

2016



**POTATOES USA**  
ANNUAL MEETING



# 2015 U.S. Potato Sales & Utilization

March 2016

2016

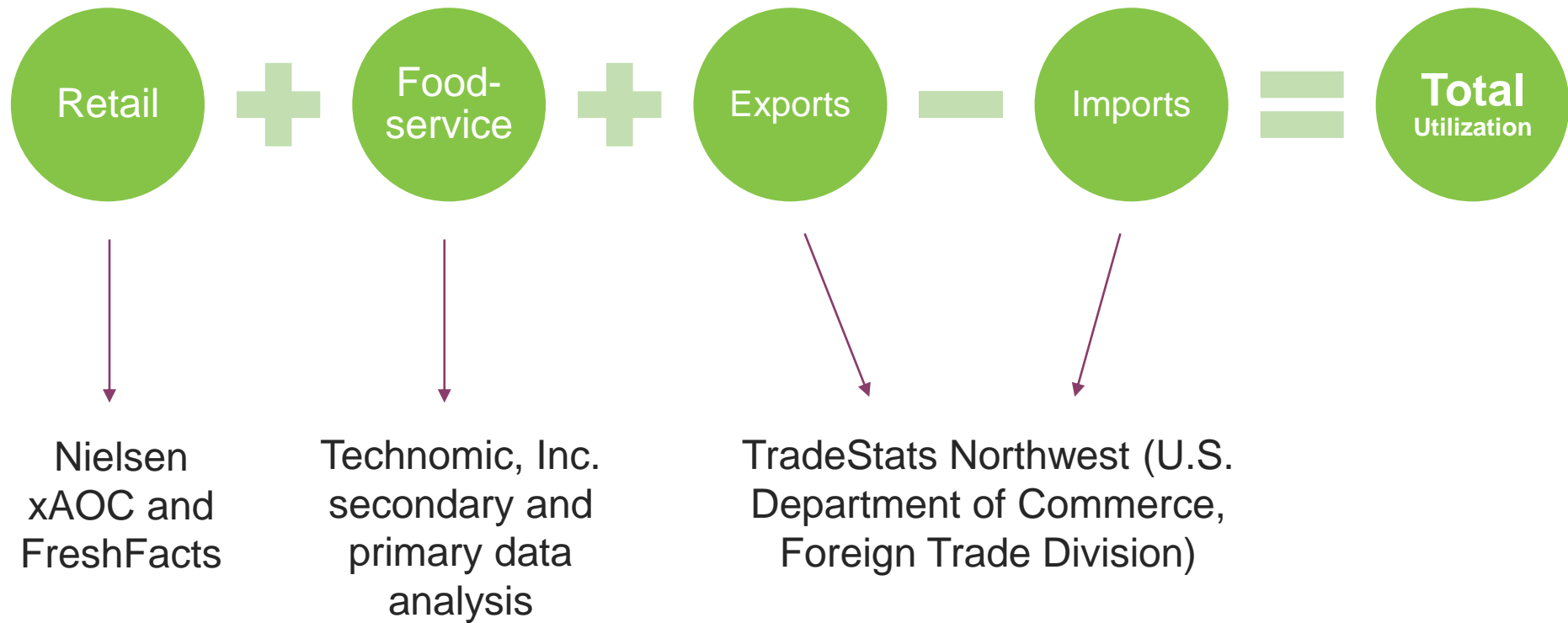


## Report Objective

- Track total U.S. potato usage and sales volume by channel and form



# Methodology



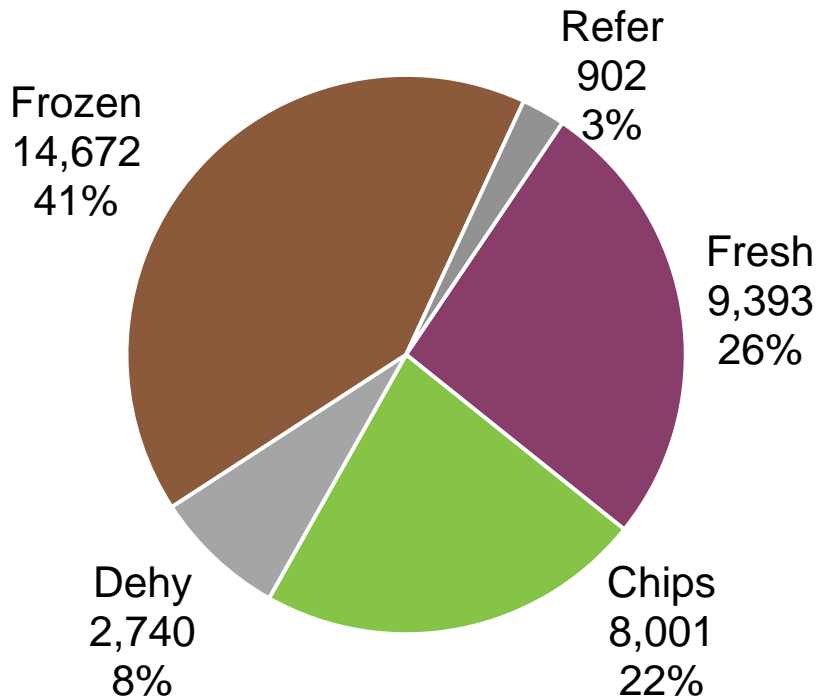
# Total U.S. Potato Utilization

In billion pounds fresh weight equivalent

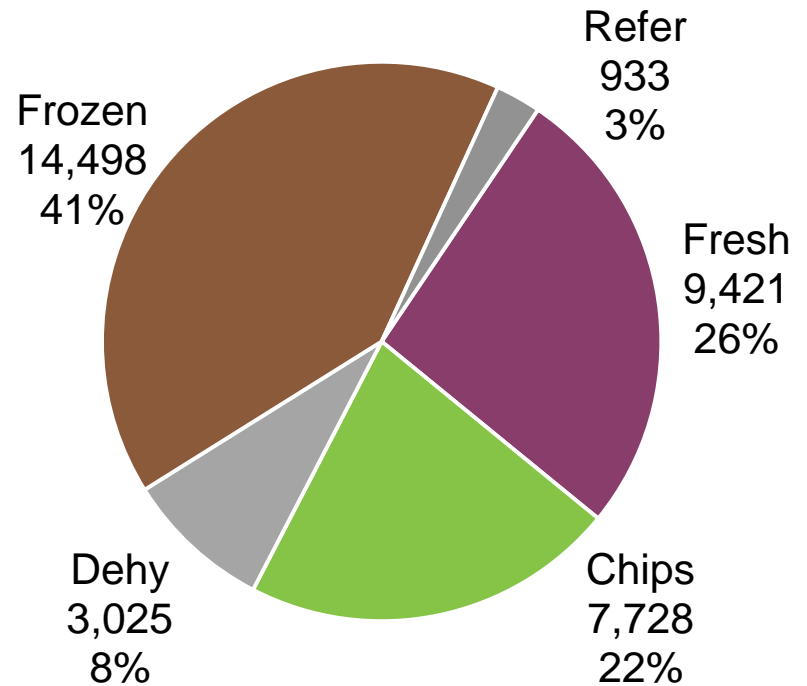
	Retail Sales	+	FS Sales	+	Exports	-	Imports	=	Total Utilization
<b>2013</b>	14,969		19,492		6,572		4,758		36,276
<b>2014</b>	14,906		19,344		6,695		4,801		36,144
<b>2015</b>	14,644		19,181		6,911		4,716		<b>36,019</b>
<b>% change</b>	-1.8%		-0.8%		3.2%		-1.8%		<b>-0.3%</b>

# Share of total utilization by product

2014 Millions of lbs. (FWE)\*



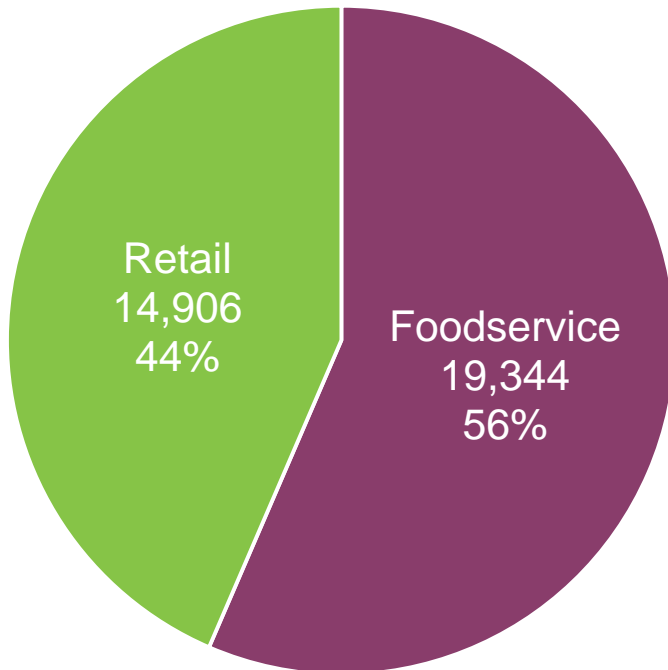
2015 Millions of lbs. (FWE)\*



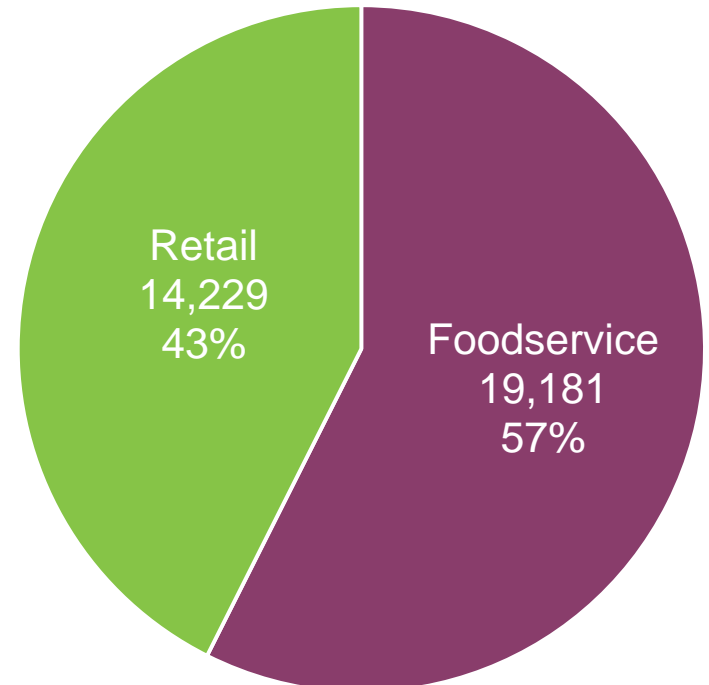
\*Includes export/import adjustments

# Retail vs. Foodservice channel sales

2014 Millions of lbs. (FWE)\*



2015 Millions of lbs. (FWE)\*



\*Includes export/import adjustments

# Sales by product and channel by year

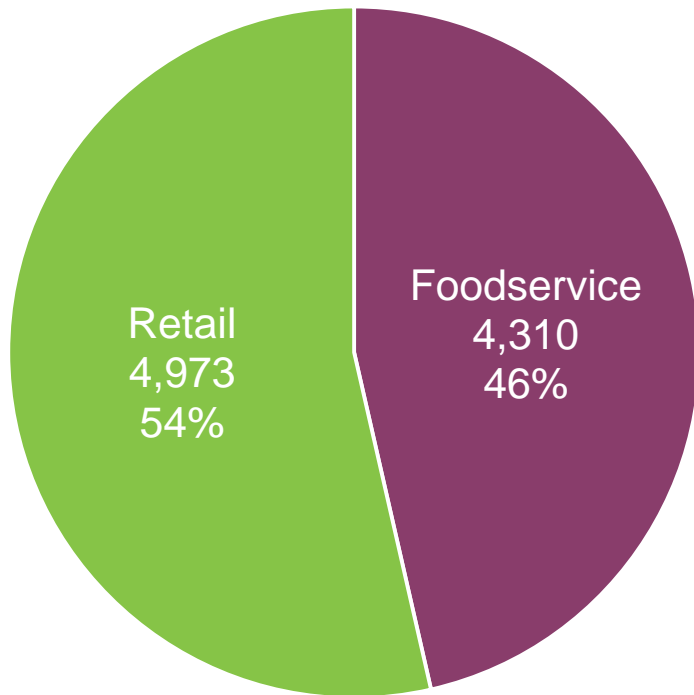
Retail (millions of pounds FWE)			
	2014	2015	% change
Fresh	5,119	4,973	-2.8%
Chips	5,961	5,884	-1.3%
Dehy	920	890	-3.2%
Frozen	2,078	2,070	-0.4%
Refer	392	411	4.8%
Fz RTE	373	355	-5.0%
Canned	63	60	-5.0%
<b>Total</b>	<b>14,906</b>	<b>14,644</b>	<b>-1.8%</b>

Foodservice (millions of pounds FWE)			
	2014	2015	% change
Fresh	4,262	4,310	1.1%
Chips	1,739*	1,544	-11.2%
Dehy	927	918	-0.9%
Frozen	11,907	11,886	-0.2%
Refer	510	522	2.4%
Fz RTE	n/a	n/a	n/a
Canned	n/a	n/a	n/a
<b>Total</b>	<b>19,344</b>	<b>19,181</b>	<b>-0.8%</b>



# Fresh sales by channel and foodservice breakout

Fresh  
2015 Millions of lbs. (FWE)\*



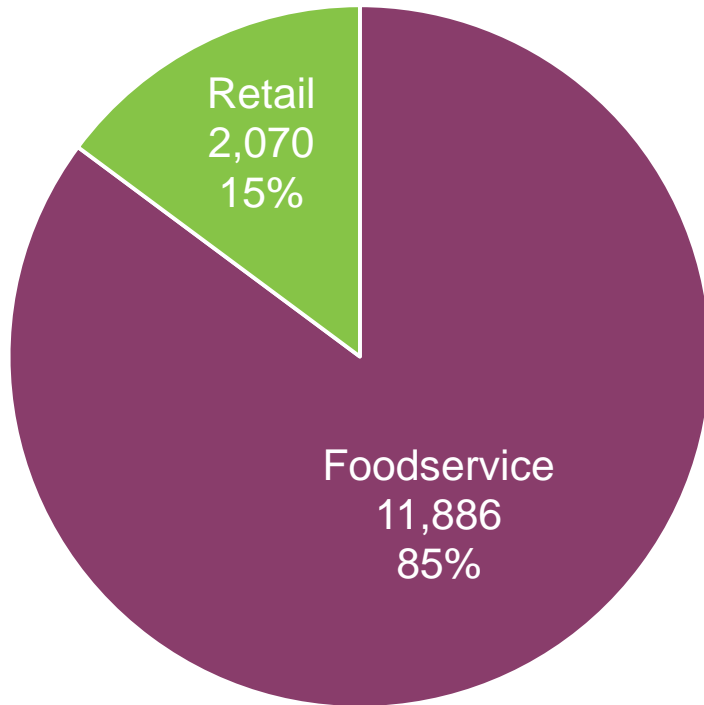
Foodservice Segment % of Fresh	2014	2015
<b>Restaurants</b>	<b>73%</b>	<b>71%</b>
Limited Service	13%	12%
Full Service	60%	59%
<b>Beyond Restaurant</b>	<b>27%</b>	<b>29%</b>
Travel & Leisure	7%	9%
Retail Hosts	4%	5%
Business & Industry	3%	3%
College & University	3%	3%
K-12 Schools	2%	2%
Healthcare	7%	6%
All Other	1%	1%

Retail was at 55% in 2014

\*Includes export/import adjustments

# Frozen sales by channel and foodservice breakout

Frozen  
2015 Millions of lbs. (FWE)\*



Foodservice Segment % of Frozen	2014	2015
<b>Restaurants</b>	<b>85%</b>	<b>85%</b>
Limited Service	61%	60%
Full Service	24%	25%
<b>Beyond Restaurant</b>	<b>15%</b>	<b>15%</b>
Travel & Leisure	4%	4%
Retail Hosts	1%	1%
Business & Industry	2%	2%
College & University	2%	2%
K-12 Schools	4%	4%
Healthcare	2%	2%
All Other	1%	1%

Retail was at 15%

\*Includes export/import adjustments

# Appendix

# Methodology: Changes to Note

- Using xAOC data from Nielsen (which includes grocery, mass, drug, dollar, military, *and* Walmart) allows for fewer assumptions and projections
- Technomic has replaced the PotatoTrac report previously provided by the NPD Group for frozen potato volume in foodservice and estimates derived from CREST data (also from the NPD Group) for other forms in foodservice allowing for one source for all foodservice volume estimates
- Dehy foodservice estimates are also provided by Technomic. These estimates are obtained using secondary resources, primary research with operators, and interviews with channel participants, namely foodservice distributors and processed potato suppliers. Some dehy sales to food manufactures, however, are likely missed.

# Methodology: Key Assumptions

- Fresh Weight Equivalent factors used are as follows:
  - Fresh = 1.08; chips = 4.00; dehy = 6.00; frozen = 1.70; refrigerated = 2.00; frozen RTE = 3.10; canned = 1.60
- Retail sales inflation factor for missing channels are as follows:
  - Fresh = 8%; dehy/frozen/refrig/frozen RTE/canned = 5%; chips = 20%
- Frozen RTE (i.e. potatoes used in frozen meals) and canned volume is assumed to be declining 5% annually from figures obtained from Nielsen in 2011