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In the Trenches: Achieve gross profits with Idaho potatoes

By

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After spending five years as a produce manager in the trenches and two years on the road as a district merchandiser, I was promoted into the procurement office as a junior buyer.

With only a few short months of some basic buying methods, I wasn't really trained that well to take on any extensive buying duties. Then one day out of the blue, the head buyer assigned me to the potato and onion category. I suddenly found myself rushed into the responsibility of supplying daily



potato and onion orders for 140 stores.

Having been on the buying job less than only four months, I doubted my ability in being able to take on potatoes and onions. After all, I knew how to order potatoes and onions for my department as a produce manager, but I never bought truckloads for 140 stores.

One day, I finally got up enough nerve to tell my boss that I didn't have enough knowledge in me to take on such a responsibility. I admitted that the markets, product conditions, and prices were something I knew very little about.

My boss turned to me and said, "Son, if you want to know all about potatoes, talk to the guy who sells potatoes on the market. Nobody knows more about potatoes better than him. Now get to work." That's how I rapidly learned about buying potatoes.

It's true, potatoes are an important category. They deliver maximum sales volume to the overall profit dollar mix for produce. If promoted and merchandised aggressively potatoes can put produce budgets over the top. The key word is aggressive. A small conservative display will move very little product.

There are many varieties of potatoes — Russets, round whites, reds, golden, purple, fingerling and the gourmet petites. They all make for a good mix on displays, but like any category, whether it's tomatoes, peppers, oranges, or apples, the favorites purchased by consumers drive most of the sales. Those more popular sellers are where the word aggressive comes into the picture.

The first, most essential activity is to get sufficient amounts of potatoes lined up with shippers.

Ultimately, it takes estimating amounts needed and arranging the orders with shippers to deliver the product in a timely manner.

Kent Beesley, western U.S. and Canada promotion director for the Idaho Potato Commission, said, "Idaho has become a huge destination for potato needs. Russets, red, gold, gourmet and organic potatoes can be loaded on one truck from Idaho. Idaho is also the No. 1 volume supplier in the U.S. for gold potatoes. With the huge demand for trucks right now, this gives retailers a one stop delivery for the potato category. It also gives retailers the advantage of having more turns for freshness in the distribution centers."

The most significant job of a produce buyer is being aware of all the marketing information prior to placing orders. It's extremely important to know all about the potato category, especially the sales volume by variety.

What is the percentage of sales share in the potato category? What variety gets the most demand? It's imperative to know what potato variety is preferred the greatest and nobody knows better than the consumer. Their favorite is the Russet potato which is almost half of the entire potato category. Reds are about 20 percent, yellows slightly less than that, followed by the gourmet and petite varieties.

So, what potato are you going to promote the most? Statistics don't lie. The Idaho Russet variety is in most demand by the majority of shoppers. The five- and 10-pound bags are still the most desired, along with the bulk counts. These are the biggest drivers of the potato category generating sales and profit.

Shoppers that purchase Idaho potatoes spend an average of \$85 per trip compared to \$43 when potatoes are not purchased. Primarily, when consumers buy potatoes, they make purchases of other grocery items such as meat, other vegetables, condiments, desert, etc. for a complete meal.

With all the facts in on what consumers want and buy the most, it makes the most sense to promote Idaho five- and ten-pound bags, along with bulk count Russets.

Here are four simple ways to accomplish successful results:

- Know your potato market. Talk to the potato guy on the terminal market.
- Line up orders with your shippers. Get the trucks.
- Expand five- and 10-pound potato sections in your stores. Be "aggressive."
- Promote Idaho Russets in your weekly ad flyer. Do it regularly.

Is your boss pressing you on gross profit? I've been there. I know that with increasing costs on product, shipping charges at an all time high, truck scarcity, and employee hiring obstacles, you still need to meet tough gross profit budgets. That's why being aggressive in expanding and promoting Idaho potatoes can boost that profit.

I welcome photos of your displays to share with others in the produce industry. Send them to me at ronprocon@gmail.com.

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