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Consumers ‘rediscover’ potatoes during pandemic

By

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Fresh potatoes never truly left the weekly shopping list, but the category received a boost during the early days of coronavirus-influenced panic shopping — and there has been no retreat over the ensuing six months.

“On the retail side, we are still seeing double-digit dollar increases week over week,” said Ross Johnson, international marketing director for the Idaho Potato Commission. “Consumers are learning how enjoyable it is to cook.”

He theorized that the commute time these would-be office employees are saving by working at home is being converted into meal prep time. The potato industry is seeing an across-the-board increase in sales, but it is especially noticeable with the tried-and-true Russet potato.

Johnson said a summer promotion utilizing IPC-generated jumbo bins resulted in the movement of an additional 10 million pounds of bagged Russet potatoes. For years, there has been a trend away from larger volume bagged potatoes, such as 10-pounders, and toward smaller quantities such as the five-pound bag. Johnson said consumers have reversed that trend in the past six months, no doubt using potatoes as a relatively shelf-stable, stock-up item.

Seth Pemsler, IPC’s vice president of retail/international, reiterated that consumer research has shown that families are utilizing this stay-at-home time to refamiliarize themselves with the kitchen. “We think that this does bode well for the potato even after the pandemic is over.”

He expected that consumers will continue to enjoy eating at home and that the predicted downturn in the economy should also have a positive impact on potato sales. “It looks like we are in for one hell of a recession,” Pemsler said, “and in times of recession, consumers look for value and potatoes have always been identified as a value item compared to other foods.”

He added that the 10-pound or larger bag, which is always the best value on a per-pound basis, will undoubtedly get another boost if the economy goes south.

On the other hand, higher-priced specialty potatoes might see an erosion in sales due to the same factor. Johnson and Pemsler did point out that specialty potatoes typically garner more retail shelf space than they deserve when measured against sales. In fact, the Idaho Potato Commission has used the challenges associated with merchandising during a pandemic as an opportunity to be a more data-driven commodity group and have positioned itself as a category specialist. The goal is simply to help retailers sell more potatoes. With a market share of 35 to 40 percent, the IPC representatives are certain that their boat will rise with the tide.

Johnson, in fact, has developed one-page merchandising aids to help retailers maximize their potato display space. The information touts the use of secondary display units, noting that an additional display will increase sales by 22 percent. The one-pager also tells retailers the precise display space that should be devoted to each potato variety.

“Forty-five percent of the display space should go to Russets, 22 percent to yellow potatoes and 18 percent to reds,” he said. “Just by having the shelf space allocated properly, a retailer will see a 6 percent increase in sales.”

Pemsler added: “It’s a relatively straight forward message: make sure your display meets the customer’s needs.”

As he gazed into the crystal ball, Pemsler believes that 2021 is going to be a lot like the late spring/summer months of 2020. It’s unlikely there will be a vaccine with widespread availability to completely take the coronavirus out of the picture. Nor does he believe the situation will result in the panic buying noted in March and April.

Like everyone else, IPC has gotten intimately familiar with video meetings and conference calls, but definitely pines for the day when face-to-face engagements are again the norm. The group has used the situation to its advantages and accelerated its transition to be more data oriented, just as the younger buyers in the industry are. The entire retail team is establishing itself as category advisors with the ability to give retailers great information about one of their most important produce items. Pemsler revealed that potatoes make up 25 percent of all tonnage that runs through a produce department. That is a very sizable chunk and if that piece is operating on all cylinders, it is very likely the produce department is doing well.

The IPC duo reported that one silver lining to the challenging situation of the past six months is that the potato has re-established itself as a very important part of the produce department puzzle. Pemsler said potatoes have always been important but they are a year-round item with fairly consistent sales that don't go through the highs and lows of more seasonal produce items. It was understandable that retailers might have ignored them a bit. Double-digit growth for months on end has seemingly changed the thinking.

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