauty (Red Rome)	Slightly-Tart, Crisp	Good	Very Good	Very Good	Excellent	Very Good	Sept. - July
Winesap	Sweet-Spicy, Crisp	Excellent	Good	Good	Good	Very Good	Oct. - Aug.
Ginger Gold	Sweet, Delicate Crisp	Excellent	Good	Very Good	Good	Very Good	Aug. - Sept.
Pink Lady®	Tart-Sweet, Hard Crisp	Excellent	Excellent	Very Good	Good	Very Good	Oct. - June
Cameo™	Sweet, Crisp	Excellent	Good	Good	Good	Good	Nov. - May

ATTACHMENT II-B



Attachment III

Strengths/Weakness
Opportunities/Threats
Emulations
S-W-O-T-E

STRENGTHS

Competitors

- Idaho potatoes have 30% of fall production
- Successful branding of the potato
- Warm, sunny days/ cool nights
- Pure snow melt for water
- Russet branding very strong throughout US
- Russet and Idaho are synonymous with Idaho
- Idaho Russet Burbank = 21% solids
- 60% of Idaho potatos are processed = in line with national processing rate
- Peak levels of availability 12 months per year
- Registered certified mark = perception of quality
- Canada heavy importer of frozen potatoes

Consumers

- 90% of consumers eat potatoes at home
- 24.9% of all at-home dinners include potatoes
- 55% of at-home beef meals include potatoes, 52% pork and ham, 43% fish/seafood, 42% poultry
- Focus groups encouraging on chilled, pre-cut
- Focus groups encouraging on premium payment on potatoes considered mainstream or unique
- Microwavable product = convenience
- Perceive fresh potato as healthier
- Frozen potato demand is up

Packers, Shippers, Retailers

- >$1.00 per pound at consumer level
- Variety of packaging options – Loose, poly, burlap, paper, crates
- High demand for Russet
- Colorado Proud Campaign and ABC
- Safeway 2000 recipient of CPC
- Consistency of the Valley's potatoes skin texture and disease resistance
- Large variety of potato types to offer

WEAKNESSES

Competitors

- Russet available throughout US, name identity is becoming diluted
- Russet name stands for any potato of that type

Consumers

- Potato not a spontaneous purchase, 90% planned
- Usage viewed as narrow
- Confusion over usage by type
- Lack of awareness of usage by type
- Unfamiliar with chilled, pre-cut product
- Potato pricing inelastic on common varieties
- Branding weak, loyalty building weak
- Low recall or recognition of Colorado potatoes and the Valley's potatoes by name

Packers Shippers, Retailers

- Merchandising and POP displays for potatoes
- Lighting, rotation of inventory, temperature control
- Little or no cross selling to complementary products
- Awareness of cooking methods by potato type
- Potatoes dropped from #1 to #6 in $R per square
- Margins continue to shrink
- Packaging is tired, unchanged for many years
- Potato not seen as an added-value product
- Labeling is not uniform
- Poor uniformity in product received from SLV growers
- No strong marketing plan in place
- Uneven margins within supply chain
- Promotional material to retailers and institutions lacking
- Demand for fresh potatoes is flat nationwide
- Quarantine in effect for Mexican exports of fresh and seed

STRENGTHS
SLV Potato Growers/Colorado Potatoes in General

- Reduced need for pesticides
- Good loam soil
- Harsh winters for pest/disease killing
- Warm, sunny days/cool nights
- Location in west central of US
- Mountains strain out pests/debris
- Irrigation waters from pure snow melt
- Many varieties allowing diverse usage
- Multiple processing opportunities...freezing, dried, processed, fresh, pre-packaged, chilled
- Halo effect from CO publicity nationwide
- Good substitute for rice or pasta at dinner
- Price not #1 attribute – appearance and size are
- Good nutritional value and healthy
  - High in Vitamin C and potassium
  - High in Vitamin B-6 and fiber
- Low in calories and no-fat, no-cholesterol
- Low in calories and no-fat, no-cholesterol
- Consumers will embrace differential pricing
- Potatoes contain glutathione, an antioxidant
- Chilled, pre-cut are not seen to cannibalize fresh
- Chilled, pre-cut considered a convenience item
- Potatoes well suited for long-term storage
- 92% of Colorado Potato production
- Cold winters give smoother skin to potato, reduce second growth roughness
- Certified Seed – disease resistant
- SLV concentrated in 5 county area
- Halo effect between Idaho and Colorado Potato Russet
- Culls could be used for processing or drying
- Widely distributed through SE/S/MW/AZ/LA/KS/NE/VA/GA/FL/MS
- Organically grown potatoes available
- Potatoes available Sept through Jul
- Increased use of baked potatoes in fast food restaurants
- Colorado has image of environmentally friendly, pure, clean

WEAKNESSES
SLV Potato Growers/Colorado Potatoes in General

- BE=$4.50cwt current price = $1.80 cwt
- Potato names not or indirectly connected with CO
- Many varieties, could cause confusion, dilution of branding
- Names do not induce thoughts of CO or SLV
- Cooperation weak among growers, distrust
- One salesperson for Coop
- Russets 10.5% less solids than Burbank Russet
- Low recall or recognition of Colorado Potatoes and the Valley's potatoes by name
- Uniformity of shape is less than desirable
- Labeling is not uniform
- Poor uniformity of product sent to packers
- No strong marketing plan in place
- Colorado Potatoes grower prices are depressed
- Growers acting independently – splintered efforts
- Uneven margins in supply chain
- Lack of apparent marketing strategy
- Use of certified seed = $ penalty to grower
- Demand for fresh potatoes is flat nationwide
- Colorado only 8.2% of national yield in 1999
- Cents-Off promos cut grower margin too deep
- No differentiation of the Valley's potatoes from Colorado potatoes

OPPORTUNITIES The Valley's Potatoes and Colorado Potatoes	THREATS The Valley's Potatoes and Colorado Potatoes
▪ Package by large psychographic motivations ▪ Expanded use potato for other product (starch?) ▪ Raise awareness of nutritional and health aspects – increase image and motivation to buy Export to NAFTA and internationally ▪ Raise awareness of diversity by meal by category – starch, carbohydrate, other ▪ Widen product offering by variety – frozen, dried, etc ▪ Use beef, pork, egg and mild industries as benchmark for branding of a perceived commodity ▪ By-product usage – fodder, fertilizer, other (Hershey's?) ▪ Vertical or horizontal integration ▪ Registered certification mark – Colorado Potato and the Valley's potatoes level ▪ Extranet w/i supply channel – shipping, yield, marketing information, costs, storage quantities by type, promo material, newsletters, ideas, trade publications, research info ▪ Educate retailer and institutional markets in use, storage, handling, turnover, light ▪ New packaging for small consumption ▪ Reposition potato to convenient, versatile, flexible, healthy ▪ Consumers have said they want more varieties than the Russet but want to know best uses and taste profiles ▪ Consumers are willing to pay $ per # for quality, specialty, and an added-value product ▪ Position as mainstream and premium ▪ Recipe inserts in packaging ▪ Recipe and meal ideas at POP ▪ In-store sampling of products with potatoes ▪ Complementary placement of potatoes with other products ▪ Potato cook-off and involvement of chefs ▪ Co-branding of Colorado potatoes in SLV ... ▪ Exploit Colorado Proud Campaign and Always Buy Colorado ▪ Expand CPC like award to other non-potato producing states	▪ Long distance shipments (NAFTA/international); control of product to maintain quality ▪ Too many members in supply channel – margins depressed at grower level; therefore, growers suffering ▪ Don't know yield until fall – difficulty in planning, forecasting, market plans ▪ Idaho name recognition

EMULATION – What can be borrowed or learned from other industries
Colorado Potatoes and The Valley's Potatoes

- "Pork, the other white meat" ; "Beef, it's what's for dinner" ; "The incredible edible egg" …. Sunkist orange strategy, the non-fat milk strategy
- Set benchmarks using the above
- Apples for use by type …. Usage, taste, texture etc
- Apples for variety of product – fresh, dried, mixed dried, pies, canned, frozen, ready to eat, pop tarts, filling, etc
- Apples for preparation ideas at fresh market (caramel, recipes, prep ideas)
- Idaho potato campaign
- Cooper Tires – distinction of grower/image recall of group and Colorado Potatoes
- Seal of approval or quality like "Good Housekeeping Seal"
- Potato festivals and special events around country
- Colorado Potato in the schools – lesson in agri-bus, econ, retail
- Partner with other organizations for joint promotion – shared values of family, nutrition, sensible eating, etc
- Eastern growers that have own fresh pack operations
- Eastern growers that have own shipping and packing facilities
- Tomato marketing – quality and type differentiation
- Package salads for value-added convenience product
- Folger's coffee crystals for promotion of potato flakes

Attachment IV

TITLE: Strategic Marketing Plan/Feasibility Study

PROJECT LEADER(S): Sue Hine

PROJECT JUSTIFICATION: Based on the strategic marketing plan framework presented to CPAC on February 28, 2001, it was recommended that a specific action plan be completed that includes pricing objectives, product mix recommendations, distribution options and promotional campaigns that support the overall plan, timeframes clearly spelled out, and the measurement assessments that will be used. The plan will finally include the anticipated results and a tracking method for progress against those results. It was also recommended that Benchmarking studies of the apple, beef, pork, milk, and other industries that have successfully branded a commodity will be completed. These studies will focus on the successful techniques and tactics used by these various industries and will be the foundation for a branding strategy for the potato industry in the Valley. Finally a feasibility study for a processing plant to be constructed in the Valley was also recommended.

PROJECT STATUS: This is an on-going study. Please refer to the strategic marketing plan framework (attached) as presented on February 28 to CPAC for details as to the status of the project.

SIGNIFICANT ACCOMPLISHMENTS FOR 2000: A strategic marketing plan framework that included a consumer survey and results was completed in the fall, 2000. Please refer to attached report for specific accomplishments.

OBJECTIVES FOR 2001: The exact objectives will depend on those opportunities that CPAC wishes to pursue. Once that is determined, we would need to prepare the action plan, appropriate benchmark studies, and/or a feasibility plan as outlined in the Project Justification above.

FUNDING REQUEST:

2000 Allocation: $18,770

2001 Request: Will be determined once CPAC decides which opportunities they wish to pursue.

APPENDIX A

402

CONSUMER SURVEY
POTATO MARKET ANALYSIS

Please answer the following questions about yourself and your purchase behavior.

Section I: Potato Purchases

1. What potato products do you purchase regularly? (Please circle all that apply.)

Frozen Fries   Frozen Hashbrowns   Potato chips   Fresh Potatoes

Instant Potato Dish Mixes   Potato Flour   Fresh Pre-Peeled & Pre-Cut Potatoes

2. How often do you purchase fresh potatoes?

Bi-weekly   Weekly   Bi-monthly   Monthly   Rarely   Never

If you answered rarely or never, why?

3. What amount of potatoes do you purchase at the above intervals? (Please circle all that apply.)

Loose   <5 lb. bag   5 lb. bag   10 lb. bag   20 lb. bag

>20 lb. bag

4. What **types** of potatoes do you purchases? (Please circle all that apply.)

Russet   Red   White   Yellow Flesh

Specialty (Such as fingerlings, purple flesh. Please specify.) _________

5. What **varieties** of potatoes do you purchase that you are aware of? (Please circle all that apply.)

Russet Burbank   Russet Norkotah   Russet Nugget

Centennial Russet   Yukon Gold   Sangre

Cherry Red   Other ____________   No Recognition

6. What items do you regularly make with fresh potatoes? (Please circle all that apply.)

Baked Potatoes   Mashed Potatoes   French Fries

Hashbrowns   Scalloped Potatoes   Potato Salad

Other (Please Specify) ____________________

7. Rank the following characteristics of fresh potatoes in making your purchase decisions by circling a number corresponding to the level of importance of that characteristic:

	Not Important				Important
Potato size	1	2	3	4	5
Appearance	1	2	3	4	5
Price	1	2	3	4	5
Type (see question 4)	1	2	3	4	5
Variety (see question 5)	1	2	3	4	5
Storability	1	2	3	4	5
Texture	1	2	3	4	5
Flavor	1	2	3	4	5
Nutrition	1	2	3	4	5
Preparation Convenience	1	2	3	4	5
Colorado grown	1	2	3	4	5
Pesticide Free	1	2	3	4	5
Organic Certification	1	2	3	4	5

re coding

What are other characteristics that you feel are important when making your purchase decisions for fresh potatoes?

8. Assuming fresh potatoes were priced at $1.00 per pound at your grocery store, how much of a premium per pound (how many cents per pound), if any, would you be willing to pay for fresh potatoes with each of the following characteristics:

	Cents	Cents	Cents	Cents	Cents	Cents
Specialty	None	<5	5-10	11-15	16-20	>20
Pesticide Free	None	<5	5-10	11-15	16-20	>20
Enhanced Flavor	None	<5	5-10	11-15	16-20	>20
Superior Appearance	None	<5	5-10	11-15	16-20	>20
Superior Storability	None	<5	5-10	11-15	16-20	>20
Pre-Cut & Pre-Peeled	None	<5	5-10	11-15	16-20	>20
Pre-Cooked	None	<5	5-10	11-15	16-20	>20
Genetically Modified Free	None	<5	5-10	11-15	16-20	>20
Organically Grown	None	<5	5-10	11-15	16-20	>20
Colorado Grown	None	<5	5-10	11-15	16-20	>20

What are other characteristics you would be willing to pay a premium for and how much?

Section II: Nutrition

9.

	Low				High	
How important is eating nutritious food?	1	2	3	4	5	Don't Know
Rank your perception of the nutritional value of potatoes in an average adult diet	1	2	3	4	5	Don't Know

10. I would be more likely to purchase and consume more fresh potatoes if:

	Less Likely				More Likely
I received favorable health information about potatoes	1	2	3	4	5
I was given recipe ideas	1	2	3	4	5
Potatoes were organically grown	1	2	3	4	5
Potatoes were smaller	1	2	3	4	5
Potatoes were bigger	1	2	3	4	5
More varieties of fresh potatoes were available	1	2	3	4	5
Different packaging was available	1	2	3	4	5
More types of processed potatoes were available	1	2	3	4	5
Potatoes were a different color	1	2	3	4	5
Potatoes could be stored longer	1	2	3	4	5
Potatoes were more convenient (pre-cut)	1	2	3	4	5

Nothing could make me eat more Yes No

What other characteristics would increase your consumption of potatoes?

11. Suppose you are at a professional or local sports event. You go to the concession stand to purchase something to eat. You find potato products prepared from potatoes grown in the color of your home team. How likely would you purchase this item over your current potato product of choice?

Not Likely				Very Likely
1	2	3	4	5

Section III: Biotechnology (scientifically enhanced agricultural commodities)

12. How well informed do you feel you are about biotechnology?

Not Informed				Well Informed	
1	2	3	4	5	Don't Know

13. How important is biotechnology to agricultural production?

Not Important				Very Important	
1	2	3	4	5	Don't Know

14. Would you purchase a product if it had been modified by biotechnology to provide protection against pests, resulting in less use of pesticides?

Yes No Do Not Know

15. Would you purchase a product if it were grown using a pesticide in order to produce a quality product?

Yes No Do Not Know

16. Do you support the use of biotechnology to improve: (Circle all that apply)

logit

♦ Nutritional value	Yes	No	Do Not Know
♦ Appearance	Yes	No	Do Not Know
♦ Flavor	Yes	No	Do Not Know
♦ Color	Yes	No	Do Not Know
♦ Size	Yes	No	Do Not Know
♦ Storability	Yes	No	Do Not Know
♦ the farmers efficiency and sustainability (decrease costs, increase yield)	Yes	No	Do Not Know

17. Should labeling be enforced for products that are produced through Biotechnology?

Yes No Do Not Know

Table: labeling of biotech

Table: Support of differe

Nutr. App.

Section IV: Demographics circle that which applies (Optional)

18. Age: 30
19. Gender: Male Female
20. Number of Children living at Home: 0
21. Number of Years Lived in Colorado: 30
22. Highest Educational Level Completed

    Non-Graduate GED/High School Some College Associates Degree Bachelors Degree Masters Degree Doctorate

23. Annual Household Income:

    <$25,000 $25,000-50,000 $50,000-75,000 $75,000-$100,000 >$100,000

BROKER SURVEY
POTATO MARKET ANALYSIS

1. As a packer/shipper, what role do you play in the potato marketing chain? What are your goals as an organization?

2. Why do you feel producers are loyal to your organization?

3. What volume of potatoes do you handle annually?

4. What main varieties have you handled in the last 2 years?

5. What type of storage do you use? What is the capacity of this storage?

6. What is your normal marketing season?

7. In what form and by what methods do you distribute your product?

8. How many people do you employ?

9. What are average costs associated with packaging, storage and transporting your products?

10. What product characteristics do you demand from the producers?
    Is this consistent year to year?

11. Who are your customers? And what market segments are they in?

12. What product characteristics do your consumers demand from you?
    Is this consistent year to year?

13. Is what you demand from producers consistent with what consumers demand from you? If not, why?

14. How are these demands communicated to each segment (consumer to broker) and (broker to producer)?

15. How could this "system" be improved?

16. Are you willing to work with new varieties if they are demanded in the marketplace? How would you handle these new varieties?

17. How is price determined at each level? (The prices producers and brokers receive along with the price that a consumer pays.)

18. What would you like to see happen in the future of the potato industry in each segment from research to marketing?