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INAUGURAL PROGRAM IN VIETNAM NETS TWO NEW CUSTOMERS

DENVER (October 22, 2010)—Two fast food chains in Vietnam’s emerging foodservice industry decided to buy US frozen potato products during the past year, as a result of the United States Potato Board’s (USPB’s) inaugural marketing program for US frozen potato products. With its growing economy and expanding foodservice sector—where Western-style restaurants are just entering the market—Vietnam represents a promising new target market for US frozen potato exports.

Given the current small size of this market, these new customers had a significant impact on US exports, which rose 84 percent by volume to 1,572 MT and 123 percent by value to \$1.8 million during the USPB’s July 2009-June 2010 marketing year, compared with the prior year. Perhaps just as importantly, these successes build visibility for US frozen potatoes and aid the USPB in its drive to establish US fries as the standard for the market.

As part of its long-term strategy to seek out new sales opportunities for US potato growers, the USPB initiated its Vietnam program in September 2009. At that time, it hired an on-site market representative to carry out activities to establish awareness of US fries’ quality and variety, aid in fry station management and assist in cold chain development. Over the past year, the USPB’s representative has conducted one-on-one trade visits, developed and distributed materials on US potatoes, organized two receptions to introduce the trade to US potato products and opportunities, and carried out chain training for targeted restaurants.

“Vietnam is at a critical stage from a marketing viewpoint. Future sales can be won or lost at this point because buyer attitudes are being created and shaped,” commented Susan Weller, USPB

International Marketing Manager –Frozen. “Emerging markets are often very price-sensitive, so the high quality and often higher priced US product can lose out in such environments. We need to make sure the profitability of the US’ higher quality products are understood by all levels of the trade in these markets.”

The USPB marketing program experienced its first notable success in December 2009, when Lotteria Vietnam switched from Canadian to US frozen fries. This QSR has 65 restaurants all over Vietnam and averages 33-35 MT of frozen fry usage per month. To aid in their transition to US fries and to ensure handling techniques maximized US quality, the USPB also conducted chain training with this group.

This year, the USPB also worked closely with a second company opening two Carl’s Jr. outlets. Mesa Group decided to source US fries, ordering an initial 430 cases of three types of products for its first store which opened during May 2010. The second store opened in September 2010, and the company estimates US frozen potato usage will be about 15 MT in total for June-December 2010. It plans to open at least 25 additional Carl’s Jr. Restaurants in coming years.

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David Fairbourn is Manager, Industry Communications & Policy, at the United States Potato Board in Denver. The mission of the USPB is to increase demand for potatoes and potato products through an integrated promotion program, thereby providing US producers with expanding markets for their production. David can be contacted at 303-369-7783 or david.fairbourn@uspotatoes.com. For complete information about the programs, ROI results, resources and tools available to all members of the industry through the USPB, please visit www.uspotatoes.com. The United States Potato Board—Maximizing Return on Grower Investment.

