



SRG x Potatoes USA

Foodservice Trends & Insights

June 2024

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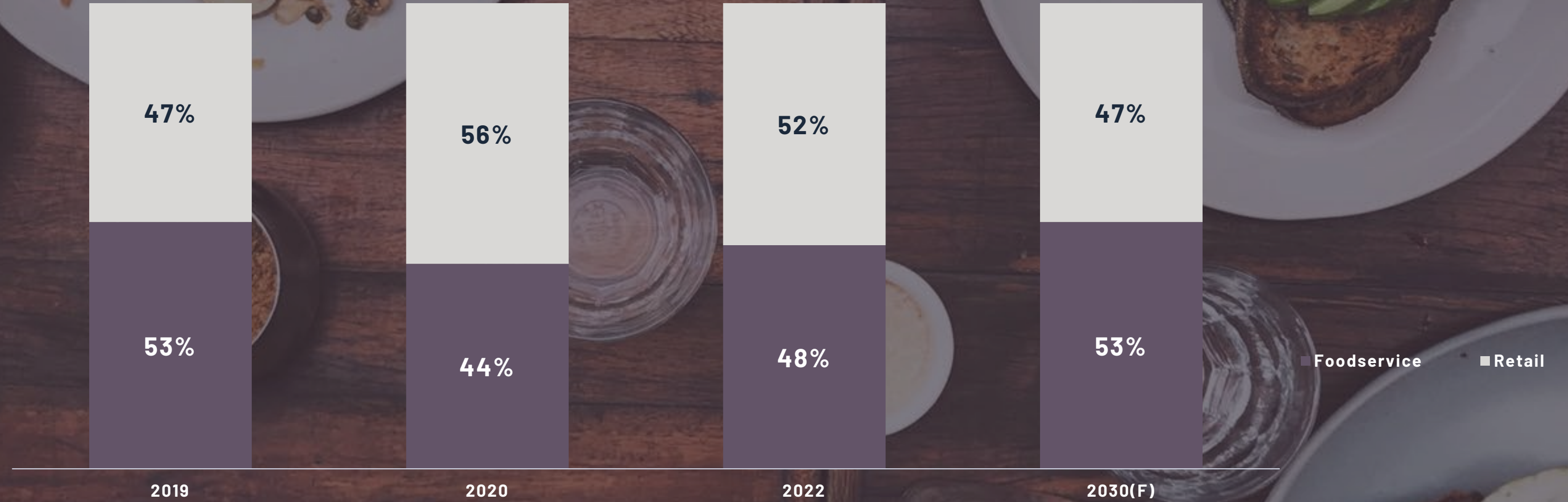
STATE OF THE STATE

**THE GOOD NEWS:
FOODSERVICE INDUSTRY HAS
REACHED**

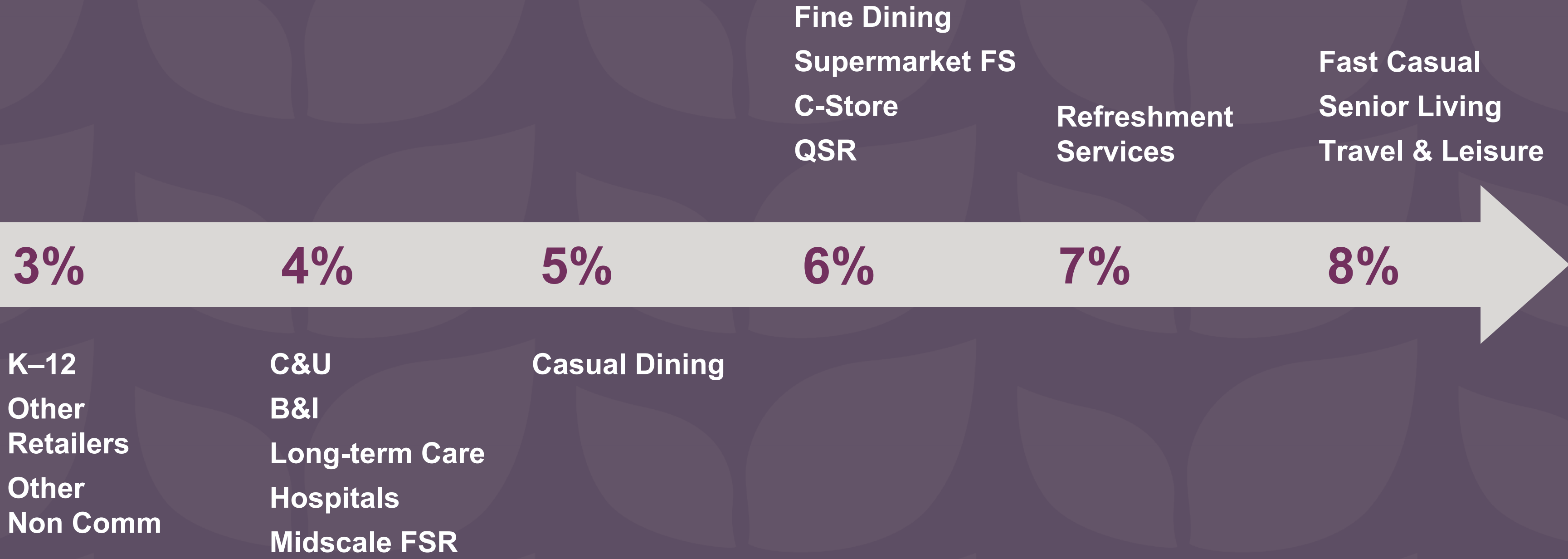
\$1 TRILLION

∴2024∴

Foodservice vs. At-home Share of Consumer Food (Sales)



2022–2023 Segment Growth: CAGR



Note: All growth rates nominal; Select segment shown

2022–2030 CAGR

LSR

- 9%** Chicken, Asian
- 8%** Coffee cafe
- 7%** Specialty, Mexican
- 5%** Sandwich, Burger
- 4%** Pizza
- 1%** Frozen desserts

FSR

- 7%** Sports bar
- 6%** Steak, Specialty
- 5%** Asian, Varied Menu, Italian
- 4%** Mexican, Family-style
- 2%** Seafood

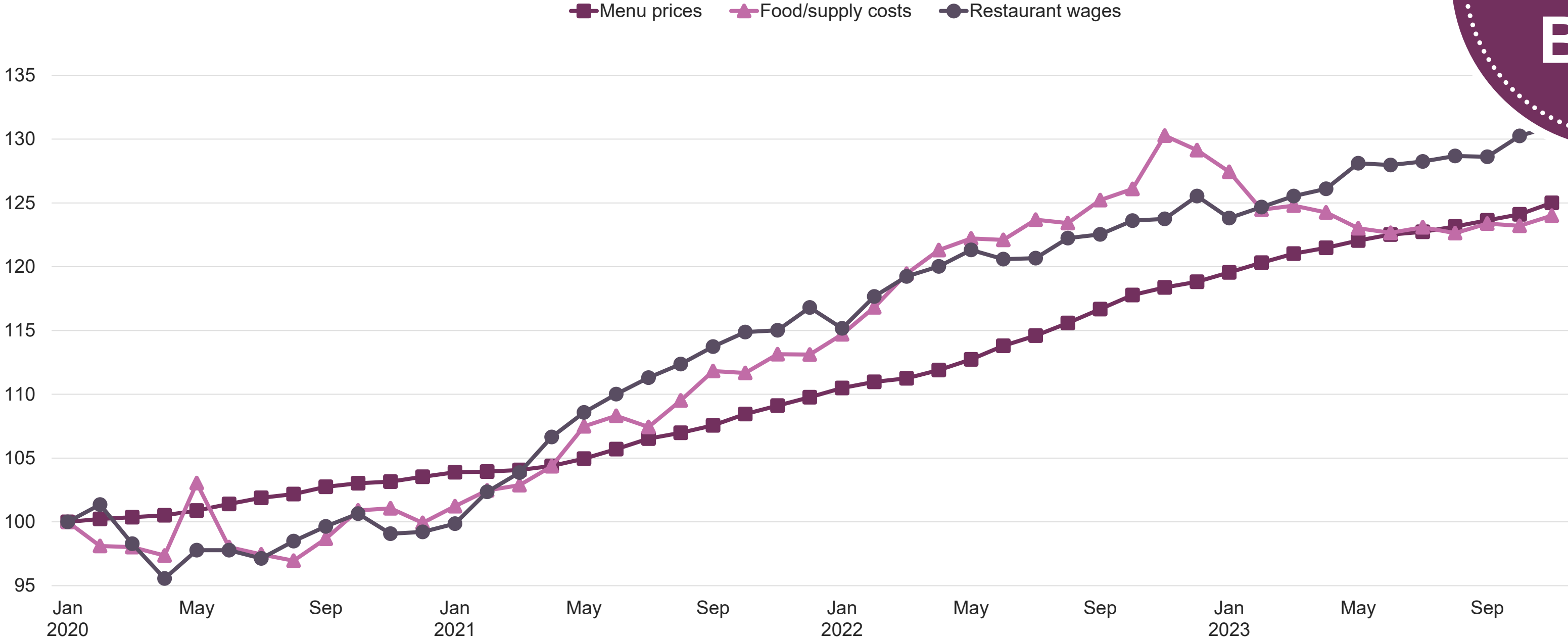


**What are the top things
impacting foodservice
today?**

Operators' new reality: everything is expensive

January 2020 = 100

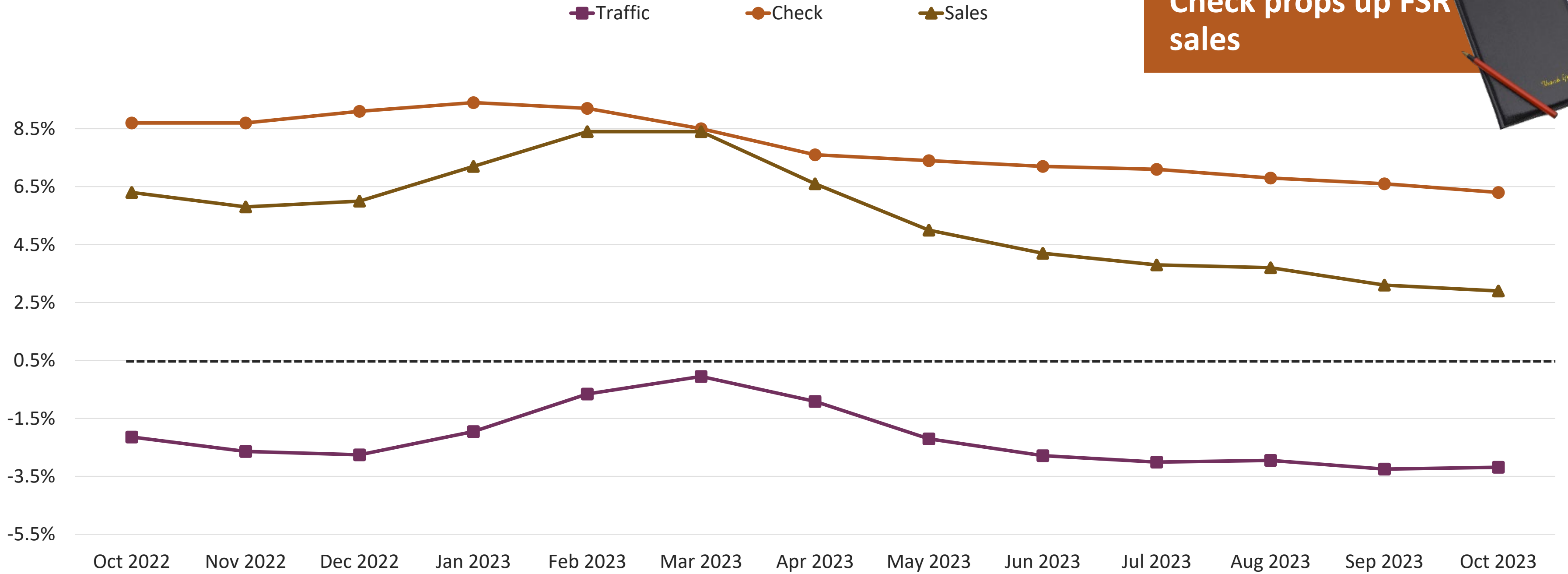
New Cost Basis



Source: Technomic analysis of Bureau of Labor Statistics and Federal Reserve Bank of St. Louis data

Checks are propping up lower traffic

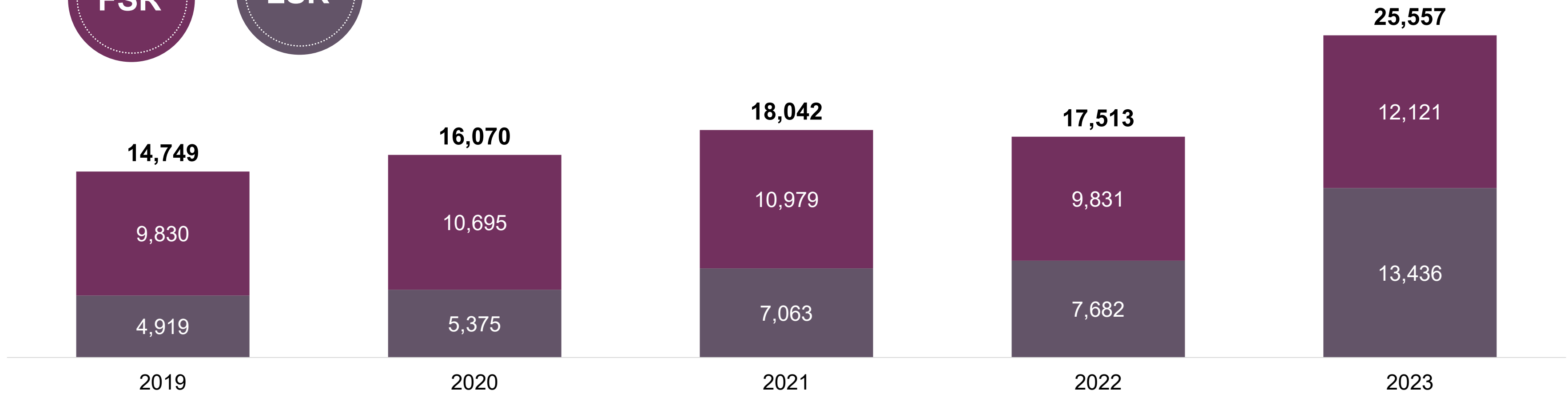
Check props up FSR sales

- Source: Technomic Consumer Chain Visit Tracker
- Image Source: Shutterstock

- **FULL-SERVICE SYSTEMWIDE PERFORMANCE (ROLLING THREE MONTHS)**

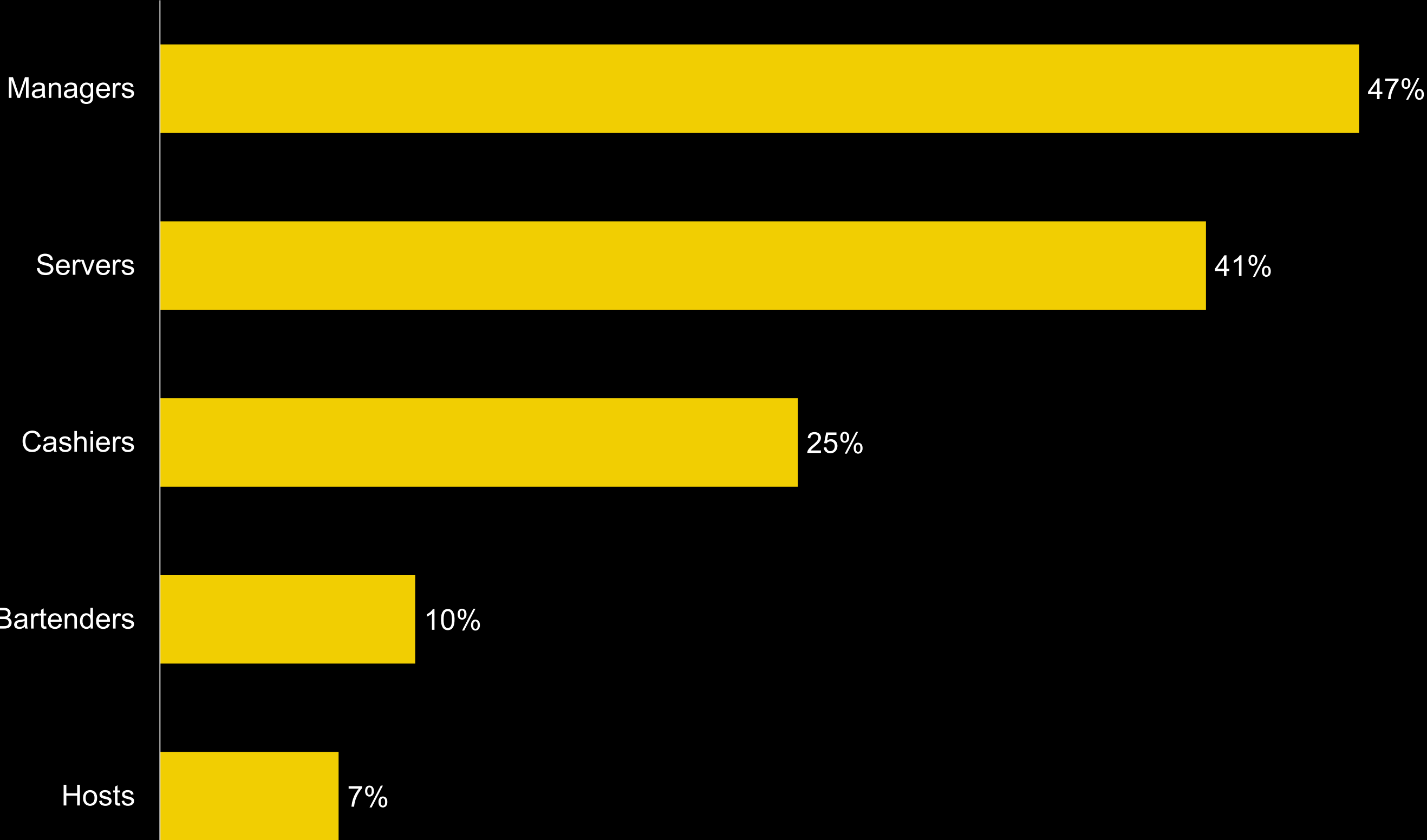
LTOs & innovation blossom



Base: 2019-2023
Source: Technomic Ignite Menu

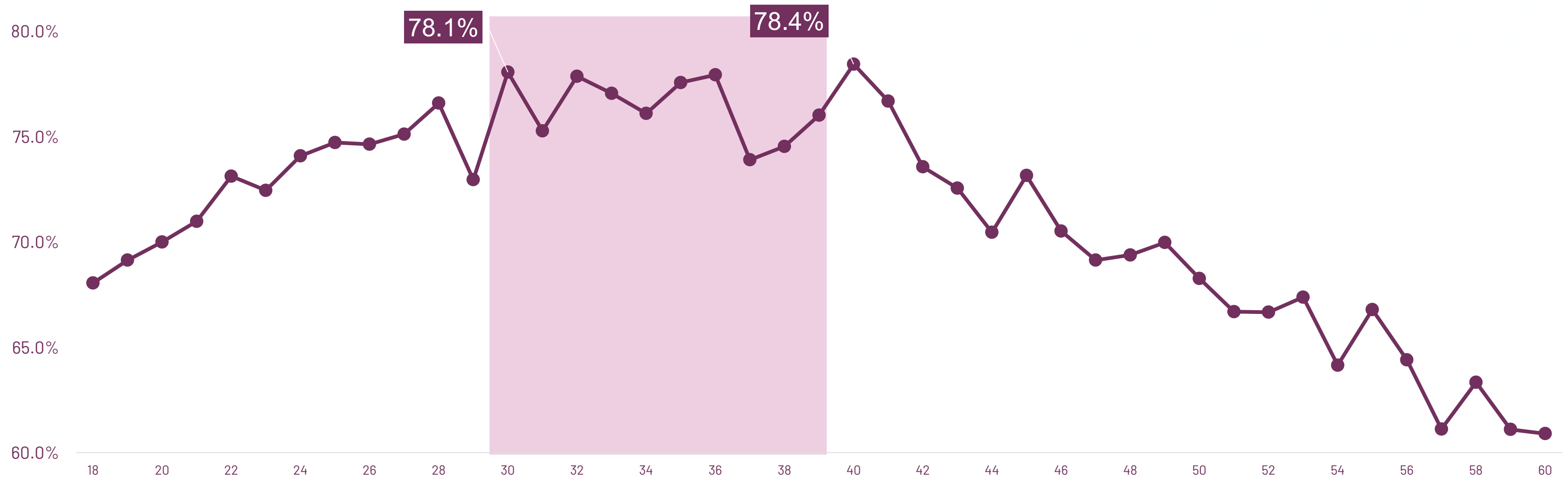
Labor remains a challenge

FOH STAFFING ISSUES



Base: 315 operators having trouble with staffing
Q: Which positions are you having trouble staffing?
Source: Technomic Q3 2023 Consumer & Operator Outlook Report

In 2030, Gen Z will reach the peak age range for highest foodservice use.



Base: 82,000 consumers ages 18+ per year
Source: Technomic Ignite Consumer

Gen Z Favorites & Values

- Order accuracy
- Speed
- Quality of takeout packaging



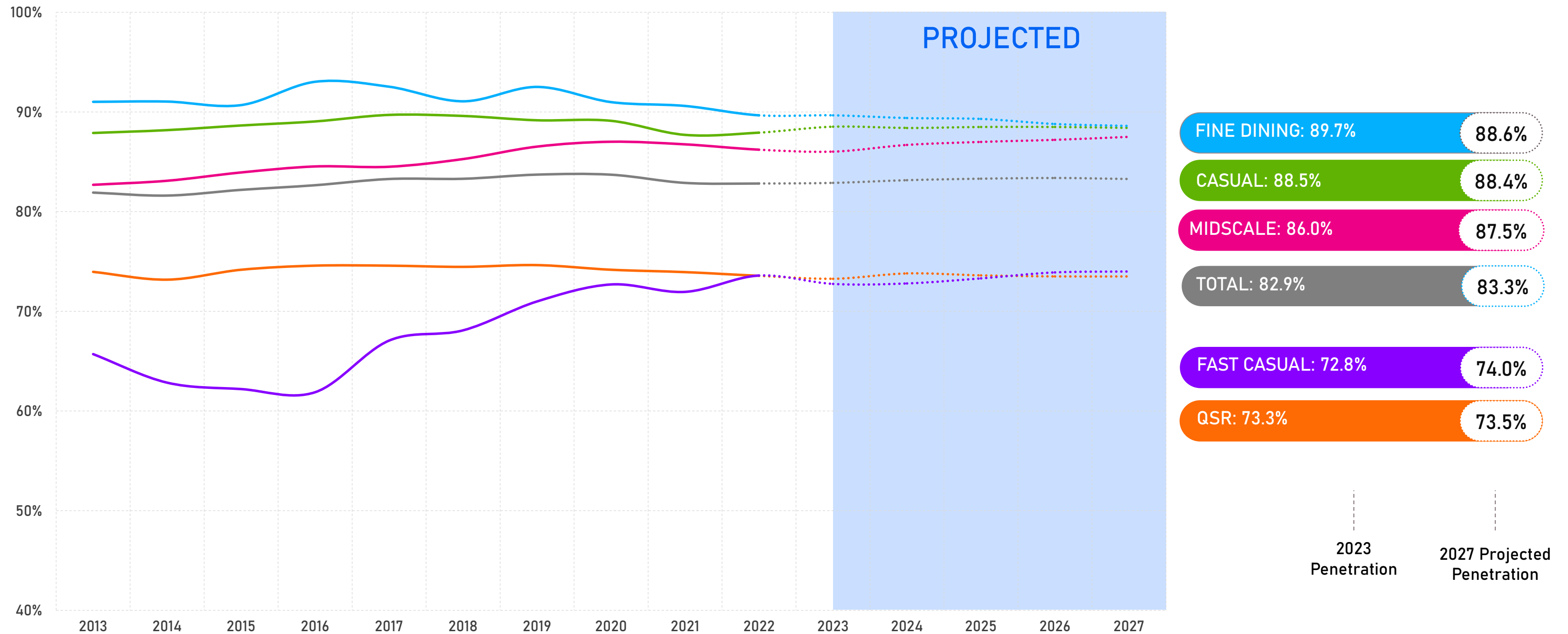
POTATOES AS A SOLUTION

More than 8 in 10 menus feature potatoes, with the highest penetration seen at full-service restaurants.

Fries have shown the most growth at fast casual restaurants in the last decade.

POTATOES

penetration trend by segment

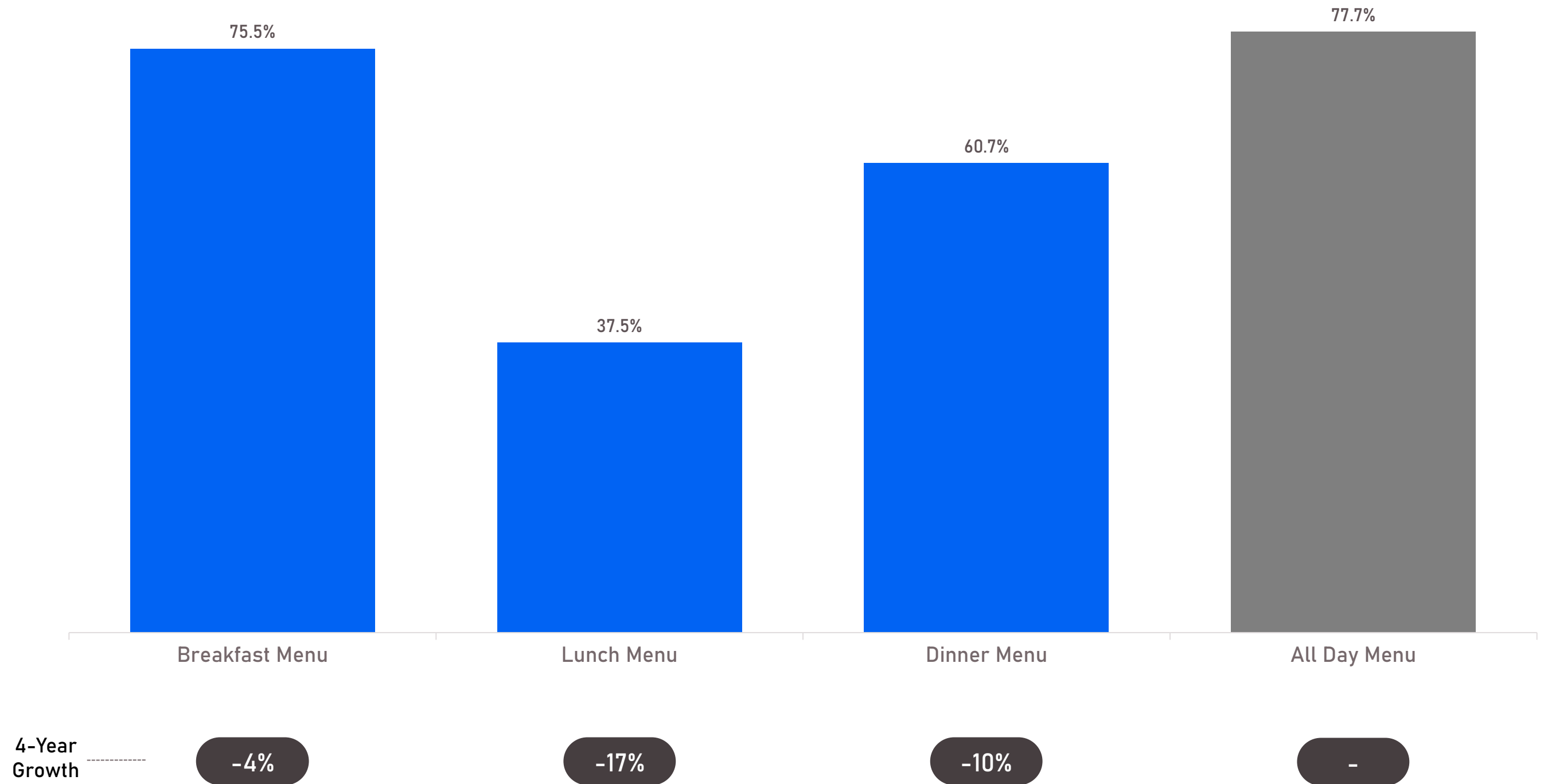


POTATOES

menu penetration by daypart & 4-year growth

Roughly three quarters of breakfast and all-day menus feature potatoes, while lunch and dinner menus lag behind. Lunch-specific menus are the least likely to feature potatoes.

- Breakfast menus tend to pair egg dishes with hashbrowns, or breakfast potatoes, and dinner menus typically feature potatoes as sides like mashed potatoes, baked potatoes, or roasted potatoes.



Fry-High Demand

Last year fries were the number one ordered side item on GrubHub. Between that and high-volume operations like Taco Bell and McDonald's offering more Fry LTOs than ever before, the potato industry is ready and committed to produce at the levels these operations need.



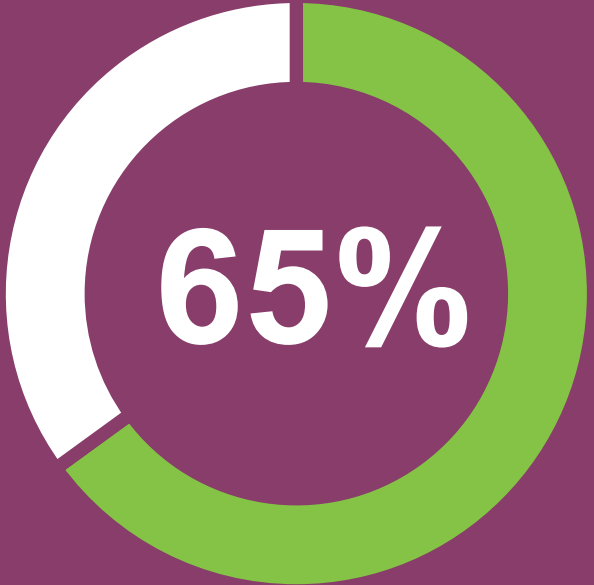
Takeout Tech

Significant investments have been made in improving packaging technology so that fries are delivered hot & crispy. Additionally, the potato industry has introduced new fry coatings that extend crispy-ness.

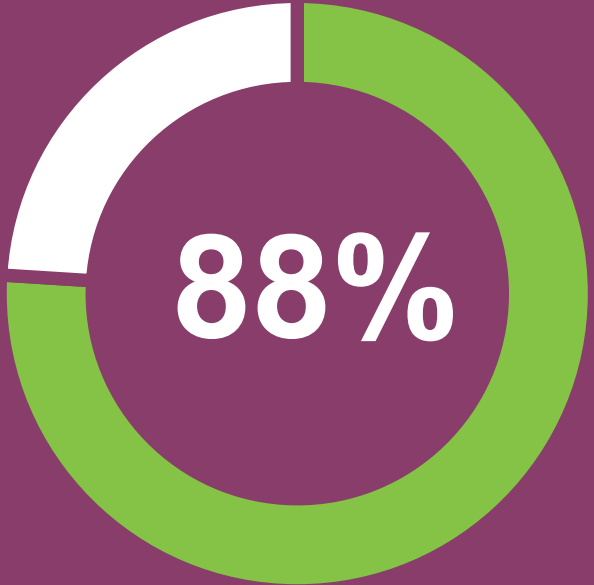
Potatoes USA 2022 Patron Study

#2 Potatoes are the second most associated item to restaurant menus, right behind beef products.

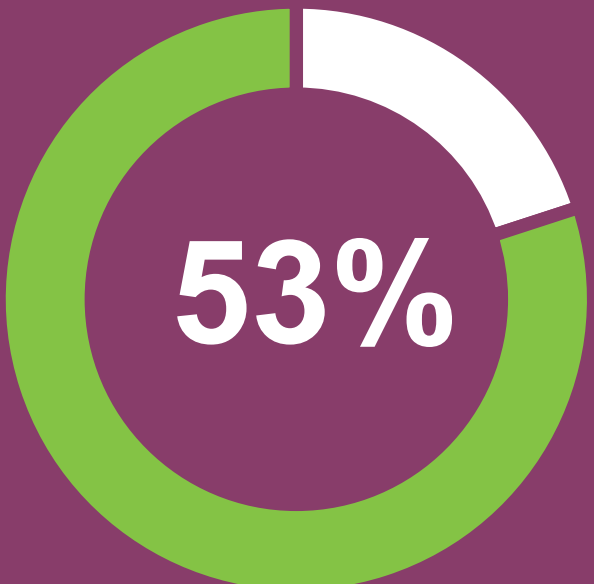
#1 Fries are the top ordered form of potatoes, followed by mashed and hash browns.



Of mid-scale restaurant users associate potatoes with their menu, leading all restaurant types.



Report ordering potatoes in general due to their taste, with it's satisfying and filling nature rounding out the top motivators.



Of respondents are willing to pay \$5.20 more for a meal with potatoes than one without potatoes.

TOP 10 LTOS BY PURCHASE INTENT

Roasted Prime Rib (STK)

Onion Rings (Wayback Burgers)

Baked Cheesy Potatoes (Mission BBQ)

Bone-In Ribeye (Smokey Bones)

Homestyle French Toast Sticks (Wendy's)

Loaded Mashed Potatoes (Cracker Barrel)

Cinnamon Roll (85C Bakery Cafe)

Crispy Apple Pie Rolls (Panda Express)

Campfire Potatoes (O'Charley's)

Philly Steak and Cheese Sandwich (Shoney's)

Base: Top 500 chain restaurants

Source: Technomic Ignite Menu consumer-rated LTOs data, January 2022-January 2023

Image Source: Shutterstock

Loaded Potatoes



What Does All of This Mean for Your Operations?

- Patrons love potatoes and **are willing to pay more for them** – adding potato sides and mains to your menu offers the opportunity to **boost margins**
- Potatoes are **versatile** – making them easy to weave into any **menu or day part**
- Potatoes offer **many formats**, so the possibilities are endless – making them **the perfect canvas for innovation and new flavors**
- Unique dishes are **menu differentiators** and **traffic drivers**



FOODSERVICE INSPIRATION



New Techniques

Exposure to unique foods and cuisines is everywhere – elevating consumer expectations to experience something new. Culinary-forward cooking and preparation techniques add a sense of “foodie” elevation that may not be easily achieved but is highly craved.

//Charcoal Venice, CA
Yukon Potato Baked in Coals



Craveworthy Captivation

Several of our favorite foods have been upgraded with a little more whimsy for an unexpected bite – driving both intrigue and craving satisfaction through ingredient selection and execution. Potato is at the heart of this showstopping plate.

//Musafer, TX
Aloo Methi Crispy, Layered Potato Disc Terrine



Elegance Redefined

Sophisticated doesn't have to mean pretentious or over the top, especially in today's culture where consumers are looking to do more with less and experience the joys in the simple elevation of everyday moments. On a quest for distinction through food and drink, we're looking for more unique, one-of-a-kind, limited, or truly WOW-worthy foods that are anything but ordinary.

//Eddie V's Prime Seafood, CO
Petrossian Royal Caviar Double Baked Potato



Iconic Flavor Expansion

Whether from a restaurant, a well-known city, or a season, bold flavors that are intrinsically tied to a particular foodie experience are highly craved for the emotional connection that they can bring to the current moment. How about some North Carolina BBQ piled fries smothered in more potato...it cannot get anymore iconic!

//Buena Papa, NC
Carolina BBQ Pulled Pork Mashed Potato Fries



Potato Pile-Up

Changing up the format on generic offerings can create both a new choice and convenient option. Anchored in familiar flavors but delivered in a fresh new way. We're looking for our favorite flavors in new places. Taking traditional formats into new categories with new capabilities.

//Nonda, AU
Japanese Style Potato Salad With Potato Floss



Unexpected Delight

Unexpected and out-of-the-box thinking takes a simple ingredient like potatoes to a whole new realm especially when they are smack dab in the center or your mouthwatering burger in fondue-style cheese making them taste better than imagined!

//Clinton Hall, NY
Fondue Burger



Fusion Feasts

People and ingredients are coming together in the most unexpected ways to create modern mash-ups making for a true fusion of flavor and culture. These menu creations allow for an approachable exploration of new culinary cuisine while remaining familiar in their format.

//Ming's Asian Street Food, RI
Street Fries & Pho-tine



Everyday Exploration

The four corners of the world are becoming increasingly smaller, and consumers are getting a taste of the world in their hometowns on the day-to-day. Never before has it been so easy to connect consumers with familiar flavors that are culturally significant to other regions of the world from morning to night.

//Wah Wah Gee, AU
Potato Croquette Bao Buns



Bold is Better

Spicy flavor profiles are heating up the food scene. Drawing inspiration from global food hotspots to entice tastebuds. Big, bold flavor combinations be it spicy & sweet or salty & smokey instantly spark a sense of intrigue. Flavor combinations that strike the right balance make for a mouthwatering eating experience.

//Mew, NY
Porkbelly, Mashed Potato Skewers with Gochujang & Dark Miso



(Heart)y Handhelds

Handhelds are as fun to eat as they taste! Loaded with flavor each bite can serve as an appetizer, a snack, or even a mini meal! Deconstructing favorite flavors and making them even more delightful by the handful. Stuffed, loaded, and full of goodness.

//Velvet Taco, Nat'l
Caviar Bump



UNLIMITED SOUL FOOD FAST

The recognizability and familiarity of certain foods is what makes them undeniably soul-satisfying; especially when they are unlimited! There's no guess work, no fuss, just pure emotional and culinary delight. Foods "made to honor fans" are recreated and reimagined to deliver a bite full of comfort and a slew full of cherished memories of yesteryear.

//Taco Bell, Int'l
Inaugural Grilled Cheese Nacho Fries



Sweet Sweet Nostalgia

Chefs are leaning into nostalgic roots, taking classic and iconic old-school menu items across all treat formats and modernizing them in unexpected ways. Consumers are looking for menu items that take them back to the sweeter times.

//Beaker and The Grey , FL
Purple Potato Cinnamon Roll

QUESTIONS?

THANK YOU!

