

Recession-Proof Your Store With Idaho[®] Potatoes



Inflation has skyrocketed, reaching its highest level in 40 years. As a result, Americans are cooking at home more than ever and reigniting demand for high-quality, great value staples like genuine **Idaho[®] Potatoes.**

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Retailers get a jump on planning with IPC potato category reports

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With global events during the past few years upending longtime consumer shopping behavior, are potato sales trends anywhere close to a stable new normal?

Questions like this have led the [Idaho Potato Commission](#) to invest heavily in delivering actionable data, teaming up with Category Partners to produce information that is a proven asset to IPC's team in the field, said Ross Johnson, IPC vice president of retail and international. Category Partners and IPC have developed new quarterly reports to help retailers get a jump on planning for evolving buying patterns in the U.S. fresh potato category.

Prepared using NielsenIQ data, each IPC quarterly review features data and analysis of current U.S. potato sales trends by variety, top-selling pack sizes, and regional sales information. The reports cover all performance for potatoes sold in produce departments for the total United States as well as nine U.S. regions, and varieties are broken out as russet, red, yellow, white, convenience (any fresh potato that can be prepared in its package) and gourmet (specialty potatoes including fingerling, baby or mixed).

"Reports are another tool that retailers can use to make the right decisions to drive potato category success," said Category Partners CEO Tom Barnes. "Even with all of the changes happening in today's consumer marketplace, I think it is still very valid to look at the spikes and the lows in potato sales in order to plan ahead. Holidays have not changed, and our growing seasons haven't changed. Those ups and downs still happen."

New strategies

Produce managers may need to evaluate potato sales data with fresh eyes, however, said Barnes. Rather than just looking back at the past three years of sales data, "retailers should look at what's happening right now to see if it's going to cause those peaks and valleys to be higher and lower than normal," he said. "We like to pull 52-week numbers and either 13- or 14-week numbers, and put them together to understand what is likely to happen in the next quarter."

IPC also is planning to expand its U.S. fresh potato category quarterly reports to include information about additional produce categories so that retailers can compare potato performance with sales in other top categories. With the potato category accounting for 25 percent of all fresh vegetable volume sold, improving spud performance can provide a big boost to not only the produce department's bottom line, but the entire store said Barnes.

"Retailers will be able to see how potato sales should stack up in the produce department, and where the opportunities are," he said.

Price points

Current potato pricing data also offers a wealth of information that makes a compelling case for optimistic sales projections despite the recent rise in inflation, said Barnes.

"Potatoes are inflation busters. Even with the fairly significant gain in potato prices, we're still not seeing volume declining, and that's been a good thing for retailers," he said. "Average prices for

russets for a recent four-week period compared with a year ago are up 35 percent, and yellow potato prices are up 18 percent. But because potatoes are a staple item, consumers don't look at the price as much as they would for berries, apples and snacking fruit, for instance."

Within the potato category, said Barnes, better pricing has helped propel yellow potatoes ahead of their red counterparts, which used to be the second top retail variety.

"But even before the COVID-19 pandemic hit, red potatoes were starting to lose favor with consumers, based on sales numbers," he said. "Reds seem to be continuing that trend, and they've had some shortages that have caused them to go up in price. Now the yellow potatoes have better pricing, and yellows have surpassed reds as the No. 2 potato variety in volume with the shift in consumer demand."

Bulk versus bagged

As retailers increasingly work to zero in on their own store numbers and use their data to make decisions, Barnes predicts many will begin shifting away from carrying bulk potatoes. "A lot of retailers are trying to figure out how to capture their store data better, and it's hard to get a proper measure of what you're selling with bulk products," he said.

Increasing opportunities for shoppers to scan and pay for their own grocery items using a smartphone also doesn't bode well for bulk potatoes, said Barnes, because these transactions involve more steps for the consumer. Instead, he sees produce departments moving to sell bulk items by the each rather than by the pound.

"That way, at least consumers can easily count how many potatoes they grab," he said. "A lot of larger retailers are already moving that way."

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