

MSU Product Center

For Agriculture and Natural Resources

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Fresh Potatoes – Selective opportunities

Market drivers that provide many opportunities

- There are **selective** opportunities for fresh potatoes that appeal to the demand driver of **wellness**.

Specific opportunities

- One way to appeal to the demand driver of wellness is to offer organic fresh potatoes.
- Fresh potatoes are naturally healthy, but consumers may not be aware of this fact.
- Packaging that emphasizes the health benefits of consuming fresh potatoes could be helpful in expanding the market.
- Another way to appeal to this demand driver is to reinforce the “food minus” aspects of fresh potatoes. Some varieties are naturally low in sugar, low in fat and low in sodium. Exploiting these facts could increase the demand for fresh potatoes.

New product examples

- A search of the Global New Products Database yielded no new product introductions in fresh potatoes in the U.S. market.
- Most innovations in the industry have been at the farm level. Potato varieties are being developed or existing varieties are being improved in order to meet the quality and taste standards of consumers and processors.
- In the eyes of most consumers potatoes are a commodity, performance at a low price is the overriding concern.

Special issues

- The fresh potato market is very mature, and the supply chain is well established. Contracting is common. This creates a barrier to entry for new firms and products.
- There may be potential to sell the product in farmer’s markets and roadside stands.

Key to success

- Produce at a low cost. Given the level of integration in this market, a guaranteed outlet for the products produced is very important.

Sources

Salazar and Bush. Standards and Strategies in the Michigan Potato Industry, Research Report No. 576. East Lansing, Michigan Agricultural Experiment Station, 2001.

USDA. Crop Values: 2004 Summary.

USDA. Vegetables and Melons: Situation and Outlook Yearbook.