

## **U.S. Frozen Potatoes Building Momentum in Myanmar's Foodservice Industry**

Exports of U.S. frozen potato products to Myanmar during the first six months of the current 16/17 fiscal year exceeded full-year exports for all prior years, thanks to EMP-funded development work by Potatoes USA. U.S. exports of frozen potato products during July-December 2016 reached \$133,216, more than the \$88,935 and \$55,221 exported during all of MY 15/16 and MY 14/15. The growth in exports is due to the successful cultivation of direct export relationships as well as increasing volume and variety purchased by key foodservice operators.

Myanmar represents a promising new market for U.S. potato exports, based on political and economic reforms that have enabled more international trade and investment. As incomes rise, Myanmar's 55 million consumers have begun to frequent newly established Western-style restaurant chains. However, the market's reliance on transshipments from Singapore posed a significant constraint, by making U.S. products – already disadvantaged by their price differential with EU competitors – even more expensive and hindering reliability of supply. In addition, the emerging nature of the market meant foodservice operators lacked familiarity with U.S. potato products.

Thus, for the past two years, Potatoes USA focused on building relationships and U.S. product knowledge to lay the groundwork for future sales. In FY14/15 and FY15/16, Potatoes USA used EMP funds to implement trade education, including one-on-one meetings, distribution of educational materials, technical seminars and cold chain/fryer management training. On the U.S. side, Potatoes USA worked to convince U.S. suppliers to increase their market presence in Myanmar itself, to cut out the middleman. The program emphasized the benefits of U.S. high quality frozen potatoes and also highlighted the added services Potatoes USA provides to customers who buy 100% U.S. potatoes, such as individualized training and promotional assistance. In the current year, Potatoes USA is utilizing MAP funds to further expand market gains.

Several key results are driving U.S. export increases to this country:

- Educational activities have been helpful in developing product loyalty and new usage by the Lotteria restaurant franchise, one of the market's fastest growing and most successful chains. This franchise has begun importing one 40-foot container of U.S. frozen potatoes every 45 days, and expects to import about eight forty-foot containers per year. It is also considering new products like U.S. frozen wedges and hashbrowns, thanks to ongoing education.
- Last year, Potatoes USA convinced the Nan Nan Group, which owns several Potato Break fast food outlets, to contract for direct shipment of a container-load of frozen fries. Previously, they relied on transshipped product. Notably, the direct shipment included value-added specialty fry products, which opened the door to increasing the variety of products sold in the market. They continue to trial new frozen potato products, including curly fries, wedges and sidewinders in the current fiscal year.
- Work with a new U.S. supplier of frozen potatoes is moving forward with product samples delivered to a variety of end-users during the first two quarters of MY 16/17, which will expand the number of U.S. frozen fry brands sold in the market.

