



PROTECTING AGRICULTURE PRODUCTS THROUGH STRATEGIC USE OF CERTIFICATION MARKS, COLLECTIVE MARKS AND GEOGRAPHIC INDICATORS



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INTRODUCTION

Certification marks, collective marks and geographic indicators, like trademarks, create value when consumers are willing to pay a premium price for products associated with a particular place. This presentation is a case study of how Idaho® potatoes became a famous and well known “brand” that has provided demonstrated economic returns to those who grow, ship, process and market potatoes and to the overall economy of the state of Idaho.



IDAHO POTATO COMMISSION Mission Statement

To contribute to the economic welfare of the state of Idaho, its potato growers and other potato-related businesses:

- By leading, through facilitation, the various Idaho potato organizations in achieving mutually beneficial goals, including conducting strategic analysis of markets and marketing opportunities, maximizing research and education funds in improving quality, yield and variety expansion, and working with state and federal government agencies and national industry organizations to best leverage support;



IDAHO POTATO COMMISSION Mission Statement (cont.)

- By promoting and advertising Idaho's famous brand and certification marks with consumers, retailers/wholesalers, foodservice operators/distributors, and expanding both domestically and internationally all forms of Idaho® potatoes;
- And by protecting Idaho potato registered trademarks and certification marks through approval and monitoring procedures which ensure compliance and aggressively challenging any improper usage.





To facilitate its mission, IPC approves all packaging, sets grade standards, and reviews brands, and requires the identity of the Idaho® potatoes be preserved as close as possible to the end consumer.

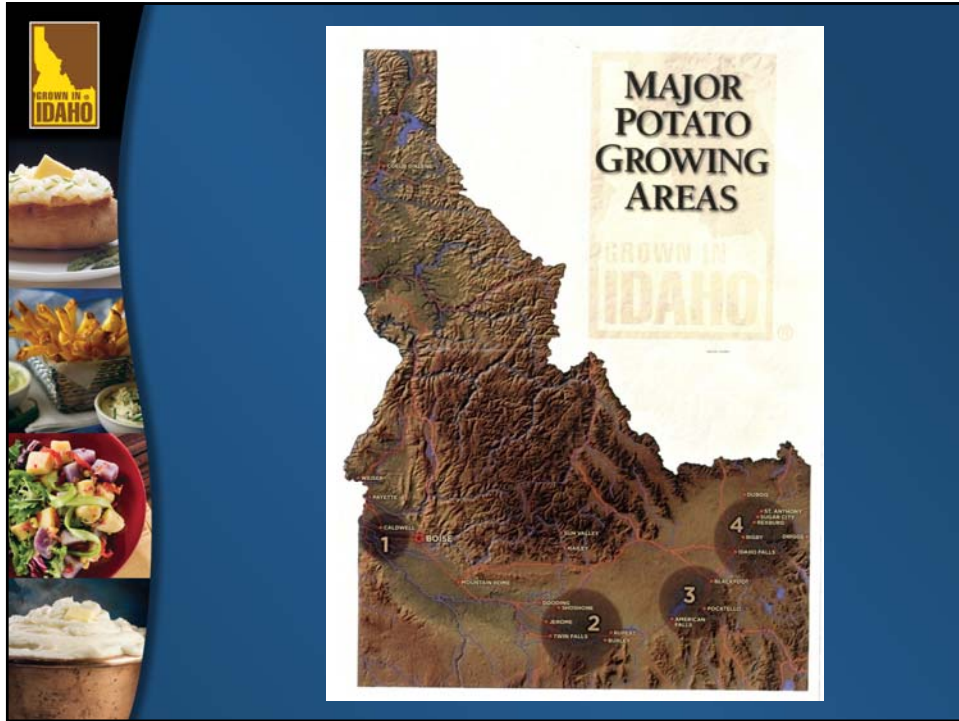


GEOGRAPHICAL DESIGNATIONS OF PRODUCTION AREAS & BOUNDARIES ESTABLISHED

The Boundary of the State of Idaho



The entire state is designated as the geographic region where Idaho® potatoes are grown. Commercial potato production is centered in the southern part of the state.



IPC was established under state statute. This expressly provides that ownership of certification marks and trademark are vested in IPC/state of Idaho.



Symbols, registered marks and trademarks are only as valuable as the generic advertising, promotional and public affairs dollars put behind them, the willingness to protect them from counterfeiters and the consumers' perception that the product is worthy of purchase at a premium price.



During the 70 years of the IPC's existence, over \$200 million has been spent promoting the Idaho brand.



IDAHO POTATO COMMISSION

- Brief History: IPC created in 1937
- Tax Structure: Supported by an assessment on potatoes used for consumption of up to .15¢ per hundredweight. Grower pays 60%; remaining 40% paid by shipper or processor.
- IPC's Budget: IPC currently spends approximately \$13.5 million annually.
- Research: IPC spends over \$700 thousand per year for potato related research.
- Regulatory Functions: IPC regulates the way potatoes can be promoted as Idaho® Potatoes.



BENEFIT TO IDAHO ECONOMY & EMPLOYMENT

- Potatoes are Idaho's third largest source of crop revenue.
- Over 3% of Idaho's employment is related to potato production.
- Potato tax revenues support the \$13.5 million budget of the IPC.



ECONOMIC BENEFIT TO GROWERS

- Greater recognition leads to more effective marketing.
- Effective marketing means greater return to grower.
- IPC uses a combination of TV advertising, retail and food service promotions, field staff, consumer outreach, internet, print campaigns, and public relations events.



STATISTICS

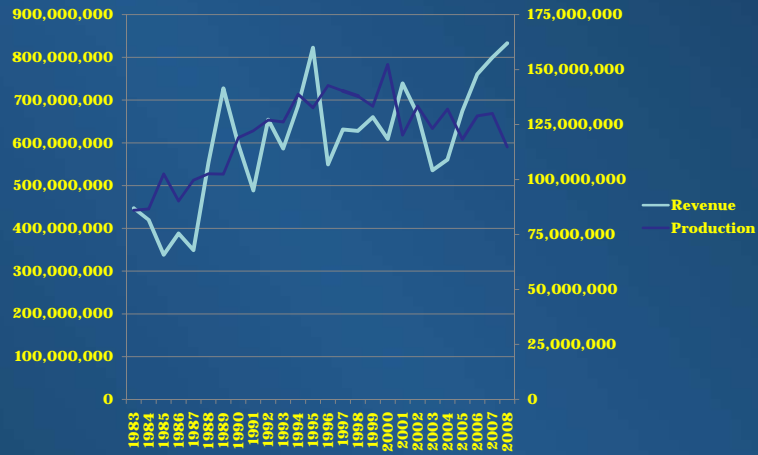
Year	Planted Acreage	Production (cwt)	Value of Production	Cash Receipts (from ERS)
2002	375,000	133,385,000	\$666,925,000	\$701,503,000
2003	360,000	123,180,000	\$535,833,000	\$547,021,000
2004	355,000	131,970,000	\$560,873,000	\$515,697,000
2005	325,000	118,288,000	\$674,242,000	\$516,688,000
2006	334,000	128,915,000	\$760,599,000	\$666,307,000
2007	350,000	130,010,000	\$799,562,000	\$708,007,000
2008	305,000	116,475,000	\$832,796,000	\$781,307,000

- Potato shipping and processing has over a \$5.4 billion in net impact on Idaho's economy.
- The economic return to growers has increased each of the last two years.
- Comparative Retail Sales Values: Idaho® potatoes command a .35¢ to .50¢ premium at retail over all other potatoes.



MAJOR HIGHLIGHTS FARMGATE REVENUE INCREASING

Revenue/Production (CWT)



MAJOR HIGHLIGHTS

Market Share Increased
('08 Crop)

<u>'07</u>	<u>'08</u>	<u>Change</u>
33.5	34.4	+0.09

Source: USDA National Potato and Onion Report



MAJOR HIGHLIGHTS

Positive Retail Trends

Supermarket Sales
(Q2 2009)

	<u>Pounds</u>	<u>Dollars</u>	<u>Consecutive Quarterly Increases (Pounds)</u>
Fresh	+9.5%	+6.7%	1
Dehy	+1.9%	+1.7%	4
Frozen	+4.8%	+9.1%	3
Chips	-3.3%	+10.2%	0

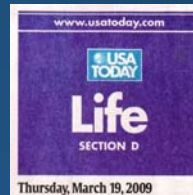


MAJOR HIGHLIGHTS

Public Relations
New Record...Over One Billion Impressions!

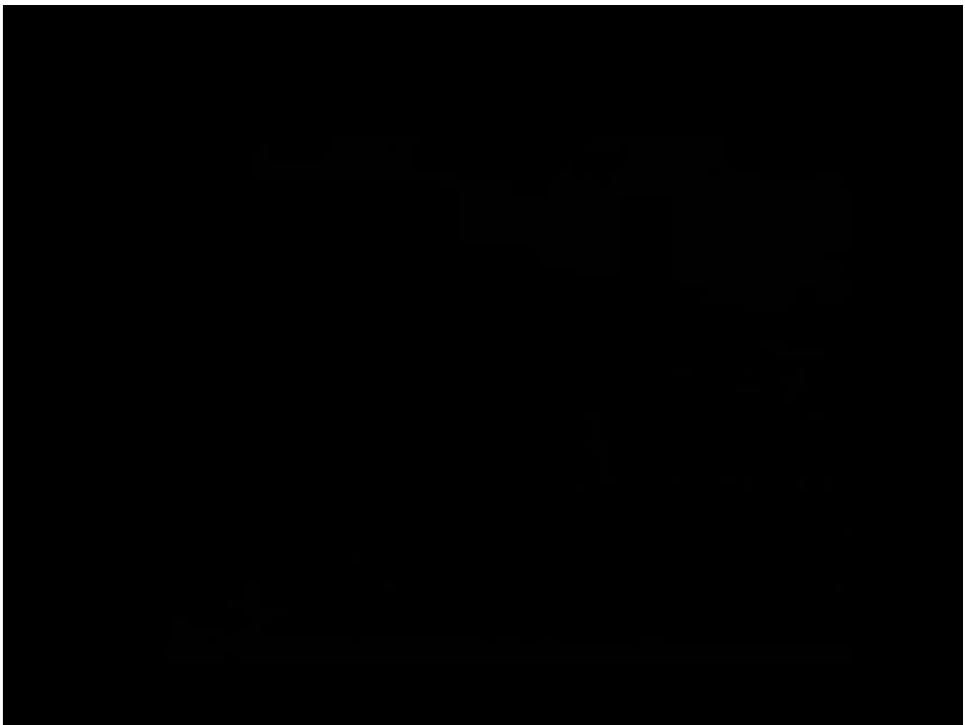


5th CITY & SUBURBS • \$1 BIDDING • LATE SPORTS FINAL | WEDNESDAY, JUNE 4, 2008 | suntimes.com | 115111 | 7" x 6" Page 16





YouTube Favorite Over 5 Million Views! Top .3% of All Videos





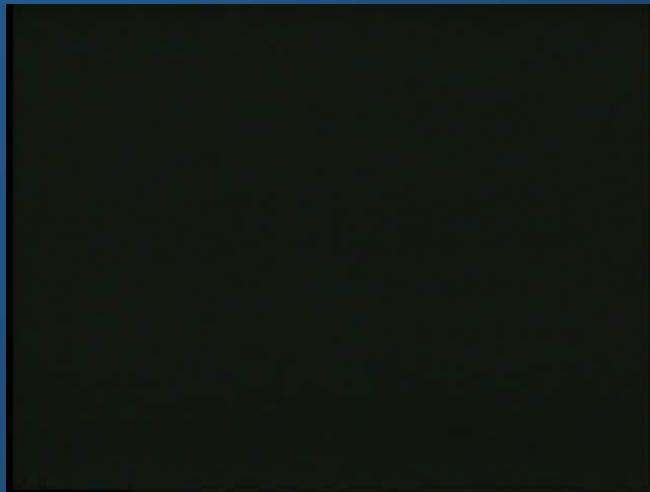
EARLY EXAMPLES OF GENERIC ADVERTISING

- Spud Commercial



EARLY EXAMPLES OF GENERIC ADVERTISING

- Eiffel Tower Commercial





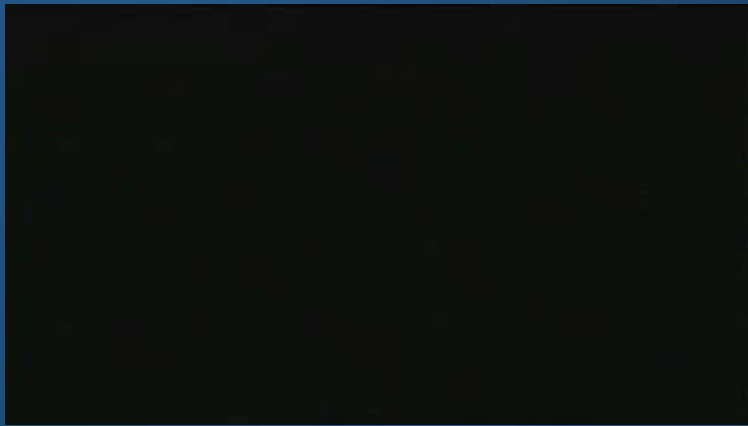
EARLY EXAMPLES OF GENERIC ADVERTISING

- Andrus Commercial



EARLY EXAMPLES OF GENERIC ADVERTISING

- Latino Spuddy





EXAMPLES OF CELEBRITY TIE-INS



EXAMPLES OF CELEBRITY TIE-INS





ART GINSBURG (MR. FOOD)



- Produce 3 TV vignettes; air local news programs
- Host recipe contest to promote “WW & W”



Dawn Wells ("Mary Ann")



- Build on amazing success of peeling spud video
- Launch new video featuring creative ways to prepare Idaho Potatoes (Summer)





KRISTIN ARMSTRONG



- Idaho's own Olympic Gold Medalist
- Loves Idaho potatoes – part of her training diet
- Uses potato French fry knife technology to solve chain slippage
- SMT (Oct) following World Championship race in Switzerland



MAJOR CHEF EVENTS



- American Wine & Food Festival, Wolfgang Puck
- Food Network's South Beach Burger Bash, Rachael Ray







LOTS OF TV EVENTS!

- Awesome Adventures (FOX) 
- Kitchen Nightmares (FOX) 
- Cook's Country From America's Test Kitchen (PBS) 
- Mr. Food (CBS) 



WEBSITE/INTERNET

- Higher interactivity
 - Denise Austin Widget (“Dishin’ Nutrition”)
 - Contests
 - New recipes
 - Denise Austin’s recorded messages



WEBSITE/INTERNET

- Expanding into new social media
 - Facebook
 - Twitter

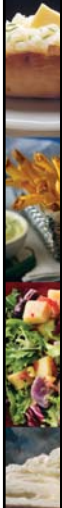


Hey there! IdahoPotato is using Twitter.



ONLINE HARVEST VIDEO GAME

- 90 second animated video, how a potato grows
- \$10,000 raffle (half to local school)
- Launch mid-September





TV ADVERTISING

- National (3 years in a row)!



PUBLICITY

- Genuine Idaho® Potatoes:
 - Premium Brand
 - Nutritious
 - Affordable





CELEBRITY ENDORSEMENTS





DENISE AUSTIN



- National TV
- Satellite media tour (Spring)
- Leverage her new book and videos launching 9/09 and 1/10






Denise's
**DAILY
DOZEN**

The Easy,
Every Day Program
to Lose Up to

12 Pounds
in 2 Weeks



DENISE AUSTIN



**WE PUT "FAMOUS POTATOES"
ON EVERY KIND OF PLATE**





**AND ANY WHERE ELSE
WE CAN FIND.**

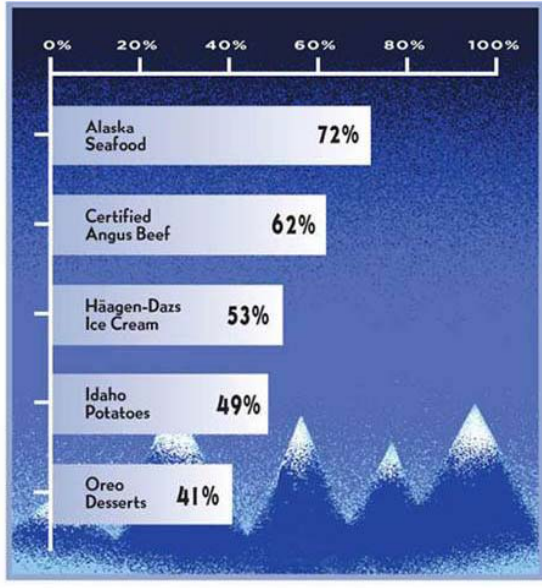


NAMA AWARDS

- **TV Ad Campaign: 1st Place**
- **Retail Trade Ads: 1st Place**
- **Foodservice Trade Ads: Merit Award**
- **Producer or Company-Funded Advertising Campaigns: 1st Place**
- **Events: Merit Award**
- **Company & Association Newsletters: 1st Place**



HOW LIKELY WOULD SEEING THESE BRANDS ON THE MENU INFLUENCE YOUR SELECTION AT A CHAIN RESTAURANT?



IDAHO'S BRAND STRENGTH

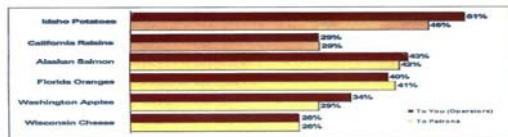
Regional Commodity Appeal

Identifying an ingredient's region of origin has a varying effect on how operators see it appealing to themselves or to their patrons. California was seen as less important or effective in adding appeal to raisins relative to other products that require differentiation (such as potatoes) or other regions that convey greater mystique (such as Alaska). Some of the regional commodities on this list have significant budgets for advertising and marketing, hence their appeal is stronger. However, none of the regional commodities have an overwhelming perception advantage to operators.

What effect does identifying the region have on the ingredient's appeal to you or your patrons?

Top-3 Box Rating from 10-Point Scale
Where 10 = Makes Much More Appealing, 5 = Has No Impact, 1 = Makes Much Less Appealing

What effect does identifying the region have on the ingredient's appeal to you or your patrons?



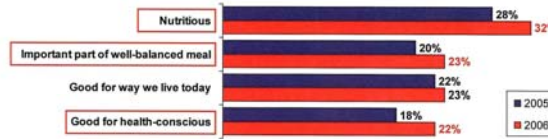
Source: Technomic, Inc.
©2019



Attitude & Use Study

- 2006 results indicated some significant improvements in attitudes toward potato "goodness"

	Completely Agree	Neither Agree or disagree					Completely Disagree
Potatoes are nutritious	7	6	5	4	3	2	1



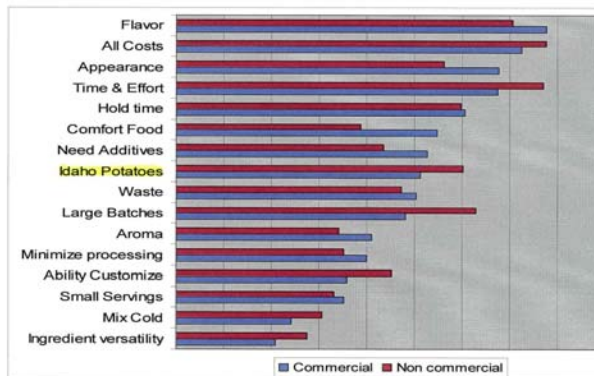
XXX = Difference exceeds 90% of



STUDY FROM IDAHOAN SHOWS IDAHO® POTATOES A FACTOR IN DEHY MASHED



Relative Importance





BRAND VALUE ASSESSMENT

Results of a New Nationwide Consumer Research Study on the Power of Brands in Foodservice



BCG FINDINGS

- Values of consumer branding
 - Increased sales, e.g., “Steak sales have increased by as much as 75% thanks to the A.1. promotion.”
 - Premium pricing, e.g., “Brand X costs the operator 4¢ more but they can sell it for 20¢ more.”
 - Differentiation, e.g., “We’re the only one around that has (Brand X).”
 - Quality “halo” effect, e.g., “When customers see the same brands they buy at home, they perceive quality.”



HIGHEST RANKING BRANDS

- Heinz Ketchup
- A.1. Steak Sauce
- Grey Poupon Dijon Mustard
- Smucker's Jams/Jellies
- Land O'Lakes Butter/Cheese
- Hershey's Chocolate
- Lipton Tea
- **Idaho® Potatoes**
- Tropicana Orange Juice
- Hellmann's/Best Foods Mayonnaise
- Folger's Coffee
- Lea & Perrins Worcestershire Sauce
- Oscar Mayer Bacon
- Kellogg's Cereals
- Thomas' English Muffins
- Equal Sweetener
- Campbell's Soup
- Jimmy Dean Sausage

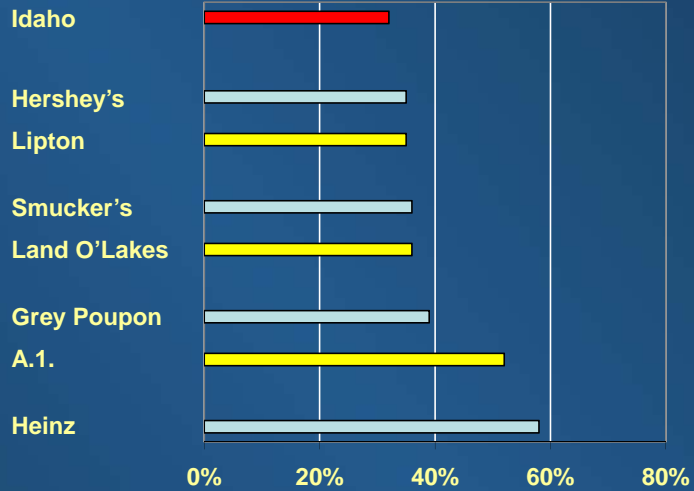


HIGHEST RANKING BRANDS

- Ritz Crackers
- French's Mustard
- Oreo Cookies
- Maxwell House Coffee
- Wisconsin Cheese
- Sara Lee Baked Goods
- Uncle Ben's Rice
- Tyson Chicken
- Kikkoman Soy Sauce
- Sweet N' Low
- Perrier Bottled Water
- Quaker Oats
- Mott's Apple Juice/Apple Sauce
- Perdue Chicken
- Cheerios
- Florida Citrus
- Pace Picante Sauce
- Gulden's Mustard
- Hunt's Tomato Sauce
- Stouffer's Lasagna
- McIlhenny Tabasco Sauce



TOP BRAND SCORES



Potato places: Top mentions of growing areas associated with potatoes.

United States	94%
Idaho	86%
Maine	6%
New York	3%
Michigan	3%
Wisconsin	3%
Washington	3%



TV ADVERTISING IMPACT



Results of Study by Four Agricultural Economists:

- “Commodity advertising is unreasonably effective and unreasonably difficult to maintain.”
- “Each dollar spent on advertising agriculture products yields \$3-6 in additional revenue.”
- Examples: Milk, Beef, Eggs, Almonds

Source: “The Economics of Commodity Promotion Programs 2005.”




CASE STUDIES




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FRESH POTATOES: RUSSET POTATOES

- Comparative Domestic Potato Prices



RUSSET POTATOES
U.S. NO. 1 PRODUCE 50 LBS. NET
PACKED FOR UPPER-IDAHO POTATO DISTR.
COEUR D'ALENE, IDAHO 83814



RUSSET POTATOES



FRESH POTATOES: RUSSET POTATOES



- Comparative Domestic Potato Prices



FRESH POTATOES: RUSSET POTATOES



- Comparative Domestic Potato Prices





LAST YEAR PUBLICITY PROGRAMS

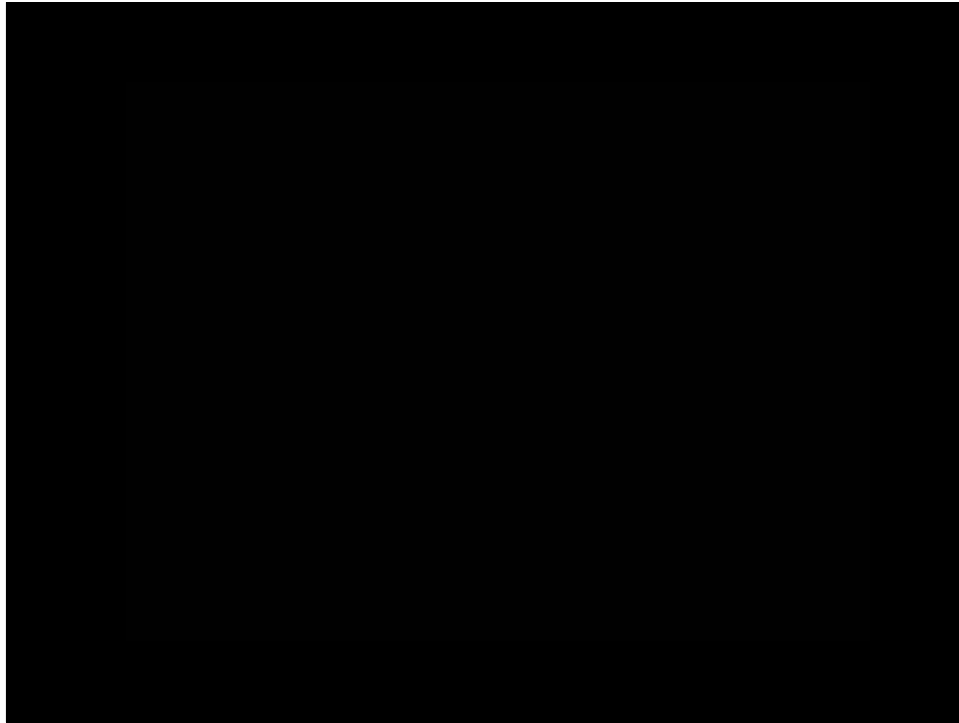
- 23.09 million impressions from publicity alone... a new record by more than double.



TV ADVERTISING

- Add “value” message to commercial





NEW CHALLENGES 2009/2010

- Recession Continuing
- Locavore Movement Escalating
- Social media environment changing almost daily



- Key message:

“At less than 25¢, one Idaho Potato has the best nutritional ROI with 45% of Vitamin C, 20% of potassium and other nutrients and no fat or cholesterol”



FARMER POETRY VIDEO



