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HEADLINE: Specialty potato market expands

Source Website

By Ashley Bentley

(Dec. 4) Although the majority of the potatoes grown in the U.S. are russets, specialties and smaller categories remain an important and growing segment of the potato population.

"The specialty market seems to be already growing, but it's such a small percentage of the crop, so a small number of acres ends up being a big percentage," said Kevin Stanger, senior vice president of sales and marketing for Wada Farms Marketing Group, Idaho Falls. Wada Farms markets potatoes and onions.

Ron McCormick, vice president and divisional merchandising manager for produce and floral for Wal-Mart, said some suppliers are having some success selling the different varieties of potatoes for different use occasions. Any growth that exists in the potato category exists in specialties, he said.

"Reds are the current darling of consumers, driven by TV cooking shows and restaurant menus," McCormick said.

New potato varieties are always being tested in Washington, said Matt Harris, director of trade for the Moses Lake-based Washington State Potato Commission.

"In small quantities, one could find purple-skinned, yellow-fleshed potatoes this year, or a multitude of fingerling-type potatoes," Harris said. "Russets, reds, white-type and yellow-flesh are still the predominate potato varieties grown in the state."

Frank Muir, chief executive officer for the Idaho Potato Commission, said specialties from Idaho have only been available the last five years, but that the state now grows all kinds of specialties.

"We're seeing increased availability this fall for fingerlings, reds and creamers," Muir said.

Specialty potatoes have been available in the foodservice side of the industry for longer than they have at retail, Muir said.

"Retailers are picking up on what they (restaurants) are doing," Muir said.

Specialties that are moving at retail right now are reds and golds, said Jerry Wright, president and chief executive officer of Idaho Falls, Idaho-based United Potato Growers of Idaho.

"Specialty potatoes are the ones that are growing in stores," Wright said. "Penetration into reds is probably the fastest in Idaho. You can expect to see Idaho expand."

Exclusively red

Volume from the Red River Valley is up from last year, said Paul Dolan, general manager of Associated Potato Growers inc., Grand Forks, N.D. Demand, however, is down a little from last year.

"We attribute that to higher prices at retail and a poor economy," Dolan said. "Prices are higher than last year at this time. I would say prices are 50% higher than last year." Dolan attributed the price hike to increased production and freight costs and market unity.

Size profile is low to B size, he said, and quality is good.

"Just getting retail to feature reds and price them competitively seems to be the best way to move our product," Dolan said. "Sometimes retail wants to price our product higher than is warranted for what their costs are."

Dolan said he sees quality as an opportunity to market Associated Potato Growers' product this year.

Potandon Produce LLC, the exclusive marketer of *Green Giant fresh* potatoes and onions in North America, continues to expand its specialty line of Green Giant Klondike mini potatoes, which are packing in 24-ounce containers, said Dick Thomas, vice president of sales for the Idaho Falls, Idaho-based company. The line includes a red skinned yellow-fleshed potato, a yellow skinned yellow-fleshed potato and a purple skinned yellow-fleshed potato.

"We continue to see the market for specialty variety potatoes expanding," Thomas said. "In response to this trend, we have expanded our acreage of both our proprietary varieties of Klondike Rose, Klondike Goldust, our mini potato line, as well as conventional red potatoes. The company supports the lines with point-of-sale materials and recipe cards.

The company also offers organic russets in the Green Giant brand and private labels.

"This enables our customers to fill their organic needs along with their conventional potato needs from one supplier," Thomas said.

Stanger said russet demand is flat, while demand for fingerlings and yellows are growing. Wada Farms grows potatoes and onions in Idaho, but also markets for product on Oregon, Colorado, Wisconsin, North Dakota and Washington.

Value added

The company also markets Easy Steamers, a bag of triple-washed smaller potatoes that, once steamed, can be eaten as baked potatoes or mashed.

"We started them at the end of last season, and are continuing them this season with a year-round program," Stanger said. The Easy Steamers come in yellows, reds and russets.

Russet Potato Exchange, Bancroft, Wis., markets a triple-washed potato packaged in foil for easy grilling, said Tim Feit, director of promotions and consumer education for the Wisconsin Potato & Vegetable Growers Association Inc., Antigo.

Matt Glowczewski, a salesman for Canon Potato Co., Center, Colo., said he thinks value-added products may suffer this year.

"Right now, I think value-added is a back shelf item," he said. "People aren't looking to spend more money."

Glowczewski said he is seeing an increased demand for russets because of the lack of disposable income many consumers are facing.

"People are just going back to the 10-pound bag of potatoes because of disposable income," Glowczewski said. "Reds and yellows usually cost more." McCormick disagreed.

"The old days where the conventional wisdom was to sell your customers the largest possible bag of potatoes possible is dead," he said. "There was a time when the more potatoes shoppers had in their pantry the more

they cooked and consumed during the week. With today's hectic schedules, if you send home too many potatoes they will go bad before used ... (which) means a reluctance to buy again."

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Highlights: Green Giant fresh