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Potatoes are 'a retailer's dream'

Fresh potatoes are a year-round sales powerhouse in the produce department, and recent data and analysis found they provide retailers with significant opportunities to drive additional customer engagement.

“Potatoes are a strong seller in their own right, but a deep dive into the data shows that best-in-class merchandising can help retailers win big in produce and beyond,” said Kayla Vogel, senior global marketing manager at Potatoes USA. “Potatoes have the highest household penetration of all vegetables and are purchased an average of 10 times per year. Their ability to bring stability to the produce department delivers subsequent sales for other items in and outside produce. As such, potatoes can be the accelerator to total produce and total store success.”

Potatoes Deliver the Dollars and Pounds

Vogel added that potatoes also represent 21 percent of all fresh vegetable pounds sold last year and are one of the few produce items outpacing the 2019 pre-pandemic baseline in pounds sold.

Despite inflationary pressures impacting nearly all items in the produce department, fresh potatoes are “delivering the dollar,” Vogel noted.

According to recent Circana data based on U.S. year-over-year sales ending July 31, fresh potatoes:

- • Generated 5.3 percent of all fresh produce sales and are the fourth-highest selling produce item.
- • Earned 10.8 percent of all vegetable sales and are a substantial No. 2 behind tomatoes as the top-selling vegetable.

Potatoes Deliver the Growth

In a period in which economic pressures and changing economic behaviors are stifling produce retail performance, potatoes are a “dollar growth driver,” Vogel said, noting that fresh potatoes have the highest year-over-year growth rate of all produce items. According to the same Circana report:

- Fresh potato dollar sales increased 16.4 percent year-on-year — the highest produce growth rate — reaching \$4.1 billion.
- Dollar sales are up 23.2 percent over two years.
- Fresh potatoes have been the top produce item in delivering new dollars over the past year, at an additional \$572 million. This is compared to an additional \$159 million for the top vegetable seller (tomatoes) and \$312 million for the No. 1 seller in total produce (berries).
- Fresh potatoes added more new dollars over the past year than all fruits combined.

Potatoes Are “A Retailer’s Dream”

Vogel added that fresh potatoes also support retail with a strong promotional presence.

“Fresh potatoes have an above-average share of dollars sold on promotions, at 35.6 percent, up 13.1 percent versus year-ago levels,” she said. “This is above the total produce department and vegetable aisle.”

“Potatoes are a retailer’s dream: high household penetration (85 percent), a high number of annual trips (10), and a nice dollar ring each trip (\$4.04, up 14.8 percent year-over-year)¹,” Vogel added. “As budgets tighten, people have remained loyal to potatoes. That means a lot of opportunity to significantly move the needle through improved visibility, merchandising, and cross-merchandising.”

Vogel added that if retailers can prompt half of their current potato buyers to make one additional potato purchase a year, this would generate an additional \$220 million in sales.

“This means there is enormous mutual benefit for growers and retailers to drive visibility and engagement for the potato category,” she said.

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