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#### THIS MONTH'S WINNER:

#### **Doug Swick**

Dilgard Frozen Foods, Inc. Fort Wayne, IN

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#### **How To Win**

To win the Produce Business Quiz, the first thing you have to do is enter. The rules are simple: Read through the articles and advertisements in this issue to find the answers. Fill in the blanks corresponding to the questions below, and either cut along the dotted line or photocopy the page, and send your answers along with a business card or company letterhead to the address listed on the coupon. The winner will be chosen by drawing from the responses received before the publication of our June issue of Produce Business. The winner must agree to submit a color photo to be published in that issue.

Doug Swick has been reading PRODUCE Business for as long as he can remember. A buyer at Dilgard Frozen Foods Inc. for 23 years, Swick relies on the publication to keep him up to date. "There's so much information in the magazine about new items, packaging technologies and all the different suppliers. It really helps to keep track of everything," Swick notes.

While the name of the company might be deceiving, Dilgard Frozen Food Inc. is a full-service, full line distributor and brings in everything from fresh meat to fruits and vegetables for its foodservice clientele, which are mainly small independently owned restaurants in the Fort Wayne area.

Prior to his tenure at Dilgard, Swick worked for Marsh Supermarkets and Supervalu. He looks forward to wearing his carbon fiber-heated vest at football games. "Despite my Indiana location, I am a Cleveland Browns fan. I try to see them whenever they play in Cincinnati. I also love the outdoors, and spending time outside in the winter."

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	THE APRIL ISSUE toes grown by Mastronardi.					
2) When will this year's PMA F	When will this year's PMA Foodservice Conference and Exposition be held?					
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## Planting Deep Roots, Harvesting Great Results

At Tanimura & Antle, we are dedicated to the business of farming premium quality produce. For over three generations our families have worked together, and twenty-five years ago, we made our partnership official. Our goal then was the same as it is now: to produce the best quality produce, innovate wherever possible, and service the customer.

Today, our families are as committed as ever. Our deep roots have yielded great results. Thank you for your support throughout the years. We have been proud to serve you, and look forward to many more years to come.



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#### THE FRUITS **OF THOUGHT**



# Staircase Of Value

n our mad rush to deliver value during these economic times, there is great danger we will inadvertently and unnecessarily move the produce industry from the normal distribution of demand along a range of value propositions and head straight to the bottom. This is of no small import as a generation of work on issues such as food safety, sustainability and traceability threatens to be lost in the avalanche of "value." Yes, this recession seems certain to hit long and deep, and it has citizens from the rich to the poor reevaluating their spending.

Yet value - rather than being seen as an absolute fealty to the lowest price possible — is best seen as a staircase. Imagine the staircase of consumer purchases, climbing from economy products up through core products, passing on to premium products and then reaching the rarified luxury products.

Regardless of where consumers find themselves on this staircase, they can economize and enjoy greater value in three ways: First, consumers can be offered a lower price on the products with which they are familiar. Second, consumers can be offered the same quality, but with a marketing change, perhaps a switch to a private label or a requirement to buy a larger pack. Third, consumers can take one step down the staircase of value and buy, for example, premium products, rather than luxury products.

In the vast majority of cases, this is what consumers define as value: products similar to what they have typically purchased, but at a better price - not an opportunity to totally abandon the products they have enjoyed and buy the cheapest thing the market can produce.

Of course, retailers have powerful influence on consumers, and if retailers are promoting products that fall on the lowest steps of quality – defined both explicitly in terms of the goods themselves and implicitly in the inclusion of a range of supply chain responsibilities, such as sustainability – we will be quite effective in driving the consumer to the bottom. Coincidentally, we will also erase most of the industry's profits at the same time.

Yet this is all very unnecessary and not in the best interest of consumers. In fact, as consumers look to trade down, each retailer is given an opportunity to woo and win new, more upscale customers. This is visually obvious at retailers such as Wal-Mart, where consumers who are clearly strangers to the store can be seen navigating the seemingly infinite aisles of supercenters across the land.

The truth is that value is an amorphous term, and different consumers perceive it differently. One group of consumers, for example, is right now cancelling their memberships at warehouse clubs to save the fee, which may explain why Sam's Club is now offering a \$10 coupon with new memberships.

Some consumers identify value as a reduction in their cash out-

lays, so they use up their home inventory of canned and frozen goods and thus, in their minds, eat for free for a while. They are not interested in warehouse clubs and club packs at supermarkets because they don't want to make a large cash outlay, even if the price per pound is very good.

Other consumers see value in precisely the opposite way. They head to club stores and look for sales in the grocery store as stockup opportunities. Some are even buying secondary freezers specifically to take advantage of such opportunities to save money by stocking up.

Even within a store, consumers who are trading down by buying private label goods are really offering stores a sampling opportunity to prove the quality of their offerings. Are these products really as good as national brands at lower prices? Will the consumers stick

> with the products, especially when prosperity returns? Certainly, much depends on how consumers enjoy the experience with those private label goods.

> Consumer behavior during tough times tends to become risk-averse, and this may mean that suppliers and retailers would do well to rethink merchandising and marketing approaches, especially efforts to get consumers to try new items.

> More demos and sampling are important to make the trial of new products essentially riskfree. More generous return-and-exchange programs may also merit consideration. Restaurants such as California Pizza Kitchen have long attempted to increase business by encour-

aging consumers to try new types of pizza. The promise? If you try something new and don't like it, just tell your server and your old favorite will be served at no additional charge. One could easily adopt such a policy boosting sales of different specialty produce items, for example. It is certainly worth an experiment.

It is important for retailers and suppliers alike to think of the space they occupy in the minds of the consumer. A chain such as Whole Foods may feel the pressure to offer value, but it needs to keep in mind that the prototypical Whole Foods customer is attracted to the store because of a belief that the products offered are better than those offered elsewhere. Better may mean higher quality or produced in accordance with more humane values or better for the environment. Whatever the case, simply rushing to create value by showing it can sell some things cheaply is probably a strategy more likely to alienate than retain customers.

Think of that staircase of value and how you can offer value on luxury goods, premium goods and core offerings. Don't assume that a leap to the bottom is the only option. With patience, testing and an avoidance of panic, you may find a landing where you and your consumers can be happy together.

# Winner!

All of us at Mann Packing congratulate
Jim Prevor on his receipt of the

Timothy White Award
for editorial integrity by

American Business Media.

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## WASHINGTON GRAPEVINE

A report on the inside happenings of government.

SUBMITTED BY TOM STENZEL, PRESIDENT & CEO, UNITED FRESH PRODUCE ASSOCIATION • UNITED FRESH PRODUCE ASSOC. United Fresh



# A Busy Month in Washington

ike them or not, everyone would have to agree that it didn't take long for the Obama Administration and new Congress to heat up the pace in Washington, DC. After several years in which the past Administration was mostly defending the status quo, these new folks are indeed all about change. The hard question for the produce industry is whether the kind of change they have in mind is for the best.

Food safety presents probably the most confusing area. Most in the produce industry came to grips several years ago with the need for comprehensive reform and stronger federal oversight of food safety. After seeing whole commodity groups trashed and consumer confidence in any and all fresh produce sagging, we agreed that government action was needed to restore confidence in a system that seems to lurch from one crisis to another.

On March 12, I had the honor of testifying again before the House of Representatives during the eighth Congressional hearing on food safety, where United Fresh has appeared since the spinach outbreak in 2006. We called on Congress back then, and again now, to ensure that any food safety regulation must be commodity-specific and based on sound science; consistent for individual crops whether grown domestically or imported; and require mandatory federal oversight for public confidence and equity across the entire industry. Those same principles are now incorporated in many of the food safety bills under debate in Congress, and it is that constancy of effort and message from the produce industry that has convinced members of Congress to listen to our voice on food safety law.

Yet, today, the Obama Administration has appointed new leadership at the Food and Drug Administration, and some members of Congress have ratcheted up the rhetoric on food safety such that no one sees the final outcome clearly. As the cliché goes, the light at the end of the tunnel could be the train coming at us if we're not careful. Diligence and constancy must continue All is not lost in DC. but it is a call to action to everyone in the produce industry. Now is the time to get involved.

to mark the course ahead.

Another area where we'd better dig in and prepare for a roller coaster ride is the topic of labor regulation, immigration and the notorious card check bill now masquerading as the Employee Free Choice Act in Congress.

Mislabeled by supporters as pro-worker, the card check bill would actually deny workers the right to a secret ballot in determining which, if any, union to recognize for collective bargaining. The secret ballot is a principle of democracy that members of Congress enjoy along with thousands of officeholders at the local and state level. Even the bill's proponents have written in the past to pro-union organizers in other countries about the importance of giving workers the right to a secret ballot. Now, when they think that simply "checking a card" instead of having a secret ballot would be a faster way to organize unions, they are ready to abandon this principle. This is legislation that both workers and management need to soundly reject.

To this end. United Fresh has created a comprehensive card check information center for the industry on our Web site, www.unitedfresh.org, and recently formed grassroots networks in eight key states where Senators likely hold the fate of card check in their hands. While many of the states are not traditionally large producers of fruits and vegetables, there are thousands of individuals in each state affiliated throughout the produce supply chain to aid in the opposition to card check.

Meanwhile, there's no action in Congress on comprehensive immigration reform to secure a legal and stable workforce. New Labor Secretary, Hilda Solis, recently moved to suspend the minor improvements in the H2A guest worker regulations adopted in the last Administration. The vise is simply continuing to tighten around produce companies that need labor for harvesting, packing houses and processing plants. The fight for policies contained in the AgJobs bill is back: and it's even more critical and challenging than ever.

But, all is not a crisis, for President and Mrs. Obama seem to understand the critical importance of good nutrition and increasing consumption of fresh fruits and vegetables. Just look at the positive words coming from the White House almost daily it seems. Even more important, the Administration itself seems more willing to put their money where their mouth is, with an extra billion dollars proposed in the President's USDA budget above current spending on nutrition programs in schools. We're seeing the Obama team begin to recognize the importance of the new fruit and vegetable vouchers in the Women, Infants and Children (WIC) Federal Feeding Program. That effort alone will now bring some \$600 million in new fruit and vegetable purchases for these needy mothers and their children. We're also seeing fruits and vegetables moving to a higher profile in the healthcare debate, as prevention of disease takes center stage.

So, all is not lost in DC, but it is a call to action to everyone in the produce industry. Now is the time to get involved in these issues that will likely shape our industry, for better or worse, in the coming years. Get involved in your local associations and commodity groups and get involved with us here at the national and international level.

There's an old saying - government is not a spectator sport. If we sit on the sideline and watch, we'll get exactly the kind of results we earn.

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## **PRODUCE**

#### **SEALD SWEET INTERNATIONAL VERO BEACH, FL**

Garry Rowe joined the sales team. He will specialize in deciduous commodity sales and offer Seald Sweet's fresh citrus and other fresh produce commodities. He previously worked for C.H. Robinson Worldwide Inc. and brings more than 17 years of experience in produce sales.



#### **SALYER AMERICAN FRESH FOODS MONTEREY, CA**

Joe Kaslin has been named sales manager. His duties will include leading efforts of the domestic and export sales and administrative teams. He brings more than 30 years of sales experience in fresh-cut produce and previously spent 23 years helping Salyer secure a prominent position with the industry.



#### **DMA SOLUTIONS INC. IRVING, TX**

Dana Davis was appointed to associate partner. She began working for DMA in June 2008, supporting a variety of projects for key clients. She brings more than 10 years of produce experience in marketing, sales and business development. She most recently served as founder and president of Tyger Sales and Marketing LLC and was with the Produce Marketing Association for nine years.



#### **SOUTHERN SPECIALTIES INC. POMPANO BEACH, FL**

Tim Meissner was hired as chief operating officer. He brings a broad range of produce industry experience. His career has included positions in retail, foodservice, produce distribution and grower applications management. He most recently worked as vice president of sales at River Ranch Fresh Foods.



#### **BOSKOVICH FARMS INC. OXNARD, CA**

Stuart Burke was hired as sales representative for its fresh-cut division, where he will sell the company's fresh-cut and value-added product line. He will be responsible for purchasing outside produce and cost management. He previously worked as senior personal banker for Affinity Bank.



#### **SUN WORLD INTERNATIONAL, LLC BAKERSFIELD, CA**

Gene Coughlin was named the category director of citrus, watermelon and peppers. He previously worked as Sun World's category manager of tree fruit. He joined Sun World as a sales representative, moving on to hold positions as the category manager of both citrus and tree fruit.



Brian Lombardi joined the FOB sales desk. He previously worked as sales/broker for ASG Produce, where he managed more than 50 local, national and international buying brokers of fruits and vegetables. He also worked for Cal Sun Produce, where he gained wideranging experience in produce sales, shipping and field-work



Rick Paul will assume a new category director role, focusing on table grapes and stone fruit. He brings 20 years of experience in produce sales, and dedicated 16 of those years to the individual category management of grapes and stone fruit. He will assist customers with long-term, strategic growth plans for the categories he represents.



#### **GIUMARRA VBM INTERNATIONAL BERRY**

LOS ANGELES, CA Andrew Smith has joined Giumarra's East Coast sales team, filling a newly created position. He previously worked for Pacific Trellis Fruit, where he managed quality control on the East Coast for its import grape program. He also has past experience working with Del Monte Fresh Produce.



Denise Smith was promoted to sales planning manager. She joined Sun World in 1997 as a customer service representative, most recently working as sales support manager. Combining her intricate knowledge of the company's sales and operations with familiarity of research-based industry trends will allow Sun World to ensure the services it offers are in line with the needs of its customers.



Ben Reilly joined Giumarra's East Coast field staff, filling a newly created position. He graduated with a degree in agribusiness from the University of Queensland. In 2007, he received the PMA/Pack Family Scholarship, which gave him the opportunity to attend the 2008 PMA Fresh Summit in Ŏrlando, FL.

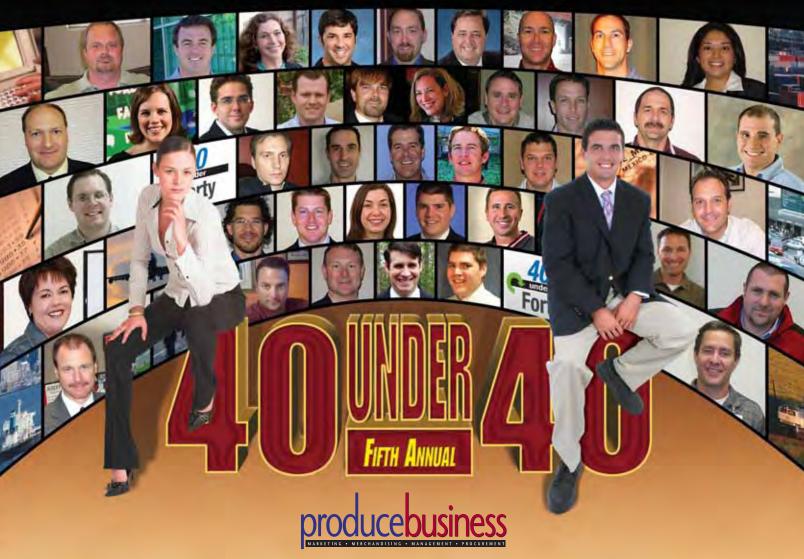


#### NOBLE JUICES WINTER HAVEN, FL

Rich McCleeland has joined the company as national sales manager, filling a newly created position aimed at expanding outreach and boosting sales. He has vast experience in the food and beverage industry.



Produce Watch is a regular feature of Produce Business. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a color photo, slide or transparency to: Managing Editor, PRODUCE BUSINESS, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at info@producebusiness.com



PRODUCE BUSINESS is accepting nominations for its Fifth Annual 40 Under Forty Project, which recognizes the produce industry's top young leaders.

Honorees will be selected based on their professional accomplishments, demonstrated leadership and industry/community contributions. To be eligible, nominees must be under the age of 40 as of January 1 (People born after January 1, 1969).

To nominate someone, please fill out this form by March 1, 2009, and fax back to 561-994-1610.

Once nominated, the candidate will receive forms from us to fill out asking for detailed information. A candidate only needs to be nominated one time. Multiple nominations will have no bearing on selection.

ABOUT THE NOMINEE:			Nominee's Professional Ad	chievements:	
First Name	Last Name				
Approximate Age					
Company					
Position			Nominee's Industry/Comm	nunity/Charitable Activities:	
Address					
City	State	Postal Code			
Country					
Phone	Fax		ABOUT THE NOMINA	TOR:	
E-mail				Last Name	
In 100 words or less, describe why this person should be nominated: (You can use a separate sheet for this)					
					Postal Code
			Phone	Fav	
			F-mail	Tax	

#### **NEW PRODUCTS**

#### **DUAL PALLET RACK AND** STORAGE SYSTEM

Twinlode Corp., South Bend, IN, launched its pallet rack and storage system that features a double-wide design, allowing loading and unloading of two pallets at a time. Twinlode's heavy-duty structural steel systems double productivity, maximize storage space and save on labor and equipment costs.



Reader Service No. 300

#### ARTISAN LETTUCE PACKAGING

Tanimura & Antle, Salinas, CA, introduced new, exclusive, scalloped, clamshell packaging for its 4- and 6-count packages of Artisan Lettuce, which are available for retail and club store sales. To ensure freshness and a longer shelf life, the packaging was customized to protect the heads and showcase the product's freshness.



Reader Service No. 301

#### **ANNOUNCEMENTS**

#### MASTRONARDI UNVEILS PARTNERSHIP WITH DISNEY

Mastronardi Produce/Sunset, Kingsville, ON, Canada, announced that it will begin marketing gourmet greenhouse produce with Disney Garden packaging this spring. Mastronardi will ship its first Disney Garden cases in early April, beginning with products that feature stars from Disney's High School Musical.



Reader Service No. 302

#### United Fresh To HONOR COSTCO'S SHAVEY

The United Fresh Produce Association, Washington, D.C., will honor Heather Shavey, Costco Wholesale's assistant general marketing manager for fresh foods and produce at the 2009 Reception Honoring Women in Produce at the Palazzo Hotel in Las Vegas, NV. Shavey will be honored for her innovation and continued service to the produce



Reader Service No. 303

#### DOMEX AND PBH CREATE EDUCATIONAL VIDEOS

Domex Superfresh Growers, Yakima, WA, has teamed up with the Produce For Better Health Foundation (PBH), Wilmington, DE, to create short, instructional videos that focus on how to select, prepare and store fresh apples, pears and cherries. Available on PBH's Web site, the videos are aimed at increasing consumption. Michael Marks, Your Produce Man, produced them.



Reader Service No. 304

#### RIVERIDGE DEBUTS RED PRINCE APPLE IN NORTH AMERICA

Riveridge Produce Marketing Inc., Sparta, MI, announced its North American launch of the Red Prince apple. The Royally Crisp Red Prince apple provides a rich, full flavor with mildly sweet taste excellent for fresh eating or for use in salads and baking. In 1994, the Red Prince originated on the border of Germany and Holland.



Reader Service No. 305

#### OCEAN MIST GOES WAX-LESS

Ocean Mist, Castroville, CA, has made efforts to replace its waxed cartons with new wax-less, recyclable packaging encapsulated in a thin film that makes the cardboard waterproof. As of January, all of Ocean Mist Farm's celery crop was transitioned into the wax-less cartons and the company is developing plans to transition its other commodities.



Reader Service No. 306

#### MANN PACKING TO LAUNCH SPRING PROMOTION

Mann Packing Co., Salinas, CA, is gearing up for its annual Swing Into Spring on-pack offer promotion. The marketing efforts began March 1 and included instant, redeemable coupons placed on 200,000 packages of 8-ounce String-Less Sugar Snap Peas and 6-ounce Snow Peas. The offer is good for \$1-off savings for any two packages of the purchased Mann's



#### Reader Service No. 307

#### **IPC SURVEY SHOWS AMERICANS LOVE POTATOES**

In celebration of Potato Lover's Month, the Idaho Potato Commission (IPC), Eagle, ID, conducted a national survey, which revealed that potatoes are America's favorite vegetable. More than 95 percent of Americans who eat potatoes say the tuber makes it on their plate an average of two days per week.



Reader Service No. 308

#### PATRICK FARMS LAUNCHES TRACEGAINS SYSTEM

Patrick Farms, Omega, GA, selects Positively Assured Traceability, a system created by Longmont, CO-based TraceGains to protect the company's brand against unwanted claims and to leverage traceability information to improve profits. The new system allows instantaneous traceability and continuous compliance.



Reader Service No. 309

#### FRIEDA'S PRESENTS NEW PACKAGING FOR CRÊPES

Frieda's Inc., Los Alamitos, CA, launched new packaging on French-style crêpes. Frieda's French Style Crêpes now boast an elegantly redesigned package, a larger round shape and a special sales-building shipper-display box program for retailers. The packaging features vibrant colors and mouthwatering food photography.



Reader Service No. 310

#### AWE SUM ORGANICS OFFERS **NEW CROP ORGANIC APPLES**

Awe Sum Organics Inc., Santa Cruz, CA, is offering all varieties of fresh, New Crop Organic Apples from New Zealand and Chile during the import appleshipping season. The season will open with Royal Gala and Granny Smith in April, shipping through August. Fuji will ship from April through September. Braeburn and Pink Lady start in May and go through September.



Reader Service No. 311

#### **CORRECTIONS**

In our February issue, Scott Seddon, marketing and advertising specialist for Pero Packing & Sales Inc., headquartered in Delray Beach, FL, was quoted as saying the company grew cauliflower. The company does not grow cauliflower.

Also in our February issue, we incorrectly listed the title of Mr. Alberto Maldonado. He is the general manager of Apache Produce Imports LLC, in Nogales, AZ, a distributing partner of Melones Internacional for its Plain Jane brand of greenhouse vegetables. We regret the errors.

Produce Watch is a regular feature of Produce Business. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a color photo, slide or transparency to: Managing Editor, Produce Business, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at info@producebusiness.com



# Helping Industry Members Help Themselves

e've been hearing a lot about the Economic Stimulus Plan and various bailouts recently, which lend new fuel to the age-old debate of helping yourself versus asking the government to help you. Lucky for us, our industry was built on hard work and entrepreneurship — a labor of love if you will — to bring high-quality, healthy products to consumers. Could any of you imagine our industry lining up on Capitol Hill demanding we need a handout? And where should we rank compared to those industries that already have gone to the trough, in terms of our economic impact?

Well, now we have an answer to that latter question. Produce Marketing Association's (PMA) recently released economic impact study gives us — for the first time ever — a good sense of our place on the national economic scale. We now know we contribute \$554 billion annually in total economic impact and the 2.7 percent of all jobs within the United States. The results of this unprecedented industry-wide study will help all of us on a wide range of initiatives, from federal policymaking to individual business pursuits. From field to fork, our industry now has some accredited, hard numbers to back us up both on a macro and micro level.

The study demonstrates the role our industry plays in stimulating the U.S. economy. From an economic perspective, the study found we are a significant income-generator, providing \$36 billion in direct wages and \$71.8 billion of total wages each year. These figures account for 1.7 million direct, full-time equivalent (FTE) jobs, an additional 1 million ripple-effect jobs and 1.9 percent of all U.S. employment. Our total impact is 4.23 percent of U.S. Gross Domestic Product (GDP). Within the agricultural sector, produce and floral production is one-third of total U.S. animal and crop production.

eft to our own invention, our industry has grown nationally while still providing a crucial comprehensive local component.

The numbers also reflect the significant and real value our industry adds to our products. The study reports \$1 of production value ultimately generates \$16.75 of total economic value, as produce and floral products move up the supply chain. A general economic rule of thumb is that as added value approaches 20 percent, it shows the industry is doing something valuable with the raw material, rather than marking it up for handling.

These big numbers will help PMA and our partner organizations in our mission to advance the industry's interests at the federal level, while the granular detail also provides tools and information for our members to help themselves at the regional and local level. As opposed to lobbying for a bailout package, our industry can use this information to support self-help efforts, by providing backup for loan applications, grant proposals and business development or expansion plans. Additionally, the employment information at the local level can help maintain existing jobs, develop future jobs and prevent further job loss.

The study shows how the industry touches every state and congressional district in the country. While California, not surprisingly, is a leader in many areas of the study, the noted impact of other states and districts not traditionally considered to be major produce players may be a new revelation. Florida, Texas, New York and Pennsylvania round out the top five states, each accounting for more than

100,000 direct and ripple-effect employment, or total impact employment, while 15 states exceed 50,000 total impact employment. Every congressional district benefits from at least 1,500 direct fresh produce and mass-market floral industry jobs, and at least 2,200 total jobs with more than half of congressional districts attaining an impact level of \$1 billion or more.

The credibility of the study's non-profit research firm, Battelle, and the standards used to develop the study give us high confidence in the data's value. A team of economic researchers and industry experts alike tested the study model, and results were validated against other established data. Its field-to-fork perspective incorporates all levels of production, distribution. marketing and foodservice. This inclusive modeling will allow all members of the industry to benefit from this study.

The beauty of this study is that it shows an industry rich with economic value and success. Left to our own invention, our industry has grown nationally while still providing a crucial comprehensive local component. In an increasingly analytical business environment, the produce industry now has real-world numbers to use with federal, state and local government, banks and even zoning boards to validate that we must be highly-valued economic contributors — and that we're not waiting for the next bailout.

# Confidence-Building Information

t is terrific that PMA has funded a study to ascertain the size and scope of the produce industry. This data is intriguing to all who toil in this trade and essential to those looking to make the case for federal or state action to help the industry.

PMA certainly attempted to create a "gold standard" study and deserves praise for that high standard. It is, however, in the nature of these things that differentiate industries to be inherently duplicative in these types of studies. So although it may be true that we account for 2.7 percent of all U.S. jobs, it is also true that if you add up all the studies done by all the industries, the percentage of jobs accounted for by all the different industries would substantially exceed 100%.

Why? Well, if the supermarket industry does a study of its impact, it will count many of the "produce" employees as supermarket employees. If the restaurant industry attempts to quantify its impact, it will count employees and sales as "restaurant-related" that PMA counted as "produce-related." If the transportation business wants to showcase its significance, it would count all those produce hauling trucks as "transportation," although they fall into the PMA study as part of the impact of the produce industry.

The fact that states with high populations but small produce production bases often counted as substantial parts of the produce industry in the PMA study is really testament to the value added in marketing and distribution. If nobody lived in California and nothing was processed in the state, so California only contributed raw product, this production colossus would drop quickly and substantially in the rankings of the states.

Of course, this is just the flip side of the grower's common lament that they receive too small a percentage of the retail price for their produce.

Although one can imagine all kinds of uses for this data, such as persuading the federal government to invest in updating a half-century-old water infrastructure, this study is really an investment by PMA in arming the trade's public policy advocates with

ow, hopefully, each firm will take this shot of confidence and use it to build up its own business in these recessionary times and be a bit more aggressive about trying to boost business.

additional data.

When it comes to individual companies, it is more important to pay attention to the micro than the macro. In fact, this subject was recently brought up in a joint presentation this author conducted with Steve Lutz. executive vice president of the Perishables Group, anchoring PMA's Produce Solutions Conference. In the Dick Cavett-style discussion with industry consultant Kevin O'Connor filling the Dick Cavett role, we tried to emphasize that the prospects for most produce companies are far more influenced by what those companies do than by changes in the gross domestic product.

Sure as John F. Kennedy reminded us a "rising tide lifts all boats," if you have a two percentage-point share of the national market for, say, cucumbers, it is nice if cucumber consumption is on an upswing and if all your existing cucumber customers just buy more cucumbers than they did last year. That makes life easy.

But the truth is that cucumber consumption probably doesn't correlate with Gross Domestic Product increases and that, even if it did, different retailers are going to grow at different rates. So, even in boom times, one's growth is heavily dependent on how one has positioned oneself. For example, is the supplier consciously aligned with retailers that are gaining market share? If not, if one is aligned with a stagnant or declining chain, then the economy could boom, cucumber consumption could boom and one's own market share could still fall.

Aside from helping lobbyists for the trade, the PMA study has another benefit: It helps to build the confidence of an industry that, though one of the world's oldest and one newly invigorated by the emphasis on health, has often thought of itself as old-fashioned and not very sexy, compared to computers and semiconductors and all kinds of hightech industries.

Yet, now we have good evidence that the trade is critical — that we matter. We already knew that we mattered to 300 million Americans because we provide healthy sustenance, but we also provide good jobs, economic heft and make a real contribution to the economy.

Now, hopefully, each firm will take this shot of confidence and use it to build up its own business in these recessionary times and be a bit more aggressive about trying to boost business. After all, recessions are part of a business cycle, which means there may be lows, but there are new highs yet to come, as executives in the produce industry plan for how to come out of this downturn positioned to win. Thanks to the new PMA research, they know they won't be charging into the post-recession future all alone. They now know they are part of a mighty army charging forward, together.

For delivering that realization through funding this study, PMA certainly deserves high kudos.

#### Prevor Wins An Award, But The Industry Gets The Prize

From Jim Prevor's Perishable Pundit, Jan. 22, 2009



7ill anyone care if an industry member, say, Bryan Silbermann or Tom Stenzel, or, in this case, Jim Prevor, wins an award? If the award is for the right thing, I think so. That's why I've taken over today's Pundit - to tell you about just such an award and why it is so significant to the industry.

My name is Ken Whitacre, and for those of you who don't know me I've partnered with Jim since the launch of Produce Business in 1985. Personally, Jim and I go back longer than that. We were fraternity brothers in college.

When we were single, we shared an apartment and we were both each other's best men at our respective weddings. So I've had the chance to know Jim "up close and personal," and although I don't have Jim's gift of prose, I've had the privilege - and I consider it a great privilege - of reading and editing every word he has written for the past 24 years.

As I sit here writing, seeped in those millions of words written by Jim, I want to explain that although Jim's name is on this very special award, it's really the industry that has received an incredible present, and that's what this award is all about.

There was once an editor by the name of Timothy White. He worked for Billboard magazine, and he came to be the conscience of the music industry. He helped it to be better when he could, and he defended the music industry when defense was appropriate. If you happen to be a fan of rap music, you may have heard his name as he was so prominent he even made the lyrics of an Eminem song: "Let me recite 'til Timothy White pickets outside the Interscope offices every night."

When Timothy White passed away, a decision was made by American Business Media (ABM), the association for business-tobusiness media, which includes Business Week, Forbes.com and countless business-to-business magazines and Web sites, to present a special award for editorial integrity.

This association holds an annual award competition — the Jesse H. Neal Awards — and the awards are given in various categories for excellence in journalism. Jim has been honored in past years as a winner in the category of Editorial, Commentary and Opinion Journalism. This year he is nominated again, this time in the Hard News category for the unique work he did in Produce Business and PerishablePundit.com in wrestling with the Salmonella Saintpaul crisis this past summer.

The Jesse H. Neal award is very prestigious and difficult to win. It is often referred to as the Pulitzer Prize of the Business Press, and merely to be nominated is a great honor. But this year, in addition to being nominated for the Jesse H. Neal award, Jim is being awarded something different, not just in degree, but in kind. He has been

> named the recipient of The Timothy White Award for Editorial Integrity.

> Paul Conley, a well-known commentator on business journalism, has called the award the "most important award in business-to-business journalism," and I know that it is the one most meaningful to Jim. Here is how the criteria for the award is explained:

> The Timothy White Award recognizes exemplary leadership in the face of the challenges and pressures that editors face daily. Named after the longtime editor of Billboard who served as the moral compass of the music industry by tackling controversial issues before succumbing to a heart attack in June 2002, the award is given to an editor whose work displays courage, integrity and passion.

Jim always makes a place for the little guy the Mexcan farmer, the Honduran grower, the regional processor or the local wholesaler. He makes sure that the voiceless have a chance to be heard.

#### Criteria:

The editor being nominated should have followed White's lead by:

- Standing up to outside pressures whether from advertisers, industry executives or upper management — that threaten to interfere with the goal of placing readers first and maintaining independent, honest and ethical journalism.
- Serving as the conscience of the audience that his/her publication or Web site serves and fearlessly supporting important industry causes. Although courage, integrity and passion are the prime requirements for this award, the nominee should also:
  - Uphold the integrity of business-to-business journalism as defined in the American Business Media's Editorial Code of Ethics and other professional standards.
  - Mentor editorial colleagues and other members of the publication to instill the highest ethical standards.

ABM does not necessarily give this award annually. It's reserved as a kind of Special Oscar for individuals who exemplify courage, integrity and passion in an extraordinary way.

Obviously, Jim has a lot of friends in the industry, so I know he will get a lot of e-mails and notes congratulating him on this achievement. These are people who care about Jim and will be glad for his accomplishment and success. But I would make the case that those who don't know Jim, who have no personal relationship with him, should still be pleased by this award. After all, what is an industry but a series of institutions and how can an industry be any better than the quality of those institutions?

Thomas Jefferson once said, "If a nation expects to be ignorant and free, in a state of civilization, it expects what never was and never will be."

It is equally true that an industry expecting to advance depends crucially on the institutions that inform and educate its members, crucially on the forums available for analysis and debate, crucially on someone having the courage to bring it all together, someone not afraid to speak the truth. In this industry, Jim Prevor is that institution.

The specifics of the merits for which Jim won this award include his exemplarily service to the industry during various food safety crises, such as the spinach and the Salmonella Saintpaul crises, when he frequently worked around the clock to determine and analyze the story. (How many of you recall those daily Pundit editions released at 3 and 4 a.m. for weeks on end?)

The award also recognizes Jim's willingness to tell it like he saw it, even if that meant alienating important advertisers or readers. The series we have run on Sunkist, Ocean Spray and Tesco's Fresh & Easy fall into these categories.

The award also is partly given for engaging and encouraging honest dialog in the industry and partly for representing the industry to the general public. Whether on CNN, Fox Business Channel, NPR, the BBC or being quoted in hundreds of media outlets, Jim was there, credible as an independent editor and analyst, helping the world to better understand the industry.

Timothy White was well known for caring about the little guy, the small artist who might not get the attention of the big record label. In much the same way, Jim always makes a place for the little guy - the Mexican farmer, the Honduran grower, the regional processor or the local wholesaler. He makes sure that the voiceless have a chance to be heard.

Yet mostly, this award is for building a culture at Produce Busi-NESS, PerishablePundit.com and our other magazines that is built around the notion that telling the truth is primary and that, in this

business, success depends ultimately on reputation — whatever the short term cost.

Jim has been published in The Wall Street Journal and is a steady presence on TV and radio programs. If it were not for a quirk of history, I think Jim would have somehow devoted his life to big consumer publications and would probably be guiding the President right now. But Jim's destiny was always tied to the produce industry.

Jim is the great-grandson of Jacob Prevor, who ran a produce wholesaling operation on the old Wallabout Produce Market in

> Brooklyn; he is the grandson of Harry Prevor, who was a wholesaler and auction buyer on the old Washington Street Market in Manhattan; and he is the son of Michael Prevor. who moved the family business to the Hunts Point Market in the Bronx and made it a leader in the import and export trade.

Out of his tie to that history grew a fierce allegiance to the trade, and so he has devoted his life to making it stronger and better.

It is easy to assume that if Churchill hadn't been born. Britain still would have stood up to the Nazis and never surrendered. It is easy to assume that if Einstein hadn't existed, the theory of relativity would have been invented by the next guy or that if George Washington hadn't been in the picture, the Republic would have still done just fine, and that if Lincoln had not been there to be so obstinate about the Union, it still would have

endured. So, in our little industry, it's easy to assume that if Jim didn't scribble, someone else would and nothing would have changed. But watching other industries, I think this assumption would be incorrect. People with intellect, knowledge, perseverance — or in the specifics of this award, "integrity, passion and courage" - don't have to work in our industry. They have many

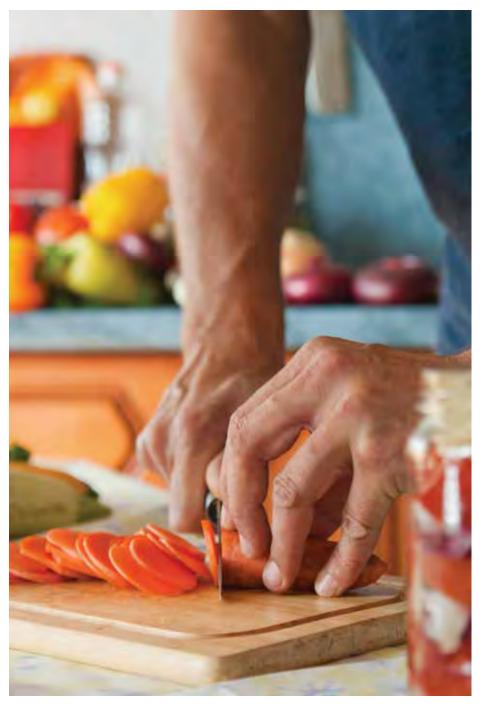
would all be poorer for it. Congratulations to Jim on being named the 2009 recipient of The Timothy White Award for Editorial Integrity. Though Jim accepts the award, it is the industry that has won the prize. I doubt he'll be included in any rap songs, though maybe someone will one day name a produce variety after him. In the meantime, if you would like to send a note of congratulations and appreciation for what Jim has contributed to the industry, please write to jprevor@phoenixmedianet.com www.perishablepundit.com

other opportunities and if they did not work in this industry, we



Jim received his award during a banquet at the fabled Rainbow Room atop Rockefeller Center in New York City on March 19, 2009.

# Home Cooking Makes A Comeback



Creative, targeted marketing, brand recognition and readymade, fresh-cut products make new at-home cooks a boon for produce departments.

s a result of a suffering economy, more people are preparing food at home. While there is no way to know exactly how many people have switched from eating out regularly to dining in, here is what we do know: In 2008, 82 percent of consumers ate home-cooked meals three or more times a week — up from 75 percent in 2006, according to Sloan Trends Inc., based in Escondido, CA, a company that provides council and business- building ideas to partners in the food, beverage and supplement industries.

Many in the industry assume that the numbers have grown even higher as restaurants report declining sales. People who are beginning to give up a lifestyle of mainly dining out and taking in — or home-cook converts (HCCs) — are often clueless when it comes to buying and preparing fresh produce.

It would be easy for these new home-cooks to eat out of cans and freezers, and surely some do. But common sense tells us that most would rather continue eating the types of foods to which they have grown accustomed. Indeed, according to Bellevue, WA-based The Hartman Group, a provider of consumer insights and marketing strategy, consumers are not changing their food preferences and they are not abandoning their interest in quality food experiences, despite the fact that they appear to be dining out less often.

Produce departments stand to gain a great deal from these consumers, especially if produce executives are willing to educate them on how to create the foods they love, as well as offer products that save time and money, without reducing the quality of the meals they wish to enjoy.

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Stacey Larson, president of Consumer Effects International, based in Rocklin, CA, a leading shopper marketing agency that specializes in retail sales program development and execution, notes, "With the latest trends showing consumers not only have to, but want to, eat at home more often, resources are needed at the point-of-sale to ensure a wide variety of products are purchased. Consumers have been dining out and have lost touch with the ease of 'how-to' in the kitchen."

Since the 1980s, the number of meals provided by foodservice has risen while the number of meals made at home has declined. When statistics become available for 2009, we may see a reversal. Chick Goodman, vice president of sales and marketing for Herb Thyme Farms, a grower and shipper of both conventional and organic, fresh, culinary herbs headquartered in Compton, CA, sees this "as an opportunity for the retailers to turn the tides. I think it's one of the retailer's biggest opportunities in 10 years," he declares.

#### PRODUCTS MAKE IT EASY

One of the easiest ways for retailers to reach HCCs is by offering convenience-oriented products. Today, there are more of these in produce departments than ever before.

For example, Sargento Foods Inc., based in Plymouth, WI, recently introduced its Salad Finishers and Potato Finishers — kits designed for

produce departments that help consumers turn potatoes and bagged salads into either complete meals or side dishes similar to what they would find in restaurants with minimal effort.

Barbara Gannon, vice president of corporate communications at Sargento, explains the product: "Finishers contain premium ingredients such as marinated, flame-grilled, diced, whole chicken breast; smoked, real bacon crumbles; toasted pecans and delicious Sargento shredded, natural cheeses. These components are individually packaged for freshness," Gannon says. "People are looking to replicate restaurant meals at home. Our research tells us that most of the Finishers consumers are food adventurers — those looking for unique dining experiences at home."

With items such as these, "Consumers do not have to purchase larger quantities of each of these ingredients and spend time preparing them by cooking, dicing, toasting, shredding, etc.," adds Gannon. "Consumers have just the amount they need for a meal without any waste. Finishers offer retailers a good margin without the spoils of many other items in the produce department. Each package has a 'use by' date, which allows for easy rotation and assurance of freshness."

According to Gannon, Finishers not only add a ring to the produce department, they also encourage sales of traditional produce items. "Most people who purchase Finishers also buy bagged salads

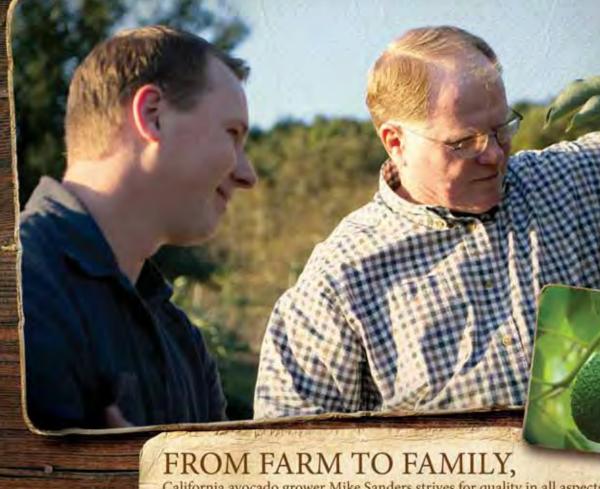
Produce departments stand to gain a great deal from these consumers, especially if produce executives are willing to educate them on how to create the foods they love.

or potatoes. In fact, our research indicates that consumers who purchase Finishers eat salads and potatoes more often than before," she reveals.

Mongiello Sales Inc., part of Formaggio Cheese Specialties Inc., in Hurleyville, NY, recently introduced Just Add Lettuce, what the compmany calls a "3-D" salad dressing. Designed for the produce department, these refrigerated jars available in Italian, Spanish and Greek flavors contain all the components needed to create restaurant-style salads, minus the lettuce. For







California avocado grower Mike Sanders strives for quality in all aspects of his life. More than 30 years ago, Mike began growing avocados in northern San Diego so that he and his wife could raise their family with down-to-earth values and experiences.

Today, their son-in-law, Chris Ambuul and his family have joined them to continue the tradition of growing high-quality California Avocados while raising yet another generation on the farm. To them, nurturing their avocado groves is very similar to raising a family... it requires patience, respect, guidance and a lot of love.

Like Mike and Chris, the California Avocado Commission has provided quality marketing support for generations of retailers to help them grow their avocado category. To learn more about the California Avocado retail programs or to order your merchandising materials, visit

California Avocado.com/Retail or call (800) 344-4333.

Insist on California Avocados

Peak Season: Spring-Fall

Reader Service # 5

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example, the Greek dressing includes red onions, herbs, Feta cheese and even stuffed grape leaves.

The dressings are ideal for consumers who love the flavor of restaurant salads but who either don't have time to eat out or don't want to spend the money. "People don't want to change what they eat," says John Stanton, corporate chef at Formaggio. "People want quality. They want something that tastes good."

The jars are also ideal for cross-merchandising displays. "There will be recipes included on the jar labels. With the Greek salad dressing, you can toss it with pasta, for example, and eat it hot or cold," suggests Stanton. "People can also use it as

dip for bread or crackers."

Retailers have jumped on the bandwagon with private-label cooking kits. Austin, TX-based Whole Foods Markets offers fresh-cut starter kits for soups, salads and side dishes in its produce section. One such product — a Southwestern Corn and Sweet Potato Soup Starter Kit — includes black beans and fresh-cut sweet potatoes, bell peppers, corn, onions, garlic and chipotle chiles. Consumers need only sauté the vegetables, dump in the container of beans and corn, add storebought broth or water and simmer for a homecooked meal, and all of this only takes about 40 minutes. The recipe is fool-proof and no time is

In 2008, 82 percent of consumers ate home-cooked meals three or more times a week — up from 75 percent in 2006.

wasted shopping, chopping or measuring. Cleanup is quick, too, because the only equipment needed is a pot, a stove and a spoon.

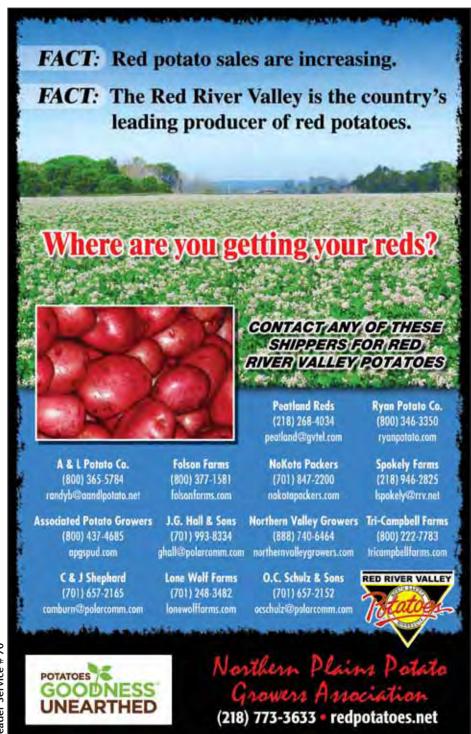
Robert Schueller, director of public relations at Melissa's World Variety Produce Inc., headquartered in Los Angeles, CA, says the company is responding to the home-cooking trend with products designed to educate consumers, save them time and make it easier for them to consume fresh produce every day. For example, "The Guacamole and Salsa Kits were created to educate consumers about how to make delicious salsa and guacamole recipes. They attempt to make home cooking 'fool-proof.' Many people do not know all the traditional ingredients that go into a restaurant-style flavor profile using all fresh ingredients without the heavy preservatives you find in store-bought, canned, jarred and tub salsas and guacamoles," Schueller explains. "The kits typically take five to 10 minutes to prep, and the flavor is worth the time and money."

Schueller recommends merchandizing these kits next to fresh tomatoes and avocados, "where the customer is given a choice to create his or her own recipe or buy Melissa's kits."

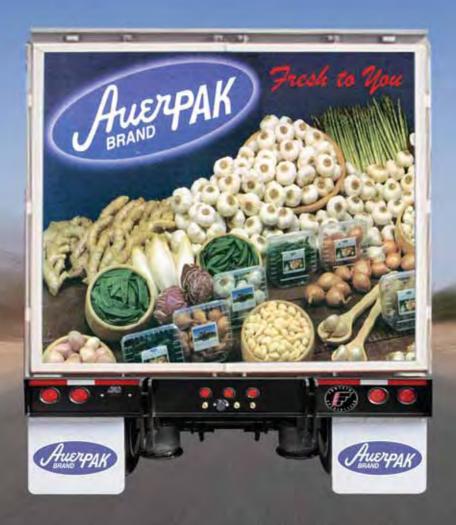
Fresh vegetables in microwaveable, steam bags are another growing trend in produce departments. For example, C.H. Robinson Worldwide Inc., a transportation, logistics and sourcing company, headquartered in Eden Prairie, MN, created Fresh 'n Easy, a line of fresh vegetables with sauce in heat-and-serve bowls. These offer all the ease of frozen vegetables in sauce, but with a fresh product that consumers love.

Recently, an array of these steamable, fresh vegetable products have arrived in the market-place, with green beans, vegetable medleys, broccoli and potatoes leading the pack in popularity, according to the Denver, CO-based United States Potato Board. Tim O'Connor, president and CEO, is "looking forward to the growth of steamable products, because it matches up convenience with the value of fresh foods," he says.

Busy but strapped consumers who are eschewing restaurant lunches and brown-bagging it at work can find suitable — and increasingly better — replacements for the sometimes staid and uninteresting meal options in the produce



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Whole Foods offers a variety of fresh-cut vegetables for the ease and convenience of home cooks.

department. For example, Ready Pac Produce Inc., located in Irwindale, CA, recently redesigned the Bistro Salads the company first introduced in 2003 to reflect the results of its consumer-driven study, which revealed that consumers were looking for satisfying restaurant-style salads with plenty of nutrition and 300 calories or less. To accomplish this, Ready Pac used premium ingredients to increase the flavor of these single-serving salad bowls, while simultaneously reducing the sodium content by 30 percent and the fat content by 50 percent, as well as increasing the levels of vitamins and minerals by almost 60 percent.

Ali León, senior director of strategic business development for Ready Pac, adds, "We've removed some of the common allergens." New packaging for the compartmentalized bowls also allows for more eye-catching displays and is more environmentally friendly. Even the utensils are improved. "We changed to a scooped fork design, which makes tossing the lettuce with dressing and other components easier," reveals León.

"One of the things we know from the research we've done is consumers are making multiple purchases of the Bistro Salads, with an average purchase of 2.3 bowls per shopping trip," discloses León. But because these are grab-and-go items, they don't seem to eat into sales of other produce items. "It becomes an incremental sale for the retailer," she continues. "Consumers are buying both bagged salads and Bistro Salads."

#### **FRESH-CUTS POISED TO GROW**

Convenience products needn't be complicated to win over home-cook converts. With the increasing number of HCCs, even the simplest fresh-cut items have the potential to take off like never before. According to Nelia Alamo, director of sales and marketing for Oxnard, CA-based Gills Onions LLC, a grower and processor of fresh-cut red and yellow onions, "Fresh cut products offer the ultimate convenience to consumers. Many families have two working parents who are running in a million different directions. They need

pre-cut items," she asserts. "This allows them to cook a meal at home and utilize their time effeciently. To make a meal from scratch involves a lot of time and labor. Fresh-cut can allow people to incorporate more produce with less effort."

Any home cook looking to save time in the kitchen can find a useful, fresh-cut product in their local supermarket. United Fresh Produce Association's (UFPA) communications manager, Patrick Delaney, notes from his Washington, DC office, "There's been a real increase in the variety of fresh-cut products available. It used to be just packaged salads. Then we saw some fruit packs. Now, you have a whole array of items."

"Fresh-cut produce is a clean, ready-to-use product," notes Alamo. But in addition to saving consumers time and effort, fresh-cuts can also save them from unpleasant kitchen chores. As Alamo points out, "It's torture to peel and chop an onion. Why not let someone else take the tears out of it for you?"

Melissa's, which recently introduced a number of fresh-cut products, has seen a great deal of success with its peeled, baby red beets for a similar reason. "Ever made beets from scratch?" asks Schueller. "To peel, cook and cool is about a 45 minute process, not to mention the bright red mess beets leave behind in your kitchen. Why go through all of that if you can buy a product that tastes like it was just peeled and steamed right out of the package?"

'Speaking as someone who doesn't cook much — it's tremendous — not only for time, but for ease of cooking," says Delaney. "Often, people who aren't familiar with cooking aren't comfortable with prep work."

Many consumers believe they are paying a price for this convenience. According to the UFPA, 82 percent of consumers surveyed said that pre-packed produce was more convenient than whole, fresh produce, while 86 percent said that whole, fresh produce was less expensive.

But UFPA's latest statistics demonstrate that even in the third guarter of 2008, when budgets began tightening, many were still willing to pay

"Fresh cut products offer the ultimate convenience to consumers. To make a meal from scratch involves a lot of time and labor. Fresh-cut can allow people to incorporate more produce with less effort."

slightly more at retail for fresh-cut produce than they did a year before. One theory is that freshcut produce can mean the difference between consumers making a dish themselves or paying even more to have someone else make it for them.

Gills Onions LLC

Wise shoppers know that the price difference may not be as great as it first appears. As Alamo points out, "On a fresh-cut product you can, in most cases, see the quality of the finished product before you purchase it. You are getting a consistent cut and 100 percent usable product — you don't have to pay for the waste and product you would be throwing away if you cut it yourself."

Schueller believes that fresh-cut produce is also gaining popularity, "because of the packaging technology that allows for this generation of freshcut to offer a good shelf life, unlike older packaging technology, which had a much shorter shelf life. Some of our fresh-cut offers — the peeled shallots and Cipollini onions — remain fresh for over 14 days. Other fresh-cuts, such as the peeled baby beets, steamed lentils and sliced carrots have a 9month shelf life." Retailers benefit because there is less shrink, and consumers are happy because a package can remain in their refrigerator for more than a few days.

And while canned or frozen produce is easy to prepare, "Taste is the most important reason to buy fresh or fresh-cut produce," adds Schueller.

Smaller packaging may also encourage sales to HCCs, especially those in smaller households. Demand for healthful snacking options, such as single-serve packs of sliced apples or peeled, mini carrots may also play a role. "We're seeing smaller families in general," notes UFPA's Delaney. "Because of the perishable nature of produce,

they don't want to buy a 20-lb. bag."

It may seem counterintuitive, as smaller packages cost more for both the retailer and the consumer, but spoiled produce is worthless to the consumer. "Everyone's going to say it has to be at a low price, but when we look at sales people are willing to pay for convenience, and those smaller packages are another level of convenience," Delaney adds.

Whether small packages or larger, value-sizes are right for your store depends largely on your store's demographics, notes Delaney. "Depending on their client base, retailers may say their customers love the big package size, and others may

say they need to carry the whole variety of sizes," he explains.

#### **BRING THEM** IN WITH BRANDS

Brand recognition has always helped sell boxes of cereal, cans of soup and slices of cheese. Today, they are increasingly found in the produce department, as well.

C.H. Robinson carries a number of fresh produce items under well-known brand names, including Tropicana Citrus, Mott's sliced apples and Welch's grapes. Bud Floyd, vice president of produce marketing, explains the importance of



brand recognition. "If you're in your local supermarket and you've got 30 minutes to shop, you're more likely to pick up a product with which you already have an established relationship," explains. "You recognize that brand and you trust it's going to be of good quality."

In light of recent food scares, brands can also help assure customers that they are getting a safe product. As Floyd notes, "In all of our minds we wonder, 'Is this product safe? Who is behind this product and do I trust them?" He points out that brands have more to lose if an item of theirs is found to be unsafe, and consumers can take comfort in that.

Placing branded, non-produce items within the produce department that are meant to complement produce items, such as Sargento Finishers, also encourages sales, according to Sargento's Gannon. "The Sargento brand image is high-quality, and that positive imagery and consumer brand trust has now extended from the dairy department to the produce department," she explains.

With brands comes a certain level of guarantee, as well, because if a consumer finds an item falls below his expectations, there is a company he can contact. In the case of the brands C.H. Robinson carries, consumers can contact a 1-800 number and speak to someone in customer service. "We respond with a coupon and a letter saying we're sorry you had a bad experience, or a letter saying we're happy you had a good experience and a coupon," says Floyd.

#### **EDUCATING THE CONSUMER**

One of the first steps in reaching inexperienced HCCs is with in-store cooking classes, which are becoming increasingly popular at supermarkets around the country. For example, Lakeland, FLbased Publix Super Markets is currently expanding its Apron's Simple Meals program as a result of the its success in helping customers prepare simple and tasty meals. In the next year, Publix plans to

"Our experience has been that when we implement programs that include educational tools, such as recipes and tips, we have seen lifts from 10 percent to 150 percent, depending on the product."

Stacey Larson

place some level of the program in each one of its nearly 1.000 stores across the Southeastern United States.

The program — whose motto is "It's Simple -Stay in, Save Money"— is designed to inspire shoppers with in-store cooking demonstrations of easy-to-prepare meals, such as Grilled Salmon with Fresh Fruit Chutney and Spinach Mashed Potatoes, Southwestern Pizza with Jalapeno Caesar Salad and Chicken Confetti Spaghetti with Southern Green Beans.

Maria Brous, a spokesperson for Publix, clarifies the concept. "Apron's Simple Meals is a program created for the beginner cook to the cook connoisseur. Each week, all of our stores feature at least one Simple Meals recipe. We have meal specialists who prepare and serve the meal of the week. Customers sample the dishes, and if they would like to recreate the recipe at home for their families, pick-up a bilingual — Spanish and English — recipe card," she explains.

But the program doesn't stop there. Publix has thought of everything, including a one-stop location in the store that groups all of the necessary ingredients for the featured meal. "For customer convenience, we have an adjacent kiosk that contains all the ingredients used to create the meal," adds Brous. "Customers can simply gather all the items needed to replicate the dish at home. Each recipe is meant to take 30 minutes or less of prep time. Cooking time varies. As another customer bonus, we work hard to incorporate our sale items into the Simple Meal of the week. For instance, if chicken breasts are on sale this week, the main dish will feature chicken breasts."

Another chain of supermarkets, H-E-B, in San Antonio, TX, offers "The Cooking Connection," a family-friendly demonstration kitchen designed to provide easy meal solutions with simple recipes and products. The kitchens are open seven days a week and demonstrate several recipes each day, such as Cheesy Beef Enchilada Soup with Avocados and Veggie and Olive Pasta Salad. Consumers who like the recipes can pick up recipe cards and items used in the recipes at the kitchen.

#### **RECIPE CARDS AND CREATIVE** MERCHANDISING TECHNIOUES

When demonstrations and cooking classes are not possible, something as simple a recipe card can still make a difference. According to Apopka, FLbased Try-Foods International, 80 percent of consumers will purchase ingredients for a recipe they picked up while shopping.

"Our experience has been that when we implement programs that include educational tools, such as recipes and tips, we have seen lifts from 10 percent to 150 percent, depending on the product," says Larson of Consumer Effects International. "Providing these types of educational tips that are concise, easy to read and accessed instore captures the attention of the shopper in today's environment."

> While offering exclusive recipes can help lift a store's sales, many brands, such as Tropicana Citrus, offer retailers takehome recipes to place in displays. Many offer consumer Web sites with additional meal ideas, as well.

Schueller of Melissa's agrees. "Recipe cards are a tool we always use to give consumers ideas on how to use the products, so we always encourage using brochures and recipe cards. Except that's tough for the retailer. Our package typically offers serving suggestions, maybe a recipe or two and leads them to our Web site, where consumers will find at least three recipes for every item stocked at Melissa's.

Herb Thyme Farms is another produce company that places recipes on and inside its packages.



Ready Pac offers Bistro Salads as a possible solution for home-cook converts.

## CONFIDENCE

As a model program with mandatory government audits, the LGMA is doing more than protecting public health. It's building consumer confidence. In a recent study, when consumers learned about the LGMA program, 89% said they were more confident in the safety of California leafy greens under the LGMA's audit process, conducted by USDA-trained California Department of Food and Agriculture inspectors. Which is why the 115 LGMA members like to say we're growing more than leafy greens – we're growing confidence.





Look for the California Leafy Greens Service Mark on your suppliers' bill of lading – your assurance that the produce was grown and harvested using LGMA accepted practices.





Goodman believes that instructing people precisely how to use fresh herbs is an ideal way to add incremental sales. "Fresh herbs are an ideal basket-builder," he declares, "because they allow people to enjoy the flavors they have learned to love at restaurants with very little additional work or expense at home."

When HCCs first find themselves cooking at home, they may attempt childhood comfort foods, such as meatloaf and mashed potatoes. But, says Goodman, "After a couple of weeks, people get tired of the five dishes mom knows how to cook. Show them how to do rosemary mashed potatoes, salmon with dill. Show them how to get

those restaurant flavors."

Displays with fresh herbs that encourage shoppers to buy a number of items can be a boon. "In terms of ring for produce, all of a sudden you've got a \$12 or \$13 produce ring and it doesn't take away from people who came in to buy their tomatoes, potatoes and lettuce," says Goodman. He also recommends holding promotions that encourage consumers to "make home-cooking fancy."

This past September, Wegman's Food Markets Inc., headquartered in Rochester, NY, began offering "Take it. Make it." meal options. Customers can watch meals being assembled at stations in stores and may either "take it" from a prepared

"After a couple of weeks people get tired of the five dishes mom knows how to make. Show them how to do rosemary mashed potatoes, salmon with dill. Show them how to get those restaurant flavors."

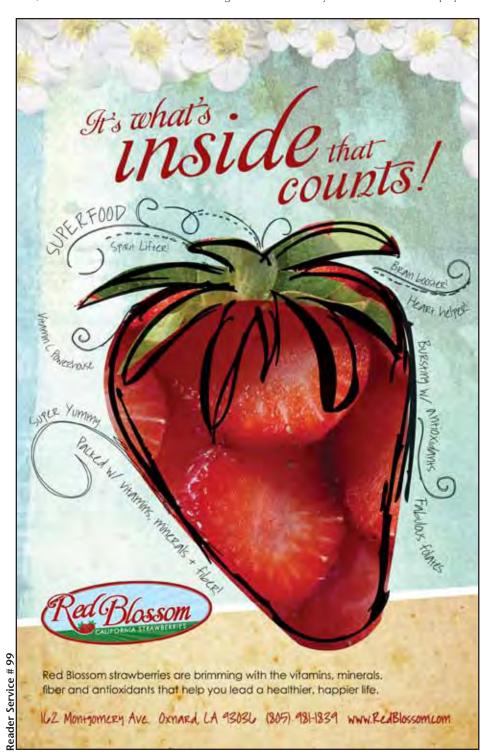
Chick Goodman

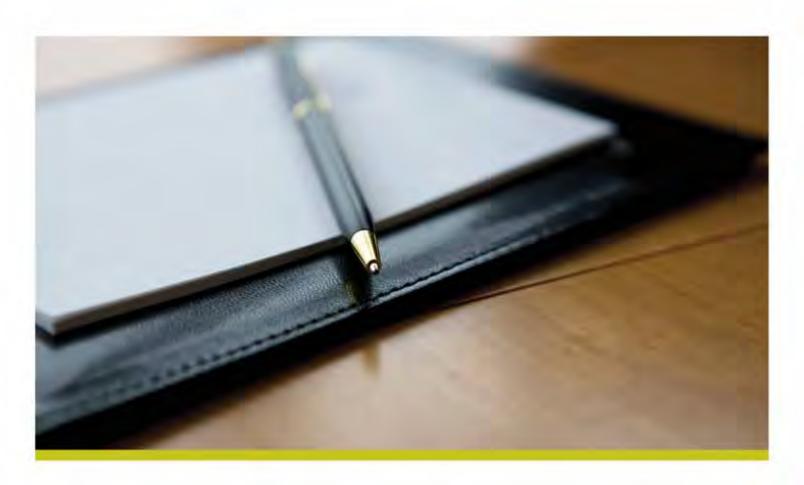
foods display case or find the ingredients conveniently packaged together for purchase if they want to "make it" at home. According to the company's press release, "Offering the same collection of dishes in ready-to-eat and make-it-at-home versions expands choices for customers and invites them to see, taste and explore new culinary experiences with more confidence."

Another cross merchandising technique meal deals — is well known at Kansas City, MObased Hen House Markets, a division of Balls Food Stores. The stores offer weekly bundled meal deals that allow consumers to spend less than \$3.50 per person to feed a family of four. For example, one week shoppers buying a Harvest Dinner Pie at one of the stores for \$13.99 also received a free bag of Green Giant Fresh Broccoli Medley, a bag of Dole Classic Iceberg Salad Mix and six dinner rolls.

The US Potato Board's O'Connor recommends placing steamable, microwave, plastic bags, such as Ziploc's Zip'n Steams, in the produce department with the components necessary to make a "meal in a bag." The technology allows consumers to create a unique cooking environment in their microwaves. "It's the same thing that most people's grandmothers used to do with a pressure cooker, but in a microwave," explains O'Connor. A display utilizing these bags "would be an excellent way to put multiple items together and create excitement for the consumer." he adds.

Whether with demos, recipe cards or displays, when done correctly, any of these techniques will encourage HCCs to enjoy their new cooking habit and hopefully continue to do so even after the economy improves. According to Goodman, "If the retailer shows people how easy it is to cook restaurant-quality food, this is a chance to lock them in."





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# Debunking Myths Of The Latino Market (Part I of II)

As the U.S. Latino community evolves, stores that overcome common misperceptions and generalizations will fully realize the opportunity presented by this important and diverse market segment.

BY JODEAN ROBBINS

## It's no secret Hispanics comprise a significant and growing percentage of the U.S. population.

According to the most recent Census counts, the nation's Hispanic population increased by 1.4 million people to reach 45.5 million on July 1, 2007. "This is 15.1 percent of the estimated total U.S. population of 301.6 million," explains Laura Sonderup, marketing director for Hispanidad, a Denver, CO-based company that provides integrated marketing services to reach the Latino market.

The rapid growth of the Latino segment indicates even greater potentia for the future. "The Census Bureau estimates in 2050 the Latino population will increase to 29 percent," states Maggie Bezart, marketing director for the Santiago, Chilebased Chilean Avocado Importers Association (CAIA) and president of Bezart Marketing Communications, headquartered in Aptos, CA. "Additionally, 45 percent of U.S. children under the age of five

are minorities, according to the National Vital Statistics Reports."

The buying power of this segment is highlighted by Gabriela Alcantara-Diaz, chief strategic officer for Machado/Garcia-Serra Communications (MGS), a national, multicultural, integrated marketing communications agency in Coral Gables, FL. "In 2007, total U.S. Hispanic buying power was \$895 billion, making it the richest Spanish-speaking country in the world," she says.

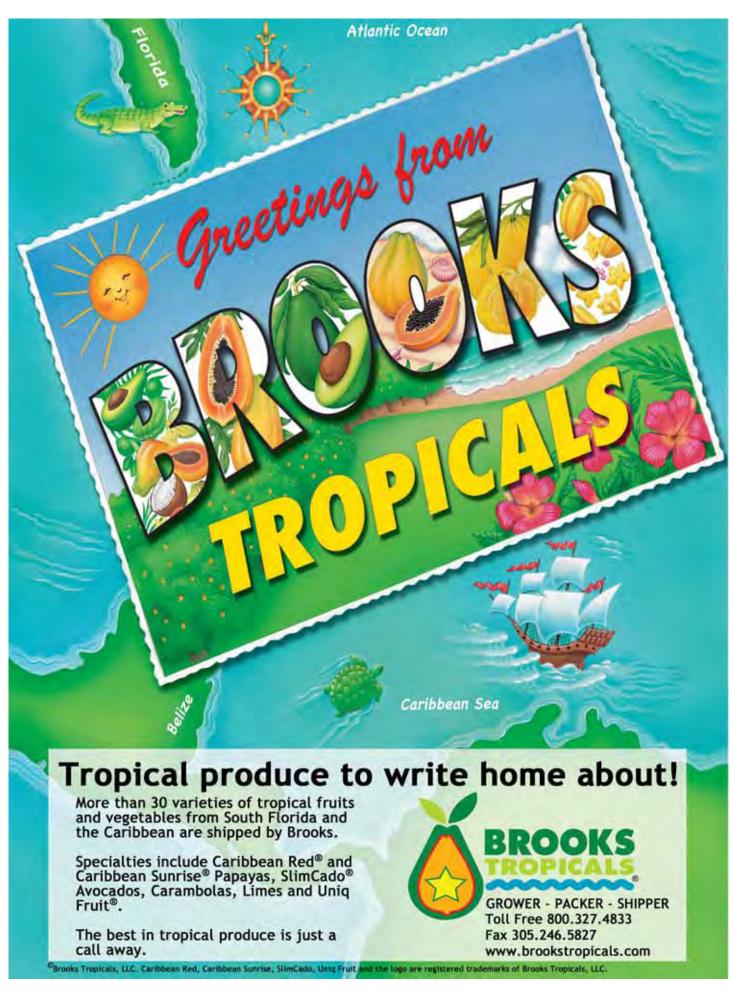
The more fashionable term, Latino, now helps define this group in terms of its diversity and evolution in the U.S. marketplace, including Portuguese-speaking Brazilians, as well as those from Spanish-speaking countries. Robert Schueller, director of public relations for Melissa's World Variety Produce, in Los Angeles, CA, explains, "The Latino population continues to soar throughout the United States by way of migration and immigration of people and the culture."

The U.S. Hispanic market is not a monolithic audience, and recognizing differences in sub-segments increases sales opportunity. "Acculturation levels, language preferences, country of origin and socio-economic indicators make for unique subgroups within the segment," details Sonderup. "It's unrealistic to expect a single strategy to work for the entire Hispanic consumer market — only segmented approaches will result in successful marketing initiatives."

"In the broad spectrum, the Latino marketplace is changing," states Karen Caplan, president of Frieda's Inc., in Los Angeles, CA. "More and more businesses are recognizing you can't speak in generality about this market."

"At Publix, we've known for decades the importance of being reflective of your customer base and having items available that appeal to them," advises Maria Brous, director of media and community relations for Publix, in Lakeland, FL. "Invest your time and resources in building a team who under-





stands the Latino customer."

Greater awareness about some common misunderstandings and questions concerning this growing customer group will help companies build even greater business with their potential Latino customers.

#### MYTH 1: IT'S NOT **WORTH THE EFFORT**

The Latino customer is especially valuable to produce because of the group's propensity to allocate a high percentage of spending on food, particularly produce. "Hispanics are an important segment for supermarkets because they purchase on average 11/2 to 2 times more than the norm in food," reports Dick Spezzano, president of Spezzano Consulting Service, in Monrovia, CA. "They're much higher spenders in the produce department as well. A recent project for a Hispanic-targeted store showed their produce distribution is almost 21/2 times that of a conventional supermarket."

"This group could be considered the perfect consumer," says Mike Potts, vice president of sales for Turbana Corporation, headquartered in Coral Gables, FL. "They represent a large, rapidly growing target market. Their families tend to be larger with good, disposable income. They cook from scratch and are very loyal."

"The Census Bureau estimates in 2050 the Latino population will increase to 29 percent."

— Maggie Bezart **Chilean Avocado Importers Association** 

Reaching out to Latino consumers is money well-spent. "Hispanic consumers absolutely over-index in their consumption of food purchased for preparation at home," reveals Hispanidad's Sonderup. "Furthermore, Hispanics cook dinner at home an average of 5.6 times per week and 53 percent cook dinner at home nightly."

Schueller adds, "Hispanics spend 40 percent more on fresh produce than the typical non-Hispanic consumer."

"If there is any ROI to be had in produce, focusing on Latinos will deliver desirable results," says Mary Ostlund, marketing director for Brooks Tropicals LLC, headquartered in Homestead, FL. "The Latino lifestyle is based on eating with your family, eating home-cooked meals. Ensuring their family's health by preparing fresh foods and encouraging them to exercise is a common practice among all Latinos. Ironically, a growing concern is the development of bad eating habits as acculturated Latinos are faced with the United State's abundance of cheap, low-quality food," she adds. "Many Latinos and Latino organizations are getting out the important, but basic message: the old ways are the best ways. Latinos appreciate fresh produce as a way to combat bad eating habits."

#### MYTH 2: MY STORE ISN'T IN MIAMI OR L.A.

Although the more traditional Latino areas, such as Los Angeles, Miami and New York, continue to be the most highly populated, many businesses may be surprised to find Hispanics in their own back yard. Sonderup explains, "As the Hispanic population continues to grow at an explosive rate, increases are not exclusive to traditionally dense areas like Miami and Los Angeles. Significant growth is being seen in places like Des Moines, Kansas City and Little Rock," she discloses. "Smart retailers will dig



a little deeper to understand the composition of the community they are serving."

"I heard this doubt expressed once from a grocery store manager whose location was in the same town in which one of our customers had just opened a store," reports Ostlund. "I knew my customer's tropical section was doing very well out there, and it wasn't that big of a town."

"No matter where you're located in the United States, you'll have some Latino customers," agrees Spezzano. "The Southwest, Chicago, New York and Miami obviously have huge groups, but there are also many enclaves in other cities and towns."

Due to migration, mixed marriages and professional advancement, Latinos are ending up in the four corners of the country. Sonderup reports, "National and state estimates by race, Hispanic origin, sex and age show the Hispanic population exceeded 500,000 in 16 states."

Daniel Herrera, marketing manager for Food Lion LLC, based in Salisbury, NC, offers an example. "In North Carolina, there is a large and increasing Hispanic/Latino population," he says. "We want to be the neighborhood grocery of choice, so this means there are different segments of the population to which we need to appeal."

Migration due to work opportunities or

increasing job skills has an effect. "Retailers in suburban areas with major processing or automotive plants are well aware of the buying power of their Latino shoppers," maintains CAIA's Bezart. "These smaller areas with independent or regional retailers are generally overlooked by major suppliers with promotional budgets for targeting the Latino shopper. However, these retailers tend to have more flexibility and creativity at store level."

"Another dynamic we're finding is the resettlement of Latinos," adds MGS' Alcantara-Diaz. "They're mobility-driven by acculturation and jobs - some professionals are settling in other areas because they can bring forth better job skills, and their bilingual ability gives them an asset on their resume for better jobs."

Stores can use available demographic information to discover the niches in their marketplace. "Looking at demographics will show retailers how this consumer group is in many more areas than just Miami or L.A.," suggests Turbana's Potts.

"Stores can find out the one-, two-, and five-mile demographic, along with income level," suggests Spezzano. "With this information in hand, they should be able to put together a store-by-store marketing plan."

Customer interaction is another highly

valuable tool in tailoring your plan. "The more hands-on approach of many independent retailers really works," states Spezzano. "They are on the floor talking to their customers and really getting to know their needs and wants."

"Ask your produce manager to be observant and to pay attention to what people say they're looking for," advises Frieda's Caplan. "Look at the size of families, talk to the customers and ask them what they need."

#### MYTH 3: HISPANIC **MEANS MEXICAN**

It's important to be respectful of Latinos' culture and history and to realize the Latino group is not homogenous. There are many different subgroups, none of which want to be categorized by sombreros or mariachi bands. "It is imperative to understand the differences in your consumer community before creating campaigns," advises Hispanidad's Sonderup.

Publix's Brous adds, "A successful retailer must know the differences - large and small - among the various nationalities. Product selection for each sector will be different. We have had a wealth of experience in this arena and have served the Hispanic population for over 40 years in our South Florida market."



"When marketing to our Latino guests, we must be respectful and consistently relevant to their culture," underlines Jana O'Leary, spokesperson for Target Corp., headquartered in Minneapolis, MN. "When translating our Brand Promise, we must find a balance between the two different cultures our Latino guests often live in and also reach them through all mainstream channels in both cultures."

Migration from all over Latin America is affecting the make-up of the market. "The face of Latinos is constantly changing in the United States because different countries are increasingly represented now," says Veronica Kraushaar, president and CEO of Viva Global Marketing LLC, located in Nogales, AZ.

Alcantara-Diaz further explains, "What we're finding now, primarily driven by the Eastern U.S., are Latin neighborhoods, but not necessarily comprised of a singular ethnic group. These Hispanics are learning from each other and they're also mixing in marriage and families."

"They may live together in the same community, but they have different likes and dislikes in food, music and many other areas," adds Spezzano.

Making sure the product mix and attributes reflect the different origins is crucial. "For example, those from El Salvador may buy the same product as someone from Mexico, but they expect it to be in different stages of ripeness, and will use it in different ways," explains Food Lion's Herrera.

"Not targeting the product and message to the proper demographic and nationality is a crucial mistake," states Kraushaar.

#### MYTH 4: I'M SELLING TO FIRST GENERATION **IMMIGRANTS**

The U.S. Latino community is increasingly diverse, even as far as birthplace. "In marketing, it is necessary to look at classifying the generations," says Herrera. "Marketing to first generation Latinos is different than marketing to third-generation Latinos, who may have become more cultured in the American way of life."

"Target guests are young, well-educated, moderate-to-better income families who live active lifestyles," describes Target's O'Leary. "The Latino guest exemplifies these characteristics and also brings a cultural perspective when shopping in our stores. We strive to make our marketing relevant to all guests based on their own cultural experiences while also keeping our Brand Promise of 'Expect More. Pay Less' consistent in all of our marketing efforts."

Companies that overlook the second and

### **Latino Specific Stores**

growing number of retailers have successfully built specific Hispanicoriented stores to serve heavily Latino populated areas. These retailers include regional chains like Publix's Sabor and HEB's Mi Tienda, as well as smaller independent chains like Superior, Sedanos, SuperKing and Cardenas.

The success of these chains is due principally to their flexibility and consistency in their ability to service their specific Latino community. Robert Schueller, director of public relations for Melissa's World Variety Produce, based in Los Angeles, CA, explains, "They know their market and customer. Their message, products and merchandising are all a perfect fit for their exact demographic. They have knowledgeable, bilingual employees, do bulk merchandising and offer Hispanic items not only in produce, but throughout grocery, meat, seafood, dairy and deli."

Publix Sabor stores offer consumers a variety of Hispanic and Caribbean products throughout the entire store. The produce department has been expanded to carry a variety of roots and vegetables, a full line of juice blends and nectars and jars of sliced or chunked tropical fruits. The deli offers customers 10 feet of authentic, Hispanic favorites, such as roast pork, white rice,

beans, plantains and over 50 new recipes created especially for Publix Sabor.

The stores also feature a full-service meat department to accommodate consumers' special requests — meat cut their way. "We have added the products and services to enhance the shopping experience of all of our customers with the traditional customer service, quality, variety, value and freshness our consumers have grown to expect over the past 75 years," said Maria Brous, director of media and community relations.

These stores focus on the small changes that make a big difference. "Shopping baskets are bigger," says Dick Spezzano, president of Spezzano Consulting Service, in Monrovia, CA. "Produce bags or plastic bags are longer and hold more produce, because Latinos tend to buy larger quantities. A successful Latino market is not one with 600 items, but rather 300 items displayed in the right quantity at the right price," he explains.

"The focus is on the perimeter of the store. Usually the first thing an operator does is take out a few grocery aisles to make room for the perishable increase they want to showcase," adds Spezzano. "Then they take out a few SKU's. Those are the tough decisions many chains have a hard time making until you really understand what drives the Latino market." pb

third-generations are missing out on serious opportunities. "One-third of the U.S.'s Hispanics are immigrants, so the balance is comprised of Hispanics born in this country," reports Hispanidad's Sonderup. "By 2020, the Hispanic population is expected to reach 60 million - over 18 percent of the U.S. population. Second and third-generation Hispanics, a more acculturated segment with stronger English proficiency, will primarily boost this growth."

"There is a considerable difference in terms of language, marketing maturity, media consumption, purchase patterns and cultural traits," notes CAIA's Bezart. "The longer they have lived in the United States, the more likely they will be naturalized to our culture, behavioral patterns and expectations. The acculturation also depends on socio-economics — the more educated, the more adaptable to the culture. Acculturated households tend to have smaller families. marry later and have higher education attainment and higher average income."

Understanding the acculturation and

what it means with respect to food traditions will help a retailer evolve with the second generation customer. "More and more Latinos are thoroughly assimilated into the U.S.," explains Viva's Kraushaar. "Third and fourth generations, for example, may speak mainly English at home, yet they remain faithful to some of the habits and cooking styles of their home country."

"American-born Latinos don't use all the traditional Latin ingredients," remarks Melissa's Schueller. "So you are dealing with a dual-custom demographic, which imparts a combination of both cultures in the meal."

Newer issues, like health, may influence some Latinos to return to tradition. "Stores may see a resurgence of interest in an old staple produce item as the second or third generation recognizes the health benefits," explains MGS' Alcantara-Diaz.

\*\*For the continuation of this article, please look to our next issue, where we will continue to explore the advantages of accurate and creative marketing techniques for the Latino population.



What's more worrisome, the childhood obesity rate is climbing. Some 16.3 percent of U.S. 2- to 19year-olds are obese, according to 2003-2006 data from the National Health and Nutrition Examina-

Joel Gittelsohn, PhD, associate professor at the Johns Hopkins Bloomberg School of Public Health in Baltimore, MD, underlines the significance of the home food environment. Making sure the home is stocked with healthful foods, such as fruits and vegetables, "is an effective way to address the childhood

Savvy supermarket retailers have recognized this fact, and many have embarked on creative and innovate ways to positively influence the eating and buying habits of the next generation of shoppers.

Kid's Day at Meijer Inc., headquartered in Grand Rapids, MI, "has taken on a healthful focus in recent years," says lead dietitian and healthy living advisor,

Held on select Saturdays, the half-day program features a treasure hunt through some of the 40 departments within the super center. Kids accumulate stamps or stickers after participating in activities set up at each stop. In the produce department, this might mean sampling a fruit or vegetable or making of a simple fruit or vegetable recipe.



Hen House Markets has teamed up with the Field Trip Factory to coordinate store tours for grade school children and other local youth groups.

At Save Mart, in Modesto, CA, produce departments are transformed into a story time zone, says food and nutrition supervisor, Sharon Blakely. "Books are read about produce. For example, The Trouble with Cauliflower, I Will Never Not Ever Eat a Tomato, and Muncha Muncha. Afterwards, fruits and vegetables are sampled. Each child is given a 'Sticking to Fruits and Vegetables' sticker sheet to collect PLUs from produce they have eaten. The completed sheet can be returned for free produce. SuperProduce Story Time has also traveled into local neighborhoods visiting the California State Fair, local Farm Days and libraries."

Blakely adds, "Giving children the opportunity to try produce is a great way to sell. In addition to Story Time, Save Mart has produced recipes and publications, such as In Good Taste, catered specifically to children. A kid-friendly recipe, such as Pizza Salad, has been sampled in-store, and a supporting recipe card is then given to the parent and the child to take home. The items are easy to find near the demo station for parents to buy."

#### **STORE TOURS & MORE**

Meijer and Hen House Markets, a 29store chain based in Kansas City, KS, are

among some 16 retailers nationwide that have teamed up with the Field Trip Factory, a Chicago, IL-based company that coordinates store tours for grade school children and other youth groups in the community.

Steinbach explains, "Field Trip Factory makes all the arrangements, while we provide them with content for the A Healthy Me! tour script that one of our in-store employees will use to give the tour. The produce department is always a major stop. We'll sample something new, like a new variety of apple, or something unusual that kids may not have tried, such as a kiwifruit."

At the conclusion of the tour, we pass out coupons for Meijer-brand fruits and vegetables and coloring sheets that provide the web link to our healthy meal-planning site," continues Steinbach. "The point is to give the kids something to take home and share with their parents."

Similarly, Jennifer Egeland, R.D., natural foods buyer at Hen House Markets, remarks, "Our Be A Smart Shopper tour stresses nutritious food choices and exercise in a fun way. For example, in the produce department we'll teach kids about locally grown fruits and vegetable, something our stores are known for. Then, we'll sample something unusual like a pomegranate."

Egeland adds, "Kids get a really nice goodie bag at the end of the tour. It contains a brochure that talks about the Food Guide Pyramid, temporary tattoos, water bottles, fun recipes, a pedometer and coupons for our supplier partner's products. This past year, it was Naked Juice."

Price Chopper Supermarkets, headquar-

### **Research Backs Effectiveness Of Characters On Packages**

ccording to a consumer research study completed in May, 2008, by agribusiness marketing students at California Polytechnic State University for Oviedo, FL-based Duda Farm Fresh Foods Inc., having a recognizable character on a fruit or vegetable product increases the likelihood that children will want to eat it. Over two-thirds of respondents said their kids ask for a snack because they notice the character on the packaging.

Nichole Towell, Duda's marketing development manager, believes, "The key for fresh fruits and vegetables in gaining more share of the consumers' stomach is making convenient and portable products. Add to the convenience a kid-friendly character and you have a win-win situation."

"Creating a kid-friendly snack destination within the store will not only fuel sales, but will create future retailer loyalty on behalf of kids. Children snack more than adults do and sales of kids' food and beverages are growing, especially the introduction of healthy foods and snacks," adds Towell.



tered in Schenectady, NY, is redesigning its Supermarket Sleuth: Kids Finding Clues for a Healthy Weight Supermarket tour, says consumer services manager, Maureen Murphy, "In these tough economic times, we've found several schools don't have the budget for transportation, so we're looking at a way to make the tour interactive and take them into the classroom instead. We'll still be providing in-store tours as well, along with booklets that teachers can use to reinforce what the kids learned in-store back in the classroom," says Murphy.

Another way that Price Chopper Supermarkets teaches kids and parents about good nutrition is through its Luvin' Lunchbox program. Murphy explains, "We identify items in our weekly ad at different points in the year that are healthful, economical and kid-friendly with the Luvin' Lunchbox logo. Each of the items selected fit into the U.S. Dietary Guidelines for Americans." The idea is that the ad will help parents and kids save time choosing foods that meet their nutritional needs and taste preferences."

#### SEASONAL PROMOTIONS

Back-to-school time in the fall is ripe for kid-oriented produce promotions at Dierbergs and Schnuck Markets. Carole Walker, advertising and account executive for Dierbergs Markets Inc., a 23-store chain headquartered in St. Louis, MO, notes, "We run the Kid's B.E.E. Healthy or Kid's Better Eating & Exercise program when kids head back to school, when the focus is on health, eating and exercise."

Laura Dierberg Padousis, the familyowned retailer's vice president, launched the program three years ago, based on nutritional science from the American Heart Association (AHA). The four-week program features an in-store sampling fair on select Saturdays and Sundays, along with a cute bee character, Kid's B.E.E. Healthy logo on shelf-talkers next to kid-friendly nutritious foods throughout the store and in weekly ads. Last year, for example, Crunch Pak Sliced Apples at 2-for-\$4 and Grimmway Farms Baby, Peeled Carrots at 3-for-\$4 were featured in the first week's ad.

Two new elements were added last year, reveals Walker. "One was a multiple-choice quiz each week. For example, one of the questions was: 'What is the most healthful snack? Nachos? Potato Chips? Or baby carrots?' The other element was our focus on a local boy who had lost 24 pounds the previous summer by attending a weight-loss camp in the area. He served as our role model for good eating habits."

Each September, Schnuck Markets Inc., based in St. Louis, MO, hosts its annual twomonth health and fitness education program featuring track-and-field Olympian, Jackie Joyner Kersee, called Fruits & Veggies -More Matters with Jackie Joyner Kersee. Now in its seventh year, the program includes a variety of POS materials, sponsored by nearly a dozen produce companies. Also on display are brochures targeting kids and parents alike containing Joyner-Kersee's five steps to better fitness, fun facts about good nutrition, and the More Matters fitness challenge - a 30-day fitness test.

Mike O'Brien, vice president of produce at Schnucks, expresses, "The program ends with a kids' fun run at Six Flags theme park. Jackie runs with the kids and talks about health and nutrition focusing on fruits and veggies, and we pass out fruit to the racers."

#### **COOKING CLASSES** & MEAL IDEAS

Publix Supermarkets Inc., in Lakeland, FL, has partnered with the Produce for Kids (PFK) campaign for the last eight years, and most recently integrated the PFK promotion into the store's Apron's cooking program.

Maria Brous, director of media and com-



munity relations, explains, "Our stores participate in a PFK Day where kids are invited to make PFK-approved recipes with a Publix Apron's meal specialist. Stores also have word searches, scavenger hunts and other activities to engage children and develop more healthful eating habits that include fresh fruits and vegetables. In addition to the signage within our produce departments, such as shelf cards and toppers, shelf tags and recipe brochures, PBS Kids and public broadcasting have joined in the fun with Hooper and the Fresh Idols. Our partnership teaches kids and parents creative ways to make eating and cooking healthy and fun."

Kids have become a key target audience at a St. Louis, MO-based Save-A-Lot Ltd., where Mike Kemp, director of perishables, notes, "Research has shown that we have a high number of children who shop with their parents. They are an important segment for us, and as a result we've started to stock items like fruits and vegetables with Disney-theme character packaging."

In addition to stocking character-themed packaged produce, Save-A-Lot will expand on last fall's Fuel Your Family program, which offered a complete meal for four for the same price as a gallon of gas, discloses Kemp. "We plan to offer meal, snack and even lunchbox solutions together in a bundled display. The idea is to make it easier for busy moms to provide quick, nutritious meals for their family."

#### **COMMUNITY EVENTS**

Kids can learn how to shop for healthy foods at The Children's Museum in Seattle, WA, courtesy of Metropolitan Markets, a sixstore chain based in Seattle, WA. In fact, the 740-square-foot mini Metropolitan Market in the Museum, which opened this past September, was named the Best Hands-On Training for Mundane Grown-Up Tasks by Seattle Magazine's Best of 2008 awards.

Darrell Vannoy, product management director of Metropolitan Market, discloses, "The Museum came to our owners 20 years ago and asked for a donation to set up the exhibit. It's always been one of the most popular exhibits. When they came to us last year and asked us to revamp the display on a larger scale, we readily agreed."

The mini supermarket comes complete with realistic refrigerated cases and a large set for meats, seafoods and produce. The fruit and vegetable replicas, which includes apples, oranges, bananas, grapefruit, berries, broccoli, cauliflower, eggplant and broccoli, are made of a weighted, high-quality plastic to look and feel real.

On the education side, continues Van-

noy, "We've implanted radio-frequency identification chips in each produce item. There's a PC with a chip reader at the check-out counter where kids can scan each item. When they do, up pops a picture of the item with corresponding nutritional information on the screen. We also have informational signs on the walls that offer nutrition tips, such as how to include more produce in the diet."

The key, Vannoy adds, "is making the connection to healthy eating and getting kids and their parents to think shopping in our stores for healthful foods is fun."

Weis Markets, based in Sunbury, PA, also steps out into the community to promote good eating. This happened most recently in January at a mall-based health fair organized by a local hospital. Elizabeth Stark, R.D., L.D.N., healthy living coordinator, explains, "We hosted three tables. On the first, we sampled black bean guacamole. The kids were unsure at first, but they really liked it after they tried it. We tied this recipe sampling into games at the second table. For example, we set up Bean-Go, similar to Bingo, using dried beans as markers. Finally, on the third table, we offered shop-smart



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- 4. Promotion objectives.
- 5. Description of promotion.
- 6. Promotion results (sales or traffic increases, media attention). What made this program a success?
- All support materials used in the promotion such as POP. ads, posters, TV commercials. High-res photos are requested.

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Save Mart distributes produce samples during its kids' tours.

and health information targeted towards adults. The response was excellent. Over 1,000 kids participated at our tables."

#### RETAILERS REACH **OUT TO SCHOOLS**

Food Lion LLC, based in Salisbury, NC, is a key supporter of Fit for Motion, a youth leadership development program that teaches young people and their families how to live a healthful lifestyle. The impetus for the program, which is a collaboration between Rowan Regional Medical Center, the YMCA of Rowan County and Rowan Salisbury School District, came when a study showed that 40 percent of first and second graders in the Central Piedmont area of North Carolina are overweight or obese.

Jennifer Speck, corporate communications specialist, details the company's participation, "Food Lion supports the program by providing the student workbooks. The students use these workbooks during the eight weekly sessions. During the eight weeks, one session is devoted to involving the parents. Food Lion provides healthy snacks for the parents and children during this session. Additionally, Food Lion provides parents with information on our Guiding Stars program, so they can identify nutritious prod-

### No Need To Re-Invent **The Wheel**

hile retailers can certainly customize their programs, there's no need to invent programs from scratch that teach kids and their families about healthful eating. There are a number of different organizations that offer ready-touse materials.

Produce for Better Health Foundation (PBH): Fruits & Veggies — More Matters advertising materials - everything from ad slicks to radio scripts and recipes are available to retailers, says Bryant Wynes, senior executive of retail marketing for the Wilmington, DE-based organization. "In addition, we encourage retailers to link to our Web site. There's nutrition information there for moms, as well as handouts that retailers can download and print. One retailer, for example, distributed the handout as part of their store's anniversary celebration. Kids who colored it and brought it back received a free piece of fruit." PBH has also developed a school tour curriculum. "Some retailers have used it as is, while others have taken the information and integrated it into their own program. The tour is full of activities that retailers can do to help kids learn about fruits and vegetables."

Produce Marketing Association (PMA): Crunch the Numbers is a Scholastic-developed, math-based curriculum using fruits and vegetables, sponsored by the Newark, DE-based PMA. "This is perfect for retailers to offer to school kids and teachers," says Kathy Means, vice president of government relations. "This tool offers a unique opportunity to make a connection with the schools in the community. Produce managers, for example, could contact schools and talk about the program. The easiest way to get the ball rolling is to print a few samples from the Web site and take them over to the school. Teachers can get overwhelmed with all the information coming their way, so it helps to bring it to their attention. Retailers can go one step further and take a fruit or veggie tray with them when they go to the school. They can also use this as a hand-out at store tours." Crunch The Numbers is free to teachers and available to all PMA memhers.

Produce for Kids (PFK): Produce for Kids promotes healthy lifestyles for children by educating kids and parents about the benefits of eating fresh fruits and vegetables during annual fall and spring campaigns, while also supporting charitable children's causes. Benefits to retailers include a complete turnkey promotional campaign that is easy to implement with colorful advertising and POS materials. Vice president of marketing, Kari Volyn, says, "Sponsors, produce suppliers, share the cost of the campaign resulting in substantial savings. At the same time, the campaign has proven its ability to increase sales across all categories."

Since its creation in 2002 by Vidalia, GAbased Shuman Produce Inc., PFK has raised more than \$1.2 million for local Children's Miracle Network hospitals. PFK also partners with PBS KIDS to educate parents on healthy eating and raise funds for PBS. **pb** 

ucts while grocery shopping."

Produce plays a role in Fit for Motion in several ways, Speck adds. "For example, two of the weekly sessions focus on the food pyramid and healthy snacks. In the workbook, there are sheets on healthy snacks that encourage kids to eat vegetables, go for color and eat a variety of dark vegetables daily. As far as fruit, the workbook also encourages variety and stresses the fact that fresh fruit is better than fruit juice."

Last October, Safeway Foundation Inc. sponsored the placement of 81 Fruits & Veggies - More Matters Creative Pockets Adopt-A-School kits in classrooms in Maryland, Virginia and Washington, D.C. Each school received 500 bookmarks to distribute as they liked and three kits, each of which contained one teacher apron, six teaching cards, 116 flashcards and nine reproducible masters. The standards-based nutrition curriculum in this kit was developed to show children ages two through seven that anytime is a great time to celebrate with fruits and veggies.

Gregory Ten Eyck, chair of the Safeway Foundation/Eastern Division, says, "We strategically looked at schools in areas we had markets. I knew that including Fruits & Veggies - More Matters Creative Pockets kits in classrooms would be beneficial to children and their teachers, especially since the materials arrived to them at no cost. The kits make age-appropriate nutrition education easier for teachers and more fun for their students. In the end, many teachers called to arrange store tours for their students to further their learning."



### People Are Talking About Fruits & Veggies—More Matters **Advertising Toolkits!**

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Here's a sampling of comments from members about these toolkits:

"Produce for Better Health Foundation's website is an excellent resource tool for members. It provides prepared messaging for easy incorporation into advertisements and company literature when deadlines are looming."

~Suzanne Wolter Director of Marketing, Rainier Fruit Company, Inc.

"The materials and resources from Fruits & Veggies- More Matters deliver consistent, helpful tips to our customers on shopping, purchasing, and preparing produce. We regularly utilize materials to communicate shopping tips and easy recipes on radio, in our circular, and our website."

Shop Supermarket Company/Giant Food

"The grower/shipper/processor toolkit has been a great resource for us-it is well-organized and filled with valuable information that you can use in your packaging, marketing materials, and within your workplace and community." ~Roger Pepperl

Marketing Director, Stemilt Growers, Inc.

-Andrea J. Astrachan Vice President of Consumer Affairs, Stop &

Want to learn more? Contact Produce for Better Health Foundation at (302) 235-2329. Supply-side members should ask for Kathleen Ruf (ext. 311) and retailers, Bryant Wynes (309).

#### www.fruitsandveggiesmorematters.org

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# Safeway Puts Produce First

Safeway runs full-steam ahead with its Lifestyle store renovation.

BY MIKE DUFF

Lifestyle has been extremely important to Pleasanton, CA-based Safeway Inc. over the past decade.

During this time, it has evolved from a mainstream supermarket to one that has made produce a point of emphasis in a new format that has perishable food as its point of differentiation.

The Lifestyle store prototype emerged as a test several years ago and has continued to roll out into the teeth of the recession, helping Safeway cope with a changing consumer environment. In fact, Lifestyle stores have been critical to sales' and earnings' gains the supermarket chain has made over the past several years.

A remodeled store in San Francisco's Japantown provides an example of the latest merchandising

that Safeway Lifestyle units offer. The 48,000-square-foot store, located on the corner of Webster and Geary Blvd., reopened as a Lifestyle store at the end of 2008. The interiors reflect the latest thinking in the concept, which has evolved into a warmer format that includes décor touches meant to provide a marketplace atmosphere. Additionally, it incorporates many of the ideas that went into the Lifestyle concept at its inception, among them making produce a showcase department.

Certainly, the location of Safeway's headquarters — east of San Francisco Bay in the town of Pleasanton and not far from California's Central Valley — had an influence on the development of the Lifestyle store concept. Both as a center of agriculture and food culture, the region is ripe with an appreciation of fruits and vegetables. The regional influence remained significant during the initial Lifestyle store tests, which were conducted in Northern California.



From the start, Safeway based both the product mix and merchandising on artisan, gourmet and fresh product. At the Japantown store, that's evident in merchandising intent on "making quality, fresh, great-tasting produce the star in the department," according to Geoff White, Safeway's group vice president of produce.

To establish that position, Safeway refurbished the produce department resemble a farmer's market. In executing that idea, White notes Safeway has added new produce department fixtures, lighting and refrigerated display cases to establish an "overall higher focus — from field to plate — on improving quality for our customers."

Safeway's latest merchandising efforts place as much attention on the product as possible. The dry case features the rich colors of peppers to draw consumers and uses extended fixtures — minitables emerging from the lowest tier of the case — pushed into the floor space to give customers pause to review special price deals being offered.





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Direct lighting highlights display tables organized by product type or theme, including a tropical table featuring mangos, coconuts, pineapples, kiwis and multiple banana varieties. Moreover, presentations extend out from the central locus to include ancillaries, so the apple table — featuring a wide array of apple varieties — is complemented by lower-profile, secondary fixtures containing nuts, dried fruit and other healthy bag- and tub-wrapped treats, including product under Safeway's O Organic private label.

A few lucky products get serious star treatment in baskets on small display tables with direct illumination. At the Japantown store, this was true of avocados and tomatillos, which were complemented on lower shelves by jarred salsas, tub artichoke hearts and bottles of olive oil.

Fresh-cuts are prominent in the refrigerated cases, and include bagged salads under the Fresh Express label, tub salad kits and various cut fruit and vegetable offerings, including Mann Packing Light Bites. Also on display are Safeway's own private label products, including bagged salads under the Eating Right label. Introduced in the first half of 2007, Safeway's brand was developed to combine taste with nutritional efficacy. It makes shopping for health-conscious consumers easier by incorporating a nutritional icon system to help them quickly identify product attributes they seek. Since its introduction, the Eating Right label has grown to include more than 150 items.

Safeway also uses the Eating Right label as a leader in produce department shelf sig-

# Lifestyle's Approach To Local And Organic

rganics have always been prominently merchandised in Lifestyle store produce departments, but recently they have taken on a bigger role. An additional, recent expansion of organic operations has taken Safeway back into the San Francisco terminal markets. There, the company can deal with supply issues involving a range of products that now exceed the core items that have the most consistent availability. Among the companies it has worked with is Earl's Organic Produce on the San Francisco Wholesale Produce Market, which helps facilitate seasonal and short-buys for the supermarket.

Organic fruits and vegetables are displayed under banners in the middle of the produce section using display cases that highlight their origins. Bulk and bagged products are available, too, and the range of fruits and vegetables runs the gamut from a wide variety of apples and garlic to avocados and even juice.

Local produce is also an area of focus for Safeway. In fact, the signage that tops the dry case reads, "Fresh From the Fields" as a reminder that the supermarket has a particular penchant for freshness. Of course, living adjacent to America's foremost fruit and vegetable growing region would do that just by proximity, but Safeway has learned that consumers have an array of interests, including freshness, local food traditions and cleaner environments, which recommend local produce to them. Whether it's Georgia peaches or California asparagus, local produce offers a food retailer a way to tie more tightly into a community. "It is and will always be a main focus for our stores to support locally grown products and farmers," White asserts.

nage, which reminds shoppers that the brand is available elsewhere in the store. Items the signs promote can range from snacks and pasta to juice and breakfast bars.

Tie-ins are important, too, in Lifestyle stores. For example, produce shoppers at the Japantown Safeway are greeted by a full refrigerated juice section at the back end of the department. As soon as they turn the corner into the back end of the store, shoppers have access to a refrigerated, conve-

nience foods case that's essentially a secondary display of fresh-cuts accompanied by drinks. A small satellite fixture sits beside the case to provide salad dressing for shoppers who might want to put together a quick, healthful meal.

#### **HEALTHY LIFESTYLE**

The rational behind the Lifestyle store emphasis on fresh and flavorful has strengthened in last the decade as awareness between food and nutrition has spread. "More than ever before, consumers desire to eat fresh, high-quality, great-tasting, healthy fruits and vegetables to improve their diets, which will improve their health conditions," explains White.

As the association between health and nutrition has become more firmly established, more consumers than ever are taking steps to improve their diets and looking for help to ensure they do so effectively. Given the circumstances, it's not surprising that Safeway made produce one of the major pillars of the Lifestyle store format.

Going forward, Safeway will continue to enhance its Lifestyle stores and look for the support of vendors to help it satisfy the evolving consumer preference for more healthful products. In produce, that means dealing with issues that are most important to its shoppers. As such, Safeway will work with produce suppliers to "continue to seek ways to create high quality, nutrionally dense, tasty products," explains White. In order to accomplish this goal, White adds





Safeway is looking to partner with suppliers who can help it "improve farming practices and packaging, while placing environmental protection at the top of their list."

The emphasis on healthier, more environmentally friendly products provided Safeway with the credibility to create O Organics, a line of organic food. Launched in December 2005, the O Organics line reached a total of 300 food and beverage products in 2008.

In April 2008, Safeway announced that it developed a division dubbed the Better Living Brands Alliance, which markets the O Organics and Eating Right brands into retail and foodservice channels, both in the United States and internationally. The subsidiary focuses on partnerships with manufacturing, marketing and distribution companies as brand licensees. Lucerne Foods Inc., a Safeway subsidiary that markets dairy products to external customers, was designed to manage O Organics and Eating Right licensing as a member of the Better Living Brands Alliance.

Safeway has received recognition for providing its customers with better nutritional options in its Lifestyle stores. In November, 2008, Health magazine named Safeway one of America's Healthiest Grocery Stores, ranking it No. 2 on its Top 10 list of Standout Supermarket Chains. The magazine cited the O Organics and Eating Right brands as reasons for the recognition, along with the benefits associated with the expanded produce departments in Lifestyle stores.

#### **BIGGER AND BETTER**

The Lifestyle store format has become a jumping off point, in addition to a prototype. An upscale, urban version was introduced mid-decade in Oak Brook, IL, as part of Safeway's Dominick's Finer Foods Inc.

chain. Just last year, the Lifestyle store format became the basis for a mini-store experiment the company launched in Long Beach, CA. At 15,000-square feet, The Market, as it was dubbed by Safeway, was developed in reaction to the roll out of former ecommerce partner Tesco's Fresh & Easy concept. The mini-store could also place the retailer in good standing as it weighs exist-

> "Our Lifestyle transformation is expected to be 88 percent complete by the end of 2008."

> > — Melissa Plaisance Safeway

ing and potential small-store competition from Trader Joe's, Wal-Mart and Supervalu.

Safeway intends to apply the Lifestyle store prototype throughout the chain. When discussing year-end sales results, Melissa Plaisance, senior vice president of finance, reveals Safeway completed 20 new Lifestyle stores and 232 remodels that brought existing units up to the standard in fiscal year 2008. By year's end, Safeway operated 1,300 Lifestyle stores, which represented 73 percent of total operating Safeways. "Our

Lifestyle transformation is expected to be 88 percent complete by the end of 2010, and then essentially finished off in the year 2011," Plaisance adds.

Safeway chairman, president and CEO Steve Burd notes Safeway continues to work on its Lifestyle store concept, along with the products offered in the context it provides. For example, Burd mentions the company has been working on an entrée salad line. testing it in 70 stores in Northern California. Safeway concluded that the format was only a partial success, with high quality but also high shrink, and essentially reengineered it before expanding it beyond the initial test market. "We're still in the process of reengineering some of the packaging," Bird says, "but we've completed the work on the salad side. What we've done with all of these products has dramatically increased shelf life, with no deterioration in quality, and I think the salads are going to hit the stores sometime in the second quarter. It's a real step up in our gain and has extended shelf life and should virtually eliminate shrink in that entrée salad category."

Burd reveals the Lifestyle store initiative has been executed based on the original conception that quality and consistent value are attractive to a lot of shoppers who want to eat better. "When we outlined our strategy on Lifestyle stores, it was with an effort to differentiate, reach for quality and create a new shopping experience."

Safeway Japantown Store

1335 Webster Street San Francisco, CA 94115 (415) 921-4557 Open 7-days a week 6 a.m. to 12 a.m.

## Focus On Fresh-Cut

In the current economic climate, retailers and distributors alike need to put fresh-cuts front and center in order to retain current consumers and gain new ones.

BY MIKE DUFF

While fresh-cut and value-added produce have become mature categories, given the economic reality, they may not be poised for rapid sales advances right now.

Nonetheless, these categories need to be aggressively maintained to retain customers and set the stage for future growth. The alternative may mean losing ground to canned and frozen fruits and vegetables.

Recently, Fresh & Easy Neighborhood Market Inc., based in El Segundo, CA, was sufficiently concerned about shifting sales patterns to begin selling a rather simple form of value-added produce — a 99-cent value pack. The 99-cent packs were an extension of Fresh & Easy's broader value-added food business, which includes a range of fresh-cut products. Brendan Wonnacott, a Fresh & Easy spokesman, remarks the company's central food processing facility, combined with its purchasing volume and efficient distribution, allowed the Tesco subsidiary to develop the 99-cent packs as a conspicuous value.

In its range of value-added produce, Wonnacott notes Fresh & Easy offers consumers value and quality. With its emphasis on fresh, rather than canned or frozen fruits and vegetables, it also elimi-

nates elements consumers are avoiding, such as preservatives, while promoting factors they are embracing, such as convenience. "They are looking for something prepared, but without all the artificial colors and flavors," clarifies Wonnacott.

#### **COST AND CONVENIENCE**

Price is certainly on consumers' minds these days, but they weigh various factors when determining value and developing a specific range of personal preferences. Many still see value in the quality and convenience, and for many food retailers fresh-cuts have emerged as a signature and significant store element.

At Albany, CA-based Andronico's Market Inc., fresh-cuts are particularly conspicuous in the company's recently refurbished San Francisco flagship store. The store offers bagged salads and a few additional items from outside vendors, but the heart of its value-added produce presentation is store-processed fresh-cuts. "It's a very important piece of the puzzle — profitable and about five to eight percent of sales — depending on the season," states Bill Andronico, the company's president and CEO.

Like Andronico's, four-store operation Stew Leonard's Danbury LLC, based in Norwalk, CT, has built a reputation on providing company-processed, private-label food, including a wide array of value-added produce, both packaged and in its hot and cold food bars. It even provides an extensive range of cut produce as part of its catering menu, including crudités, fruit salad, a berry bowl, a signature Stew's salad, potato salad, cole slaw and a carved watermelon basket. Stew Leonard's director of public relations, Rachel Begun, says, "In general, because of the economy, more people are are cooking at home, and as a result, more people are shopping for produce, including fresh-cut."

Fresh-cut sales remain strong at Stew Leonard's as an alternative to restaurant and take-out food for those who still are too time-pressed or simply impatient to process produce themselves. "Fresh-cut is still value versus eating out," Begun points out. "People are buying more bulk as well because they're shopping more for home cooking, but we're



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not seeing a decline in fresh-cuts. People still need the value and convenience."

Fresh Direct LLC., the web-based home delivery retailer in Long Island City, NY, has seen a decline in basic fresh-cut items since the recession has deepened. Customer feedback indicates that bulk and raw items have become more attractive as shoppers have become more concerned with saving money. Still, Steve Druckman, chief marketing officer at Fresh Direct, observes some segments among the broad range of value-added produce that the company offers, from entire ready-to-eat meals to salads to

side dishes, continue to grow. For example, Fresh Direct's Microwave-Ready Veggies & Side Dishes continue to draw convenience-oriented consumers. "The last few months, we have seen a sales increase of 22 percent," Druckman remarks.

### CONSUMERS WANT CHOICES

Providing options is to the point. In an economy sent reeling in recent months, consumers are finding their own ways to cope, according to Lorri Koster, co-chairwoman and vice president of marketing at

"Packaging serves
not just to protect
the product and
keep it fresh and stable from the field to
the fork, but also as
POS material in
many cases."

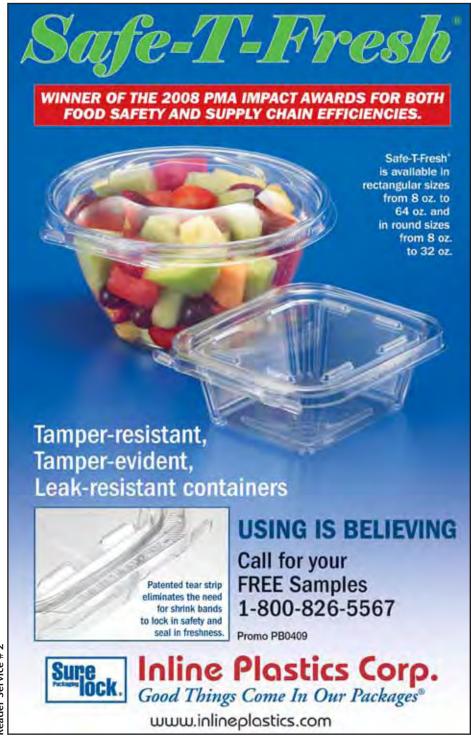
- Rick Antle Tanimura & Antle

Salinas, CA-based Mann Packing Co. Inc. That often means consumers will spend money on affordable conveniences, like fresh-cuts. "The snacking category is also of interest to us," admits Koster. "A lot of our new product introductions have been in that segment over the past couple of years. We're really targeting children and adults."

Mann developed portion sizes not only with kids in mind, but also for people who are brown-bagging it to work or who like to graze all day, but want to do so in a healthier way. In merchandising the segment, Koster remarks some retailers have had success with dedicating snacking areas. Others have seen a boost from placing snack items next to party platters, near the deli counter and on end-caps, visible locations where targeted consumers will encounter product and consider purchasing it more often.

This theory doesn't only apply to snack products. Mann developed the One Stop Platter Shop, a turnkey merchandising program designed to promote holiday and event sales. It includes three elements: traditional large and small party platters with ranch dip; tailgaters vegetables also with ranch dip; beef bites and cheddar cheese cubes or vegetables; turkey bites and mozzarella cubes; and Veggiecatessens — combinations of multi-grain items such as pita chips, sourdough breadsticks and pretzel crisps with hummus, spinach dip and readyto-heat artichoke dip.

Building off an enhanced promotional calendar, Mann has extended its range of seasonal party platters to include various occasions, creating one labeled with a tie for dads' and grads' season in June, for example. Mann even offers an all-green party platter for St. Patrick's Day.



#### ATTENTION-GRABBERS

Getting the consumer's attention is a critical element in generating fresh-cut sales today, given the category's maturity. To generate growth, vendors and retailers must either draw new shoppers into the category or entice more purchases from existing customers.

Chiquita Brands International Inc., headquartered in Cincinnati, OH, is drumming up interest through new product introductions, including Fresh Express Tender Ruby Reds and Sweet Tender Greens, Chiquita Gourmet Cafe single-serve and Chiquita Pineapple Bite pushups. Bryan Brown, a Chiquita spokesman, notes the U.S. introduction of that product line is expected sometime during March or April.

Candice Blackmoore, director of marketing for Apio, Inc., based in Guadalupe, CA, admits the maturity of the fresh-cuts category combined with economic pressure means it's important to find methods of meeting evolving consumer demand. Thus, Apio has introduced 18-ounce packages of cut vegetables - six ounces larger than its standard packs — for consumers who are looking for a bulk value in everyday consumption or who are building their own party trays. For those consumers who would still rather purchase party platters, but don't need anything too large, Apio has "come out with a couple of tray formats in a 22-ounce size," Blackmoore reveals. "We've developed a petite vegetable and cheese tray, for example. A retailer might not want to carry a 40ounce tray year-round, and the smaller size is doing relatively well right now."

> **Getting the** consumer's attention is a crucial element in generating freshcut sales today, given the category's maturity.

With many consumers still looking for convenience, but reluctant to pay for restaurant fare or take-out, value-added retail meals have gained appeal. The recently introduced Distinctively Dole meal kits have quickly gained ground in the market,

says Westlake Village, CA-based Dole Food Co. Inc. communications manager William Goldfield. "At the end of 2008, they contributed 15 percent of total kit sales and helped Dole grow its kit business by 5 percent," he says. "Not only did we launch these new products, but we also invested heavily in the category with a strong consumer and POS program to build excitement and draw consumers to the kit segment."

Ready Pac Bistro Salads can act as a value-added product for both consumers and retailers as they provide ready-to-go, healthy meals for shoppers and a store-wide array of display and merchandising options for the retailer, notes Ali León, senior director of strategic business development at Irwindale, CA-based Ready Pac Produce Inc.

"Current economic concerns are compelling consumers to eat out less often and brown- bag it more frequently for lunchtime meals," León adds. "Consumers also remain challenged planning meals, especially on weekdays when time is short. Supermarkets are responding with meal solutions and quick-stop, grab-and-go areas for both lunch and dinner. Since all Bistro Salads include toppings and dressings, consumers don't have to shop for and chop their own ingredients, yet they can still enjoy a fresh, healthy



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### **Innovative Packaging**

f course, packaging is a critical element in the fresh-cuts equation, and while technical innovations are usually the driver, today's consumer preference is playing a roll as well. A produce executive for a western cooperative, who asked to remain anonymous, believes clamshells have emerged as an alternative product to bags for certain consumers. "I think everyone is trying to come up with a new niche in the market today," he points out. "Clamshells have become a bigger part of business, but that has to do with separating the product from bagged. Clamshells give it a premium look. It may be exactly the same product except for the way it's packed."

Maria Brous, director of media and community relations for Lakeland, FL-based Publix Super Markets Inc., reveals clamshells have become a growing part of the chain's fresh-cut presentation and can help define how a product might be used and who might enjoy it. "For instance, we have a Berry Smoothie Mix," she says, "which is just the right mix of berries to add to milk and ice for a delicious smoothie, or atop ice cream or cereal, or to even eat right from the container. Also, we have Fresh Attitudes, salads which are grown on the East Coast, as opposed to West Coast, throughout the year. They are also packaged in a clamshell."

Chiquita is another produce purveyor that sees the use of clamshells growing. "We launched three family-size clamshells that have significantly outperformed sales of similar bags," Brown remarks. "We are pleased with distribution penetration toward key consumers and early sales results of these fresh and convenient new products."

Tanimura & Antle Inc., headquartered in Salinas, CA, is offering a more elaborate twist on the clamshell. Its new line, Tanimura & Antle Artisan Lettuce, is offered in what the company describes as " a scalloped clamshell," designed to accommodate four heads of lettuce in a package that uses

up to 12 percent less material than similarly sized, square-sided clamshells. The product contains petite heads of Oak, Tango or Gem lettuce in a mixture of red and green varieties that come four to a standard-pack and six to a club-pack.

Rick Antle, Tanimura & Antle CEO, explains the thought process behind the creation of his new clamshells. "The new Artisan Lettuce clamshell packaging was developed based on the necessity of providing the perfect environment for both the longevity and presentation of the product," he says. "The contoured shape maximizes product shelf life and visibility. This product packaging speaks to the consumer, as the customer needs to see freshness and variety, plus value."

For Tanimura & Antle's hydroponically grown Living Lettuce, the company has crafted a clamshell package that highlights its unique attributes, particularly the distinctive concept of shipping the product with the roots intact. "Packaging serves not just to protect the product and keep it fresh and stable from the field to the fork, but also as POS material in many cases," Antle remarks. "In fact, this clamshell packaging won the PMA 2008 Impact Award for Excellence in Packaging for its marketing message."

Another consideration fresh-cut packaging must address is food safety. Last year, Del Monte released Safe-T-Fresh packaging, manufactured by Shelton, CT-based Inline Plastics Corp., which is designed with a tamper-proof, no-leak feature that also maintains the product's fresh quality and appearance, Dionysios Christou, vice president of marketing, says. Moreover, "As a result of the positive results and feedback, we have decided to expand the packaging to more Del Monte freshcut products," he adds. "At the 2008 PMA Fresh Summit in Orlando, Florida, the packaging's special attributes were recognized with the PMA Impact Award in Food Safety."

and quick meal."

Ultimately, the realities associated with a recession compel fresh-cut producers and retailers to double their efforts in the category as much to hold onto current consumers as to gain new ones. To that end, Mann is doing more promotions with outside partners. "We really ramped up our efforts this year with partners like Almond Accents and Minute Rice, adding more value to the package," Koster discloses. "Getting that trial is our challenge. Getting new consumers is very challenging right now, and we may need to add even more value."

Dionysios Christou, vice president of marketing for Del Monte Fresh Produce N.A. Inc., based in Miami, FL, points out the company is developing a spring/summer promotion that is still under wraps. He expects it to be well received. "Many retailers are requesting Del Monte's marketing support with merchandising and promotional initiatives."

Chiquita is developing consumer promotions including Fresh Funds, "a first-of-its kind consumer loyalty program in the fresh produce industry," Brown explains. "The program is designed to increase purchase frequency, promote awareness and trial and reward consumers with points for purchasing Chiquita and Fresh Express fruit and vegetable products."

# Fresh Guacamole Hits Its Stride

With advances in high-pressure processing, fresh, packaged guacamole has an improved flavor profile that brings increased sales of both the guacamole and the avocados themselves.

#### BY JON VANZILE

#### Packaged guacamole has come a long way from the frozen, preservative-laden products of years past.

Today's guacamole dips are made from ripe avocados and include all-fresh ingredients, yet they still maintain a long shelf-life, along with the look and texture of fresh-made guacamole. As a result, manufacturers report steadily rising category sales and predict that the newer, fresh guacamole will help introduce consumers to avocados, thus increasing the avocado market nationally.

According to Steve Martin, director of business development for Oxnard, CA-based Mission Produce Inc., which launched the Mr. Avocado brand of fresh-made guacamole within the past year, "There's a lot of activity in this category. I've seen research that indicates fresh guacamole is the No. 1 product in the dip section."

Fresh guacamole is possible because of a technology called ultra-high pressure (UHP) processing. UHP technology has been available for many years, but the founders of Fresherized Foods, based in Fort Worth, TX, first used it in the creation of fresh guacamole a little more than a decade ago.

During processing, the guacamole is exposed to pressure of about 87,000 pounds per square inch, effectively killing the microbes that cause spoilage and oxidation, without damaging the delicate avo-

New guacamole dips will convert first-time buyers into repeat customers.

cado or any natural additives. The result is a refrigerated product with a shelf life of about 30 days that tastes almost like fresh-made guacamole. If recent sales trends are any indication, this is a trade-off consumers are willing to make.

"Avocado consumption is growing and trends are favorable," states Jay Alley, vice president of sales and marketing with Fresherized Foods, manufacturer of the category-leading Wholly Guacamole product. "This is well over a \$50 million-a-year retail business, and that doesn't even include clubs or Wal-Mart," he adds.

#### THE DELI OR PRODUCE QUESTION

Stores that offer fresh guacamole vary widely in their marketing approach. Some stores offer the product with their dips in the deli section, alongside tabbouleh and hummus. Others offer it in the produce section, stocked near refrigerated dressings. Few offer it in the meat department, near skirt steaks and other cuts used in popular Mexican cuisine. "We feel it can be a produce item, but it also does well in the deli section with the dips," adds Martin.

Alan Ahmer, vice president of sales and production for the processed products division of Santa Paula, CA-based Calavo Growers Inc., believes that when stocked in the produce section, the idea of freshness comes naturally. "It has the connotation it's fresher when it's merchandised in the produce department, rather than in the deli department," Ahmer explains.

Raul Gallegos, senior director of produce and floral for Bristol Farms, headquartered in Carson, CA, reveals that the chain does not carry mass-produced brands of fresh guacamole. "We have a private-label guacamole that is made fresh daily in our commissary and then shipped out to our stores. It's incredibly popular and is definitely replenished on a daily basis."

The risk, of course, is that offering prepared guacamole dip next to fresh avocados threatens to cannibalize fresh sales. But none of the fresh guacamole makers think this is a problem. Instead, they predict that fresh guacamole will act as a gateway product, introducing new consumers to the taste of avocados and encouraging them to buy the whole fresh fruit in the future. Ahmer believes that "a lot of people's first taste of an avocado is guacamole. We see that the highest population density in the United States is found in the Northeast, but the pounds-per-year of avocado consumption is still low there. There's a lot of room for growth, but I don't believe guacamole will ever replace fresh avocados."

Gallegos agrees, and merchandizes his company's guacamole alongside the avocados. "A sale is a sale, whether it's in produce or deli," he remarks.

#### **DRIVING SALES**

No matter where the UHP guacamole is displayed, the challenge remains the same: convince customers that it's a better product than previous versions of processed guacamole. Older guacamole was an inferior product compared to the new dips.

"When you look at the frozen products, there were a lot of preservatives and unnatural additives included to give it shelf-life," Mission's Martin states. "They didn't have

"Avocado consumption is growing and trends are favorable. This is well over a \$50 million-a-year retail business, and that doesn't even include clubs or Wal-Mart."

> — Jay Alley **Fresherized Foods**

the flavor and texture like they do today."

The new guacamole dips, however, easily convert first-time buyers into repeat customers. "When you taste this product versus a frozen guacamole, the difference is tremendous," Ahmer says. "The UHP process makes an excellent guacamole."

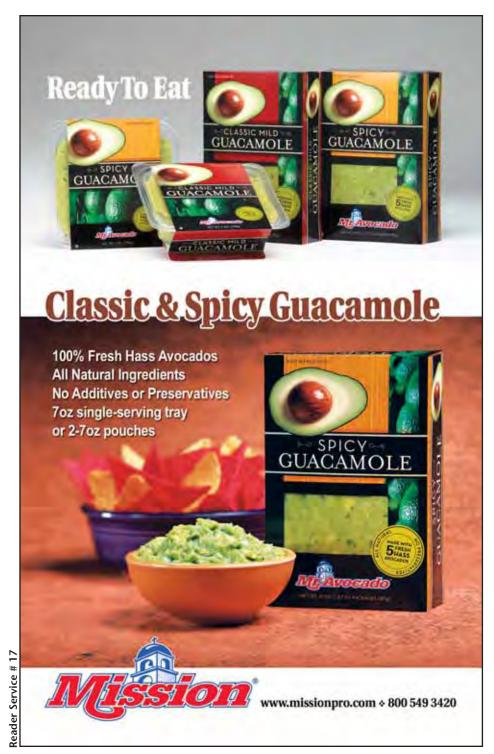
The trick is getting consumers to try it. The most obvious sales technique is to offer product samples, but in-store sample-tables tend to reach relatively few customers. According to Fresherized Foods' Alley, "It's most effective to tie in promotions with special events, and not just the Super Bowl, which is the single largest guacamole-consumption day on the calendar.

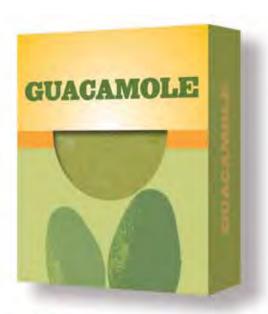
"Almost every month, there's a reason for a retailer to get behind guacamole and offer an expanded display," he adds. "But we also try to educate the retailers that they don't have to give the product away during Super Bowl. People are going to buy guacamole that day anyway."

Cross-merchandizing is also important. "We like to bundle the ingredients used in our fresh gaucamole, and display that alongside of the product," Gallegos states. "We'll also include any necesary or helpful kitchen gadgets in the display."

Like many value-added products, guacamole sales are sensitive to pricing, so promotions are a highly effective way to increase sales. Retail margins on guacamole dip tend to be equivalent to other prepared dips, so there is room to offer some promotional pricing without rendering the category unprofitable.

"Consumer awareness is going to drive sales," asserts Martin. "Once they taste it, consumers will be pleasantly surprised with the quality, taste and flavor."





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# **Australia And New** Zealand's Market Evolution

Traditional import patterns may change in the face of increased economic pressure and competition from other countries South of the equator.

#### BY MEREDITH AUERBACH

The marketing mantra for fruit imported from down under — Australia and New Zealand — focuses on its counter-seasonal nature.

> Citrus, apples, pears and kiwifruit are freshly harvested and rushed to U.S. markets. In the case of most citrus varieties and kiwifruit, markets can offer these fruits without competing with domestically grown crops.

> Retailers can utilize Australian and New Zealand fruit to provide a year-round selection, and consumers – unless they are diligent label readers – may be less aware of seasonality and origin. What is not yet known, however, is if consumer attitudes have changed, driven by tougher economic times and perhaps the urge to buy U.S.-grown products.

#### **AUSTRALIA**

The season for Australian citrus is summer, gradually edging into fall as shown in the chart below. The real volume is in navel oranges. Due to competition from South Africa and South America that more easily reaches the East, Australian distribution is targeted west of the Mississippi.

According to Stu Monaghan, national sales manager for Fort Pierce, FL-based DNE World Fruit Sales, "In a sense, summer citrus from Australia becomes a very valuable niche item for retailers. Navel orange shipments from July through October have devoted fans because of the large, exceptionally bright and clean fruit. Some East Coast retailers opt to pay the extra shipping to get Australian quality." Monaghan adds, "For the same reason, we have excellent sales to gift packers and re-packers, in addition to retailers and foodservice distributors. Australian citrus is marketed as conventionally grown, but a good share of the crop is grown close to organic. At this time, however, few growers plan to certify their orchards."

Adam Bazarnik, director of produce for the ninestore chain of Woodland, CA-based Nugget Markets, agrees. "For our customers, we can offer beautiful citrus in the summer. It's higher in price and there's lots of other fruit so we may not promote it as often, but our customers recognize the kangaroo on the sticker and want it to be available. We start with Navels and move on to Mineolas."

"Retailers can create more of a citrus department or destination by adding Australian supplies of Mineolas and Tangelos, differentiated tangerine varieties including Daisy in July and August, Ellendales in August and September and Honey tangerines in September and October," suggests Monaghan. He also points to small supplies of blood oranges from Australia available in August.

Building highly visible displays emphasizes consumer choice during peak soft-fruit season, and Australian citrus helps attract and hold shoppers in the produce department.

Headquartered in Milford, OH, Marvin Lyons, director of produce of Biggs, an 11-store subsidiary of Supervalu, admits, "With our location, we don't use as much Australian citrus as we would if we were more Western, but we regard quality import citrus as an item of opportunity and nice business to deliver in summer to our customers."

Australia	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
Navel Oranges	July-Mid Oct											
Minneolas							Mid July - Mid Oct					
Ellendales							Aug - Mid Sept					
Honey Tangerines							Sept - Oct					
Dalsies							J	uly - Aug				
Lemons							2	July - Sc	pt			



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Beginning in May, Zespri conducts in-store demonstrations to bring kiwifruit to the attention of consumers.

"We're looking forward to an excellent season. The cost of transportation is down and exchange rates promise success for New Zealand growers, U.S. retailers and, of course, consumers."

— Greg Reinauer Amerifresh Inc.

#### **NEW ZEALAND**

Fruit from New Zealand seems to be on an upward trajectory in both volume and number of items. Over the past couple of years, Giumarra of Wenatchee, based in Wenatchee, WA, has imported small quantities of specialty citrus. Sales manager Jason Bushong notes, "In July and August, we have Mandarins, Yen Ben lemons for the Eastern half of the country and Meyer lemons in the West. For us, these fill niche windows. Because they are from New Zealand, the normal cold treatment used for citrus is not needed, and both color and fla-

vor are better preserved."

By far, the volume of New Zealand fruit imported to the United States is in apples, pears and kiwifruit. In most cases, the varieties of these fruit are largely counter-seasonal to those grown domestically.

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Reader Service #89



for Tauranga, New Zealand-based Zespri International, Karen Brux lives and breathes New Zealand kiwifruit. Starting in May, she works in-store with retailers and in other public venues to bring kiwifruit to the attention of consumers. Awareness and consumption of the fruit is still relatively low compared to other summer fruits, and the competition is tough.

"Our education effort is to let people know about the great flavor and nutrition profile of Zespri kiwifruit," explains Brux. "We guarantee Brix levels so the fruit ripens well. We've also expanded packaging and recommend retailers price by the package, such as a 1- or 2-pound clamshell or 1pound plastic bag, or by the pound rather than by individual fruit. Our research indicates it's a good way to increase sales."

Brux also notes that Zespri's kiwifruit are certified organic. "Both green kiwis and our proprietary gold kiwis are available as organic, which could give us an advantage in the marketplace. Our primary competition comes from Chile, but in 2008, New Zealand had larger market share." In an effort to raise consumer awareness, Brux asserts, "We will be doing sampling in-store and at events, such as women's cycling and with mom's groups for moms and kids. For certain promotions, we will provide a chef to do demos."

The Oppenheimer Group is optimistic about consumers' reactions to imported produce during difficult economic times, "Zespri kiwifruit is the perfect fruit for today's consumer," asserts Brux. "Obviously, we're all more cautious than ever about where and how we spend our money, but if you're looking for fruit that represents the most value for your dollar, kiwifruit is the most nutrient-dense fruit available. One serving contains more potassium than a banana, the vitamin C of two oranges, and the same amount of fiber found in a bowl of bran cereal. It's the perfect fruit for today's cost-conscious, value-focused consumer who, now more than ever, needs to stay healthy to get through these times."

"Both green kiwis and our proprietary gold kiwis are available as organic, which could give us an advantage in the marketplace. Our primary competition comes from Chile, but in 2008 New **Zealand had larger** market share."

— Karen Brux The Oppenheimer Group

Pears constitute a small portion of Oppenheimer's imports into U.S. markets. According to David Nelley, director of pipfruit (the New Zealand term for apples and pears) and pineapple categories for The Oppeneheimer Group, headquartered in Vancouver, BC, Canada. "Only about 6 percent of our imports are pears, made up of Bosc, Comice and Taylor's Gold, available May through July. They complement U.S. Bartletts and lead into domestic winter pears when fall comes."

#### AN APPLE A DAY...

Apples are a popular crop in many countries. An early, unanswered question is whether consumers will develop a stronger preference for domestically produced fruit due to the current economic climate.

Nelley answers the question by pointing out that his company "focuses on freshly harvested New Zealand apples and on proprietary varieties with the Enza label. A premium apple will sell as an affordable luxury and a variety such as Jazz fits all the criteria - good looking, good supply, great, distinctive flavor. It's impossible to ignore with the marketing support it has. We've seen an uptick in demand and popular appeal from May to October.

Nelley adds the company will offer a new variety of apple in the coming months. "Envy is a tempting, new, proprietary variety we will offer this year in small quantities beginning in June and lasting through October. It's large and red with stripes. It's also very sweet and holds its color, even after cutting," Nelley describes.

Greg Reinauer, senior vice president of Scottsdale, AZ-based Amerifresh Inc., notes the volume of New Zealand apple imports has been delayed a couple weeks until mid-April, largely to allow existing Washington Gala and Fuji supplies to move through the system. New Zealand has good sizing, mostly 80s and larger, which appeal to U.S. consumers. "Usually at the end of March or April, we begin getting shipments of New Zealand varieties, such as Royal Gala and Braeburn, with promotable volume and pricing by May 1," Reinauer discloses.

Nelley says that Oppenheimer "brings in a full range of varieties from New Zealand that are counter-seasonal to freshly harvested, domestically grown apples, and backs them with strong promotional support individually planned for large or small retailers."

Regarding domestic competition, Nellev reveals, "We find our competition is more from other countries than from Washington storage apples. We will do sampling and couponing to targeted demographic groups. We will also have a contest to win a trip to New Zealand that will attract attention. A consumer price range of \$1.99 to \$2.99 is the sweet spot that moves volume."

"I'm looking forward to an excellent season," says Reinauer. "The cost of transportation is down and exchange rates promise success for New Zealand growers, U.S. retailers and, of course, consumers. There's a slight premium for most New Zealand apples, but consumers like large, fresh fruit and the quality looks to be outstanding for this season. We're all working to make sure these apples stay appealing and accessible for shoppers."

Both Nelley and Reinauer estimate larger crops due to increased sizing and more volume. According to Reinauer, "The 2008 New Zealand crop was down about 10 percent from 2008, but the 2009 crop is expected to increase 16 percent, making up lost ground and pushing it above typical averages."

Nelley pins estimates of Oppenheimer supplies to be up this year by as much as 20 percent, and also expects more organic apples. "As much as 25 percent of the crop will be organic, with Pink Lady leading a full basket of organic varieties," he states.

Consumers will continue to have plenty of choice in the upcoming season, and marketers of fruit from down under are very confident. Regardless of crop varieties, good quality always sells. What remains to be seen is whether consumers will change their behavior and buying patterns in response to the troubled economy.

# California Cherries Offer **Short Window Of Opportunity**

California cherry growers express strong optimism about the 2009 crop.

BY MEREDITH AUERBACH

Amid the doom and gloom of the daily economic headlines, there's a bit of cheer from the cherry orchards of California.

> While every crop prediction includes a warning preface about last minute rain or wind, growers and marketers believe the 2009 California cherry crop is on track to be excellent.

#### FIRST OUT OF THE GATE

Long considered the product that kicks off the California soft fruit season, California cherries have an enviable window of opportunity that is getting larger. For about the last 15 years, acreage has been increasing by more than 1,000 acres per year, much of it in the South Joaquin Valley, and host to early harvested varieties such as Tulare, Sequoia and

Brooks, driving increased volume into early May.

Jim Culbertson, executive manager of the California Cherry Advisory Board, based in Lodi, CA, explains, "With consistent weather, the industry should at least match last year's crop of 8.7 million (18-lb.) boxes. We've seen shifts to earlier producing varieties in the South. It takes eight to ten years for an orchard to reach full production so a good number of acres now reach full production every year."

According to Mike Collins, category manager for Chinchiolo Stemilt California LLC, in Stockton, CA, "We pack 12 or 13 varieties of sweet red cherries a day, and in California there are at least eight varieties packing more than 100,000 boxes each."

Taking his point a step further, Mike Jameson, director of sales for Morada Produce Co. LP, headquartered in Linden, CA, says, "This crop is growing. We've had great chill hours over the winter and the cultural practices we now use put more control in the grower's hands. We're producing a better piece of fruit - varieties with good size, firmness, ability to travel well and, most importantly, good shelf life."

While consumers are typically aware of variety names such as Bing and Rainier, retail produce buyers have become more sophisticated and track individual varieties to fulfill certain needs and offer unique flavor profiles. Maurice Cameron, cherry commodity manager for Trinity Fruit Sales Co., headquartered in Fresno, CA, is the exclusive sales agent for Lodi, CA-based Warmerdam Farms, touts the company's proprietary variety, Sequoia, noting, "This variety is the earliest Warmerdam picks. It's large, peaking on 101/2 row size, dark mahogany in color and it is resistant to rain. It has a higher acid level than the Rainier so it has a richer, more complex flavor."

Another strong early variety is Tulare. Ross Westbrook, president of Primavera Marketing Inc., in Linden, CA, calls this variety "a duck," paying tribute to its resistance to rain, which makes it a more reliable variety if weather intervenes. Brooks is another variety expanding the early end of the



season. Making use of early varieties moves the crop in the right direction — away from the beginning of the Washington season, and taking better advantage of cherries' marketing window.

A Northern California retailer with more than 100 stores who wished to remain anonymous describes his view of California cherries, "It's a strange beast because the crop is susceptible to rain damage. We love promoting cherries, but often hesitate at the beginning of the season. We set ads about three weeks in advance and the last chance to make a substitution is just about 10 or 11 days out. Sometimes you hold your breath at the beginning of the season."

Roger Pepperl, vice present of marketing for Stemilt Growers Inc., based in Wenatchee, WA, comments, "Our recommendation to retailers is to run two to three ads from May 1 on. We suggest planning on one to two organic cherry ads and at least one Rainier ad. We think May begins the real season and our practice is to leave cherries on the tree a couple of extra days for more flavor."

The Northern California retailer agrees with this approach and says, "We get the best results with three conventional ads, usually with one or two followed by an organic ad. We always try to set up a Rainier ad at the peak of the season when quality and quantity are greatest. Cherries are a great ring for us."

For any retailer, the size of the ring is important. PW Markets is a nine-store chain headquartered in Milpitas, CA. Jim Pohndorf, produce manager, describes his pro-

"With consistent weather, the industry should at least match last year's crop of 8.7 million (18-lb.) boxes."

> — Jim Culbertson **California Cherry Advisory Board**



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### **Rewarding Rainiers**

ainier, the bright yellow cherry brushed with a warm red blush, started life as one of the pollinators carefully spaced out among trees of dark sweet cherries in an orchard. There's plenty of private opinions on how many Rainier trees are needed to produce a top crop of dark, sweet cherries. It's easy to understand why such a great deal of time went by before Rainiers earned their own orchards. It may very well have been an "ah-ha!" moment.

Only in the last decade have Rainier cherries captured the attention and devotion of consumers with their lovely contrast color and super sweet taste. Defi-

gram, which includes building big displays as soon as California cherries are available, using both dark, sweet and Rainiers. He describes, "We spec 11 row-size fruit in both bag and bulk and run at least two ads during the season. It's what our customers expect and they buy plenty."

#### SIZE COUNTS

Virtually all participants in the California cherry deal think of cherries as one of the ultimate impulse items in the produce department. The season is incredibly short - often less than eight weeks - and it moves fast, more a sprint thn the marathon other fruits experience. Mike Collins of Stemilt/Chinchiolo estimates, "75 percent of the crop is shipped between May and early June." That allows just a small window to catch consumer attention, remind them how much they love cherries and work for repeat purchases.

Large cherries, while more expensive, have the ability to make the sale. Morada's Mike Jameson remarks, "Size sells along with firmness, and retailers increasingly ask for bigger cherries, usually 101/2 or larger. Marketers and retailers who use smaller cherries for promotion operate at the low end and cause some damage. We believe in investing in premium product."

Regarding pricing, Jameson continues, "Pricing over the last five to seven years has been strong, firm and stable. Consumers are getting better product and growers are also getting rewarded. For retailers, cherries are a high-profit item and they are seeing excellent results."

Pepperl agrees, "When Stemilt bought the Stockton operation, we brought in most of the techniques we developed in Washingnitely less complex in flavor, these cherries provide the intense sweetness many consumers prefer. So fragile, they are treated extra gently because every bump, mar and bruise shows. To compensate, Rainiers carry a premium, rewarding growers and retailers alike.

Ross Westbrook, president of Primavera Marketing Inc., headquartered in Linden, CA, explains, "They are sweet because they are low in acid. They are also harder to grow well and these factors may limit volume growth and keep them special. They bloom early and are harvested late and they need more maintenance and attention."

ton. The change in the product is big. This is a high- cost/high-risk crop so we do everything we can to improve the quality of the fruit and make it less risky. That also means we go at pricing very analytically and urge retailers to do the same. More are determining specifications to suit their needs and sticking with them during periods of regular sales and promotional pricing."

Jameson, too, stresses the importance of growing and handling procedures. "We know that the right cultural practices mean larger, higher-quality cherries. It's the combination of science, art and understanding what improves each variety. The right ratio of pollinators, winter pruning, thinning to allow in more light and increase carbohydrate level in the fruit, and varieties suited to the climate and soil are what make cherries big," he sums up.

Perhaps one of the major measures of quality progress is that the industry used to measure productivity in tons per acre. Now more growers, shippers, marketers and retailers judge it by size volumes per acre.

#### **EMERGING TRENDS**

Don Goforth, director of sales and marketing for Reedley CA-based Family Tree Farms Inc., outlines the company's entry into cherries, "This is really a new crop for us. We had grown a few Rainiers for others, and cherries had been on our radar for some time. Over the winter, an opportunity presented itself. We took on a large share of the ITO program, working with a select group of like-minded growers. They understood quickly what it meant to pack Family Farms product. We also hired Tony Yasuda, former head of the ITO program, as director of grower development."

"For us, the consumer is the customer and it's up to us and our retailers to always service that goal," reveals Goforth. "We mainly work with regional chains because it allows us a closer presence. The vertical integration of our company lets us be more hands-on throughout growing, harvest, packing and at the retail level."

#### PURPOSEFUL PACKAGING

Packaging plays an ever-increasing role in sales of cherries. Once sold in bulk, the industry can now attribute much of shrink to handling at display. Only in export about 35 percent of the crop — do bulk packs dominate. Most are packed in 2-lb. press lock or slider plastic bags and 1- or 2lb. clamshells, which can significantly increase the per-pound cost. Any clamshell tends to be a net weight package with a UPC code, while bags are random weight with a PLU designation.

According to Goforth, "We use packaging that works for the individual chain. The packing we took on puts us in the early season with good size. Our retailer partners develop large displays that shout 'pride of product' and pass that message on to consumers. We're still a small to medium-sized player, but we plan to grow as we have with other products such as blueberries, apricots and white-fleshed tree fruit."

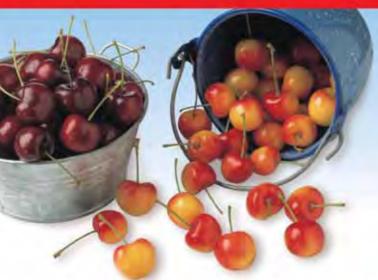
#### **ORGANICS AND** SUSTAINABLE GROWTH

Organic cherries are increasing but, in fact, the segment is estimated at only 3 percent of the crop or less. It is not certain that great growth is anticipated.

Trinity's Cameron cites some of the company's practices of sustainability as not only good for the health of people and the environment, but also as a means to distinguish the product and attract high quality retail partners. "Warmerdam Packing has installed solar panels into the roof of the packing shed, producing enough electricity to run the shed and partially cover the needs of the cooler. That's a longterm investment we think will pay off. We have placed a barcode on the bag to improve traceability. Our clamshells are made from 70 percent postrecycled PET plastic. We also manage water to the packing shed and filter it for subsequent reuse in fields.

While the payoff isn't always black and white, Cameron maintains, "The payoff may or may not in any given year be a big increase over market in FOB, but we find it does mean increased orders, some extra return and a comfort level for us and our customers that we are in this for the long term and doing it in the right way."





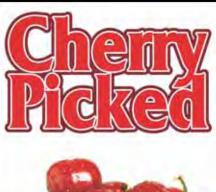
Kyle Mathison - America's Cherry Authority (left) West Mathison - President (right)



- From Bakersfield, CA to 3,500' above sea level in the WA Cascade foothills
- · Hydrocooled within a hour of harvest
- · Plant capacity that matches harvest peaks

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Packed in bags, clamshells, Metric, 5 kilos Please Call Rich

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# producebusiness

### AISLE WAISLE









United Fresh 2009

April 21 to 24 — Las Vegas, NV — Sands Mega Center



#### **UNITED FRESH AISLE-BY-AISLE BOOTH REVIEW**

#### SYNGENTA SEEDS INC. Boise, ID

Syngenta is a world-leading agribusiness committed to sustainable agriculture through innovative research and technology. The company uses its uniquely broad product portfolio, including crop protection, seed care and seeds, to tailor solutions to individual customer needs.



#### TRACEGAINS INC.

#### Lonamont, CO

With TraceGains' Positively Assured Traceability you can print unique custom labels for Sam's Club, Kroger, GS1-128 compliance (Produce Traceability Initiative), and any other labeling requirement, right in the field and in the shed. Imple-

mentation is quick and cost-effective.



#### **COUGAR PACKAGE DESIGNERS INC.**

#### 300 WEIGHPACK SYSTEMS INC. Las Vegas, NV

WeighPack introduces its first HFFS machine, the Swifty R2B. Horizontal form fill and seal technology integrates bag making, filling, sealing and printing in one automatic process. The Swifty uses laminated roll stock film to create a variety of different pouch styles and can produce up to 120 bags per minute.



#### 525

#### LAMOTTE CO. Chestertown, MD

LaMotte now distributes the Hygiena

ATP meter and test swabs to test for bacterial and protein residues on food surfaces. The device, designed with state-ofthe-art electronics is extremely sensitive and can quickly determine the cleaning efficiency and hygienic status of surfaces and water. This palm-sized meter is economical and easy to use.

#### FTNON - FOOD TECHNOLOGY NOORD-OOST NEDERLAND B.D. Salinas, CA

The new FTNON centrifuge is made for flexibility. A variety of products — large or small — can be dried soon after one another. With this design, the chance of product damage is minimal. The result is

considerable improvement of quality and shelf life of the end product.

#### **WEST COAST SUPPLIES** Rancho Cordova, CA

West Coast Supplies specializes in servicing the packaging and ingredient needs for food processors from coast to coast and abroad. Whether it's food ingredients, corrugated boxes and sheets, vented or stretch films, netting, or machinery, we are able to assist your needs for all of the requirements you have.



#### **FOOD IRRADIATION** PROCESSING ALLIANCE

#### Minneapolis, MN

Irradiation, which uses electron beams, xrays or gamma rays to eliminate harmful bacteria like E. Coli O157:H7 and Salmonella, is one of the most effective tools available to reduce or eliminate harmful bacteria and make vulnerable foods as safe as possible. FIPA represents the irradiation service industry, manufacturers of food irradiators and suppliers of cobalt-60 sources.

#### **ESI GROUP USA** Bloomfield Hills, MI

ESI Group USA is a nationwide design/build

general contracting and construction management firm. We specialize in warehouses, distribution centers and foodservice facilities. Our experience and knowledge enable us to provide you a guaranteed maximum price. Our single source responsibility approach will respond to your company's need for a cost-effective and functional facility.





### West Chicago, IL

Cougar Package Designers is launching its new Spiritus Food Packaging Solution. This process uses patented SLB technology, enabling manufacturers to pack freshcut fruit and vegetables, extends shelf life, reduces discards and lowers costs. Spiritus' SLB technology creates a modified atmosphere without vacuum at any stage, thus ensuring no harm to the texture and appearance of products.



#### **BOSCH PACKAGING TECHNOLOGY** Raleigh, NC

Bosch Packaging Technology provides equipment for harsh operating environ-

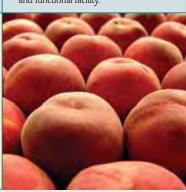
ments. The Bosch SVE3800AB high performance continuous motion bagger is your solution for superior product handling, package presentation and flexibility for fresh produce, IQF frozen food and vegetables, running at speeds up to



#### SAMBRAILO PACKAGING Watsonville, CA

Sambrailo Packaging is a family-owned company that has served the produce and floral industries since 1923. We have built our reputation on service and quality. Known for our design- to distribution packaging innovations, Sambrailo truly does whatever is best for the produce.





CHEPPRESERVING THE ENVIRONMENT
AND YOUR BUSINESS.
ONE PALLET AT A TIME.



Visit us at United Fresh Show BOOTH 1613



Thanks to its customers, CHEP saved 2.5 billion pounds of solid waste from ending up in landfills in one year alone. To see just how, and to calculate how CHEP can help grow your company's profits and environmental profile, visit CHEP.com/onepallet.



#### **UNITED FRESH AISLE-BY-AISLE BOOTH REVIEW**

#### 820

#### SORMAC B.V.

#### Venlo, Netherlands

The Sormac delivery program consists of machines for fresh processing of vegetables, such as potatoes, onions, carrots and leafy greens. For onions, Sormac supplies custom-made processing lines. For all essential parts, such as infeed hoppers, onion peelers, roller inspection belts, waste conveyors and weighing machines, advanced solu-



#### ECOLAB ECOLAB INC.

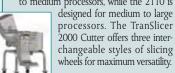
tions are available.

#### St. Paul. MN 55102

Ecolab helps customers produce safer, high-quality products, continuously improve operational efficiency and enhance environmental stewardship through best-in-class sustainability programs. Products include antimicrobial water additives for fruits and vegetables, including organic, advanced cleaning and sanitizing technologies, personnel hygiene programs, pest elimination services and total water management programs.

#### **URSCHEL LABORATORIES INC.** Valparaiso, IN

This year's Urschel booth features the DiversaCut 2110 Dicer, DiversaCut SPRINT Dicer and the TranSlicer 2000 Cutter. The SPRINT is designed for small to medium processors, while the 2110 is



#### MATRIX PACKAGING MACHINERY INC.

#### Saukville, WI

Matrix Packaging Machinery has become synonymous with delivering innovative machinery at the most value for your dollar in the packaging industry

today. Matrix is proud to exhibit the Elite Premier bag-maker, our fully stainless steel machine that is designed for severe duty wash-down applications. Stop by for a demonstration

#### **IEH LABORATORIES** & CONSULTING GROUP

#### Greeley, CO

The IEH Laboratories network offers analytical services in microbiology and food chemistry, as well as consultation on HACCP reassessment & validation, spoilage, food-borne illness epidemiology and crisis management. IEH offers 12hour multiple-pathogen testing for grower inputs, raw materials and finished produce products.



TOTAL LANGEATORIES & CONSULTING GROUP

#### SADEX CORPORATION Sioux Citv. IA

Sadex Corporation is a food irradiation provider. Using electron beam technology, the Sioux City facility has the capacity to process 150 million pounds of fresh fruits, vegetables and leafy greens in combination annually. Sadex Corporation also provides cold pasteurization

services to the food industry in the only refrigerated facility of its kind.

### sagex

#### 1008

#### **BEST NV** Centennial, CO

Sorting the good from the bad, the right from the

wrong, the fresh from the not fresh, is a corporate policy. BEST's optical sorters guarantee quality, efficiency and reliability. Equipped with laser, camera, Fluo, infrared, or x-ray, the sorters detect color, structure, shape and density variations for fresh products.

#### **HMC MARKETING** Kingsburg, CA

2009 marks the 30th

anniversary of our Lunch Bunch grapes. Building on a tradition of investing and innovating for quality, HMC offers yearround supplies of value-added grapes in all forms. The holy grail of fruit, "good tasting tree fruit," is being delivered from our orchards in California.

#### IDAHO TECHNOLOGY INC. Salt Lake City, UT

We are excited to announce that the Listeria test used with the R.A.P.I.D. LT food security system has been granted performance-tested status by the AOAC research institute. The assay uses realtime PCR technology to identify the presence of Listeria in food and environmental samples.

#### 928, 929

#### LOWRY COMPUTER PRODUCT Brighton, MI

Lowry Secure Visibility is a set of electronic data collection and inventory management applications developed to enhance a company's investments in a SQF (Safe Quality Food) 2000 Hazard Analysis and Critical Control Points (HAČCP) plan. Secure Visibility fulfills PTI requirements and provides growers, packer/shippers and processors a cost effective solution. Secure Visibility

#### HEAT AND CONTROL INC. Hayward, CA

See new technology for conveying, inspection and weighing, including the latest Ishida fresh products weigher; wash down X-ray inspection system and checkweigher; ultra-sensitive CEIA THS21 metal detector and FastBack horizontal motion conveyor; and product blending

and sorting systems. Arrange to test your products at our demonstration centers in CA and PA.

#### **NATURESEAL** Westport, CT

Calling all fresh-cut, frozen and dried fruit and vegetable processors: if you need to extend the shelf life of cut produce NatureSeal has the solutions! Our formulations are comprised of FDAapproved GRAS ingredients and are

always sulfite-free. We will also work with you to customize the perfect product for your needs.

#### **ALCHEMY SYSTEMS LP**

#### Austin, TX

SISTEM is a training and compliance management platform created by Alchemy Systems. By using hand-held remotes



and interactive courseware in English and Spanish, SISTEM increases employee comprehension and improves retention. SISTÊM also includes a web-based Learning Management System.

#### MILLER-LEAMAN INC.

#### Davtona Beach, FL

Miller-Leaman announces its new FiltraFlume; a multi-staged filtration system designed for flume



water applications. The system employs a stainless steel strainer, high-efficiency hydro-cyclones and an automatic, selfcleaning Turbo-Disc Filter, substantially reducing the level of suspended solids in the water,.

#### **CHARLIE'S MACHINE** & SUPPLY INC.

#### Boulder, CO

Small machines doing big jobs and big machines at small prices is the name of our business. Hands-on demonstrations await you at our booth. Come peel, slice, dice and wedge — carrots and lettuce to apples and pineapple. Small to large volume, CMS provides equipment for your fresh-cut food processing needs. Both custom and used equipment is available.

#### 1230 **GOODNATURE PRODUCTS** Orchard Park, NY

Goodnature Products' pasteurizers are used for many different applications, including treatment solutions, juices and syrup. Our all-in-one design HTST pasteurizers are skidmounted and can be up and running in just a few hours. They can be fully customized to meet all of your temperature and timing needs.











#### **UNITED FRESH AISLE-BY-AISLE BOOTH REVIEW**

ATLAS PACIFIC

#### 1231

#### **HERRMANN** ULTRASONICS INC. Bartlett. IL

In our packaging lab, we have the capability to seal

different types of packages. We offer fast and airtight ultrasonic packaging sealing solutions. We develop and deliver the complete solution for the packaging machine and incorporate ultrasonic sealing — fast, safe and airtight.

#### 1325 APIO INC.

#### Guadalupe, CA

Breatheway offers modified atmosphere technology for virtually any package configuration. Bring your fresh fruit or vegetable packaging challenges by the

Breathe Way/Apio booth for more information. Ideal package atmospheres can dramatically increase shelf life and improve the eating experience.



#### and pears, pit (de-stone) peaches and apricots and de-stem fresh and/or brined

#### **AGRA-BEST LLC** Bakersfield, CA

fresh-cut apple slicer.

ATLAS PACIFIC ENGINEERING

For over 60 years, Atlas Pacific has been

the leading manufacturer of deciduous

fruit processing equipment, offering a

wide range of machinery to automatical-

ly feed, orient, optionally peel, core, seed

cell and slice (wedge and ring) apples

cherries. Come see our industry standard

**ENGINEERING CO.** 

Pueblo, CO

Agra-Best is committed to producing the highest quality broccoli and cauliflower harvesting and production equipment in the industry. Our machines are custom built to your needs and are designed to deliver convenience and cut consistency. The design is also key to reducing crosscontamination and will reduce labor by 60 to 70 percent.

Igra-Best LLC

super/resh

#### 1319

#### **RIVER POINT FARMS** Hermiston, OR

River Point Farms, America's largest onion producer, controls the process from seed to sandwich. Supplying whole, peeled and processed onions to meet specific customer needs. River Point Farms provides the most consistent, reli-

KEY TECHNOLOGY INC.

Stop by to learn about our process

automation innovations for fresh-cut

processors. Talk with our industry market

experts about our exciting line of fresh-

cut produce solutions including sorters,

washers, dryers, sizers and more. See live

demonstrations on our Optyx

camera/laser sorter and AVSealer Pack-

Walla Walla, WA

aging Machine.

able onion supply in the country.



#### 1322

#### **DADE SERVICE CORPORATION** Daytona Beach, FL

Dade Service Corporation specializes in the design and construction of: produce distribution centers, produce packing and cooling facilities, tomato ripening rooms, pressurized avocado, banana and fruit ripening rooms, forced-air coolers, coolers and freezers and designing for durability, energy efficiency and food safety. We serve the entire United States

HARPAKH

#### 1417 HARPAK INC.

of America.

Whether you're packaging fresh produce, fruit cups, juice or salads, Harpak is poised to supply all of your primary or secondary packaging needs. Harpak proudly represents Mondini, CAMA and Hooper Engineering. We offer a complete line of packaging and filling equipment including tray sealers, piston fillers, pocket fillers, form/fill seal, RSC cartoning and wrap-around, tray erecting, case

### South Easton, MA

packing, robotics and sleeving units.

#### **DEL MONTE FRESH PRODUCE** NORTH AMERICA INC.

#### Coral Gables, FL

Del Monte Fresh offers retailers and foodservice operators an array of innovative solutions to address the changing tastes and lifestyle needs of today's consumers. Our extensive distribution net-

work allows just-in-time deliveries of our premium, high-quality, fresh products to your doorstep.

#### 1613 **CHEP**

#### Orlando, FL

CHEP is the global leader in pallet and container pooling, combining superior technology and an asset base of more than 300 million pallets and containers. As a supply chain part-

ner to many of the world's largest companies in 45 countries, CHEP delivers value, quality and proven environmental impact.



#### ALLEN LUND CO. Le Cañada, CA

Since 1976, Allen Lund Company has

provided shippers with all means of overthe-road services utilizing a substantial and reliable carrier base to handle dry, refrigerated, flatbed and international shipments. Our nation-wide offices monitor all freight using advanced technology and communication infrastructure 24 hours a day, 7 days a week.



#### **CALIFORNIA STRAWBERRY** COMMISSION

#### Watsonville, CA

Visit our booth to learn about the California Strawberry Commission's priorities food safety, trade relations, research, nutrition, public policy and marketing communications for an industry that

produces 88 percent of the country's strawberries.



### 1802

#### growers **DOMEX** SUPERFRESH GROWERS Yakima, WA

Domex Superfresh Growers is an international fruit marketing firm. We grow and market both conventional and organically grown domestic and imported apples, pears, cherries, peaches and apricots.

#### COLORFUL HARVEST LLC Salinas, CA

Colorful Harvest grows premium, quality, fresh pro-

duce including strawberries yearround — sweet and red all the way through, blueberries, raspberries, blackberries, melons, sweet red corn, rainbow crunch carrots, orange, purple and green cauliflower, purple broccoli and more.

#### **BEACH STREET FARMS LLC** Watsonville, CA

Beach Street Farms, a premier grower/shipper of conventional and organic berries, is committed to providing the highest quality berries available. Growing in the heart of the California strawberry-growing regions of Northern and Southern California, supplies are available almost

year-round.





#### **HOLLANDIA PRODUCE**

#### Carpinteria, CA

Hollandia Produce is home to Live Gourmet living butter lettuce, Living 3-in-1 lettuce, Living upland cress and Living arugula, harvested with their roots intact to preserve freshness. We say it's

"Absolutely fresh because it's still alive!



#### 1917

#### **PRODUCE** CAREERS INC.

#### Arroyo Grande, CA

Produce Careers was founded in 1999 and has clients throughout North America. It has emerged as the produce industry's No. 1 recruiting firm filling executive and middle management positions in all job categories.









#### **UNITED FRESH AISLE-BY-AISLE BOOTH REVIEW**

#### 2006

#### **FOX PACKAGING SERVICES** McAllen, TX

Fox Packaging continues to lead the produce industry with the smartest packaging solutions. The Fresh Mesh line of bags is designed to run on most existing equipment. It increases shelf life and is the most versatile package in the industry. Choose the bag consumers reach for.



#### 2213

#### **IFCO SYSTEMS** Tampa, FL

IFCO invites United Fresh attendees to explore environmentally-sustainable and cost-saving transport packaging solutions. From reusable plastic containers that reduce emissions, energy use and waste to reusable pallets and pallet

recycling programs that divert millions of tons of waste annually, IFCO's services meet the demands of our customers and our environment.



#### PRINCE EDWARD ISLAND **POTATO BOARD**

Charlottetown, Prince Edward Island

Prince Edward Island Potatoes are world famous. Our rich, red soil and cool ocean breezes make PE Canada's leading pota-

to producing province. We grow and pack russets, whites, reds, yellows, organic and specialty potatoes. Visit us to see great spuds.



#### MISSION PRODUCE INC.

Oxnard, CA

Mission Produce is a global packer, importer, processor and distributor of avocados and asparagus. Our ripening and distribution centers in California, Denver, Chicago, New Jersey, Atlanta, Dallas and Seattle enable just-in-time delivery to customers nationwide. New

at Mission is our year-round asparagus program.



#### **DNE WORLD FRUIT SALES**

Fort Pierce, FL DNE World Fruit Sales will show-



case its line of fresh summer citrus from Australia. South Africa, Chile, Mexico and Peru. We offer an array of fresh quality navels, Clementines, Minneolas, lemons, limes, Midknights and several other specialty varieties. Let DNE help you grow your summer profits and develop a custom program for your needs.

#### 2217 **ACCU-LABEL INC.** Fort Wavne, IN

Accu-Label was incorporated in 2002 after the overwhelming success of the ORB-it labeling systems developed in 2001. From its inception, Accu-Label continues its commitment to providing a variety of environmentally friendly, pressure-sensitive labeling solutions to fresh produce packinghouses across North America. Our primary products are: ORB-it Vision Labeller, ORB-it Over-Top, STIC-it, ORB-it and STIC-it Labels.

#### 2404

#### NNZ INC.

Lawrenceville, GA

While most companies have one or two items to offer, NNZ Inc. can supply all your

packaging needs for earth-friendly, sustainable, renewable, recyclable, compostable and environmentally-safe packaging. From film to trays to netting to labels, NNZ can supply it all.

#### **CAVENDISH** PRODUCE Charlottetown,

Prince Edward Island

Cavendish Produce is your one-stop supplier of top quality potatoes. Russets, whites, reds, yellows, blues, fingerlings, organics — we have what you're looking for. Retail or foodservice, orders are packed to bring you value through premium products and packaging. We are your Fresh Potato Specialists.

#### AG-PAK INC. Gasport, NY



Ag-Pak supplies industry-leading produce packaging equipment. We offer weighing, bagging, optical sorting, washing and polishing equipment from the world's best manufacturers, featuring NEWTEC. Our booth will feature a complete line of weighing and bagging systems and the revolutionary NEWTEC Celox RV12 optical potato grader — making automated defect grading a reality.

#### **BASKET EASE** Prior Lake, MN

Our program, the Easy Does It Fruit Basket Program, provides all the supplies you need for your in-store fruit basket program, including containers specifically designed for fruit baskets in plastic,

wicker and bamboo for fast and easy assembly. Baskets are available in kits with wraps, bows, inserts and directions, all in one box.

#### VAL VERDE **VEGETABLE CO. INC**

McAllen, TX

Val Verde Vegetable Co. is your leafy greens experts handling a complete assortment of leafy greens, cabbage, carrots, broccoli crowns, limes and now, specialty vegetables. Come by to see some great, Texas-grown bitter melon, snake gourd, Chinese okra,

Opo squash, long squash, Indian eggplant, Daikon and Methi leaf.



#### **CALIFORNIA GIANT BERRY FARMS** Watsonville, CA

California Giant Berry Farms launched a national sweepstakes promotion April 1, 2009 in support of its spring and summer strawberries. Consumers can enter daily for a chance to win grand prizes and mer-chandise. Visit our booth for details on

this exciting consumer promotion backed with national advertising and publicity campaigns.



#### **NATURIPE FARMS LLC**

Naples, FL

Naturipe Farms is the right choice for fresh, premium berries. First in blueberry sales globally, we offer a full spectrum of varieties including strawberries, blackberries, raspberries and cranberries. "In season

locally — In Season Globally," Naturipe Farms is the source for all varieties, all seasons, conventional and organic.



#### **DISCOVERY GARDEN'S** Oakdale, CA

Discovery Garden's specializes in propri-

etary variety potatoes — Sierra Gold, with a Russet skin, and Sierra Rose, with a shiny red to dark mahogany skin. These unique potatoes have the rich, creamy texture of a yellow potato. Both potatoes have a remarkable cooking flavor.



#### **CONWED GLOBAL NETTING SOLUTIONS**

Minneapolis, MN

Conwed introduces Vexar netting with Ecocycle Technology: a safe, earth-friendly packaging solution that has a reduced lifetime compared to standard plastic netting. Conwed exclusively makes netting with Ecocycle Technology for all automated produce packaging equipment including: form fill and seal machines, soft net automatic welding machines and clipping machines.



#### INTERNATIONAL Santa Monica, CA

Our Volcano Lemon and Lime Bursts are plastic squeeze bottles

made with organic juice and essential oil. The products are recession-proof as sales increase when consumers substitute them for fresh lemons and limes. Consumers continue to buy the product for the great flavor!









#### **UNITED FRESH AISLE-BY-AISLE BOOTH REVIEW**

#### **BARD VALLEY MEDJOOL DATE GROWERS ASSOCIATION** Bard, CA

Bard Valley Medjool Date Growers are growers and shippers of the world's finest Medjool Dates. We offer bulk and consumer Packs. We are

"unquestionably the



#### **NEW JERSEY DEPARTMENT OF AGRICULTURE**

Trenton, NJ

The New Jersey Department of Agriculture represents New Jersey's vast agricultural industry and uses

the Jersey Fresh marketing and advertising program to showcase the 100 different varieties of fruits and vegetables grown in the Garden State.



#### SAN MIGUEL PRODUCE INC. Oxnard, CA

San Miguel Produce, makers of Cut 'n Clean and Jade, introduces new organic and Asian value-added cooking greens for retail, wholesale and foodservice.



#### PRIMARY PACKAGE INC. Tulare, CA

Primary Package specializes in materials, equipment and technologies for fresh produce consumer packaging, including NIR (near infrared) sorting and grading

technologies, new packaging materials, traceability systems and packaging equipment.

PRIMARY

#### HARVESTMARK BY YOTTAMARK Redwood City, CA

Compliant with GS1 and the Produce Traceability Initiative, HarvestMark is the leading, on-demand traceability platform for the fresh food industry. Today, more than 100 million produce products have been enabled with HarvestMark traceability to speed response time to suspect-

ed recall events and deliver valuable business intelligence.



#### **ALLIANCE RUBBER COMPANY**

Hot Springs, AR

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# Make Way For Southern Fruit

Fresh supplies of Southern melons, peaches and blueberries provide retailers with an array of opportunities to boost spring sales in the produce department.

#### BY AMY SHANNON

The South has a reputation for breeding some of the country's most flavorful, sweetest and, most importantly, profitable fruit.

> Warm temperatures, rich soil and locally grown advantages make Southern fruit harvested in the spring the crème of the fruit crops.

> Retailers are becoming aware of the opportunities of buying Southern fruit, particularly melons, peaches and blueberries, and they're finding plenty of ways to highlight their health benefits, spectacular flavor attributes and delightful taste.

> "When you look at any of the popular fruit categories — peaches, blueberries, strawberries, melons - everyone thinks toward the West," explains Martin Eubanks, director of marketing for the South Carolina Department of Agriculture (SCDA), based in Columbia, SC, and former executive director of the South Carolina Peach Council (SCPC), also in Columbia, SC. "But, if you look at the area from Florida through Virginia, you've got that same growing area as California," he adds. "Our climates our certainly different and product makeup may be different, but our fruit possesses very high quality and flavor. Plus, when you factor in the carbon footprint aspect, it just makes sense for retailers east of the Mississippi to buy locally."

#### **BUYING LOCAL**

Consumers are continuing to become more interested in purchasing locally grown produce,

Ninety percent of South Carolina consumers prefer locally grown fruit.

motivating retailers to stock produce departments with fresh, locally grown fruit. Produce from local growing areas uses less non-renewable resources, fossil fuels and chemicals, making it an environmentally friendly alternative to receiving produce with a large carbon footprint imported from distant states or countries.

According to Eubanks, 90 percent of consumers in South Carolina prefer a locally grown South Carolina piece of fruit when it's available over fruit shipped from somewhere else. "We see tremendous profit potential in locally grown fruit," he notes. "The opportunity is certainly there, and I'm sure the numbers hold true in Florida, Georgia and North Carolina."

Transportation from growers has become a vital part in selling local fruit, adds Mike Jardina, president and CEO of Forrest Park, GA-based J.J. Jardina Co. "We can get product in sometimes the same day if we run short. This also helps us to keep it fresh. We are able to pull load volume and store it in our warehouse for the retailers to pull as needed."

Lane Southern Orchards, in Fort Valley, GA, primarily does business with major retailers and a few wholesalers along the East Coast. "The idea of a Georgia peach growing on a tree one day and potentially being delivered to the store within a day or two has to be appealing," states Duke Lane III, vice president of sales. He suggests retailers go the extra mile to promote Southern fruit as locally grown using signage and even farm tours. "Let people know at the store level exactly where their fruit comes from. We have operated a large retail market on our farm for nearly 20 years. While they are visiting our farm, we offer guided farm and packinghouse tours."

Some growers are incorporating photos and stories about the farmers on its packaging, notes Frank Funderburk, executive director of the Georgia Peach Council (GPC), in Byron, GA. "It's all about how you market locally grown."

Eubanks agrees, adding, "Consumers want to know where their fruit is coming from. The carbon footprint involved is definitely on everyone's minds these days."

Chalmers Carr III, president and CEO of Rich Springs, SC-based Titan Peach Farms Inc., also





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notices this trend. "We're having the same conversation with every retailer. Consumers want to know their supporting local growers — every day. The length of peach season has increased from mid-May through mid-September. We're starting earlier than in years past. We cover the true peach season."

Dickey Farms Inc., a peach packing-house based in Musella, GA, gets its peaches to the market in very short order, stresses president Robert Dickey III. "They're really fresh. We can pick them today and have them out the next day."

Rosemont Farms Corp., a grower, shipper and producer, headquartered in Boca Raton, FL, sells its Athena cantaloupes to retailers and wholesalers — all east of the Mississippi River. "We even have some processors now that are seeing what a great item this is for their customers," expresses Daniel Whittles, director of marketing and product development. "Foodservice operators are a little less likely to get excited about it because it forces them to change the size specs in some cases, which isn't a favorite thing to do in the foodservice world. From a flavor profile, though, it's a winner within all segments." Additionally, buying local is a huge draw for Rosemont's customers given the freight advantages due to regional proximity, continues Whittles.

"This was especially true this past year, when high fuel prices raised the cost of transportation," explains Dickey, who works with mostly large retailers.

"Our proximity to the marketplaces in the South is closer than many of our competitors," notes Carr. "We've got a much more edible peach while theirs has a better appearance at the store level. We offer product that consumers will buy and then come back for more."

General Produce Inc., located at the Georgia State Farmer's Market in Forrest Park, GA, works with grower/shippers and sells a lot of peaches directly to independent retailers, says sales and procurement manager Andrew Scott. "We really support locally grown product."

With so much emphasis put on locally grown produce, it's important that retailers educate consumers on where their fruit comes from. "Their customers will be more pleased with Southern fruit knowing it's locally grown," states Dickey. "We've got more attractive fruit than we ever have before. Plus, there's a really good value out there with peaches."

#### OVERCOMING CHALLENGES

Planning promotions around certain varieties can sometimes prove difficult due to ripening dates being affected by various

## **Distinct Commodities**

MELONS: Rosemont Farms Corp., a grower, shipper and producer in Boca Raton, FL, does some work with watermelons, but its Athena cantaloupe program is most notable. "The growth in this category over the past few years has been strong, due to both the variety and the ever-improving cooling and post-harvest practices that have expanded the radius of distribution available to the top-tier producers such as Rosemont Farms," states Daniel Whittles, director of marketing and product development.

Rosemont's Athena melon program is anchored from its operations in Tifton, GA, where it planted 500 acres of the variety for the 2009 season. An additional 200 acres were planted at Rosemont's Plant City, FL farm. In Tifton, the season runs from June 1 through July 20, while the Plant City crop will run from May 10 through June 5.

For retailers, the benefits of buying these delicious, high-Brix cantaloupes are endless. "They're cooled and handled with a best-in-class system," increasing shelf life for retailers and consumers, notes Whittles. "They're packed at a best-in-class facility under industry-leading, food-safety standards. We offer a choice of PLU-labeled packs, including boxes or high-graphic bins."

Watermelon growers are increasing acreage in South Carolina, points out Martin Eubanks, director of marketing for the South Carolina Department of Agriculture (SCDA), in Columbia, SC. "We work fairly closely with the South Carolina Watermelon Board [SCWB, Columbia, SC]."

Gordon Hunt, director of marketing for the National Watermelon Promotion Board (NWPB), headquartered in Orlando, FL, says joint promotions organized by state and regional watermelon associations are helping to drive consumer demand. "In the past 20 years, we've seen a major increase in seedless watermelon – almost 80 percent of watermelon is now seedless. Today, we're actually seeing prices rise on seeded watermelon in the South because people are looking for it, but they're having problems finding it," he reports.

"They want it for church picnics and seed-spiting contests." Still, the fastest-growing section is in the minis. Watermelon is particularly a Southern fruit. It follows the sun. You have product from Florida all the way up through Delaware and Maryland. Plus, it's all family-owned farming — there are no corporate entities. It's by and large quintessential American farming," he adds.

PEACHES: Georgia-grown peaches are particularly a big draw this time of year, according to Robert Dickey II, president of Dickey Farms Inc., a Musella, GA-based operating peach packinghouse. "Georgia is steady in production over the past few years. We've had a couple of challenges with the weather, but we're looking for a good crop this year," he remarks.

According to Frank Funderburk, executive director of Georgia Peach Council (GPC), headquartered in Byron, GA, "We're definitely seeing an increase in Georgia peaches. We were stagnant for the past several years, but we're planting more now." Georgia's four major peach growers work with 50 or so varieties and each plant between 1,600 and 3,200 acres of peaches each season, he adds.

"We we're pretty consistent from 2002 to 2006," reports Chalmers Carr III, president and CEO of Titan Peach Farms Inc., headquartered in Rich Spring, SC. "I think we would have felt the first big impact of additional crops in 2007, but because of the frost, we actually experienced a 75 percent loss instead. In 2008, we had a 40 percent crop loss due to a hail storm and an early freeze," he reveals.

Beginning in mid-May, Lane Southern Orchards, based in Fort Valley, GA, plans to harvest nearly 5,000 acres of peaches. "Georgia peaches are the juiciest, sweetest, best-tasting peaches in the country," reports Duke Lane III, vice president of sales. "Our climate and soils are perfectly suited for growing juicy, high-Brix fruit, which we carefully harvest at its peak of maturity to give consumers the best-tasting peach possible. After all, taste is what the consumer is looking for and what will bring them back for more."

J.J. Jardina Co. Inc. is a wholesaler, headquartered in Forrest Park, GA, that specializes in Southern peaches, strawberries and blueberries. "We sell approximately 200 loads per year of peaches, as well as small amounts of blueberries and strawberries depending on weather conditions and competition from berry crops in other states this time of the year," reports Mike Jardina, president and CEO.

General Produce Inc., a wholesale produce house located at the Georgia State Farmer's Market in Forest Park, GA, works with an array of peach varieties from Georgia and South Carolina. "Peaches are a big hit because they're so popular among consumers," states Andrew Scott, sales and procurement manager.

"Obviously, we're a bit prejudiced, but because they're not shipped a great distance, we can let them stay on the tree a little bit longer, giving them a much better taste than fruit shipped from places further away," explains Funderburk. "They may not always look as pretty, but the taste is always there."

Dickey agrees, pointing out that the taste of Georgia peaches plays a major role in persuading consumers to make repeat purchases. "They have very good eating quality."

BLUEBERRIES: SunnyRidge Farm Inc., a Winter Haven, FLbased family-owned and operated grower, packer and shipper of blueberries, strawberries and blackberries, has berry farms in Georgia and Florida. Blueberries grown in these states help supplement supply from SunnyRidge's growing regions in North, Central and South America, providing its customers with a plentiful year-round supply. "Florida will be starting up soon and will get heavier into March," explains Stanley Scarborough, production manager. "We sell direct to Sam's Clubs and Publix."

In South Carolina, production of blueberries has increased, particularly over the past three years. "They're drawing quite a bit of attention from growers," notes SCDA's Eubanks. "A lot of this is due to positive marketing that educates consumers on the health benefits of eating blueberries. Blueberries are little powerhouses when it comes to nutrition."

weather conditions. "It's important to have a steady supply of product throughout the season," advises Lane of Southern Lane Orchards. "On our farm, we grow more than 30 varieties of peaches. This allows us to have consistent supply from mid-May through August."

"The weather definitely presents some

challenges," explains General Produce's Scott. "It all depends on whether we get that late spring freeze." South Carolina, in particular, can be especially vulnerable, he adds.

For Georgia peaches, late freezes are the biggest challenge, states GPC's Funderburk. "In the past, we've had late freezes in the middle of April. Poor weather in the past few years has reduced crops 40 to 50 percent. Some growers lost a total of 70 percent. Drought is not as big of a fear. Conversely, we have had times when we get too much rain, which can cause diseases and cause the fruit to lose its flavor."

Supply can certainly vary during the peach season, adds Dickey. "That's kind of how Mother Nature does things in the South. Sometimes we have not enough and other times we have too much. So it's a challenge to get it matched up."

Swings in temperature and excess rainfall can disrupt the supply chain, particularly for cantaloupe, watermelon and strawberries, adds SCDA's Eubanks. "Spring weather can be very unpredictable. It may rain in South Georgia, but not rain in Florida or South Carolina." To overcome such variables, some sales agents and growers operate in multiple states. "That keeps supply more consistent," he continues. Just because growers in one region experience a freeze, it doesn't mean everyone was affected by it, Eubanks stresses. "We don't want retailers to think our products aren't available elsewhere."

#### **WORKING WITH BUYERS**

With weather having such a varying effect on production, it's critical that growers, retailers and all parties involved communicate product availability and shipment requests in a timely manner. "Weather is something everyone has to deal with," expresses Eubanks. "It's the nature of the beast. The key to that is communication. As long as the grower and retailer communicate, demand can be met," he adds. "As a state agency, we work with retailers to develop and promote local efforts through consumer campaigns."

Titan Peach's Carr says it's all about anticipating volume and communicating that volume. "We try to give them a headsup on when to ramp up shelf space."

On the wholesaler end, Jardina of J.J. Jardina adds, "Most of our growers will let us figure it out and set the market price to ensure good movement of the product, therefore maximizing the profit by selling the entire crop and not having losses by dumping product."

According to Lane, "We offer promotional dollars during peak harvesting periods to help drive sales."

Developing good relations with growers and brokers can go a long way, says GPC's Funderburk. "Simply get a dialogue going

# **Spring Mechandising Opportunities For Southern Fruit**

he South Carolina Department of Agriculture (SCDA), in Columbia, SC, developed Certified South Carolina, a cooperative effort among producers, processors, wholesalers and retailers to brand and promote South Carolina products. "It's a fullblown consumer campaign," explains Martin Eubanks, SCDA director and former executive director of the South Carolina Peach Council (SCPC), based in Columbia, SC. "We've produced print ads and run television and radio ads to drive consumer demand. 'Nothing's Fresher. Nothing's Finer' are the words we're using to build that brand image," he adds. "We're telling consumers to look for our Certified South Carolina products locally in their stores."

Since many retailers have different methods of showcasing locally grown product, the SCDA is working with them to develop individual programs. "They all want to support their local producers," Eubanks explains. "We're trying to enhance their local efforts through our programs, so when consumers come in the store, they can make an

informed decision. Groups, such as the SCPC and the South Carolina Watermelon Board [SCWB, Columbia, SC], are doing what they can with limited resources."

Samplings at the store level go over very well in persuading consumers to make purchases, particularly repeat purchases. "Just remember that you can't slice them and leave them out exposed to air," reports Frank Funderburk, executive director, Georgia Peach Council (GPC), in Byron, GA.

With watermelon, "We plead with retailers to show the cut product and sampling is even better," states Gordon Hunt, director of marketing for the National Watermelon Promotion Board (NWPB), in Orlando, FL. "This is particularly true in the South. Unless it's on the consumers' list, it's not going to jump out at them," displayed in it's whole form."

Other merchandising ideas for boosting Southern fruit sales include cross-merchandising strawberries, melons and blueberries together and adding recipes for fruit salads or fruit served with shortcake and whipped cream topping.

and talk about what you can do better to sell your peaches in the store."

"We're constantly passing information onto our growers about what the season is looking like," notes Gordon Hunt, director of marketing for the National Watermelon Promotion Board (NWPB), in Orlando, FL. "Retailers like it. They want to hear what they should plan and reasons why they should stock more or less watermelon."

Rosemont schedules promotions many weeks or months in advance to create the greatest lift. "We make sure we have the sizes and packs that they prefer," adds Whittles. "We make sure we don't have rejections. This past year, we shipped 3 million melons without a single melon rejected."

General Produce's Scott suggests running ads highlighting fruit from Georgia and South Carolina. "That's what draws people into the stores."

Some growers team up with retailers to improve packaging and the marketability of their fruit. "Exploring your marketing options is important," explains Funderburk. "A lot of younger generations are coming in and doing some very innovative things."

It's also important for retailers to understand that Southern fruit, particularly peaches, need to be handled differently than fruit grown in California. "California peaches, for example, are harvested so they can go across the country, and thus, are firmer," according to Titan's Carr. "Southern peaches are harvested when they're more mature, and they have a shorter shelf life."

#### **EVOLVING VARIETIES &** FLAVOR ATTRIBUTES

Southern Orchard's Lane points to a tremendous turnover of varieties in peaches during the past 10 years. "While we grow over 30 varieties, very few are the same varieties we grew 20 years ago. Varieties now are larger and redder in color, but maintain the same sweet taste that Georgia peaches are known for."

Dickey of Dickey Farms agrees, adding "We're growing larger fruit and the newer varieties are getting redder in color."

Another noteworthy trend appears to be some retailers and grower/shippers promoting peaches grown in Georgia and South Carolina as "Southern peaches," as opposed to designating the state where they came from. "We've been in business for 50 years and things have changed in the past couple of years," says Scott. "South Carolina is now producing more peaches than Georgia, so some shippers are benefiting by promoting them as Southern peaches for volume and quality purposes." pb

# **Fast And Furious Deal** For Spring Grapes

The fast-paced, short time frame for the spring desert grape harvest yields challenges and opportunities alike for prepared and flexible retailers.

BY IODEAN ROBBINS

Just as spring ushers in a renewal of nature, the spring grape deal brings a rebirth to retail produce promotions.

> "We represent the start of the new grape season for all areas," says Jerry Havel, director of sales and marketing for Fresh Farms, in Rio Rico, AZ. "The quality is some of the best grapes grown anywhere in the world and we have the volume to promote."

> Nick Bozick, president of Richard Bagdasarian Inc., headquartered in Mecca, CA, notes the importance of promotion when selling spring grapes. "The spring deal is a promotion-driven season due to the high volume moved in a short time period," he says.

> The constrained time frame combined with the high volume makes for an exhilarating business. "The deal is fast and furious," states William Sykes, president of The Sykes Co., based in Rio Rico, AZ. "We have to market anywhere between 15 and 18 million boxes of grapes in a window of six to seven weeks. We need all the information we can get and we have to work with the retail sector to determine our peak periods."

> Gary Blank, president of Spectrum Produce Distributing Inc., in Tucson, AZ, adds, "The biggest challenge with the spring grape deal is its intensi-

Research shows that promoting three varieties of grapes will boost sales.

ty." Apart from that, there are many other variables that factor into spring grape promotions. "It's difficult to give prices to a chain store when you haven't started picking yet, but it all happens so fast and within a limited time frame," continues Blank. "So many factors can affect it, such as the weather or even sugar content."

As growers, handlers and retailers continue to make improvements and learn from the past. spring grapes have become an exciting and very promotable product. "Spring grapes have really improved in quality and quantity," states Keith Cox, produce buyer/category manager for Abingdon, VA-based K-VA-T Foods Stores Inc., which operates the retail chain Food City.

#### TRICKY TIMING

Many different factors play into the timing, availability and pricing of the spring deal. John Pandol, director of special projects for Pandol Bros. Inc., in Delano, CA, explains the time-sensitive issue. "The spring desert grape deal should be considered May 15 to July 15, plus or minus a few days on either side. More than 70 percent is shipped during the first 40 days, peaking the last five or six days of May, into June and the first days of July."

"Typically, Mexico gets started in the early part of May but it's always hard to say how the weather will affect the timing," notes Blank. "Once we get a start date, a lot of the shippers can put a template over a calendar and determine which weeks will be good to promote."

Weather, transportation and other logistical factors all have a hand in determining the start of the season, especially for Mexican product. "The spring deal out of the desert tends to be more volatile than the Chilean or California deals," says Jeff Parker, business manager for produce procurement at Ukrop's Super Markets Inc. in Richmond, VA. "Weather, Nogales crossings and transportation become more of a concern with this product."

Lingering Chilean product can also affect pric-

ing and sourcing for some. "Effects on the early spring deal can depend on how much carry over we have from the Chilean deal," says Cox. "If there are ample supplies from Chile when the Mexican deal starts, then the cost will be very competitive. On the other hand, if the Chilean grapes have dried up, then you'll see a higher cost, which, in turn, will cause higher retails in the market place. Each year is a little different."

"Depending on how well the Chilean grape quality holds up versus the desert deal crop will be the determining factor in when we make the move to the Sonoma product," says Parker. "We do like to get into the new crop product as soon as possible, but only if the quality is good. The earlier the deal starts in Sonoma, the sooner we will be able to promote."

#### **FOCUS ON FRESHNESS**

Veronica Kraushaar, president and CEO of Viva Global Marketing LLC in Scottsdale, AZ, and representing the Sonora Grape growers organization AALPUM in Hermosillo, Mexico, notes, "The freshness of the spring deal is one of the most promotable aspects for retailers, and one consumers have responded to the most. After the long winter season, retailers and consumers alike are excited about the new, fresh crop and the new varieties offered."

Retailers can play up consumer's summer fever with fresh, sweet, juicy grapes. Fresh Farms' Havel notes, "Retailers are looking for something exciting to promote at a time when the consumers are looking for a healthy, light summer snack. It's a perfect match for everyone involved."

Gonzalo Avila, vice president for Malena Produce Inc., in Rio Rico, AZ, also recognizes that the natural season change helps promote grapes. "The desert deal comes in at a nice time when the weather is changing and consumers look for more fruits like grapes," he says.

By providing top-quality, fresh grapes, retailers can build demand. "When we begin our harvest in Mexico, we reintroduce a very high quality, fresh grape to the market place," explains Havel. "This is a very welcome event for all retailers. They are ready for fresh product, rather than handling product that's almost two months old."

"We promote the Spring grapes as a frontpage ad item and give them plenty of front and center space when merchandising our departments," declares Parker. "We source jumbo product with excellent color, and we will price it right on promotion."

#### PROMOTING VARIETY

Having the right variety of grapes and providing ample options for customers will increase sales. "We try to promote all varieties at some point during the year," says K-VA-T's Cox, "because this gives the consumer a chance to try a grape they normally wouldn't purchase."

Cindy Plummer, vice president of domestic marketing for the California Table Grape Commission, reports that consumers are enticed to buy more grapes when there are more varieties available. "Advertising three or more varieties of grapes in an ad produces the highest sales lift," she adds.

Economic considerations are affecting the availability of some varieties in the marketplace. "Perlettes are historically an early market variety," explains Sykes of the Sykes Company. "Normally, growers could depend on the wholesale market to be accepting of these grapes, but they're very expensive grapes to farm. Growers from Mexico are dropping Perlettes because they can't get the big money for them anymore. We'll probably see less volume and trade in this variety this year."

Other varieties may benefit because they are very marketable. "Flame seedless is one of the best varieties," expresses Sykes. "It's



probably one of the more marketable varieties we have right now, because it's always tasty and has a powerful crunch. Also, the Superior, from Mexico, has had a big impact. We'll probably see less and less Thompson from California, because now it's coming from Chile and the variety is less popular than it used to be."

Staple varieties continue to hold their place, while others are introduced to the marketplace. "The Sugraones are the predominant white grape coming out of Mexico," reveals Spectrum's Blank. "Black seedless and Red Globes are two other main varieties taking up most of the volume from Mexico. Occasionally we will also get a Ruby Seedless."

"We are harvesting more and more black seedless grapes from Mexico and finding the demand to be excellent," adds Havel of Fresh Farms. "Our late variety, the Red Globe, is a very large seeded grape and is increasingly popular in the United States. It offers the consumer a very good tasting, different grape - with a seed."

#### **ECONOMIC ADVANTAGE**

As consumers struggle with economic woes, grapes offer an easy way for retailers to help their customers find alternatives to eating out. Sykes believes, "The economy may be causing people to eat more at home. This provides retailers an opportunity to promote more products that are easy to eat, like grapes. The fruit has always been the leader for ads and promotions."

Cross-promotions with cheese and wine, displays using grapes as part of an upscale recipe and even new packaging options may encourage consumers to trade-up in the produce department, as they're trading-down with restaurants.

"Our studies show over 95 percent of consumers purchasing grapes eat them as a snack," says Viva's Kraushaar. "Value is high because consumers don't need to purchase other, less healthy snacks. This season we are also providing POS recipes, as well as additional recipes on the Sonora Spring Grapes Web site to provide more ideas for using grapes."

Packaging also can help position product. Sykes explains, "The bag is still very popular, but some retailers are offering other options. Costco has a four-pound clamshell, which promotes value. In California, they're packing tri-color, which can be promoted for parties and entertaining." Moreover, Skyes suggests "retailers consider customer price points and opportunity, and then tailor packaging options to fit consumer needs."

The value provided by grapes is a good sell. Kraushaar reports, "We are currently researching the overall value proposition of grapes, especially compared to other items that may not have the freshness, shelf life or versatility. These are important factors in today's tough economy."

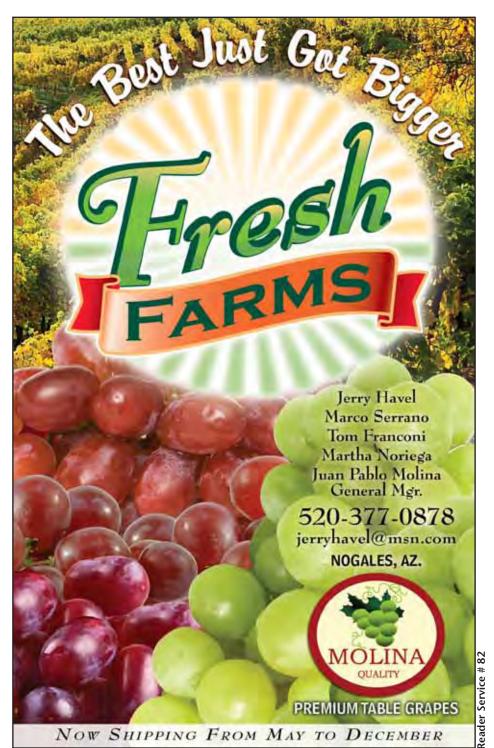
#### **CONVERTING CHAOS** TO OPPORTUNITY

Clear and consistent communication with suppliers can help retailers turn changes in the deal into profits. Skyes notes, "Retailers find great benefit if they communicate with us and really get involved with the information we're putting out. It can be

difficult to react to changing market conditions, but those who can react the quickest will see the greatest opportunity."

"The winners in this deal are those retailers who plan ads three weeks out, at the most, and can produce ads on short notice," adds Pandol.

Consumer education always helps sell more product. "We have produced a rack flyer, which can be customized with the chain logo," says Kraushaar. "It helps educate the consumer at POS on the benefits of grapes. We are seeing more retailers wanting this type of information."



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M Ξ R

# **Sweet Onion Creativity** Leads To Category Growth

Even in a rough economy, sweet onions are a solid growth item.

BY TRISHA I. WOOLDRIDGE

s a segment of the onion category, sweet onions have shown significant growth over the past decade. And while a few sweet onion distributors are somewhat concerned with the current turbulent economy, most believe that demand will continue solidly — especially in regards to certain varieties. Though sales are expected to be solid, stores can still take out a little insurance on their sweet onion sales by maintaining a creative outlook when it comes to merchandising and promoting the commonly used specialty item.

"Sweet onions are finding their way into more houses," says Dan Borer, Northwest sales manager for Keystone Fruit Marketing Inc., in Greencastle, PA. "People are starting to use them on a daily basis."

"We consider the Vidalia onion a specialty item, but people are cooking with them often at home," notes Jason Herndon, vice president of operations at Lyons, GA-based L.G. Herndon, Jr. Farms Inc. "The fact that more people are cooking at home and are willing to spend an extra few cents on a Vidalia, forgoing the white table cloth restaurants, is a good sign for us."

Steve Probestfield, a store manager from Okie's Thriftway, headquartered in Ocean Park, WA, adds, "What I've noticed is that sweet onions sell better than regular onions. They are going out the door pretty fast. When they go on sale, we can't keep them on the table."

Mark Carroll, a produce store manager of Los Angeles, CA-based Gelson's-Mayfair Markets, agrees, "I haven't seen a downturn at all, given the economy."

#### **OVERALL MARKET** OUTLOOK

Before detailing specific merchandising



Sweet onion demand continues to grow despite a weak economy.

advice, an overview of the sweet onion category and what to expect for 2009 is helpful. The overall outlook is good, but there are still a few cautionary suggestions.

"With the economy the way it is, it would seem that there would be more pressure on sweet onion pricing and premium products in general," says Richard Pazderski, director of sales and marketing for Bland Farms LLC, out of Glennville, GA. "However, we have not seen this trend. The markets seem to be operating normally with respect to supply and demand."

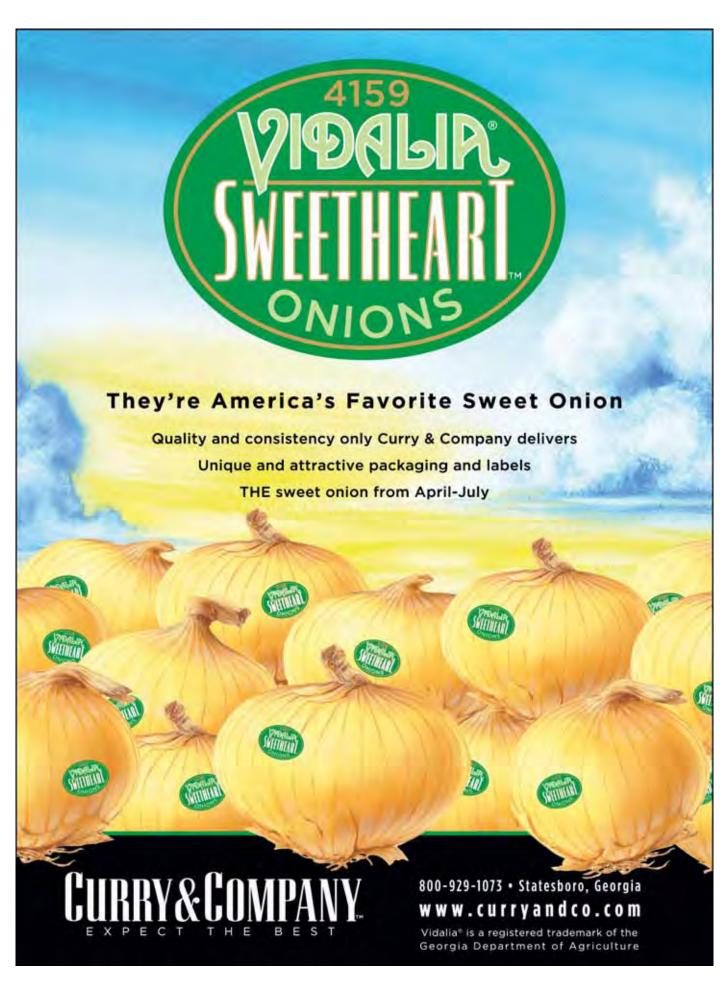
Not to mention, "Onions, potatoes and carrots pretty much hold their own," states Herndon. The sales of Peruvian and Mexican onions are stable. Retail buyers agree that the market is staying strong for these items," most likely because they are basic and popular ingredients in many recipes.

Keystone's Borer further explains, "Sales have swung away from the restaurant to the retail side."

Senior vice-president of fresh sales, Rick Alcocer, of Duda Farm Fresh Foods Inc., in Oviedo, FL, offers a slightly different point of view. "The category continues to grow and remain strong, but competition has certainly limited FOB price," he remarks. "Cost continues to escalate, so there is a chance that growers will limit supplies if they are not able to recuperate their cost."

However, some growers believe it's too early to predict what the crop will look like for the 2009 season, let alone try to guess at pricing. "I think we are still a little early to be determining crop size," admits John Shuman, president and director of sales for Shuman Produce Inc., based in Reidsville, GA, which offers year-round supplies of sweet onions. "That said, we certainly have a picture of the crop in our mind. It feels very clean - high-quality and disease-free - but it's simply too early to predict pricing."

Herndon agrees, revealing, "We haven't even spoken with the industry in detail



about pricing. We're hoping to be at \$20 or \$25 for a 40-lb. unit, but at this point, it's too early to pin down a specific price point."

Bob De Bruyn, president and owner of De Bruyn Produce Co., based in Zeeland, MI, states, "Onions are not part of an elastic economy," meaning onion prices don't change rapidly with the market. For example, lower costs of fuel freight now are still calculated against the higher cost of fuel and fertilizer when they were planted.

Year-round availability also has an effect on pricing. Brian Kastick, general manager for OsoSweet Onions/Saven Corp., in Charleston, WV, points out that when onions are imported, they are more expensive. For retailers to maintain more consistent prices and quality, he suggests they commit to a program with a company that can follow a product from seed to seed-bed to storage to shipping. While retail buyers may run into a shipper with a great one-time deal based on an overproduction somewhere, that shipper may not be around when the store is experiencing a short. A program will keep product on the shelves consistently.

Derrell Kelso, Jr., president and chief executive officer of Stockton, CA-based Onions, Etc. Inc., adds, "The year-round affect on price has made the highs a little

higher, and the lows a little lower, but like anything else, it goes in cycles." It also depends on varieties and brands. OsoSweet. for example, stays high. They pre-sell, and Kelso notes there is no fluctuation at all.

Matt Curry, president of Brooks, ORbased Curry & Co Inc., discusses the impact of availability. "Pricing continues to be reflective of the supply of sweet onions available. This winter, the sweet onion market was very good. That's mainly because Peruvian and Chilean sweet onions were in short supply. There is still good demand, even during these tough economic times for the right amount of supply."

Shuman admits that pricing is a sensitive issue right now, "but Vidalias are going to remain a bit more expensive than other sweet onions. It costs more to grow a Vidalia. The Granex varieties are more expensive and yield less crop, but that is what produces the sweet, mild flavor profile our consumers expect. As a result, we incur a higher price per unit than other onions," he explains. "Not to mention, the area itself is a challenge. There is such an excess of humidity in Vidalia that as an industry, we have had to adopt certain cultivation practices. I believe, as an industry, we have done an excellent job in working with these



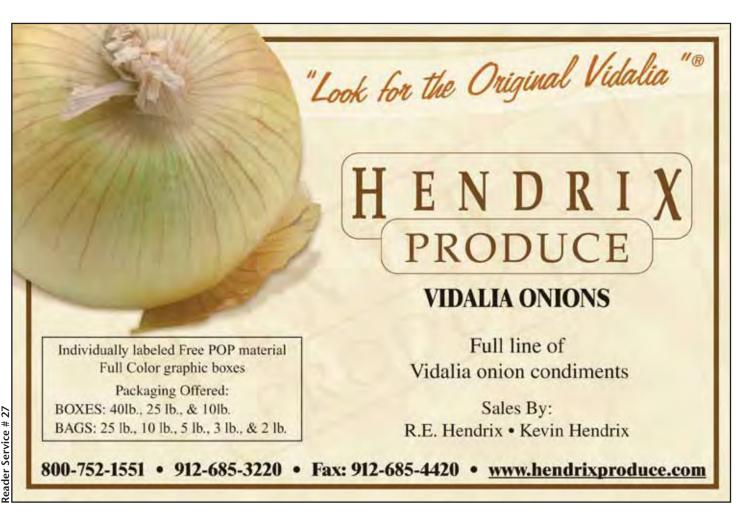
Vidalias are among the most recogized varieties of sweet onions.

challenges, but taken together, they lead to higher input costs."

Like with Peruvian and Chilean onions, Maui onions are also short this year. Weather had the most impact, explains Karen Caplan, president of Frieda's Inc., in Los Alamitos, CA, but also fuel costs because the onions must be flown to the continental United States. This left sales "not as great as they could be."

#### PROMOTIONAL PRESENCE

For retailers, a lot of sweet onion shippers, growers, and interest groups make materials available to help retailers promote





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Reader Service # 79

# **Opportunity In Economic Strife**

t's hard to find communication that doesn't reference the shaky economy and how it affects whatever is being discussed in a negative manner. But does it always have to be negative? What good can be made of the situation? Let's look at some of the silver lining when it comes to sweet onion merchandising.

Steve Roberson, president of Hazelhurst, GA-based Roberson Onion Corp. states, "There is always opportunity in adversity." One of the things he offers is to "advertise the effective cost per serving of a Vidalia onion." By showing the calories and nutrients in a serving, and then putting a price on the serving, the consumer can see exactly what the value of the product is. "It's a gourmet item with a high price point, but the price difference between a regular onion and a Vidalia onion is insignificant. It's not a staple item, but the cost is very little to have a gourmet option."

According to Brian Kastick, general manager of OsoSweet Onions/Saven Corp., in Charleston, WV, people are eating more produce and more raw food as they begin to eat at home more frequently. For those who cook at home, "whether it's a fancy steak or macaroni and cheese, a sweet onion adds volume and flavor without costing much. You can use onion not only as an accent to a meal, but also as a vegetable portion."

One of the problems with this economic market, however, points out Bob De Bruyn, president and owner of Zeeland, MI-based De Bruyn Produce Co., is that people's psychology is very tuned into sales, but at the same time, it's been dulled. They expect everything to be on sale, so they won't buy unless they perceive an especially good sale or good bargain. "Sales have lost the 'got to run and get it because it's on sale' urgency. People just expect sales. They're not special anymore."

A chance to test different packaging is another opportunity that many companies are exploring. Matt Curry, president of Curry & Company, in Brooks, OR, explains, "I am currently seeing retailers strategizing to create value packs for the consumer. Depending on the price point of the packaged sweet onion, they want to promote value to the consumer. Retailers are considering different pack sizes that they would not normally consider in order to create category growth."

Chris Eddy, director of sales for Frontera Produce Ltd., in Edinburg, TX agrees, "Every shopper is looking for value. If that means a 5- or 10-pound bag of sweets, we provide that. It can last all week rather than just a few days."

"In the end, it's all about value," summarizes Keystone Fruit Marketing's Dan Borer. "There's a higher retail ring, but people will pay money to get the results they want. Even though the ring is higher, it doesn't mean it's not a good value — in fact sweet onions are a better value." pb

and sell more onions. The research and public relations moves can help at the retail level or be aimed directly at consumers in

order to boost sales, as well as product and brand awareness.

A very active force in promotions is the

Vidalia, GA-based Vidalia Onion Committee (VOC). Wendy Brannen, executive director, shares many 2009 projects. First, based on



Reader Service # 21

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Reader Service # 7

consumer feedback, three cities will be targeted with aggressive promotions: New Orleans, LA; Nashville, TN; and New York, NY. Retailers in these cities can expect visits from celebrity chefs, in-store demos, product crossovers and a lot of attention to boost brand awareness. On top of that, New Yorkers will also see Vidalia teamed up with the National Watermelon Promotion Board. Together, they will distribute recipes, such as Vidalia and watermelon salad, and cooperate to boost each other's sales.

Additionally, VOC is working with A&W Root Beer for a nationwide Fourth of July

promotion. "Two and a half million 2-liter A&W bottles will have a neck dangler with recipes and coupons related to Vidalia onions," details Brannen.

OsoSweet onions also employ celebrity chefs to help promote sweet onions. Kastick talks about "Cheffy Baby," who has done several videos for the OsoSweet Web site and has also appeared on national television stations across the United States offering recipes that use OsoSweet onions. It's a soft sale that highlights the sweet onion's unique flavor and shows consumers how to use it.

Jessica Peri-Cummings, a salesperson at



easonal promotion offers the chance to show consumers how well sweet onions work with grilling and summer holidays. These items alone offer a wide array of cross promoting: meat, peppers, mushrooms, potatoes and bagged salads. However, a little imagination among retail executives can take cross-promoting even further.

Dionysios Christou, vice president of marketing for Coral Gables-based Del Monte Fresh says, "Sweet onions offer many cross-merchandising opportunities because they can be combined with so many different items, especially in the produce department. By crossmerchandising, retailers have the opportunity to not only increase sales of sweet onions, but also sales of related products. We recommend cross-merchandising onions with other Del Monte products, such as avocados, tomatoes, peppers, packaged salads, fresh basil, garlic and dressings."

Dwayne Smallwood, produce manager for Okie's Thriftway, reveals, "We capitalize on Walla Wallas when they are in season by tying in Concord onion ring mix."

Rick Alcocer, senior vice-president of fresh sales for Duda Farm Fresh Foods Inc., in Oviedo, FL, says, "Casseroles are back as people are tightening their belts. Cross-merchandise all the ingredients for a casserole with each component displayed together near the front of the store. Include recipes for the casserole."

"Try a Hawaiian Day," suggests Karen Caplan, president of Los Angeles, CA-based Frieda's Inc. "Tie in all tropical fruits, along with Hawaiian sweet potatoes and Maui onions."

"In Europe, the ingredients for a meal are all laid out in a basket with recipe cards," notes Brian Kastick, general manager for OsoSweet Onions/Saven Corp., in Charleston, WV.

Cross-merchandising doesn't always require moving items around the store. A detailed flyer, advertisement or signage can suggest cross-merchandising to customers, as well. pb



Peri & Sons Farms Inc., headquartered in Yerington, NV, describes how the company promotes its onions to its target demographic. "We have associated a cute, fun character with marketing our Sweetie Sweet Brand in order to relate to moms and kids," says Cummings. "The idea is to grab their attention with the character in order to increase their purchase decision."

In addition to large-scale, nationwide programs of direct-to-consumer marketing, many companies support retailers by offering free promotional materials, such as banners, POS information, recipe cards and signage. Most of these items can be obtained easily from Web sites or requested from the marketing department.

#### THE POWER OF BRANDING

The effect of much of this outside promotion is brand demand. When it comes to sweet onions, there are definite brands that are not only recognized by consumers, but sought out, such as Vidalia, Walla Walla, Oso Sweet, Texas 1015 and Maui. Retailers can plan marketing campaigns based on these brands to spark excitement, draw on familiarity and illustrate the value of the higher price points associated with these special onions. The power of this branding shows

itself in sales figures.

"With sweet onions available year-round, we have not noticed the price of our more well known varieties being affected," remarks Pazderski of Bland Farms. "On the contrary, when the well known varieties are available, most people are willing to pay a little more for them because they know that they are buying a product that has shown consistency through the years where sweetness is concerned. The lesser known varieties or those that don't have a proven track record do typically trade lower."

Brannen of the VOC adds, "Three out of four consumers, without prompt, name Vidalia as their favorite sweet onion." She further illustrates the importance of branding by using herself as an example. "I may forego a lot of things, but I will still buy Tide and I will buy Heinz ketchup," she discloses. "We think there is enough brand loyalty where we're not too concerned this year with the economy."

Many varieties, such as Vidalia, Texas 1015 and Walla Walla, have a following and a reputation that, if marketed, can really explode. Barry Rogers, president of the Sweet Onion Trading Corp., in Palm Bay, FL, shares an example, "We had some beautiful South American onions; they looked

perfect. But Vidalia season started, and that ended the season for the South American onions. People just wanted the Vidalias."

Carroll of Gelson's states, "We usually market per variety. If it's Vidalia, we'll make sure to note that."

Furthermore, many of the brands are only around for limited seasons. This shorter availability helps create an urgency to drive customers to purchase these sweet onions, while they're still around.

#### **'TIS THE SEASON OF SWEET**

In addition to buying specific sweet onions while they are in season, retailers can also expand the idea of seasonality by drawing on the symbolism of certain brands - such as spring and summer for Vidalia or Walla Walla. Furthermore, the spring, summer and holiday seasons offer their own ways to promote sweet onions.

Shuman Produce's John Shuman remarks, "Vidalias carry serious brand recognition and still bring excitement to the produce department. Retailers can take advantage of the fact that these onions are a spring crop and really promote outdoor grilling and fresh eating ideas. They go great on a burger or in a salad."

"Sweet onions are a sign of spring; mer-





# **Sweet Integrity**

ore than the economy, the greatest enemy to maintaining the premium price point of sweet onions is the lack of consistency in flavor and sweetness. As the category grows with more varieties, it becomes harder and harder to maintain quality. Furthermore, less scrupulous people may mislabel cheaper onions for a higher price point.

Jessica Peri-Cummings of Peri & Sons describes, "One major problem I have seen is that imposter sweets are quoted alongside of true sweets, which negatively impacts the price. There are many shippers that don't care about the integrity of the sweet onion category and will sell their Spanish yellows in a carton and put a sweet onion sticker on it in order to get a higher return. Sweet onions are costly to produce and store, and truly should get a premium if they are the real deal!"

"People need a realistic picture of a sweet onion," says Kathy Fry of the Walla Walla Sweet Onion Commission. "It should taste like a sweet onion." When there are a variety of sweet onions, there can be a wide range of taste, and often the taste is still pungent with a high Pyruvic acid despite the sweet flavor.

While the season for sweet onions as a category has stretched to year-round, different varieties have different seasons. However, the problem with the stretching to year-round is that the more varieties exist, the wider the range of consistency. There is more variation, so there is a higher chance of the quality not being so consistent, and this variance does affect pricing. If there is more of a chance for a

consumer to have a poor eating experience with the lack of consistency, that drives down the price points.

To insure against lower quality, many groups are working with the Collins, GA-based National Onion Labs Inc., a third-party organization that certifies sweet onions.

"The challenge we have as suppliers of fresh produce is inconsistency," says Dan Borer of Keystone Fruit Marketing. "Once a consumer finds what they like, it's a challenge to get it every time. One way to ensure sweet onion consistency is certification." Though it's impossible to test every onion, "It's a better opportunity for consistent sweetness." In fact, certification can be an added promotion for stores to ensure higher customer satisfaction and the value of the higher rings for sweet onions.

Barry Rogers of the Sweet Onion Trading Co. agrees that certification helps ensure better tasting onions year-round. "A certification program is a way to get repeat business. Make sure it tastes sweet every time. Run promotions for certified sweet or certified extra sweet. It's a way to draw extra attention to the category."

Oviedo, FL-based Duda Farm Fresh Foods Inc. also supports certification programs. Rick Alcocer, senior vice-president of fresh sales, notes, "Each producer or marketer of onions has a different interpretation of a true sweet onion. Independent, third-party certification that tells the retailers, and thus the consumer, that the onion truly is sweet, and a distinct sticker or notification that the consumer can identify truly sweet onions." pb



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chandise them like that," suggests Chris Eddy, director of sales for Frontera Produce LTD., headquartered in Edinburg, TX. "People are looking for them, and looking for the change of season."

Rogers agrees, "Vidalia onions come out when it's time to promote barbeque, during the spring and summer. It's time to expand the SKU and shelf space. It's time to promote happiness."

Onion Etc.'s Kelso adds, "In March, it's St. Patrick's Day, and you can display sweet onions as 'a taste of spring.' In April, there are two weeks of Christian and Jewish holidays to promote."

On the other side of the calendar, Kastick of OsoSweet offers, "In the winter, we send some onions in their wooden crates. It's a great marketing tool because you can build displays with them."

#### **RECIPE FOR SUCCESS**

One of the keys to marketing sweet onions is to include recipes, so consumers know why these items are being cross-merchandised. Even if a store isn't actively cross-merchandising, including recipe cards with the sweet onions helps sales by letting the customer know what can be done with sweet onions.

Sweet Onion Trading Corp.'s Rogers discovered the power of recipes when there was a lot of resistance to changing packaging. Many didn't want to change the packaging because it would cover up the onions. However, with the change, "When we started putting recipes on the labels, we received a great deal of consumer feedback. Many people had an interest in the sweet onion recipes," he notes.

The VOC is also dedicated to providing recipes, which is accomplished through celebrity chefs and in-store promotions, as well as through the VOC's Web site and newsletter. Retailers and consumers, alike, are welcome to download delicious recipes for Vidalia onions.

"I think that it's best to approach this from a culinary standpoint by offering different recipes at the store level that call specifically for sweet onions, where the sweet onion is actually needed to add a specific flavor to the dish," maintains Pazderski of Bland Farms.

"This could be easily accomplished with new, exciting salads that require fresh, flavorful onions that really have something to add to the dish other than texture," Pazderski continues.

Herndon of L.G. Herndon agrees. "Any time you have a great looking display with recipes nearby, it gives people an idea. They'll pick up a few onions and build that

recipe around them."

#### DAZZLE WITH YOUR DISPLAY

Simple but effective merchandising can also be done with sweet onion displays.

"If people are walking in the store and see sweet onions with a great in-store promotion, you don't need to advertise," says Onion Etc.'s Kelso. "If they are just sitting unadorned in the potato and onion aisle, it's not a draw. Always have big displays, especially on holidays."

Steve Roberson, president of Hazelhurst, GA-based Roberson Onion Corp. agrees,

"People want sweet onions. Give them a prominent, attractive display that's easy to see." He also adds, "Make Vidalias the most prominent attraction - anything that puts the Vidalia name out there so customers know it's there. Customers want Vidalia onions, but often, they just don't see them."

Kathy Fry, director of marketing for the Walla Walla Sweet Onion Marketing Committee in Walla Walla, WA, also discusses the importance of drawing customers to the brands they are loyal to and displays highlighting limited availability.

"I would love to see stores have more emphasis on Walla Walla sweet onion dis-



plays," says Fry. When you're paying a little more, you should try to display, 'Walla Wallas have arrived!'"

"I like to see supermarkets put emphasis on sweet onions by allotting a little larger area for the product and creating large displays to generate excitement about the category," says Pazderski. "For us, bin promotions have proven to be very successful at the store level. With bins, it's just easier to create some separation for the product and get it into a higher traffic area than the normal location on the produce shelf."

"It's a sensory perception market, so market to the senses," suggests Kelso. The consumer needs to perceive the value of the onions, and that doesn't necessarily require discounts. "Aggressive pricing doesn't build sales; you just have people buying cheap," he points out. "The grower gets rid of the product, but doesn't make money. What works really well are large displays at fair value, not necessarily on sale."

When building the display, there are some basic care points to keep in mind, too, as produce manager for Okie's Thriftway, Dwayne Smallwood, points out. "There is a high water content, so it's much easier to bruise the onions, and they are a little more perishable. Stay on top of them, because damaging is very easy."

VOC's Brannen agrees that the key to displays is the combination of a lot of tried and true information, such as rotating out bad product, keeping things fresh and communicating to customers.

#### **SWEET EDUCATION**

An important part of merchandising to increase sales on premium products is education. If a customer is going to buy something with a higher price point, he or she needs to know why it's worth the extra money. In fact, education is Duda Farm Fresh Foods' Alcocer's favorite way to merchandise sweet onions, especially "making consumers aware of the health benefits of onions," he remarks. "Shelf-talkers displayed by the onions can show what each type of onion contains and how it is a healthful addition to meals."

When creating the perfect display, educational materials are important elements to include. Dionysios Christou, vice president of marketing for Del Monte Fresh, head-quartered in Coral Gables, FL, explains, "POS material can enhance onion displays and retailers can put up small signage around the product describing the health benefits, nutritional information and proper handling instructions. We also encourage retailers to use information brochures, price

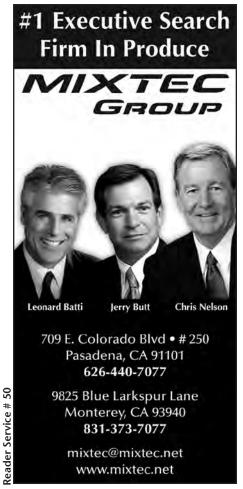
cards and onion recipe cards to attract and educate consumers."

Cummings of Peri & Sons suggests "retailers help educate consumers on every onion flavor profile — whites, reds, Spanish and sweets — to increase onion purchases in general. Consumers need to know which onion to use for certain recipes to enhance the flavor."

Caplan of Frieda's also points out the importance of education when it comes to Maui onions. "When people — especially those on the West coast and when they are on vacation — have Maui onion rings, they are fascinated with the flavor profile, so promote that Maui onions are from Hawaii, which makes them different from sweet onions grown in Georgia or Texas."

The category of sweet onions is already strong and has a solid consumer demand, even in a less than solid economy. Furthermore, growers, shippers and even category organizations dedicated to sweet onion varieties, such as Vidalia, Texas 1015 and Walla Walla, consistently work hard to promote sweet onions directly to consumers. With high demand and the existing support, retailers need only use a little creativity and effort to make the most of this premium product and enhance the profits it brings to the department.





# 10 Ways To Sell **More Tomatoes**

Proper display techniques, variety and frequent promotions will encourage tomato sales.

BY CAROL BAREUTHER, R.D.

t wasn't long ago that if you needed a tomato, there weren't too many options. Today, supermarkets carry an average of 10 to 12 different varieties. This explosion of choice has transformed the category into a major profit center and one that represented a 6.7 percent dollar contribution to produce department sales for the 52-week period ending November 29, 2008, according to statistics supplied by The Perishables Group Inc., in West Dundee, IL.

Mike Kemp, director of perishables for St. Louis, MO-based Save-A-Lot Ltd., notes, "Tomatoes are probably the No. 3 category for us in terms of produce sales and profits. That's because they're an item most consumers don't buy by themselves, but along with other ingredients to make salads, sandwiches and salsas."

#### 1. FEATURE ROMAS, FIELD-**GROWN & VINE-RIPES**

The anchor of the tomato category at Save-A-Lot, says Kemp, "is the Roma. It's great for all consumer groups from Anglos to Hispanics, and for everything from salads to salsas. For us, the plain, round, field tomato is second."

According to Perishables Group data for the 52-week period ending November 29, 2008, Roma tomatoes represented a 13 percent dollar and 22 percent volume contribution to produce department sales, while field-grown tomatoes represented a 19 percent dollar and 20 percent volume contribution. Together, these two varieties make up almost one-third of tomato category dollars and nearly half of its volume.

Mark Munger, vice president of marketing for Andrew & Williamson Sales Co. Inc.,



Supermarkets carry an average of 10 to 12 different varieties of tomatoes.

headquartered in San Diego, CA, knows the current economic downturn is presenting a sales challenge for higher-priced items in the category, but views it as a boon for basic field-grown, Roma and vine-ripe tomatoes. "We've seen a fairly significant increase in sales of the staples - Romas and large rounds — and this has played well for us."

Chris Cunnane, director of tomato sales for Philadelphia, PA-based Procacci Bros. Sales Corp., agrees and adds, "I've seen a direct correlation over the last several months with the worst economic news and its effect on value-added tomato sales. Consumers are falling back to a comfort zone and this has invigorated sales of Romas and round field tomatoes."

Field-grown tomatoes are indeed perceived by customers as a value, according to Samantha Winters, director of education and promotion for the Florida Tomato Committee (FTC), based in Maitland, FL. "Retailers should work with their customers' natural tendency to seek out value and spend their savings at the gas pump on fresh produce by stocking ample supplies of field tomatoes and displaying them front and center."

#### 2. MAKE HOTHOUSE-**GROWN TOMATOES** A CATEGORY STAPLE

Peter Kroner, director of business development for Eli & Ali's Love Tomatoes, headquartered in Brooklyn, NY, believes the staple of the hothouse-grown tomatoes "is the cluster or tomato on-the-vine (TOV). It drives the category."

TOVs are the best sellers at Metropolitan

Markets, an upscale six-store chain based in Seattle, WA. "It's our mainstay tomato because they're consistent year-round in flavor, quality and availability," asserts produce specialist, Ed Laster.

At Bigg's, an 11-store chain in Milford, OH, produce director, Marvin Lyons, adds, "We see a lot more interest in the hothouse tomatoes today. TOVs are big for us. Actually, any TOV sells well, including the Romas and Camparis."

While TOVs are not among the core 52week offerings at Save-A-Lot, "We'll bring in hothouse varieties throughout the year, and it is flavor that drives this category, even more so than price," says Kemp.

According to Perishables Group data for the 52-week period ending November 29, 2008, hothouse TOVs represented a 30 percent dollar and 27 percent volume contribution to produce department sales, while hothouse round tomatoes represented a 12 percent dollar and 12 percent volume contribution. Together, these two varieties make up nearly one-half of tomato category dollars and over one-third of its volume.

As for beefsteak tomatoes, Dwight Ferguson, chief executive officer of Wilcox, AZbased Eurofresh Farms, remarks, "If they're not still declining, then they have at least stabilized at a lower category share than three years ago. That being said, there are some exciting new beefsteak varieties in the market, such as our beef-on-the-vine product, that are showing good prospects for growth. It's a nicer looking, better-tasting, longer-lasting product than most consumers associate with beefsteak."

Jay Colasanti, co-owner of Red Zoo, headquartered in Ruthven, Ontario, notes, "There will always be a place for larger tomatoes. However, the beefsteak tomato has given way to the more flavorful, smaller varieties. Over the last three years, there have been several new varieties of cocktail tomatoes that are surpassing the original market leader in several categories, primarily taste. But every bit as important as taste is the fact that the new varieties have better on-the-vine presentation, and a longer shelf life as well."

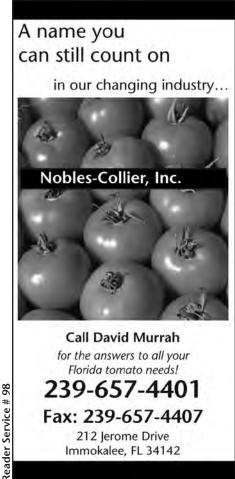
Grape tomatoes are becoming very commonly grown in protected farming environments, Colasanti adds. "These products are much more consistent in size, quality and taste than open-grown greenhouse grape tomatoes, and they are less affected by radical weather conditions. There are currently hundreds of acres of greenhouse-grown grape tomatoes throughout Jalisco, Mexico."

"We'll carry as much and as many heirlooms as possible in the summer. We'll display educational signs to describe each one's flavor and entice customers to try all the different types."

> Ed Laster **Metropolitan Markets**

Last year, BC Hot House Foods Inc., headquartered in Langley, BC, introduced Tomato Gems, a mix of different varieties of greenhouse-grown, small tomatoes packaged in a 10-ounce clamshell. Senior director of marketing Craig Laker, explains: "Our main grower tested over 70 different varieties and







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found 10 he thought tasted excellent. These include cherry, grape and cocktail tomatoes in red, yellow and orange. On average they possess a Brix of nine or 10, so they're incredibly sweet."

On the horizon, a seedless, hothouse tomato may be available to retailers in the next one to three years, maintains Doug Heath, a fresh market tomato breeder for Seminis Vegetable Seeds, based in Woodland Hills, CA. "These offer consumers three main attributes. First, they're a novelty. Second, their flavor is outstanding. Third, there are people with digestive disorders who can't eat seeds. This has prevented them from enjoying tomatoes, but they can eat this product." Heath adds, "The seed has been available to the home gardener for a couple of years. It's featured in Burpee's 2009 catalog. We're now at the stage of working through the greenhouses to get it into commercial circulation."

# 3. MARKET SNACKABLE GRAPE AND CHERRY TOMATOES

Snacking tomatoes, which include cherry and grape tomatoes, represented a 26 percent dollar and 19 percent volume contribution to produce department sales, according



Education is necessary for consumers to understand the allure of varietals.

to Perishables Group data for the 52-week period ending November 29, 2008.

At Metropolitan Markets, Laster reveals, "We carry as many as 10 different varieties of cherry tomatoes — red, yellow, orange, teardrop, pixie, hybrids — depending on the season and line-price them. They each have

a different flavor profile, as well as add color and interest to the display."

Cherry or grape tomatoes "are one of our core 52-week-a-year items," says Save-A-Lot's Kemp. We alternate between the two depending on the market. For example, grape tomatoes have recently been short



and expensive so we've been carrying the cherries until the market settles down for the grapes."

Ed Angrisani, co-owner and partner at Taylor & Fulton, in Palmetto, FL, remarks, "In many markets, cherry tomatoes have fallen by the wayside in favor of grape."

According to data provided by Hoffman Estates, IL-based FreshLook Marketing LLC, grape tomatoes represented 18.1 percent of the dollar share of the tomato category for the 52-week period ending January 29, 2009, while cherry tomatoes represented only 5.3 percent.

#### 4. ADD HEIRLOOMS TO THE MIX

Bigg's Lyons remarks that heirloom tomatoes "are pricey and not really showing growth in our stores right now, but they do really well in the summer at the peak of their availability."

At Metropolitan Markets, Laster adds, "We carry as much and as many heirlooms as possible in the summer. We'll display educational signs to describe each one's flavor and entice customers to try all the different types. Our best seller is a mixed box of six or seven varieties."

Robert Schueller, director of public rela-

tions for Melissa's/World Variety Produce, in Los Angeles, CA, notes the significance of stocking heirlooms at the right time. "Heirloom tomatoes are available year-round, but their real season is June through September. In the winter, they are more expensive and not as colorful."

Melissa's markets a 10-pound box of mixed heirlooms that all have the same PLU-number and a 6-ounce clamshell of mixed, baby heirlooms. Schueller reveals, "We have seen double digit growth from year to year in this category in the past."

Yet, heirlooms remain a niche item. According to data provided by FreshLook Marketing, native/home-grown tomatoes represented 1 percent of the dollar share of the tomato category for the 52-week period ending January 29, 2009.

"In the past year, the growth rate in sales of heirloom tomatoes has been 10 to 15 percent annually," adds Schueller.

The economic downturn is undoubtedly affecting the sales of heirloom tomatoes. Procacci's Cunnane admits, "In the summer of 2007, we got 50 calls in two hours for a black heirloom tomato. We're not seeing that kind of demand now, due to the economy. To prevent this, some retailers have temporarily reduced pricing on our

UglyRipes to \$1.99 to \$2.49 per pound in an effort to recapture some of this movement."

Chris Cervini, president of Lakeside Produce Inc., based in Leamington, ON, notes that "heirlooms are continuing to remain strong in certain demographic areas because consumers enjoy the taste and variety," and thus don't mind paying a bit more. "However, there are certainly areas that are trading down." he adds.

Schueller believes consumers like to see all the novel colors, shapes and sizes in heirlooms. Nonetheless, over 50 percent of sales are red varieties that look like a traditional tomato. "To increase sales, it's important to educate consumers about how to differentiate the various types and how to use them," he suggests. POS materials, such as signage and recipe cards, can accomplish this."

#### 5. OFFER AN **ORGANIC OPTION**

At Bigg's, best-selling tomatoes, such as Romas, rounds and TOVs are offered in organic, as well as conventional. "We do a lot of organic," remarks Lyons. "In fact, organic produce, including tomatoes, has its own display area."

Meanwhile, at Save-A-Lot, Kemp notes, "We haven't brought in organic tomatoes yet,



because with limited space and SKUs, we haven't been able to justify carrying two similar items."

Even though consumers may have fewer dollars in their pockets due to the economy, Andrew & Williamson's Munger sees continued growth of organics. "On the average, the cost is about 20 percent higher than conventional for an organic, field-grown tomato," he says. "It's all about choice. People who choose to eat healthfully are still going to buy healthfully."

Cervini agrees. "We are finding that true organic buyers will remain that way, as they feel they are getting a better quality and more healthful product," he reveals. "As for the occasional buyer, if the retail price is not that far off from the conventional tomatoes. they will more than likely make that switch to organic."

#### 6. HANDLING MANTRA: DO NOT REFRIGERATE

Dionysios Christou, vice president of marketing for Del Monte Fresh Produce N.A. Inc., headquartered in Coral Gables, FL, underscores the significance of good receiving and handling practices as part of a successful tomato program. "There are several components retailers should follow and maintain in order to make sure tomatoes are kept at their best, Christou notes. "Upon arrival, retailers should inspect product dates and package integrity. Tomatoes are best when stored at temperatures between 55° and 60°F, and it's important to promptly place tomatoes in unrefrigerated displays or storage to avoid extreme temperatures. Tomato inventories should also be checked and managed constantly to ensure First In, First Out (FIFO)."

"During these challenging economic times, it's very important to maintain clean, high-quality displays," adds Cervini. "With consumers being more conscious of their purchases, having the right quality produce on the shelf is key. We can't give consumers a reason not to purchase our product by displaying poor produce."

Chris Veillon, marketing manager for Mastronardi Produce Ltd., headquartered in Kingsville, Ontario, adds that at display, there should be "proper turnover so spoiled fruit is removed and only the best tomatoes are on the shelves."

For customers, Munger suggests "placing 'Do Not Refrigerate' signs within the display. We can do all we can to maintain proper temperature throughout the distribution chain, but if consumers put tomatoes in their refrigerator, taste will be impacted and so can repeat sales."

#### 7. GIVE CONSUMERS A PACKAGING CHOICE

Consumers like to touch and feel their produce. Alejandro Canelos, Jr., co-founder and chief operating officer for Melones Internacional, headquartered in Nogales, AZ, believes this is why "bulk product still outsells packaged."

"However, consumer surveys suggest growing acceptance for clamshell or bagpacked product. I suspect more awareness of food safety has contributed to this," adds Eurofresh's Ferguson.

At Bigg's, Lyons states, "I'm seeing more packaging. For example, we carry a TOV in a bag. The fruit stays on the vine better this way. But then again, the bag is net, so the consumers can still see and feel the product, as well as smell the aroma."

Bulk displays are popular at Metropolitan Markets. "Yet, the product dictates the packaging," says Laster. "For example, the West Coast tends not to like packaging, but consumers accept it to protect the product."

At Save-A-Lot, packaging offers a merchandizing option. "When we get a good price on Romas, we'll merchandize them in 5-pound boxes," reveals Kemp. "We'll also sell field-tomatoes in tray packs and grape or cherry tomatoes in clamshells."

Munger believes packaging also offers a

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"With consumers being more conscious of their purchases, having the right quality produce on the shelf is key. We can't give consumers a reason not to purchase our product by displaying poor produce."

> - Chris Cervini **Lakeside Produce Inc.**

direct communication route to the consumer. "We've missed telling the story of a product. For example, heirlooms were just thrown out there. Leverage packaging to carry the story. Use it as a vehicle to educate the customer," he suggests.

On another point, Red Zoo's Colasanti thinks that some product focus has been lost. "In the past, as an industry, we've put too much emphasis on our labels and we have lost the product display completely. Our new packaging is all about very large, clear surfaces that expose the product, with minimal label area to cover the product," he explains. Our newest Amorosa packaging proved us correct with trial sales doubling per store over night. This proves two important scenarios: the packaging works and consumers are subject to impulse purchasing decisions."

Consumers continue to demand more environmentally friendly and green packaging and look for this in their tomato packaging as well, says Christou. "By the end of 2009, Del Monte plans to have introduced all of our new 'Eat Healthy, Live Healthy' graphics for our tomato packaging, including new designs for the boxes and tags. Our promotions and packaging are strategically focused on our ongoing healthy lifestyle campaign, which encourages consumers to incorporate more fresh fruits and veggies into their everyday lives," he explains. "The packaging designs will show images of people engaged in healthful, fun-filled activities and give a fresh, new look to traditional produce favorites."

#### 8. DESIGNATE A **DISPLAY DESTINATION**

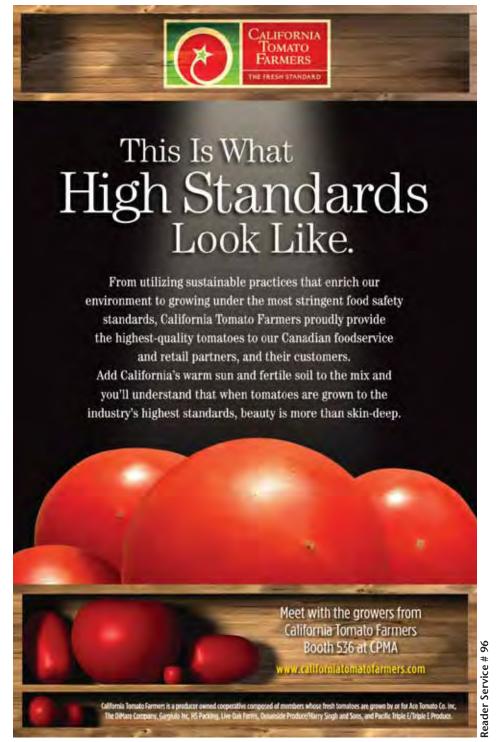
Tomatoes are a destination category in the produce department. At Save-A-Lot, there is a specific merchandizing method. Kemp explains: "Tomatoes are displayed in a 4x4-tier merchandiser with black shelving. Tonnage items, such as Roma tomatoes, are at the base of the display. More specialty tomatoes are set at eve level to garner impulse sales, while the top level is reserved for grape and cherry tomatoes."

Red Zoo's Colasanti notes, "Merchandising tomatoes on a slightly sloped display

rack works well for best eye appeal, and best consumer selection. Display surface extensions or end caps bring a lot more attention to the item for promotions."

At Save-A-Lot, end caps and half-bins located near the main tomato display, "are used for featured or 'Hot Buy' items," discloses Kemp.

Metropolitan Market's Laster details his merchandizing techniques. "Within the display, the percentage of space allotted to each of the 20-plus SKUs we carry is dictated by price, availability and what sells the most. Obviously, this changes and allows for



a dynamic display from week to week."

Melissa's Schueller recommends, "giving heirloom tomatoes as much as 20 percent of the display space - front and center - perhaps in a basket, at the height of their availability in the summer. These are a trendy item that pulls customers in."

When it comes to choosing what items to stock and display, Del Monte's Christou makes it clear the consumer comes first. "Successful retailers focus on addressing the preferences and tastes of consumers in their particular market. Retailers should understand their demographics in order to stock the tomato varieties that are in demand in their region and showcase the products effectively," he explains.

"For example, it would benefit a retailer to promote Roma tomatoes in an area where there is a high concentration of Hispanic consumers. However, those shopping at a club store might prefer the lower-priced, round and Roma tomatoes, while those who can afford to shop at pricier outlets may look to the greenhouse tomatoes for appearance and variety," Christou adds.

Norma Standerford, marketing and communication manager for Boise, ID-based Syngenta Seeds Inc., suggests, "Use signage to tell time-starved consumers how they can use each type of tomato in the display. This is a way to make multiple sales."

Tomatoes, like other categories in the produce department, are an impulse buy. "Consumers consider visual appeal to be an important part of a quality produce department, so retailers should remember to keep their tomato displays clean and organized at all times," stresses Christou. "POS material will enhance the display as well. Retailers can put up small signage around the product describing the health benefits, nutritional information and proper handling instructions. We also encourage retailers to use information brochures, price and recipe cards to their full potential in order to attract and educate consumers."

#### 9. CROSS-MERCHANDISE

Summer is a ripe time for cross-merchandising tomatoes with other meal-making ingredients. At Bigg's, for example, "We'll put net bags of grape tomatoes on clip strips by the salads," says Lyons. "Also, we'll put large, round tomatoes over in the meat department next to the burgers."

Similarly, "At Save-A-Lot, we'll bring packages of pre-cooked bacon into the produce department to tie in with tomatoes and lettuce for a BLT promotion," says Kemp.

Christou knows tomatoes offer many cross-merchandising opportunities because they can be combined with many different

# **Food Safety & Tomatoes -**

omatoes — red round, red Roma, and red plums — were the first focus of the Salmonella St. Paul outbreak last year. Even though this fruit was vindicated, it turned the spotlight even more sharply on food safety. This is a topic that tomato grower/shippers and state organizations have actively addressed.

Dan Edmeier, director of sales for Kingdom Fresh Produce Inc., based in Donna, TX, notes, "Today, before you can even do business, retailers want confirmation of third-party audit certification. Traceability is a hot button. But, to do it the way retailers and government want is difficult for many grower/shippers due to the costs. The technology is there, though."

If you ask Chris Cunnane, director of tomato sales for Philadelphia, PA-based Procacci Bros. Sales Corp., his company "can trace every grape tomato right back to the farm or lot. We're looking at traceability on PLU labels in the future."

Florida was the first state in the country to adopt a comprehensive food safety program with mandatory government inspections and audits for tomato handling, production and packing. These Good Agricultural Practices (GAPs) and Best Management Practices (BMPs) were adopted as state regulations, effective July 1, 2008.

Samantha Winters, director of education and promotion for the Florida Tomato Committee (FTC), headquartered in Maitland, FL, points out the program "includes annual registration of all packers and repackers of tomatoes in Florida facilitated

by county extension offices, education, training courses and workshops on food safety practices and regulatory inspections and audits by state inspectors with the Florida Department of Agriculture and Consumer Services."

Ed Beckman, president of Fresno, CAbased California Tomato Farmers (CTF), an organization that represents about 80 percent of the fresh tomatoes produced in California, says, "We've established 'The Fresh Standard,' a set of mandatory guidelines that are the most stringent for the production of fresh field tomatoes in North America. The guidelines focus on three areas: food safety/traceability, social accountability and sustainability, while CTF's program focuses on five primary areas: water quality; soil amendments; environmental conditions and risks; worker health and hygiene; and harvesting, packing and shipping."

Beckman adds, "These standards for food safety have served as the foundation for the new, second edition of the Supply Chain Guidance for Food Safety in Fresh Tomatoes that's quickly become the standard buyers look for when they are purchasing of tomatoes."

"Our efforts with the Florida industry are to sync our respective program requirements so that a single audit standard can be used in multiple geographic regions," says Beckman. A single audit, one by government auditors, based on 100 percent compliance, would improve the credibility of auditing and reduce the time and cost of multiple, duplicative auditing." pb

items. "We recommend cross-merchandising tomatoes with avocados, onions, peppers, fresh basil, garlic and dressings," he suggests. "It can also be effective to cross-merchandise tomatoes with non-produce items, such as sandwich products, pastas, deli meats and mozzarella cheese."

Eli & Ali's Kroner notes, "We'll do instore demos with tomatoes, mozzarella and olive oil."

Recipe cards are another way to make sales. "For example, a recipe for a tomato and mozzarella salad automatically suggests the purchase of cross promotional products. You can take it a step further and offer a 10 percent off coupon on the back of the card. A real out-of-the-box idea is to link this percent off to olive oil or balsamic vinegar so that you create a bundled idea, cross-promote the ingredients and assure that secondary purchase at the same time," explains Village Farm's Kling. "Now, to get really innovative, the store can list its Web site on the card and tell customers to visit for additional recipes. The card can even list links to Web sites of companion products and sell this as an advertising opportunity to the other companies."

#### 10. ADVERTISE, PROMOTE, REDUCE PRICE

Bigg's cycles through different varieties of tomatoes in its ads each week, says Lyons. "This gets consumers to try something they may not have usually bought."

Different types of tomatoes are periodically featured as 'Hot Buys' at Save-A-Lot. "We may bring in and feature a particular tomato for two to five weeks in a row, and then not carry it for awhile. It's all market

driven," asserts Kemp. "This gives our consumers a chance to buy different things."

Andrew & Williamson's Munger agrees with these approaches. "Core items don't make good advertising items. Consumers are already going to buy them," he points out. "The best bet for incremental sales is to promote higher ring items, while still keeping ample space for the core items."

While tomatoes are a year-round category, there are times during the year when certain varieties are in greater demand than others. Del Monte's Christou points out, "Most peaks occur right before holidays or events like Thanksgiving, Super Bowl, Christmas and the Fourth of July. Roma tomatoes, for example, have a higher demand around Cinco de Mayo because of the growing Mexican consumer segment in the United States, who might use the fruit for salsas. Slicing tomatoes have a higher demand during summertime events, such as the Fourth of July, when barbeques are a very popular activity."

The downturn in the economy makes it imperative to offer attractive promotional prices at retail. Procacci's Cunnane mentions, "I've been out talking with retailers about what I call If/Then ads, meaning I ask them what price we need to be in order for them to run, for example, a 2-for-\$3 grape tomato ad or vine-ripes at 99-cents per pound. It's important to us to work with retailers in this way in order to get the units moving again."

Lakeside's Cervini agrees on the importance of promotions. "During tough economic times, consumers are looking for deals. We find having promotions that offer 2-for-\$1 or something along this line works really well," he suggests.

Tomatoes are rarely used as a loss leader. However, Cunnane discloses, "There was a small chain in the West with a large Latino trade that ran an ad offering five pounds of Romas for \$1. They lost money on the ad, but it accomplished the goal of bringing people into the store."

To help bring retails down, Kroner asserts, "Suppliers need to create value. For example, we've taken tomatoes that have come off the vine and packed them in bulk or in 12- or 16-ounce containers. This offers the opportunity to retail a TOV by-product for \$2.99, rather than \$3.99 per pound."

With less people going out to eat in restaurants and more people eating at home, it's important to stress the value in tomatoes, says Village Farm's Kling. "Let customers know that spending money on tomatoes offers them not only good taste, but something for their health and wellbeing as well."





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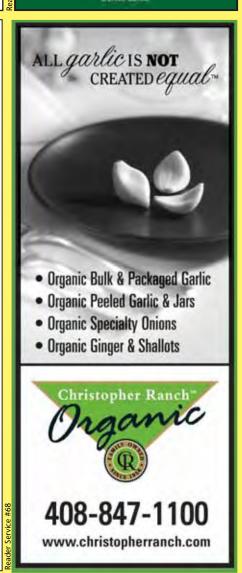
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# Despite A Slow Economy, Melons Retain Value

Smart marketing techniques, new varieties and consistent product keep melons moving.

#### BY LISA LIEBERMAN

ith the way the economy is going, consumers are taking a good, hard look at everything they buy. That means produce like every other commodity - is going to have to pull its weight. For some produce items, such as melons, which cost less per pound than most fruit, this could turn out to be a good thing.

Steve Martori, owner of Martori Farms, headquartered in Scottsdale, AZ, sees the melon's glass as half full, even during a tough economy. "Everyone is sensitive to the economy and they're going to be looking where they can find the best value," he says. "And when you're looking from the standpoint of feeding a whole family and what a pound of melon is going to cost, it's going to be very attractive to consumers."

Recently, the National Watermelon Board (NWB), in Orlando, FL, commissioned a study to show the value of watermelon. Compared to other fruits, such as strawberries, which are \$2.72 per pound, and clementines, which cost \$1.32 a pound, seedless watermelons ring in at 32 cents per pound, while the seeded variety is only 26 cents per pound - one of the cheapest fruits in the produce department.

Nationwide, watermelon sales are on the rise. Retail sales increased from 1.1 million pounds in 2007 to 1.3 million pounds in 2008. Even sales for mini melons, which average 80 cents per pound, increased from 131 million pounds in 2007 to 134 million pounds in 2008. Rob Everitt, produce manager for Greenlife Grocery, a three-store, full-service, natural grocery chain, based in Asheville, NC, thinks the weather has something to do with it. "Once the temperature gets above 80 degrees, people just crave it,"





Making melons a destination in the produce department will encourage sales.

he says. "It seems like we sell more watermelon every year."

While melon sales overall are on the rise, sales of fresh-cut melons are declining. Cut melon sales dropped from 286,000 pounds in 2007 to 284,000 pounds in 2008. According to Stephanie Simek, marketing and communications manager for the NWB, "For the past several years, fresh-cut sales were increasing because people were willing to pay for convenience," she says. "You were even seeing cut melon in convenience stores like 7-Eleven, but some of that may be changing now."

Even though consumers may not be able to pay as much for fresh-cut melons as in the past, Martori knows consumers still want convenience. "Certainly, there's enough people out there who want fresh-cut and want the convenience, so package sizes may drop to address the need for lower price points," he explains. Rather than eliminating certain fresh-cut package sizes altogether, Martori plans to increase his overall melon offerings in an effort to capture more market share. "I think in fresh-cut, when you have different customers with different

needs, you want to be sure you're not missing any sales," he adds.

Brent Harrison, president of Al Harrison Co. Distributors in Nogales, AZ, agrees that it's important to offer consumers a variety of melons. "Within the watermelon category, we carry seeded and seedless watermelons, as well as yellow flesh and mini melons," he reveals. "Even though seedless melons have gotten more popular, I think it's still important to carry the seeded variety because there are people out there - especially kids - who enjoy spitting the seeds out."

#### NEWER, LONGER **LASTING VARIETIES**

In the past few years, cantaloupes and watermelons have become a lot more versatile. There's a plethora of cantaloupe varieties available at retail, including the Harper variety, which has a longer shelf life and higher Brix than many varieties, according to Lou Kertesz, vice president of Fresh Quest Inc., based in Pompano Beach, FL.

Fresh Quest is in its second year of shipping Harpers from Arizona and California during the domestic season, and importing

them from Honduras and Guatemala during the off-season. Kertesz believes that in many ways, the Harper variety solves one of the traditional problems that cantaloupes have had, which has been lack of consistency. "For some people, the fruit may not be sweet enough, or firm enough, or the color might not be good enough," Kertesz explains. "Or it may be sweet enough, but still not have good flavor. Those are the types of issues that prevent a good sale, but the Harper variety has consistent flavor, Brix levels and a long shelf life."

Milas Russell, Jr., president at Sandstone

Marketing Inc., headquartered in Yuma, AZ, is also selling a number of unique cantaloupe varieties, including the Hammi melon, which has a long shelf life and 14 to 16 percent Brix. Russell also has another variety, which is best described as the "Superlope," he says. "We've been offering this melon to fresh-cut processers for years. But now, we're offering the melon to retailers, too because it has a very distinct flavor profile. It also has such a long shelf life that even after sitting on the shelf for four or five days, it doesn't get that sunken discolored look," Russell states.

"We're doing more product out of Mexico because we get a turnaround time of two to five days."

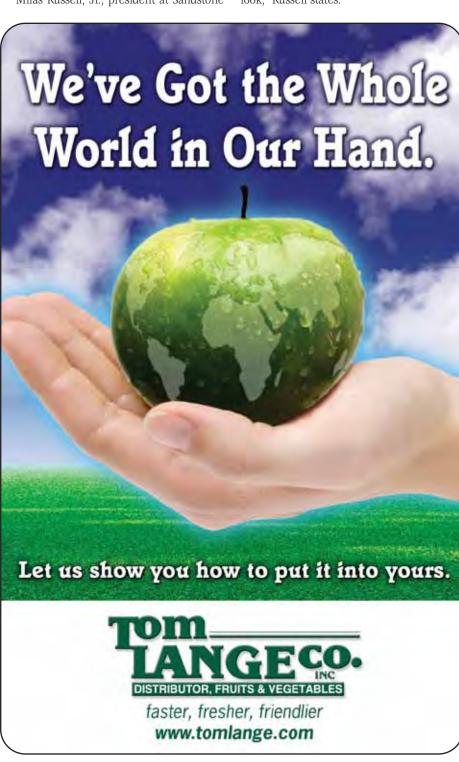
> **Steve Dabich Dulcinea Farms**

While these types of melons require more handling than conventional varieties and may cost a bit more at retail, Russell believes that most consumers are willing to pay more for better taste. Another good thing about these melons is that they have thin rinds and small seed cavities with very intense colors and great flavor," continues Russel. "In the end, the consumer has a better eating experience, which translates into more of a perceived value for consumers. After all, who wants to pay \$4 or \$5 for a melon that doesn't have any flavor?"

Another company creating a new variety of watermelon is Deerfield Beach, FL-based Ayco Farms. President Avi Nir began his business six years ago and specializes in the MiniMe – a personal, seedless watermelon growing in popularity that range in size from 3.5 to 6.5 lbs. "People are becoming more familiar with it," remarks Nir. "It has a different flavor profile, a bit crunchier with a higher Brix level, and there's a consistency in flavor."

#### THE IMPORTANCE OF **DEMONSTRATIONS**

Martori of Martori Farms also imports cantaloupes with higher Brix levels and a longer shelf life from Central America. One of the challenges in selling these new types of varieties is that they tend to have more of a greenish background on the netting than traditional cantaloupes do, which can be problematic for consumers. "Consumers have been trained over the years to associate that greenish background with fruit that's not as mature, but these new varieties are different," Martori explains. "They're greener on the outside and they look more like a honeydew since we clip the stems and there's no incision. But the color and the fla-





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# When It Comes To WATERMELON... It's All About Value & Versatility!!



Top quality watermelon is available in the United States all 12 months of the year, including from local growers around the U.S., from April through October. Watermelon production follows the summer sun, so starting in the south and moving north, wherever your watermelons come from you'll know that it was summer weather when they were grown and harvested.

Although about 200 to 300 types are grown in the United States and Mexico, around 50 are very popular. Currently, the most common types are:

**Red:** Seedless, Round Seeded, Oblong

Yellow

Mini or Personal size

**Orange** 

#### VERSATILITY

Watermelon shouldn't be restricted to picnics, fruit platters, and buffet tables. Watermelon's versatility is astounding and it can be incorporated into various products to be promoted to customers. Cross-merchandising opportunities and incremental sales of complementary items abound with this great fruit.

Its sweetness is an ideal pairing for spicy dishes. Flavors pairing well with watermelon include fresh herbs like mint, salty foods (e.g., prosciutto, pancetta) and sweets like dark chocolate. Its crunchy, sweet texture can be incorporated into salads, salsas or desserts.

Watermelon's versatility also appeals to its customer base. Watermelon is enjoyed by people of all ages - adults and kids alike enjoy the sweet flavor and fun presentations, so be sure to merchandise and promote to a wide demographic.

Not only is watermelon delicious, it also offers numerous health benefits. Low in fat and cholesterol-free, watermelon can be incorporated into healthy breakfast dishes and drinks or savory dishes – a big selling point for calorie- and health-conscious shoppers or diners.

Watermelon is the ultimate hydrator and has a vast nutritional profile, including high levels of the antioxidant lycopene, an excellent source of the important amino acid, citrulline, and is a good source of vitamins C, B1, B6 and a source of vitamin A.







# MAKE THE MOST OF THIS SEASON

1. Promote value per serving or per pound 2. Showcase versatility – provide unique recipes 3. Add a health benefit to signage (change weekly) – see watermelon.org for USDA-approved facts 4. Display ample variety 5. Cross-merchandise with items like chile peppers, herbs, prosciutto or chocolate 6. Have a watermelon carving demonstration 7. Use promotional tools available from watermelon.org retailer section

# WATERMELON'S VALUE PROPOSITION

Here are some quidelines as to what the average watermelon will yield:

**Wedges:** The average 20 lb watermelon yields about 53, 6-ounce wedges, each 3/4" thick.

**Cups:** There are approximately  $1\frac{1}{2}$  to 2 cup servings

per 1 lb.

Yield by Percentage of Weight: 100% whole watermelon = 70% edible watermelon + 30% rind. For example, the average 20 lb watermelon yields approximately 14 lbs of edible fruit, leaving 6 lbs of rind. Cost per Serving: If the approximate cost of a 20 lb watermelon is \$6.00, or \$0.30/lb with rind, and you cut the entire watermelon into chunks, there would be 14 pounds of usable watermelon which equals approximately 28 cups at \$0.21/cup. If you cut the whole 20 lb watermelon into 2 lb slices, it is approximately \$0.60 per slice.



# **VALUE**

In these tight economic times when consumers are looking for value, watermelon is a tremendous deal. Retailers and foodservice operators can promote the value proposition of this beneficial fruit by listing pricing on a per-pound or even per serving basis. Educating consumers on the real value will increase sales.

On a per-pound basis, watermelon is the cheapest item in the produce section. Additionally, 70 percent of a watermelon is edible and 30 percent is comprised of the rind. If the approximate cost of a 20 lb watermelon is \$6.00, or \$0.30/lb with rind, and you cut the entire watermelon into chunks, there would be 14 pounds of usable watermelon which equals approximately 28 cups at \$0.21/cup.

The rind can also be carved into a serving vessel or incorporated into a centerpiece presentation. In some countries, pickled watermelon rind is a delicacy and can make an appealing condiment for a cheese plate.

The combined versatility, value and nutritional benefits of watermelon result in a great product at great value for the consumer. There are very few other products offering the expansive use at the per-serving price of watermelon.



The National Watermelon Promotion Board (NWPB) is based in Orlando, FL, and represents 1,500 growers, shippers and importers. Through research, communications and marketing initiatives, the NWPB is finding new ways to enhance market opportunities for farmers and promote the nutritional, culinary and convenience benefits of watermelon.



The National Watermelon Association (NWA) in Plant City, FL, has members in 30 states and Canada. The purpose of the Association is to promote the best interests of the Watermelon Industry from production to consumption. NWA is constantly seeking improvements in the growing, grading, handling, transportation, distribution and sale of watermelon.

watermelon.org

vor on the inside are much more intense than other melons."

Since consumers are often unfamiliar with new cantaloupe varities, Martori knows the best way to sell new melon varieties is to do in-store demonstrations, or to at least display wrapped, cut melons to show consumers what the fruit looks like inside.

Steve Dabich, director of sales and development at Dulcinea Farms LLC, headquartered in Ladera Ranch, CA, also likes the idea of in-store demonstrations. However, he knows they can be expensive, so Dulcinea is contributing funds to help retailers with their sampling programs. "We feel that the fruit has to be tasted in order to sell well, so we've hired an outside company to do some in-store demos for us," Dabich says.

## **CONSISTENCY COUNTS**

Dabich notes Dulcinea also wants to promote its mini watermelons, since some of the newer melons are such an improvement over the older varieties. "We've made little modifications at the field level so that we have sweeter, more consistent melons," Dabich explains.

In addition to working with newer varieties, Dulcinea also switched its offshore program from shipping product in containers from Central America to importing it from Mexico. "We're doing more product out of Mexico because we get a turnaround time of two to five days, reveals Dabich. "When we were doing containers, it was more like five to seven days."

Dabich recognizes the importance of getting consistent melons into supermarkets. Now, more than ever, consumers need to feel they're getting what they pay for, he remarks. "The general consensus among consumers is that they want to make sure they are getting a good value. Perceived value, which is quality as well as price, is even more important than it was a year ago because of the economy. If you disappoint the consumer on the quality of a melon for one sale, you've lost a repeat customer," warns Dabich.

# **COUPONS AND PROMOTIONS**

Since consumers are so much more price conscious these days, more people seem to be taking the time out to use coupons. Dulcinea Farms is taking advantage of this fact. "We're putting more coupons out next to our melon displays," reveals Dabich.

Jerry Johnson, national brand manager for Sundia Corporation, based in Oakland,

Steve Martori of **Martori Farms** suggests retailers that want to increase melon sales should have at least 50 melons or more on display.

CA, is taking it one step further. Instead of putting coupons only on melon displays, Sundia is affixing coupons directly on the watermelons themselves. "The watermelon is the Nascar of auto racing," Johnson remarks. "Out of the entire fruit and vegetable category, there is so much room to put stickers on watermelons."

Last year, Sundia embarked on a joint promotion with SC Johnson's Ziploc. "We put stickers on watermelons with coupons for Ziploc, and the consumers were able to purchase the melons and receive discounts on any Ziploc purchases. The promotion also worked the other way, too, where if you purchased two Ziploc products, you'd get a discount on a watermelon. We got a great response to that because either way, the consumer was saving," explains Johnson.

Johnson believes the idea of doing joint promotions with watermelons and other products is beginning to catch on with retailers throughout the country. "You see retailers out there who will do whole picnic or beach displays in the melon section where they might set up teak outdoor furniture with an umbrella and display products you'd naturally pick up for a picnic in addition to watermelon, such as paper cups, napkins and disposable plates," says Johnson.

Martori of Martori Farms suggests retailers that want to increase melon sales should have at least 50 melons or more on display. "The more the better," Martori says. "If you have watermelon, you should at least have a full bin of seedless and a full bin of seeded. With cantaloupes, you want to have half a dozen cartons on display, and if you have variety melons, it's better to have two varieties with 10 or 15 melons of each variety than to have a bunch of different varieties



with only one or two melons each."

Ultimately, one of the best ways to sell melons is to make them a destination point in the produce section. "When you have cantaloupes, honeydew and watermelon in different locations of the produce aisle, you don't do as well as when you have them in one location. You want to have them all in one place - the same way you have citrus in one place," suggests Martori.

# SIZE MATTERS

In order to maximize melon merchandizing effort, produce departments need to create as large a display as possible without giving up too much linear shelf space. Often, retailers hesitate to create a large display because they are concerned about shrink. "Understandably, melons are fairly large, but retailers make the mistake of not putting enough fruit on display because they're afraid of shrink," expresses Martori. "However, they must keep in mind that sales velocity of melons significantly increase with larger displays."

Since melons aren't like kiwis or oranges that can be stacked up high on top of one another, Paul Bristle, produce buyer for Grand Rapids, MI-based Meijer Inc., suggests retailers create waterfall displays by using slanted European tables and then stacking single layer cartons in front of the displays. "With watermelons, we'll have anywhere from six to eight bins all in one display area," Bristle notes. "That mass eye appeal really seems to increase sales."

The size of watermelons has been decreasing over the past several years. According to Bristle, "Ten years ago, the average watermelon was a 20 or 22-pounder. Now, the largest moving size watermelon we have is 15 pounds. They're easier to handle and they're also a lot easier for the consumer to deal with. They want to be able to buy watermelons that they know they'll be



Displaying wrapped, cut melons educates consumers on what the fruit should look like inside.

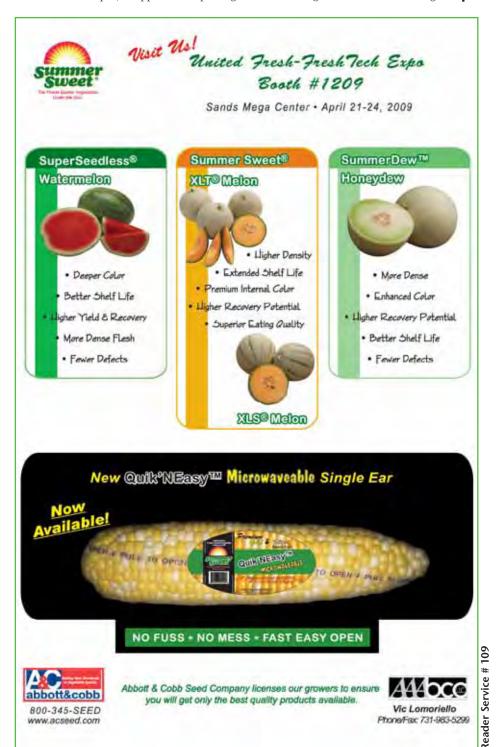
able to finish, instead of having to throw part of it away."

Another easy-on-the-arms melon is Avco Farm's MiniMe. At a maximum of 6.5 lbs, "they're easy for the consumer to handle," notes Nir. "What's more, with the economy the way it is, consumers don't have to give up purchasing produce altogether. Instead, they have the option to buy a smaller and less expensive watermelon that has less waste and more flavor. It also gives our distributors a break because they are cheaper to transport per unit."

With cantaloupes, shippers are reporting

different trends when it comes to sizing. "We have three optimal sizes with melons — the 6-, 8- and 9-counts. Due to economic times, the eights gaining popularity because people want to see more melons in a case," says Dulcinea's Dabich.

Martori says that in recent years, more buyers want to purchase larger-sized melons. "But there might be a reversal of that trend in light of the economy," he says. "Then again, there are other retailers out there looking to gain more market share, so there are some who are upgrading. We've been hearing a lot about both strategies." **pb** 



# LOVELYLOSANGELES

Focusing on new, international products and a growing ethnic market, the Los Angeles market continues to thrive.

BY COLLEEN MCGINN



# THE MARKET

he Los Angeles Wholesale Produce Market is the physical cornerstone of the Southern California produce industry and a vibrant marketplace. Even if companies have moved away and are not "on" the market, they still buy from and sell to the market. They all have a guy or two walking the market daily, looking for deals and checking out the new arrivals. Many wholesaler distributors now use the market in addition to online sales. Produce buyers and sellers may not need the market every day, but when they do, it's a lifesaver. It's a showroom for the highest quality produce from local growers and around the world. It's a destination and departure point, a resting point and a repacking point for thousands of pounds of fruits and vegetables six days a week.

Currently, the L.A. Market has more than 25 major companies and 60 tenants. Having 550,000 square feet of refrigerated warehouse space and occupying 30 acres of land, the market sits adjacent to all the ancillary needs of the industry: storage, shipping, repackaging and cutting operations. "Everyone needs L.A. at some point or the other for staging product in the distribution chain," says David Weinstein, sales and procurement representative at Heath & Lejeune Inc.

The market feeds many of the 10 million residents of the 4,000 square miles that is Los Angeles County. It's the distribution center for fresh produce coming from the fields and orchards of California and the first distribution point for produce coming in and out of Asia, Australia and New Zealand. Richard Flamminio, president of Umina Bros. Inc, believes, "Occassionally, people lose sight of the wholesale market. They might think of club stores and retail stores first, but the market

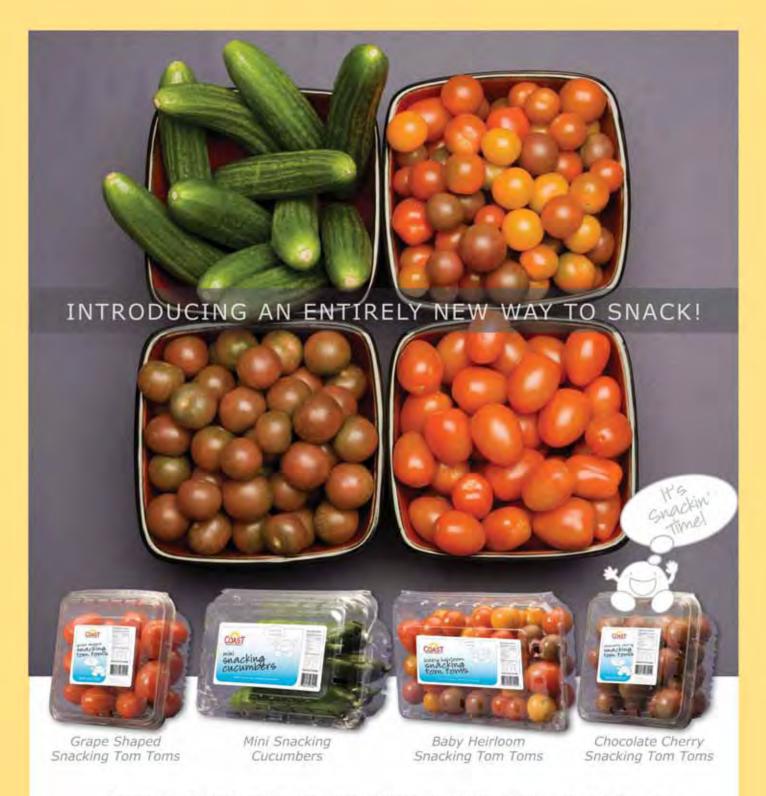
provides a very important service to the industry as a whole. Many years ago, it was purely distribution. Now, it's distribution and maintenance. We stabilize the market and clean it up."

Perishable products on the market could not survive without access to transportation, and the market has easy access to truck, boats and planes. "We are located in the hub of transportation near LAX [Los Angles International Airport] and Union Station, so every single truck goes through this area. And it's where all the freeways meet. California has year-round produce. If it's going to grow, it grows in California. Our proximity to fields and transport brings in opportunities," explains Robert Schueller, director of public relations for Melissa's/World Variety Produce Inc.

A demographic snapshot of Los Angeles shows a rainbow of hues not often seen on television and movies: 47 percent is Latino or Hispanic, 13 percent is Asian, 10 percent is African-American and about 30 percent is Caucasian. This diversity is reflected in Los Angeles city neighborhoods: Thai Town, Philippino Town, Little Armenia, Little Tokyo, Chinatown, Little Persia and even a Little Ethiopia, and thus, on the market as well. Further out of the city and into Orange County, there are dense ethnic populations: Chinese in Monterey Park, Indians in Artesia's Little India and Japanese in Gardena. Inside the independent stores in these neighborhoods, Los Angeleans will find produce unique to each cuisine, all of which originated at the market.

# SHOPPING THE WORLD

Since large chain stores started buying from central offices, they no



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David Weinstein of Heath & Lejeune



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**Emily Fragoso of** Coast Produce Co.



Richard Flamminio of **Umina Bros.** 



Vida Farms



Alex Dupre of J B J **Distributing Sales/** Veg-Land Sales



Johnny Matiasevich of J B J Distributing/ Veg-Land Sales



Omar Reynaga of Coosemans L.A.



**Davalan Sales** 



Banana Co.

longer walk the market as they once did. "I wouldn't know a chain store buyer if I saw one," admits Robert Morse, a salesman at Davalan Sales Inc. "We increasingly deal with the tremendous influx of immigrant buyers who buy for small, ethnic stores that have maybe a couple of locations. We have somewhere up to 40 different nationalities represented here, and they come on a daily basis," he adds.

Norm Sugano, vegetable sales representative at Morita Produce, a 34-year veteran of the market, agrees, "We used to have chain stores down on the market buying, but now we service mainly small ethnic chains. But the biggest change is the buyers. They used to really know produce, when it came in, what varieties were in, and when they would be here. Now people are buying off computers and email," reveals Sugano.

Coast Produce Co. Inc. takes advantage of the influx of immigrant buyers, aggressively courting them on behalf of their chain store customers, launching Coast Caliente and

Coast Asia, geared toward Hispanic and Asian consumers, respectively. According to Coast's demographic research, Latino families eat together and cook more often than the average family. Hispanics also shop more often, and they want produce that is ripe and the fruits and vegetables that are suitable for their cuisine. "Food is important to ethnic buyers so we try and maintain a sensitivity to that and teach our retailers to be sensitive to those needs," notes Emily Fragoso, Coast Produce's marketing manager.

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Dennis Weiss of **Brostoff-Celle** 



Gabe Mora of L.A. Fresh Cut

Davalan's Morse is also well-versed in the buying preferences of his ethnic customers. "We have a large community of Armenians and they are sometimes tough on price, but they are always looking for tasty fruits. I find it very interesting because not only are they price buyers, they are taste buyers, too. If they find a fruit they like, they will buy it even if it's expensive," he explains. "They will look for a variety of fruit, such as guavas, passion fruit, rambutan, lychee nuts, and baby kiwi."

Paying attention to the needs of consumers is always important, as is anticipating their needs. Companies on and off the market are making a great effort to retain and capture customers across traditional sales lines. Nancy Betancourt, director of national sales for Tavilla Sales Co., reveals, "If I am selling pineapples to a customer and we have other products they might need I am going to make an effort to sell them those, as well. Even if I

# One If By Land Two If By Sea

ccording to LAX, it's becoming a major cargo distribution center. Each day, 1,000 cargo flights link L.A. to the world. It has two major handling facilities: the 98-acre Century Cargo Complex and the 57.4acre Imperial Complex, in addition to a number of terminals on the south side of the airport. Most importantly, it's only 15 minutes from the market.

The Ports of L.A. and Long Beach comprise the fifth largest seaport complex in the entire world, and are the largest and second-largest container ports in the United States. The ports handled 8.4 million twenty-foot equivalent containers (TEUs) in 2007. By 2020, the ports are projected to handle 36 million TEUs. Close to half of the containers that move through the ports of L.A. and Long Beach have origins or destinations east of the Rocky Mountains. Approximately 40 percent of all U.S. waterborne containers move through these two

Located in the hub, at the meeting point of three freeways, trucks serving the market are minutes from Interstates 10 and 5, along with the Harbor Freeway. However, rollercoaster fuel prices have caused some smaller, independent trucking services to go out of business. There is also the issue of retrofitting older trucks to meet new EPA regulations.

don't book the sale, it's good for the company. We are very committed to selling service."

# **CONVENIENCE** AND FRESH-CUT

"Customers are looking for value for their money," expresses Melissa's Schneider. "Our new, peeled boiling onions, pearl onions, shallots and Cipolline onions offer the value they are looking for. It saves consumers time

and they are willing to pay for that."

Focusing on fresh-cuts for the food service market. Gabe Mora, owner of L.A. Fresh Cut Corp., has created a niche businesses of catering to small, custom orders. "We will customcut any size or shape requested. We do thousands of cuts," he asserts.

His operation is quite flexible, and many customers call in orders with just hours of lead-time. "I keep the operation small because



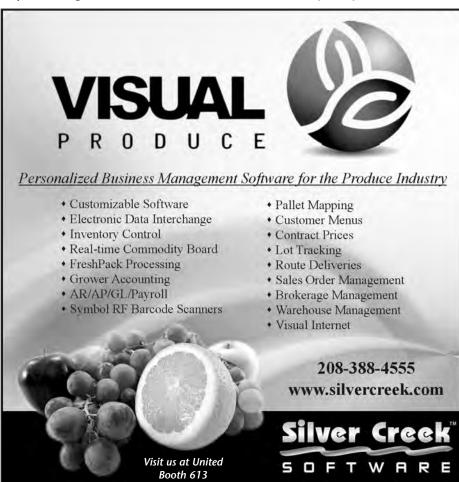
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Elana and Rick Lejeune of Heath & Lejeune

I want to be able to accommodate last minute orders. If a company is looking for thousands of pounds cut, I say no, because I don't want to tie up my workers doing just one job," explains Mora.

# **FOOD SAFETY**

Anyone handling produce has to be focused on food safety. Mora keeps a staff of food safety experts on site at all times. "There is no way to cut corners, not if you want to stay in business," he admits. "But it's also expensive, and sometimes I think our customers don't understand how much money it costs to run this place."

Organic fresh-cut is beset by the same contamination concerns as conventional produce, but cleaning with harsh chemicals is not an



Jimmy III and Jimmy Matiasevich of J B J Distributing/Veg-Land Sales

option. Looking for a better way, Alex Dupre, director of fresh-cut at J B J Distributing/Veg-Land Sales, in Fullerton, CA, decided it's not only the physical spaces that need to be clean, but the negative spaces as well.

Research shows that most cross-contaminations occur from airborne mold spores, viruses and other forms of bacteria that come in contact with surfaces. Looking for a way to kill these airborne contaminants, Dupre discovered that UVC light (ultra violet light, subtype C) was his answer. UVC light has been used in hospitals to sterilize rooms after disease contamination.

To sterilize Veg-Land rooms, air is HEPA-filtered for particle matter then treated with UVC light. Dupre has also designed a portable device to sterilize the drains, wall seams, floor,



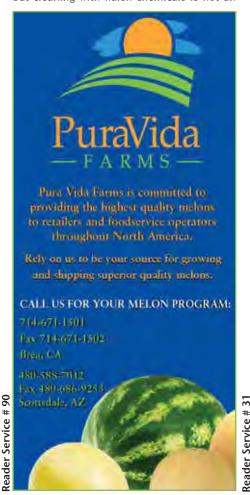
Doug Strenger and Jennifer Giron of Davalan Sales

tables and equipment. This prevents any possible buildup of mold spores or contaminants and insures 24/7 sterilization. "This ultimately give us better shelf life and a better way to help maintain our food safety program on the cutting edge," offers Dupre.

# LOCAL AND ORGANIC

Although organic constitutes a small percentage of overall fresh produce sales, it's an area of continuing growth. "I know people say that organics are too expensive, but I have six guys selling organic produce full-time, and we are still very busy," says Jimmy Matiasevich, sales representative at J B J.

Others on the market say their customers aren't willing to pay a premium for organic produce, especially when the economy is tight.









(Left to right) Tony Padina, Evelyn Beltran, Brianne Del Bene, Trish Duran, Jim Krouse and Jim Lucas of Eureka Specialties

"A lot of conventional produce is being sold as pesticide-free and that's a good thing. If given the choice, everyone would choose pesticidefree, but people aren't going to pay 50 percent more for organic," admits Alan Pollock, owner of Coosemans LA Inc. Pollack also says restaurants are hesitant to put organic produce on menus if they aren't certain they can access supplies consistently.

Tapping into consumer demand for local produce, Coast Produce launched the Farmer's Select campaign. Seasonal fruit is merchandised so consumers become familiar with the farmer and his products via words and pictures. Storytelling is instrumental to the success of this program as it adds an emotional element between shopper and grower.

Heath & Lejeune also supplies a list of



(Left to right) Robert Schueller, Chef Tom Fraker and Bill Schneider of Melissa's/World Variety Produce

locally grown produce to select customers who express interest. However, the company is not seeing much of a demand. "If a buyer has the choice between a locally grown strawberry and strawberry that's not, they will choose the best tasting of the two," says Rick Lejeune, president of Heath & Lejeune. "Consumers are accustomed to getting whatever they want, whenever they want it and we don't see local as a big movement so far," he adds.

# THE FUTURE

J B J has turned the crumbling real estate market into an opportunity to grow more organic produce. "We were offered a lease on 100 acres of land that had been cleared for a housing development that lost funding. The ground was cleared and ready to go. We now have 100 acres available for cultivation. We never could have afforded to lease this land in the recent past," admits Matiasevich.

If the real estate market continues its downward trend, Heath & Lejeune hopes that Los Angeles County will return some land to its agricultural roots. "If the price of land comes down, hopefully small farmers can start farming in LA again," says Lejeune.

Dennis Weiss, president of L.A. wholesaler Brostoff-Celle Inc. wants the chain store buyers to come back to the market. "We offer all the services any national chain would need: packaging, re-packaging, storage, shipping and logistics. We can also source any type of produce anyone needs. It's all here at the market. If chain stores come to us, we can source produce locally and get it to their docks on time," he asserts.

Wes Liefer, director of Brea, CA-based Pura Vida Farms LLC, knows his retail services are valuable. Although the company was originally a distribution and brokerage firm on the L.A. market, he wanted to branch out and sell to retail chains, which required shipping and logistic services. "Produce is a perishable commodity. Buying direct causes logistical issues, a headache retailers don't want to deal with. We can solve that problem by being the grower, shipper and distributor all at once.



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Mother's Market and Kitchen pleases health-conscious consumers with a stellar produce department and plenty of meat-free options.

BY COLLEEN MCGINN

other's Market and Kitchen is a five-store Costa Mesa, CA-based supermarket chain with a unique vision. As the company motto states: "We are dedicated to manifesting truth, beauty and goodness in the context of a natural products store, offering a selection of high-quality natural foods, health and related life-style products and information."

In practical terms, it's a vitamin store cum deli cum beauty counter cum juice bar cum fullservice grocery store all under one roof. Just don't look for the meat department, because there isn't one.

Catering to a health-conscious customer, the kitchen serves prepared raw and cooked foods, including sandwiches, salads, soups and dessert. The adjoining juice bar serves organic smoothies, juices and nutritional drinks. Committed to improving the health of customers, Mother's also sponsors in-store lectures by experts in nutrition, beauty, vitamins, herbs and supplements.

However, the produce department is the real star at Mother's. John White, produce manager, keeps his 2,800-square-foot produce department stocked with artfully displayed fruits, vegetables and produce-related items.

February has White focused on Southern California citrus. Cara Cara navel oranges and Pixie tangerines are merchandized front and center. He views the winter slowdown in California produce as an opportunity to promote exotics. "Winter is a good time to promote pineapples, coconuts, papayas and other tropical fruits," he notes.

Interested in bringing in the Caribbean Red papaya to Mother's, White has been stumped by the volume orders needed to truck it in from Florida. Hesitant to take such a big risk on an unknown fruit. White waited for it to come to Los Angeles. Luckily for him, a wholesale partner, Melissa's/Worldwide Variety Produce Inc., recently began bringing in the Caribbean Red from Belize. He started with small orders to gauge reactions from customers and keep an eye on the shelf life and ripening process. White and his customers have been very pleased with the test batch. He has increased his order, making it a part of his weekly specials.

The store sampling program gets the Caribbean Red papaya into the carts of his shoppers and is an instrumental part of new product introduction at Mother's. Being able to taste fruit in advance makes customers feel safe about investing in new products. His customers are also savvy about what they eat and know produce from top to bottom. "Our customers love it," he adds. "It combines the largeness of Mexican papaya with the sugar of a Hawaiian. Plus, the price is right."



John White, produce manager at Mother's Market and Kitchen.

A diet rich in organic vegetables is a staple for health-conscious eaters and White tries to keep 85 percent of the department stocked with organics. "We usually have about 99 percent of row crops coming in organic and we are usually able to supply organic most of the year. In the winter, our organic produce comes from Mexico and South America," he remarks.

Reducing one's carbon footprint is also a common ideal of the health-conscious consumers who shop at Mother's, and White's customers prefer locally grown items, when possible. "We try to do as much as we can locally because customers look for it," he reveals. "When I write my store ads, I try to promote produce as locally grown."

Mother's Markets also have their own distribution center allowing White to buy in larger volume than a stand-alone store. However, he has picky customers and needs to keep his produce stellar. "I look at the market every day and buy daily to keep it fresh. I buy six days a week," he says.

White works closely with growers to ensure he has an adequate supply of product before writing his weekly ads. "I have a steady stable of growers that I try and stick with," he remarks. "I don't cherry-pick on price. I want the relationship to work in the long-term, and I stick with the deals I make, even if I can get the product cheaper."

Having easy access and close proximity to California growers is helpful to White, but he still relies on the Los Angeles Wholesale Market. "We can't always buy in quantity," he says. "I utilize wholesalers and I have people who can service me that same day. It really works for us. Without the market, I couldn't do it. It's a valuable asset."

White also uses the Market to work in conventionally grown produce when necessary. "We can't always have organics, so we depend on the market for conventional produce when we need it." he notes.

White credits Louise Perez of Melissa's with bringing in great recipe items, which are anything that comes into the produce department with a recipe tag on precut or pre-bagged products. "Customers can get ideas from the recipes, and buy more produce," he asserts.

Mother's has a high concentration of Melissa's fresh produce as well as shelf products in the produce department. Having Melissa's spices and dried items in the produce market is good for sales and cross-merchandising, and is something White would like to do more of in his produce departments.

"We keep the salad dressings near the lettuce and the basil near the tomatoes and sometimes olive oil, but I would like to see more cross-merchandising with other aspects of the store. It would be nice to have things like kitchen utensils in the produce section," expresses White.

Mother's Market and Kitchen

151 E. Memory Lane Santa Ana. CA 92705 (714) 542-6667 Open 7-days a week 8 a.m. to 10 p.m.

# Marvelous Mushrooms

As consumers focus on health and value, mushrooms are becoming an all-important addition to the foodservice industry.

BY CAROL BAREUTHER, R.D.

ushrooms are indeed mushrooming in their mentions on restaurant menus. According to information from Food Beat 2008, a market research firm based in Wheaton, IL, as supplied by the San Jose, CA-based Mushroom Council, 77 percent of the Top 200 restaurant chains now have mushrooms on their menus. Bart Minor, Mushroom Council president, says, "These references highlight mushroom's versatility and cross every foodservice segment from Italian to Mexican and from every part of the menu from burgers and pizzas to entrées and salads."

This trend looks like it is here to stay. Specialty mushrooms were ranked among the Top 10 hottest produce items by 1,600 American Culinary Federation-member chefs from across the nation in the Washington, DC-based National Restaurant Association's 2008 "What's Hot, What's Not" survey.

What's driving this trend? Flavor is one factor. Fred Recchiuti, general manager for Basciani Mushroom Farms, headquartered in Avondale, PA, points out, "Mushrooms have umami, what we call the 'fifth' taste after salty, sweet, sour and bitter. Umami is most often described as a savory, brothy. rich or meaty taste sensation. Other foods such as aged cheese and meat also have umami. That's what makes a Mushroom Cheddar Cheese Burger so popular; it combines three foods with umami tastes."

Another factor is cost. Recchiuti adds. "We're seeing operators use more mushrooms and less meat. In other words, they're reducing or replacing the protein in a dish with mushrooms. Mushrooms provide great plate cover and presentation while lowering food costs, and that's vitally important to foodservice operators today."

# WHAT'S HOT

According to Mike Reed, director of sales for the western region for Monterey Mushrooms Inc., in Watsonville, CA, the mainstay



Many varieties of mushrooms can be included in an Asian Mushroom Stir-Fry.

in foodservice applications "is the white button mushroom. It's definitely the most popular and highest volume-seller."

Kevin Donovan, national sales manager for Phillips Mushrooms Farms LP, headquartered in Kennett Square, PA, adds, "Some foodservice operators are looking for something new and different, as well as for value. As a result, they are switching to brown mushrooms like Cremini and Portobello."

More chefs are looking for flavor enhancement "like they get from Shiitake and other specialty mushrooms," believes Bill Litvin, national account manager for Giorgio Foods Inc., based in Temple, PA. "We might see more widespread use of Shiitake mushrooms in the future, due to its great meaty flavor with firm texture. It's a great tasting item that is not yet widely used."

According to the Mushroom Council, Shiitake mushrooms are now appearing in casual dining chains such as California Pizza Kitchen (CPK), headquartered in Los Angeles, CA, and are especially popular in menu items with an Asian twist. For example, the main ingredients in the CPK's Singapore Shrimp Rolls are shrimp, rice noodles and Shiitake mushrooms.

Shiitakes are found on fine-dining menus, too. For example, chef Gary Donlick at Pano's & Paul's in Atlanta, GA, offers customers a Warm Baby Spinach and Watercress Salad with Smoked Bacon and Candied Shiitake Mushrooms. In Seattle, WA, chef Tom Douglas at Etta's Seafood, tops freshly grilled Aleutian King Salmon with a fragrant Shiitake Relish.

Chef Dewey LoSasso, of North One 10 in Miami, FL, as quoted by the Mushroom Council, says, "Shiitake and Portobello mushrooms can work with fish, meat or for vegan inspirations. They have the perfect texture, whether grilled on the BBQ, panseared with olive oil or topped on a salad."

The popularity of televised cooking shows has also sparked a significant interest in wild mushrooms, such as Porcinis, Chanterelles and Morels, expresses Reed. "However, this segment is very small, less than one-tenth of 1 percent of total foodservice mushroom sales "

# LABOR-SAVING VALUE-ADDED IN DEMAND

According to the Mushroom Council, restaurant chains are increasingly turning to

pre-cut and de-stemmed mushrooms. Monterey Mushrooms' Reed discloses, "Back room labor is now being pushed to the supplier. The benefit of doing this for the operator is transferring the risk of employees cutting themselves with a knife or cross-contaminating the mushrooms with a knife they used to cut chicken to the company supplying the mushrooms. Consistency and cost are other benefits."

Giorgio's Litvin agrees, adding, "It's still more cost effective for customers if we slice the mushrooms on our equipment than if they slice the mushrooms by hand. We can also offer specific sizing to meet precise needs, such as to use for stuffing or kabobs."

In foodservice, there's a trend toward wedge-cut, rather than sliced mushrooms. For example, The Olive Garden, an Orlando, FL-based chain, uses wedge-shaped mushrooms in its Chicken Marsala.

Reed explains the preference, "Wedge-cut mushrooms satisfy operators' needs to differentiate themselves with a unique shape. Also, they don't tend to shrivel up and disappear in a dish like sliced mushrooms might, and they offer a fresh, homemade appearance, which diners appreciate."

There's a convenience factor, too, reveals Basciani's Recchiuti. "Diners find that

# **Buying Tips**

ike Reed, director of sales for the western region of Monterey Mushrooms Inc., in Watsonville, CA, notes, when it comes to purchasing fresh mushrooms, "Foodservice buyers are more demanding today in the precision of their specs. With slow traffic to restaurants, they are looking for full utilization of the product, the best product for the application and a variety of sizing and grades for different purposes.

"For example, you pay a premium price for a large stuffing mushrooms, so you don't want to slice it up. A No. 2 is better for slicing. Medium-size mushrooms offer a variety of usages, while small button mushrooms are used for sautéing as a side dish," adds Reed.

Since mushrooms are a highly perishable product, Reed adds, "Ideally, it's best to schedule daily or every other day delivery. Then practice first-in, first-out. Mushrooms have about a 7- to 10-day shelf life."

For maximum shelf life and quality, Bart Minor, president of the San Jose, CA-based Mushroom Council, recommends, "Keep mushrooms cool, and in a container that allows them to breathe. The optimum temperature to store fresh mushrooms is at 34° F. Each degree above that can lead to a shorter shelf life."

In addition, Fred Recchiuti, general manager for Basciani Mushroom Farms, based in Avondale, PA, says, "Mushrooms don't like temperature fluctuations. Store them in the back of the cooler and away from the door."

Reed adds, "Don't put them in the direct line of a fan or blower, since this can speed discoloration. Also, don't store them near pungent items as mushrooms may absorb strong odors."

sautéed button mushrooms served whole tend to slide around under their fork and often end up on their laps, or on the floor. This slipping doesn't happen as much with

a wedge-cut."

De-stemmed mushrooms are also in demand. Recchiuti adds, "Some chains want their mushrooms de-stemmed if they're





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Reader Service # 67

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Reader Service # 65

going to use them to make stuffed mushroom caps. Not only does this reduce labor costs in the kitchen, there's a lot more usable portion in a 10-pound box — some 30 percent more - and this helps with transportation costs."

> "Wedge-cut mushrooms satisfy operators' needs to differentiate themselves with a unique shape."

— Mike Reed **Monterey Mushrooms** 

# **DELICIOUS CREATIVITY**

Mushrooms have traditionally appeared in salad bars, side dishes and in the case of specialty mushrooms, in sauces. Television chefs have helped promote mushrooms tremendously, reports Giorgio's Litvin. "From Emeril to Rachael Ray, they all have touted the benefits of using fresh mushrooms in a variety of dishes."

The Mushroom Council's Minor reveals, "Operators from all segments like to use mushrooms prominently as a signal of value, freshness and a premium product to the consumer. In a rough economy, that's more important than ever."

In the QRS arena, for example, Miami, FL-based Burger King, offered a Mushroom & Swiss Steakhouse Burger promotion nationwide this past November. Prior to this, Carl's Jr., headquartered in Carpinteria, CA, offered limited-time promotions on its Portobello Mushroom Six-Dollar Burger. The burger featured Portobello mushrooms sliced and sautéed in a sauce and served atop a charbroiled Angus beef patty.

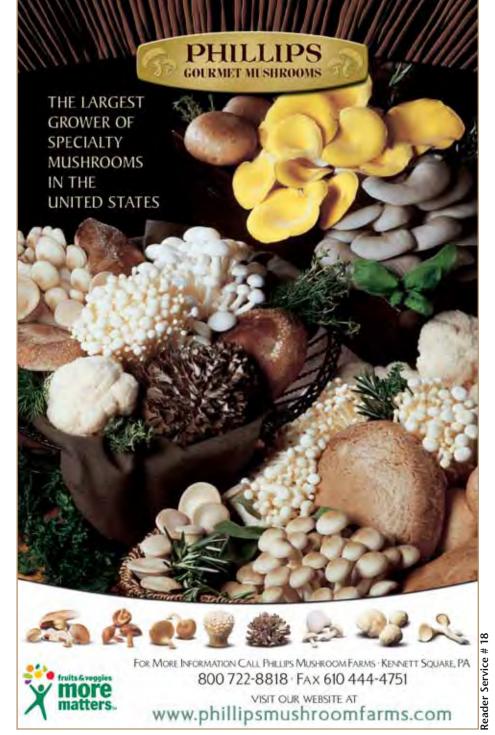
Pizza remains an important segment for mushrooms, as well. In fact, mushrooms are the most popular vegetable topping, third behind pepperoni and sausage, and 18 percent of all pizzas served in foodservice have mushrooms, according to MenuMine 2009, published by the Foodservice Research Service, Oak Park, IL.

In casual dining, Applebee's, based in Lenexa, KS, offers menu items such as a Grilled Chile-Lime Chicken Salad, which features fresh-sliced mushrooms as an ingredient. Applebee's also ran a 'Make Room for 'Shrooms' server promotion last November in 378 of its franchised locations nationwide. Servers that sold the most mushrooms won American Express gift cards, which were provided by the Mushroom Council. In addition to the server incentive contest, some restaurants featured tabletop cards funded by Kraft Foods to further promote mushrooms as a steak topper. The Mushroom Council also supported this promotion by providing a tip sheet for servers to help them sell more mushrooms. Results of the 128 restaurants in Applebee's: Apple American Group LLC indicated there

was an 80.5 percent increase in mushroom dishes ordered.

Diann Banaszek, marketing partner for Apple American, says, "Versus control, we far exceeded our sales expectations of mushrooms toppers, add-ons and items. Additionally, our servers have been educated on the benefits of mushrooms and are continuing to suggestively sell them. "

P.F. Chang's China Bistro, based in Scottsdale, AZ, features mushrooms in nine of its dishes. These include an Asian Marinated NY Strip with a side of mushrooms and asparagus and Wok-Charred Beef with mari-



nated mushrooms and roasted sweet peppers. Robin Stotter, research and development chef at P.F. Chang's, was quoted in the Mushroom Council's Third Quarter 2008 publication, The Savory Connection, as saying, "Mushrooms are a subtle vehicle that carry any flavor. When I'm developing an item, I know that adding mushrooms will improve the quality and flavor of the food."

On the fine dining or white tablecloth side, David Burke & Donatella, in New York, NY, serves Cavatelli with Braised Short Ribs. Truffle Mousse and Wild Mushrooms. Minor declares, "White table cloth restaurants are using a lot of mushrooms, and multiple varieties as well."

According to information supplied by the Mushroom Council, a module of the 100 most high-profile independent trendsetters in Food Beat's 2008 database showed that mushrooms were on all 100 of these restaurants' menus."

## PLENTIFUL OPPORTUNITIES

The increasing diversity of U.S. consumers makes marketing to all segments key to the continued use and growth of mushrooms in foodservice. Certain ethnicities, such as Asians and Italians, are traditionally big consumers of mushrooms. reveals Giorgio's Litvin. "Others — Hispanic,



Mushrooms can be used as a meat substitute in a Portobello Sandwich.

Mediterranean and Cajun/Creole - offer huge opportunities."

Harvey Mitchler, sales and marketing manager for Champ's Mushrooms Inc., in Abbotsford, BC, agrees and adds, "The biggest single demographic that hasn't really embraced mushrooms is Hispanics. However, there are many Hispanic dishes that take nicely to mushrooms, such as quesadillas and fajitas. It just takes education." At Hugo's in Houston, TX, chef Hugo Ortega makes his Mushroom Tamales with button and Shiitake mushrooms.

March through May, Moe's Southwest Grill, headquartered in Atlanta, GA, is promoting its mushroom-containing Phil E. Cheese Steak Burritos and Ouesadillas in a mobile marketing campaign that sends \$2off coupons to the phones of customer subscribers via text messages.

Mushrooms are also a growing part of the breakfast category. According to information supplied by The Mushroom Council from Food Beat 2008, mentions of mushrooms in breakfast applications increased by 13 percent over the past year. Some of the newest mentions include Dunkin' Donuts, which offers an Egg White Veggie Flatbread Sandwich that is filled with cheese, bell peppers, potatoes and mushrooms, and Starbucks, which sells a Veggie Piadini, made with portabello mushrooms, spinach, cheese and scrambled eggs.

The mushrooms-for-breakfast concept has gone upscale as well. For example, at Atwood Café in Chicago, chef Heather Terhune serves an Egg White Frittata that contains tomatoes, spinach, goat cheese and a mix of Cremini, Oyster and Chanterelle mushrooms.

"Consumers are increasingly seeing mushrooms as healthy option," states The Mushroom Council's Minor. "Mushrooms have a healthy halo and many health-conscious consumers and vegetarians are eating mushrooms as a meat alternative. As restaurants continue to offer more healthful options, we think they'll be using more mushrooms as well." pb



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Reader Service # 58

# Win Big With Walnuts

Discover profit potential behind this flavorful nut by taking advantage of cross-merchandising and consumer education opportunities.

# BY AMY SHANNON

s salad consumption, interest in healthful foods and favorable attitudes toward this nutritious nut have led to an increasingly strong demand of walnuts, produce departments have all the more reason to keep them front and center. "We've seen steady growth in the past few years as salad consumption seems to be on the rise, along with a surprisingly steep climb in organics," notes Stephanie Blackwell, president of Aurora Products Inc., based in Stratford, Connecticut.

"As an industry association, we do not have retail scanning data. However, I did hear that IRI [Information Resources Inc., Chicago, IL] trend data indicated that the nuts category as a whole has been increasing," reports Michelle McNeil, marketing director for the California Walnut Board & Commission (CWBC), in Folsom, CA.

In Canada, walnut sales are also on the rise, explains Danielle D'Agostino, vice president of Fave Clack Communications Inc., the Mississauga, ON, Canada-based niche communications agency that represents the California Walnut Commission (CWC) in Canada. Faye Clack works with a variety of walnut products, including in-shell, shelled, halves, pieces and candied.

"In 2007-08, California walnut imports into Canada reached 14.6 million pounds," D'Agostino reports. "That's an increase of 76 percent since 2000-01, when California walnut shipments into Canada totaled less than 8.3 million pounds."

In order to keep this momentum, it's important that retailers inform consumers about the health benefits of walnuts, especially since their perception has changed so dramatically in the past decade. In the 1990s, Americans believed nuts were unhealthy. In 2004, the U.S. Department of Agriculture (USDA) gave walnuts a health claim that they can reduce the risk of coronary heart disease, according to the USDA Economic Research Service (ERS).



Showcasing the versatility of walnuts through creative displays will boost sales.

"If you build it, they will come," advises D'Agostino. "If you build better and bigger displays of walnuts in the produce department, consumers will buy them." Still, the best advice is to always keep walnuts readily available in places consumers will see them. "The age-old adage applies here, too. Out of sight, out of mind," she adds.

# VALUABLE COMMODITY

While all nuts contribute to overall sales in the produce department, walnuts - if prominently promoted - hold their own as a major profit producer. "Conventional walnuts rank No. 3 behind almonds and cashews," according to Blackwell. "Organic walnuts, however, rank No. 1 above all organic dried fruits and nuts." Aurora packages an array of all-natural and organic dried fruits, nuts, granolas and trail mixes. It works primarily with the California Chandler variety in light halves and pieces. Chandler walnuts are light-colored, English wal-

The majority - 99 percent - of U.S. walnuts are grown in California, adds McNeil. "California walnuts are English walnuts, the predominant variety grown here in the United States. California represents twothirds of world trade." CWBC includes the California Walnut Board (CWB) and the California Walnut Commission (CWC). The California walnut industry is made up of more than 4,000 growers and 59 handlers.

In April 2008, the Walnut Marketing Board became the CWB to provide origin designation to the product it represents. CWB is funded by mandatory assessments of the handlers. The CWB is governed by a Federal Walnut Marketing Order. It promotes usage of walnuts in the United States through publicity and educational programs,

"Walnuts have been proven to reduce the risk of cardiovascular disease, lower cholesterol, aid in satiety, slow cancerous tumor growth and aid diabetics in insulin regulation."

— Michelle McNeil **California Walnut Board** & Commission

and provides funding for walnut production and post-harvest research.

# PROPER CARE & CROSS-MERCHANDISING

Walnuts, like other produce items, are harvested at their peak and then stored in climate-controlled environments to main-



# **Selling Walnuts On** A Year-Round Basis

hile walnuts produce a hefty ring at the checkout counter during peak seasons, such as the in winter holidays, retailers can take advantage of the nutritious nut by promoting usage ideas and health benefits year-round.

Michelle McNeil, marketing director, California Walnut Board & Commission (CWBC), headquartered in Folsom, CA, says while many retailers merchandise in-shell walnuts in the produce section during the holidays, some display shelled walnuts at other times of the year. "Showcasing walnuts versatility through usage applications is key," she explains.

"The more ways in which consumers know how to use walnuts, the more likely they are to purchase and repurchase the product," McNeil continues. "POS, shelf tags/talkers, recipes and in-store demonstration are certainly excellent ways to demonstrate the product and its everyday usefulness."

Stephanie Blackwell, president of Aurora Products Inc., based in Stratford, CT, suggests selling walnuts with the bagged salad mixes next to a tub of Aurora Natural's Salad Fixin's.

To really push walnuts year-round, retailers must remember to highlight their health attributes. "The health angle works here, too, but more importantly it's about accessibility," states Danielle D'Agostino, vice president of Faye Clack Communications Inc., Mississauga, ON, Canada. "People are always in the produce department and are more likely to pick up walnuts when merchandised with other healthful options. It's definitely an impulse purchase, and we want to turn it into a habitual purchase." pb

tain their freshness. Selling walnuts in the produce department as opposed to the general grocery aisles makes sense because, "The produce aisles are replenished more frequently than grocery aisles," explains CWBC's McNeil. "Therefore the walnut product will be fresher, too."

Retailers should also educate consumers on the importance of properly storing walnuts once they are purchased and brought home. "Walnuts should be stored in the refrigerator or freezer to maintain optimal freshness," recommends McNeil.

Aurora's Blackwell reminds retailers to cross-merchandise walnuts with lettuce and other salad ingredients. "They cross-merchandise well as a salad topping."

"Merchandising walnuts in the produce aisles makes for great opportunities to crosspromote them with other fruits and veggies," adds McNeil. "They're the ultimate healthful crouton for salads."

# CHIEF ATTRIBUTES

The benefits of walnuts continue to evolve as new research reveals the nutritious value packed into the tasty treat. Consumer knowledge of the benefits is also evolving, notes McNeil. "In recent research conducted by our industry, 67 percent of consumers believe walnuts are healthful, while 75 percent of consumers who are buying walnuts more often are doing so because of their health benefits."

Another major benefit is versatility. Wal-

nuts have the ability to be used in a variety of ways or in multiple meal parts, differentiating them from other nuts. According to that research, "Walnuts are credited for being used in baking (80 percent), as a snack (63 percent) and in salads (57 percent)."

Faye Clack's D'Agostino agrees, adding, "The walnut is the only nut that contains a significant amount of heart-healthful Omega-3s. Omega-3 fatty acids can help reduce LDL cholesterol levels when eaten in place of foods that are high in saturated or trans fat. Walnuts contain no trans fatty acids, cholesterol or sodium. They provide protein, essential vitamins, minerals and health-promoting antioxidants."

Blackwell points out that walnuts provide 94.6 percent daily value of omega-3 fatty acids. "They are also high in manganese and copper."

According to McNeil, walnuts are the only tree nut with a significant source of Alpha Linolenic Acid (ALA), the plant-based form of Omega-3 fatty acids that the body does not make, and needs to be consumed through food sources. "Walnuts have been proven to reduce the risk of cardiovascular disease, lower cholesterol, aid in satiety, slow cancerous tumor growth and aid diabetics in insulin regulation."

Highlighting these attributes through POS materials, demonstrations and signage can significantly educate consumers and persuade them to purchase walnuts.

# **TRANSITIONS**

# **ANNOUNCEMENTS**

# **VAUGHAN INC., SANFORD, FL**

**Judith Giraulo** joined the foliage company as lead designer. Universal Studios, Oprah Winfrey, Martha Stewart, Bill and Hillary Clinton and Princess Diana have either been clients or happy recipients of Giraulo's innovative designs. In addition to creating new products for wholesale, Giraulo creates a retail line of gift plant items for the company's Internet sales division.



### ATLANTA WELCOMES SUPER FLORAL

Diversified Business Communications, Portland, ME, will host the Super Floral Show at the Georgia World Congress Center in Atlanta, GA, June 10-12. Educational sessions will be held June 10. The floral and foliage products show is geared for volume buyers.



Reader Service No. 340

### **CELEBRATING 35 YEARS**

Continental Flowers Inc., Miami, FL, is celebrating 35 years in the floral industry. Recognized for its Alstroejewels Alstroemeria varieties, the grower/importer also is known for its Forever Young rose variety and its Dos Niñas Collection.



Reader Service No. 341

# CALIFORNIA-GROWN SHOW

California Association of Nurseries and Garden Centers, Sacramento, CA, is hosting the California-Grown Show June 3 at the Orange County Fair & Event Center in Costa Mesa, CA. The show is the center piece amidst a series of events beginning June 2 with a Retail Educational Program and Tour.



Reader Service No. 342

**NEW PRODUCTS** 

## **ENVIRONMENTALLY TRUE**

Wald Imports Ltd., Kirkland, WA, offers Bio Pots made from bamboo fiber, which is pure, natural and non-toxic. Fast-growing bamboo needs no chemical fertilizer to grow and is naturally protected from plant diseases. The biodegradation rate can reach 65 percent in 60 days after being disposed and can effectively last two to three years



when utilized outdoors and approximately two years indoors.

# TROPICAL EASE

ARTropica, Valle del Cauca, Colombia, introduces a Do-It-Yourself tropical arrangement kit. Inspired by the ancient Asian art of ikebana and modernized with the use of tropical flowers and cut foliage, each box contains materials and instructions necessary to create a sophisticated floral arrangement. The kit was awarded Best Novelty Product at the 2009 Miami World Floral Expo.



Reader Service No. 344

# Reader Service No. 343

# **COVER COLLECTION**

A-ROO Company LLC, Strongsville, OH, introduces the Toscana Lifestyle Cover Collection. Ideal for the home or office. the covers have a hand-modeled earthenware look and are available in granite blue, coral pink, sunset, moss green and terracotta. Decorative Liner Sheets in matching colors are also available for this collection.



Reader Service No. 345

# AMAZING ORANGE

Fable Farms Ltd, Pitt Meadows, BC, Canada, showed brilliant orange Anthuriums in its World Floral Expo exhibit March 10-12 in Miami, FL. The dyed apricot Anthuriums have strong stems, long vase life and they are greenhouse-grown without pesticides.



Reader Service No. 346

### VASES STORE FLAT

Vazu USA, Cleveland, OH, is increasing its line of flat expandable flower vases by offering additional colors and designs. The easy-to-use Vazu creates excitement and brings impulse sales to floral departments. Reusable, the stores-flat vase is inventory-friendly and turns bouquets into instant gifts for all age groups.



### LONG LASTING NEW ROSE

Roses & Roses, Quito, Ecuador, introduced the Amor Verde and several other new rose varieties in Miami during the World Floral Expo March 10-12. Featuring a large head, the longstemmed, pale green, bicolor rose presents with hints of pink blush. Under correct conditions, the longest lasting new rose variety is said to last nearly one month.



Reader Service No. 348

Floral Watch is a regular feature of Product Business. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a color photo, slide or transparency to: Managing Editor, PRODUCE BUSINESS, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at info@producebusiness.com

# Make The Most Of Limited Space In The Floral Department

Creative companies find new ways to maximize merchandise space.

BY ION VANZILE

lfonso Cano, assisant retail produce director for Anaheim, CAbased Northgate Gonzalez LLC, a Southern California supermarket chain with 29 locations, knows that every square foot counts. Cano's job is to entice his shoppers to buy as much floral as possible - even though his department shares space with the produce section, and many of his floral departments aren't fully staffed. "Our produce people aren't motivated to sell floral," he says, referring to the produce supervisors who end up overseeing his floral departments.

Moreover, they often don't understand what success looks like in the floral department, and it's all relative. "They're so used to moving volume," Cano states. "If you have one bucket that has three \$20-bouquets and you sell one, that's pretty good. But to the produce guys, if they sell five cases of bananas, that's good."

With this kind of pressure, Cano does what successful floral retailers do all over the country: he makes sure that every inch of the floral department is merchandised to sell the most amount of product as possible - that means using the floors, the counters and even the walls.

# FLEXIBLE SPACE

Marcy Britigan, president of MEI Specialty Refrigeration and Fixtures in LaGrange Park, IL, observes floral departments are becoming more efficient in terms of utilizing space. "In the past five to seven years, floral departments have been readdressed," she notes.

Britigan's company focuses on helping floral departments squeeze every last nickel from their selling space. Interestingly, this often means being able to scale down as rapidly as being able to scale up. With the





Successful floral departments feature displays that can expand and contract to fit the season and inventory.

exception of fixed cooler space, successful floral departments feature displays that can expand and contract to fit the season and inventory, allowing the floral department to spill out into the rest of the store during

Recently, a number of products have been introduced to make the floral department more flexible than ever before. MEI has a series of five nesting, display tables. When all five tables are grouped together, it's a big display, "but as the product sells through, you can nest the smaller tables underneath each other," Britigan explains.

Alternatively, MEI offers a bucket display stand with a flexible capacity ranging from one to nine bouquet buckets. As the buckets empty, the display can be easily reconfigured so it always seems full.

MEI is not alone in offering space-saving solutions. Primescape Products in Buffalo Grove, IL, offers a 3-foot tree frame that holds up to 29 6-inch potted plants on three tiers. Originally designed for poinsettias, the tree frame can be used throughout the year to easily display potted and flowering plants. A half-diameter version holds 18 plants and can sit flush against the wall. By using floor or counter space, the visual presentation expands even more.

According to Joe Barnes, marketing communications manager for Primescape, "In both cases, it's appropriate to put plants on the floor. You can put 11 plants around the full-diameter tree and six plants around the half-diameter." He recommends retailers allow for a 4-foot diameter floor or counter space with the full-diameter tree frame. Placed against a wall, the space-friendly, half-diameter tree frame requires only 21/2 feet of depth and four feet of width. The frame is collapsible and easy to store when not used for fresh floral displays.

## GOING VERTICAL

Wall space can also be an important and profitable sales area. At Northgate, Cano goes vertical whenever possible. Vertical displays include shelving, bucket racks and even coolers. Ideally, shelving should be easy to move and break down. Flexibility is important because empty shelves discour-

Avery Imports in Batavia, NY, offers a flexible, lightweight shelving unit that includes some of the key elements in vertical displays: visibility and space. The 81inch unit has four shelves for displaying items, a slanted top to keep attention focused on the products and the option of adding lights. Terri Lawson, an executive assistant at Avery, maintains, "It's a good display piece for showcasing items. You can put ceramics, glass or wicker baskets in there and you can add lights." The units also are easy to disassemble, which makes it convenient for storing.

> With the exception of fixed cooler space, successful floral departments feature displays that can expand and contract to fit the season and inventory, allowing the floral department to spill out into the rest of the store during peak season.

Millstadt, IL-based Micky's Minis specializes in space-saving products, including vertical plant displays that feature the company's trademark miniatures. Bill Byland, vice president, notes, "One display offers 24 plants. Everyone is feeling the crunch in space, so it makes sense to go vertical. It especially helps with minis, because if you scatter them around the store, it reduces the visual impact of the display."

In any kind of display, visual impact is essential and this often translates into lighting. Plants, especially, must be well lit to sell through, and top shelves, or deep shelves, can sometimes be pooled with shadows that obscure the products for sale. "One of the key things floral managers overlook is the importance of lighting," Britigan asserts. "It's not just the refrigerator cases, but floor spaces, too. You must have proper

lighting to make the displays show off."

# THE HOLIDAYS: A SURE THING

The calendar is studded with additional sales opportunities for floral departments, even beyond Valentine's Day, Mother's Day and Christmas. Northgate's Cano makes an effort to reach out to Hispanic shoppers with floral promotions planned around Día de los Muertos - the traditional Mexican Day of the Dead — and other, lesser-known holidays that are rarely celebrated in the United States.

This opportunity in holiday sales, however, comes packaged with a challenge: space is at a premium, and an overstuffed floral department can be as off-putting as empty shelves. "Fortunately, this is one time of year that floral quickly becomes a storewide priority," says Cano. "Sales are a sure thing, so we get into the front or center of the store.

During holidays, MEI's Britigan urges positioning displays on end caps or near the store entrance, where consumers are more likely to make an impulse purchase. Cooler space can be borrowed from dairy or other departments to keep overflow inventory fresh until it, too, can be displayed. In the floral department itself, even floor space can be used effectively.

The trick with far-flung displays and borrowed cooler space is maintenance. The risk of shrink rises considerably when there's more product exposed on the sales floor and when sales velocity increases. But Cano has an easy solution. He relies on his suppliers, an increasingly common trend throughout the industry. "We get a lot of support from our suppliers," he admits. "They're experts in floral, so we've told our suppliers that our guys at the retail level don't care about flowers like you do. We'll allocate space for floral and motivate our vendors to sell it for us."

## THE COOLER QUESTION

Of all the space questions involved, perhaps none is as crucial as the cooler space. Refrigerator space is by far the most expensive square footage in the floral department, but it's also one of the most lucrative. Properly stocked coolers can display products for sale, store inventory, and reduce shrinkage by maintaining inventory life.

However, poorly allocated refrigerator space can seriously eat into overall floral margins. Too much space results in empty coolers that reduce sales and waste precious square feet, and too little space represents lost opportunity for additional sales.

Britigan usually recommends her clients

have a refrigerator capacity of about 60 percent of their peak sales volume. "For those four or five key holidays when you need extra space, you borrow back-up refrigeration from dairy, where they can temporarily store items until they can get them on the floor," she explains.

The most common mistake Britigan sees in floral departments is too much refrigeration, which is usually caused by overoptimistic sales projections. In this case, short of switching out larger coolers for smaller units, Britigan sometimes suggests stores experiment with their product mix. "Refrigerators can't really expand and contract," she says. "What's available is merchandising flexibility. You can change from all bouquets to arrangements. You can merchandise coolers so they always seem full."

At Northgate Markets, only a few of the stores have full-service floral departments, but even the stores with self-service departments typically have some kind of refrigeration. "The probability of success with coolers is about 50 percent higher, because there's less shrink," Cano reveals.

When estimating the crucial refrigeration



Vertical shelves increase the visibility and space within a floral department.

space, Britigan often advises her clients begin with a planogram for each cooler. "If you have got a 6-foot cooler and you can get anywhere from x to y bouquets per bucket, you figure out how many buckets you can get in six feet of space and how much shelf space you have got, and then you work backwards from there," she explains. "Refrigeration depends on sales projections."

# RETAIL PERSPECTIVE



# **Balancing Production**, **Pricing And Consumption**

egardless of the effort put forth, controlling the laws of supply and demand for perishable product has been, and will continue to be, a lost cause, unless some form of processing occurs that modifies shelf life. The primary variable becomes the degree of supply and demand change for each item compared with corresponding changes for other items competing for the consumer's dollar.

Recently, a substantial amount of concern was generated regarding the reduction in banana supplies, which has translated into higher costs for retailers. Consumer demand has remained little changed even in the current economic climate. This is due to the

fact that non-advertised retails have remained relatively consistent, putting pressure on both the percentage and the dollar margins for this high volume item. The caveat is that many retailers are concerned consumers will reduce consumption if prices rise significantly. Naturally, that is initially what will happen, but no one wants to be the first to raise prices.

On the other hand, as long as demand exceeds production there's only one way costs can go. However, only when retail prices are raised enough to cause consumers to reduce their consumption patterns will retail demand decrease. Then, producers will have to stop raising prices and adjust marketing programs to move excess supplies. Initially, this will most likely manifest itself in larger volume discounts, promotional retails, stimulating consumption and starting a new marketing cycle.

The case for balancing supply and demand is much easier with bananas because of the relatively limited number of suppliers who employ varying promotional approaches. In situations where supply is somewhat limited, controlling promotional pricing programs is perhaps the easiest way to adjust chang-

ing supply levels to potential consumer demand.

When retailers find limited promotional product cost offerings for a particular item, the tendency is to maintain everyday pricing levels for extended periods of time. For a staple item as relatively inelastic as bananas, sales and profit dollars during a non-promotional period may actually exceed the results during a similar length time period, even when promotions are being offered.

In the meantime, when an important item receives less promotional effort, then promotional efforts shift to alternative items within the department, providing increased opportunities for other produce production groups to alter consumer consumption patterns. A reasonable example is the increased featuring of berries this winter by several retail chains.

Astute analysis of sales' results may identify promotional programs and combinations of items with greater elasticity to produce improved sales and profit results. Too often, marketers fall into too narrowly defined promotional guidelines without an exact vision of the next great opportunity for consumer response.

A review of recent history shows many retailers are so aware of competitive pricing that it requires only limited time for others to follow to a higher price level during times of curtailed supplies, when margins are under pressure. The greatest concern is the pric-

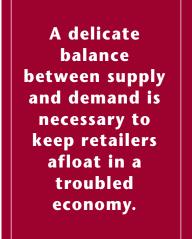
> ing action taken by the company having the largest share of consumer market penetration. A market research study several years ago confirmed local competition had the largest impact on produce pricing.

> Perhaps the most important action to consider when raising retails is to do so in small increments. Raising prices four or five cents per unit is not nearly as much of a consumer turn off as changing in ten cent increments in an effort to keep the retail ending in a nine digit. In actuality, pricing in numbers ending in anything other than nine for multiple items may be even more effective. The smattering of non-nine priced items offer the possibility of establishing a new dynamic to develop a more profitable produce achieve-

> It wasn't that long ago when the number of produce SKUs maxed out at about 200.

Today, there are two to three times that amount. With so many choices, the average consumer remembers the pricing for very few items, apart from those most frequently purchased. In fact, consumers tend to remember prices for those items that interest them the most at any given time.

A quarter century earlier, numerous people thought consumers would drastically reduce produce purchases if retails went above specific price points. Since then, price levels and variety have steadily increased. Products with balanced supply and consumption patterns achieve a steady price level. The pricing-profitability risk comes when production exceeds consumption. Retailers have learned consumers respond slowly to non-advertised price changes. Therefore, substantial cost declines by producers have often become necessary before retailers institute promotional pricing bringing consumption back in balance with production. pb



Catherine Roty, market researcher at the Paris, France-based trade association, Ctifl, wrote to the Perishable Pundit on January 13, 2009, with some unique and fascinating ideas on new techniques to combat the decline of fresh produce purchases in France. Below is an excerpt from her letter.



# New Thinking On Small Formats

n France, the decline of fresh fruit and vegetable purchases is a generational problem and the industry as a whole is trying to find solutions. This project is currently under study at UNFD, the French Specialty Retailers' Association. We see all efforts to have produce more conveniently available, via vending machines or new retail store formats, as part of an attempt by the industry to wrestle with this generational problem. Data indicates that each successive generation is consuming less produce on a per capita basis.

Nonetheless, in France, fresh produce – as opposed to canned, dried or frozen - still represents the majority of weekly fruit and vegetable purchases. Unfortunately, over the last decade, the frequency of shopping trips has declined. In a 2007 study of shopping

behaviors, 42.5 percent of buyers are trending away from regular trips to the supermarket a few times a week, instead shopping only once a week. They drive to a big store in the suburbs and load up their cars with a week's worth of food all at once, an ominous trend for consumption of fresh fruits and vegetables.

To really enjoy fresh produce, it needs to be purchased more than once a week. The general problem is that fresh produce, especially if purchased ripe, is not easily storable, so once-a-week consumers eat it in a day or two and then wait until the next week to buy more. In the meantime, these consumers use canned or frozen products, or prepared salads with longer shelf lives.

So how would it be possible to address this problem and turn the fresh factor into a real product benefit? Our goal, as an association

and as an industry, is to make it easier for these consumers to find fresh fruits and vegetables near the places where they live or work, providing more access to convenient, ready-to-eat products. This is a good way to increase consumption, especially for young people who consume less produce.

In France, we still eat for pleasure, but there are generational differences with fresh produce consumption. The elderly, such as my 82-year-old mother, continue to eat more fruits and vegetables, but I buy fewer fruits and vegetables than my mother did when she was my age, and my niece buys still fewer fruits and vegetables than I did when I was her age. The young don't want to bother with shopping, but they would like to eat healthy.

Many people work in and around Paris and other large cities in France and are using public transportation daily to commute to work. If people pass by small shops and buy only what they need for the evening, that might be incentive to buy more fresh produce more frequently. They could buy some for lunch and then some for

dinner, and it wouldn't be that heavy to carry. This concept would work well for young people and couples, but perhaps not as easily for big families.

People in the suburbs have less choices than they had before. The traditional small shops of France are disappearing outside the cities and being replaced with massive supermarkets. Unfortunately, people do not enjoy this type of shopping; there is no pleasure, no romance, in buying food. They do it once a week, as a chore, and are done.

One could assert that with the increase in fuel costs, people will go back to shopping within close proximity of their homes, so the future is not that clear. I think it is clear, however, that people don't want to waste time in food purchases.

> Our project idea early on was to have small shops on the streets where you walk, similar to a newsstand. There, consumers could buy ready-to-eat fruit or salad. The aim is to make it quick and easy.

I thought about delicate, fresh fruits like strawberries. If you buy strawberries on Saturday, you eat them on Sunday or, at the latest, by Monday. People might buy strawberries more often if they could find small shops on their commute to conveniently take with them on the train to go home.

The idea would be to offer ripe fruit so consumers could eat it the same day as they purchase it. They could stop by the shop at lunch time, and then we could have a second offer for dinner, like fresh soup, ready-to-eat salads,

The French Specialty Fruit Retailers' Association is trying to find a solution based on one of their strengths, namely proximity. At their request, Ctifl is currently studying the feasibility of copying the dense network of news stands in urban zones and the use of these stands as outlets for fresh fruit and vegetables. What would be the ideal assortment for the small booths? How would they be fitted? How would they be restocked?

Specialty retailers in France represent 10 percent of fresh fruit and vegetable sales. They would be the obvious type of retail stores to implement this concept, but small format supermarket outlets, such as Carrefour Market or Monoprix, might also show interest.

Small stores, vending machines and newsstand clones are all attempts at dealing with the same problem. Only by developing a viable supply chain for small, omnipresent outlets can we encourage the frequency of consumption that is crucial to offering fruits and vegetables, both whole and fresh-cut, at the peak of their flavor. And only by offering fruits and vegetables at the peak of their flavor can we hope to build consumption.



n 1906, Steven Pandol Sr., emigrated to the United States from present-day Croatia, before eventually settling in Fresno, CA. Steven and his wife, Margaret, had three sons, Jack, Matt and Steve Jr.

The family business, which incorporated in 1957, Pandol Bros.

Inc., now headquartered in Delano, CA, got its start in the 1940s when Steve and Margaret purchased a 160-acre farm near Delano.

Shown in this March 3, 1957 photo are Steve Pandol, Jr;, Antoinette Zaninovich Pandol; Steve Pandol, Sr.; bride and groom, Lucy Tudor Pandol and Matt

Pandol, Sr.; Margaret Pandol; Winnie Zaninovich Pandol; and Jack Pandol. Steve Jr. and Jack Pandol both married the sisters of Martin Zaninovich of Jasmine Vineyards Inc., in Delano, CA.

For more than 70 years, Pandol's philosophy has focused on providing its customers with the world's finest produce and service, states John Pandol, son of Lucy and Matt Pandol, Sr. Today, the innovative import and export company is a global leader in providing grapes and an array of other fresh produce.

Since the inception of Pandol Bros., the produce industry has changed tremendously. "It's gone from where production drove all activities to where marketing drives all activities," John Pandol explains. "You used to plant a variety of grapes and worked with it until it reached its maximum growth potential. Nowadays, if nobody wants it, you end up pulling it out."

The Blast from the Past is a regular feature of PRODUCE BUSINESS. We welcome submissions of your old photos, labels or advertisements along with suggested captions. Please send materials to: Editor, Produce Business, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail info@producebusiness.com



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Albert's Organics	102	37	800-996-0004	610-444-0316
Maurice A. Auerbach, Inc				
Awe Sum Organics, Inc	104	94	831-462-2244	831-462-2552
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Blue Book Services	68	60	630-668-3500	630-668-0303
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Calavo Growers, Inc	55	103	800-4-CALAVO	805-921-3272
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California Tomato Farmers		96	559-261-2630	559-261-9804
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Del Monte Fresh Produce				
Dole Fresh Fruit Company				
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East Coast Brokers & Packers, Inc				
Eureka Specialties, Inc.				
Eurofresh Farms, Ltd				
Family Tree Farms				
Family Tree Farms				
Family Tree Farms				
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Famous Software LLC				
Farmington Fresh		110	200 026 2510	200 200 200
Florida Department of Agriculture	24	40	01 0 day 20-00 10	050 020 0274
Fresh Farms				
Fresh Partners AB				
General Produce. Inc.				
Giorgio Fresh Co.				
Giorgio Fresh Co.				
The Giumarra Companies.				
Global Organic Specialty Source, Inc.				
Grower Alliance, LLC				
Heath & Lejeune, Inc.				
Hendrix Produce, Inc				
Herb Thyme Farms.				
L.G. Herndon Jr. Farms, Inc.				
Idaho Potato Commission				
Inline Plastics Corp.				
J J Jardina Company, Inc.				
JBJ Distributing, Inc.				
JBJ Distributing, Inc.				
Kerian Machines Inc	98	45	701-352-0480	701-352-3776

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L.G. Herndon Jr. Farms, Inc.				912-565-7158					202-303-3433
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