

TOTAL STORE QUARTERLY POTATO REPORT

Quarter 1 – Data Ending 10.01.16



NATIONAL TOTAL POTATO RETAIL PERFORMANCE

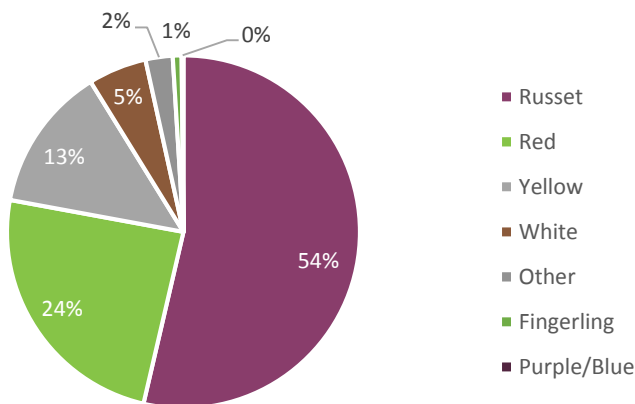
National Total Store Potato Sales	Dollars	Dollars % Change	Pounds	Pounds % Change	Price Per Pound	Price Per Pound % Change
FY 2016 – Q2	\$1,305,477,333	0.8%	1,271,338,281	-1.8%	\$1.03	2.6%
FY 2016 – Q3	\$1,269,288,586	0.8%	1,184,802,799	-0.8%	\$1.07	1.7%
FY 2016 – Q4	\$1,220,662,942	0.6%	1,069,292,339	-1.9%	\$1.14	2.5%
FY 2017 - Q1	\$1,231,377,842	2.2%	1,056,672,039	-1.1%	\$1.17	3.3%

Total Store Potatoes Includes:

- Fresh Potatoes (UPC and Non-UPC)
- Frozen Potatoes
- Dehydrated Potatoes
- Deli Potatoes
- Refrigerated Potatoes

TOTAL FRESH PERFORMANCE

Share of Fresh Potatoes



KEY TAKEAWAYS

- Total Fresh Potato dollars are up 2.7% while pounds are down -2.0% most likely due to an increase in price per pounds
- Russet Potatoes are the largest contributor to category trends with more than half of the share of total Fresh Potatoes
- The largest dollar and pound growth is coming from Yellow and Other, while White Potatoes are declining in both dollars and pounds

Fresh Potatoes Q1	Dollars	Dollars % Change	Pounds	Pounds % Change	Price Per Pound	Price Per Pound % Change
Total Fresh Potatoes	\$473,847,862	2.7%	665,641,148	-2.0%	\$0.71	4.8%
Russet	\$247,674,190	-0.3%	430,220,382	-3.3%	\$0.58	3.1%
Red	\$113,100,668	2.8%	123,369,311	0.3%	\$0.92	2.5%
Yellow	\$64,973,230	10.6%	60,800,055	9.8%	\$1.07	0.7%
White	\$28,076,779	-9.2%	41,097,427	-16.8%	\$0.68	9.1%
Other	\$15,954,022	71.9%	8,429,434	69.2%	\$1.89	1.6%
Fingerling	\$3,241,542	-2.6%	1,358,501	-4.6%	\$2.39	2.1%
Purple/Blue	\$827,431	9.2%	366,038	1.0%	\$2.26	8.1%

Source: Nielsen Perishables Group FreshFacts® (Fresh, deli and refrigerated)

Source: Nielsen xAOC (frozen and dehydrated)

*EXCLUDES all sweet potatoes

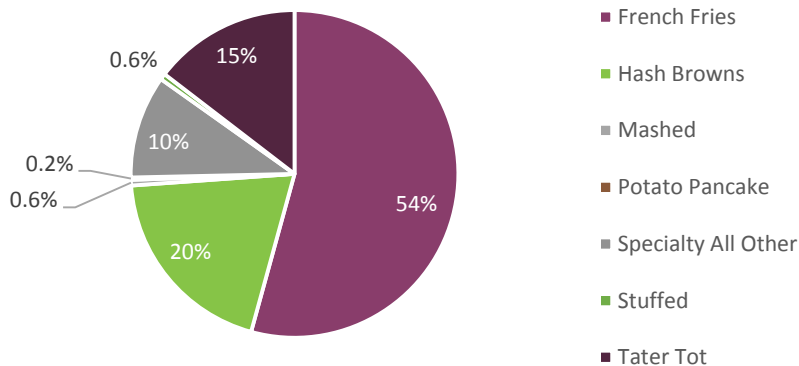
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TOTAL FROZEN PERFORMANCE

Share of Frozen Potatoes



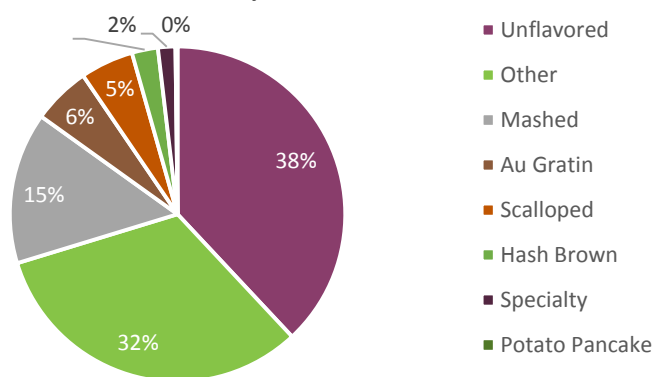
KEY TAKEAWAYS

- Frozen Potatoes are seeing an increase in dollars by 1.9% and flat pounds compared to last year, while price per pound increased
- French Fries, which has the highest share, are slightly down in dollars and pounds this quarter
- Frozen Mashed Potatoes are seeing the highest growth in both dollars and pounds despite the decline in price per pound

Frozen Potatoes Q1	Dollars	Dollars % Change	Pounds	Fresh Weight Equivalent	Pounds % Change	Price Per Pound	Price Per Pound % Change
Total Frozen Potatoes	396,871,798	1.7%	283,787,895	482,439,422	-0.3%	\$1.40	2.0%
French Fries	215,389,703	-0.8%	160,562,279	272,955,873	-0.5%	\$1.34	-0.3%
Hash Browns	77,763,073	14.2%	51,594,068	87,709,915	3.3%	\$1.51	10.6%
Mashed	2,192,258	20.4%	1,011,417	1,719,409	13.6%	\$2.17	6.0%
Potato Pancake	923,801	-11.2%	165,908	282,044	-18.2%	\$5.57	8.6%
Specialty All Other	40,368,891	-5.4%	22,465,871	38,191,980	-8.1%	\$1.80	2.9%
Stuffed	2,380,603	-15.1%	762,440	1,296,147	-11.2%	\$3.12	-4.4%
Tater Tot	57,853,470	1.7%	47,225,914	80,284,053	0.7%	\$1.23	1.0%

TOTAL DEHYDRATED PERFORMANCE

Share of Dehydrated Potatoes



KEY TAKEAWAYS

- Total Dehydrated Potatoes are declining in both dollars and pounds with nearly no change in price
- The largest declines are coming from Au Gratin, Potato Pancakes, Scalloped, and Specialty Potatoes
- Hash Browns, which hold 32% of share, are performing well in dollars and pounds with a 10.7% decrease in price per pound

Dehydrated Potatoes Q1	Dollars	Dollars % Change	Pounds	Fresh Weight Equivalent	Pounds % Change	Price Per Pound	Price Per Pound % Change
Total Dehydrated Potatoes	106,182,421	-5.6%	31,324,150	187,944,901	-5.3%	\$3.39	-0.2%
Au Gratin	7,551,524	-10.4%	1,747,637	10,485,821	-11.0%	\$4.32	0.7%
Hash Brown	3,222,647	11.9%	786,472	4,718,833	25.2%	\$4.10	-10.7%
Mashed	19,055,589	-3.5%	4,579,906	27,479,434	-4.8%	\$4.16	1.4%
Other	41,989,576	-1.3%	10,102,874	60,617,245	-1.4%	\$4.16	0.1%
Potato Pancake	389,545	-15.7%	62,108	372,648	-13.6%	\$6.27	-2.3%
Scalloped	6,900,919	-25.0%	1,607,898	9,647,386	-23.2%	\$4.29	-2.4%
Specialty	2,184,273	-26.2%	525,171	3,151,025	-22.0%	\$4.16	-5.4%
Unflavored	24,888,349	-5.0%	11,912,085	71,472,510	-5.4%	\$2.09	0.5%

Source: Nielsen Perishables Group FreshFacts® (Fresh, deli and refrigerated)

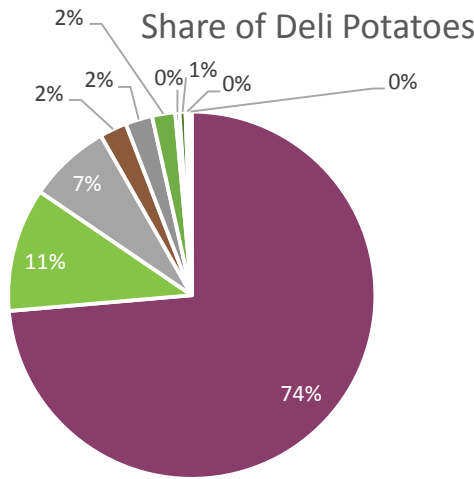
Source: Nielsen xAOC (frozen and dehydrated)

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TOTAL DELI PERFORMANCE



- Potato Salad
- Wedges
- Mashed
- Baked
- Roasted
- Scalloped
- Potato Pancake
- Other
- Au Gratin
- French Fries/ Tots

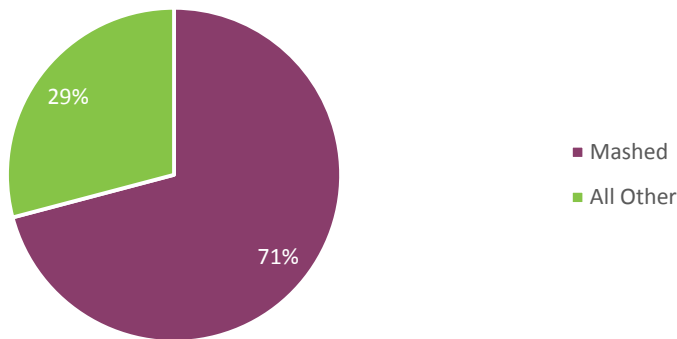
KEY TAKEAWAYS

- Total Deli Potatoes is increasing in dollars and pounds despite a decrease in price
- Potato Salad, Mashed, Roasted, Wedges & Baked are contributing to the Total Deli Potato increase with an increase in both dollars and pounds sales
- Roasted Potatoes have seen a large spike in sales due to an increase in new items entering the category; up 50% in the last 5 quarters

Deli Potatoes Q1	Dollars	Dollars % Change	Pounds	Pounds % Change	Price Per Pound	Price Per Pound % Change
Total Deli Potatoes	\$178,280,421	4.3%	51,091,269	4.8%	\$3.49	-0.5%
Potato Salad	\$134,112,202	3.0%	37,938,452	4.2%	\$3.53	-1.1%
Other	\$863,015	-1.2%	211,087	11.3%	\$4.09	-11.2%
Roasted	\$1,104,720	1.3%	246,826	5.0%	\$4.48	-3.6%
Potato Pancaked	\$648,844	-0.6%	238,854	-10.3%	\$2.72	10.8%
French Fries/ Tots	\$348,718	-12.7%	119,855	-16.3%	\$2.91	4.3%
Mashed	\$13,550,312	18.5%	3,971,992	15.0%	\$3.41	3.0%
Au Gratin	\$599,896	-8.2%	150,584	-7.5%	\$3.98	-0.8%
Scalloped	\$1,845,931	-28.5%	315,981	-15.2%	\$5.84	-15.6%
Wedges	\$20,762,491	6.1%	6,552,692	0.9%	\$3.17	5.1%
Baked	\$4,444,291	26.4%	1,344,946	34.2%	\$3.30	-5.8%

TOTAL REFRIGERATED PERFORMANCE

Share of Refrigerated Potatoes



- Mashed
- All Other

KEY TAKEAWAYS

- Refrigerated Potatoes are performing well with an increase in dollars and pounds
- Mashed Potatoes account for most of the share of Refrigerated Potatoes and are growing in both dollars and pounds

Refrigerated Potatoes Q1	Dollars	Dollars % Change	Pounds	Fresh Weight Equivalent	Pounds % Change	Price Per Pound	Price Per Pound % Change
Total Refrigerated Potatoes	\$76,195,341	8.6%	24,827,576	49,655,152	8.8%	\$3.07	-0.2%
Mashed	\$56,069,104	7.8%	17,476,445	34,952,891	9.6%	\$3.21	-1.7%
All Other	\$20,126,237	10.9%	7,351,131	14,702,261	6.8%	\$2.74	3.9%

Source: Nielsen Perishables Group FreshFacts® (Fresh, deli and refrigerated)
 Source: Nielsen xAOC (frozen and dehydrated)

INNOVATION AND HEALTH TRENDS

- Organic Produce More Popular Than Ever** American consumers are buying more organic fruits and vegetables than ever before, with more than half of all U.S. households now purchasing organic produce. *Progressive Grocer* [Read more of the story](#)
- Successful Fresh Produce Marketing With Social Media** As more and more new retail brands emerge in the fresh produce sector, differentiating oneself from competitors becomes more and more important. As consumer trends shift towards healthy eating, fresh produce is challenging processed food as the first choice for consumers, marketing themselves in spaces that are traditionally dominated by junk food. *Fresh Plaza – North America* [Read more of the story](#)
- Potato Grower-Shipper Expands Organic Program** Organic produce is in record-high demand, selling more than \$11 billion worth in 2015 alone. To meet the demand, RPE, Inc., has been continually expanding its organic program. *Fresh Plaza – North America* [Read more of the story](#)

THE STATE OF ORGANIC PRODUCE

PRODUCE

CREATES AN IN-STORE DESTINATION FOR SHOPPERS

\$65.8B

Annual Sales

\$323

Average Annual Household Spend

+5%

Dollar Growth vs YAGO

99.7%

Households purchase Produce



BUT HEALTHY ISN'T HEALTHY ENOUGH

From 2011-2015 Organic Fruits and Vegetables Doubled Dollar Sales



x 2



OVER 1/2 OF HOUSEHOLDS PURCHASE

ORGANIC PRODUCE



\$5.5B

Organic Produce Annual Dollar Sales

+16.4%

Organic Produce Dollar Growth vs YAGO

+3%

Increase in Trips With Organic Produce vs YAGO

\$25.22

Annual Household Spend On Organic Produce-

+2%

Increase in Spend Per Trip For Organic Produce vs YAGO

CONVENIENCE

IS A BIG TREND IN ORGANIC PRODUCE



ORGANIC Dollar Growth vs YAGO

+107% Meal Prep Veggies

+76% White Mushrooms

+70% Dried Bananas

GROCERY IS THE PRIMARY PRODUCE OUTLET FOR ORGANIC ENTHUSIASTS*

34%

More Produce \$ Per Trip Than Average



8%

More Produce Trips Per Year Than Average



47%

More Produce Annual Household Spend Than Average

77%

Of Their Organic Produce Dollars Are Spent in Traditional Grocery

