

# producebusiness

MARKETING • MERCHANDISING • MANAGEMENT • PROCUREMENT



## Innovation Comes Front And Center



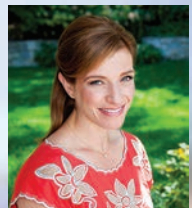
Keith Brunell



Asha Gomez



Adam Hegsted



Pati Jinich



Jason Morse



Marc Murphy



Cara Stadler



Joanne Weir



Zac Young



Justin Yu

### INSIDE:

WHY 'PRICE INVESTMENT' IS A FLAWED RETAIL POLICY  
QUICK SERVICE RESTAURANTS • CANADIAN RETAILERS  
MELONS • GUACAMOLE • SPRING GRAPES • AUSTRALIAN FRUIT  
WASTE PART III • MUSHROOMS ON THE MENU • TOMATOES  
LUNDS/BYERLY'S RETAIL PROFILE • SWEET ONIONS • FLAVORED NUTS



• GET UP •

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Get the latest fruit and vegetable research and articles courtesy of the Dole Nutrition Institute.

Contact your Dole representative to provide you with all of the ways to Get Up and Grow! in 2015. Visit [Dole.com/GetUpAndGrow](http://Dole.com/GetUpAndGrow) for more information. #GetUpAndGrow



PHOTO OF DISH COURTESY OF CHEF ADAM HEGSTEDT

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## THIS MONTH'S WINNER



**TOM OGLIN**  
**Owner**  
**Diverse Packaging**  
**Rockwall, TX**

Tom Oglin is one lucky PRODUCE BUSINESS prizewinner. He has a history of winning lots of contests and prizes. "I won \$1,000 from Chili's for filling out a survey about my dining experience; I won a four-night cruise to the Bahamas from Romada Inn; I won a trip to Houston to watch the WMBA team (at the time) in the box seats with cocktails and great food; I like to enter different sweepstakes as a hobby," admits Oglin.

**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.

The packaging aficionado began his career as a sales rep for Neenah, WI-based Bemis Company, Inc. in 1964 after the Navy. He continued his career with packaging companies such as Paramount Packaging Corp. and Interpack Systems, Inc. before he started his own company in 1992.

"The first year was horrible, but by the third year, we broke even and started to make progress," recalls Oglin.

Currently, Oglin is working with cabbage and onion growers to supply woven polypropylene bags and other packaging materials. "My business is seasonal, so I work with different domestic suppliers, local polybag suppliers, growers and distributors across all [food] industries."

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### WIN AN BBQ GRILL LIGHT AND FAN

This universal clamp-on light and fan system with four ultra-bright LED lights attaches to most grills (except Kettle style hoods) and illuminates the grill's surface. Dual fans pull smoke up and away. Fans and lights have separate switches for individual functions. The lights rotate up to 300 degrees for the perfect outdoor lighting while you baste, flip and grill as the "Grill Master." Eight AA batteries are required to power the unit.



### QUESTIONS FOR THE APRIL ISSUE

- 1) What is the website listed for Blue Book? \_\_\_\_\_
- 2) How many flavors are shown with Del Monte Fresh Guac? \_\_\_\_\_
- 3) How many layers of tomatoes are shown on the ad for Florida Tomato Commission? \_\_\_\_\_
- 4) What type of spring grape does Pacific Trellis Fruit showcase? \_\_\_\_\_
- 5) What two citrus items are shown on the ad for Paramount Citrus? \_\_\_\_\_
- 6) What are the four core values shown on the Mann Packing ad? \_\_\_\_\_

This issue was:  Personally addressed to me  Addressed to someone else

Name \_\_\_\_\_ Position \_\_\_\_\_  
 Company \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_  
 State \_\_\_\_\_ ZIP \_\_\_\_\_  
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# Snow Strikes And Now Snags In Trade Legislation Add Yet Another Strain On Produce Industry



ROBERT GUENTHER,  
SENIOR VICE PRESIDENT, PUBLIC POLICY,  
UNITED FRESH PRODUCE ASSOCIATION

**F**irst, it was old man winter knocking on the produce industry's door, blanketing much of this country's rich farmland in snow and colder than usual temperatures over and over again. Then came the Longshoreman strike on the West Coast that kept perishable produce exports from leaving the country and stranded other valuable consumer goods just miles offshore. Now, yet another snag could place more strain on the produce industry, and this one comes from yet another familiar source.

Congress has the opportunity to pass Trade Promotion Authorization (TPA) legislation that would allow the White House to submit trade agreements to Congress for a straight up or down vote, without adding amendments. Historically, every president dating back to FDR has been granted authority to negotiate trade agreements. TPA was last enacted in 2002 and expired in 2007.

Spurring interest again this year in TPA are major trade deals in the works that have industry groups, business executives, consumer advocates and even members of Congress weighing in with various perspectives. The Trans-Pacific Partnership (TPP), a massive trade deal in which the U.S. is looking to enter with 11 other Asia-Pacific countries, would be the largest trade deal in history — opening markets and expanding access to U.S. agriculture exports to more than 800 million people. So massive, TPP would account for nearly 40 percent of the global economy.

The U.S. is also negotiating the Transatlantic Trade and Investment Partnership (T-TIP) with the European Union. This agreement would expand access to Made-in-America goods and services through strategic partnerships in European markets. The relationship between the U.S. and EU is the largest in the world, with \$1 trillion of goods and services traded and nearly \$4 tril-

**Years in the making, these agreements could develop international rules to address unfair barriers impacting the produce industry, which is precisely why Congress should keep the door open for opportunity and prosperity and pass TPA now.**

lion invested in each other's economies — all of which supports about 13 million jobs on both sides of the Atlantic. Facing opposition in Europe from various environmental, progressive and national entities, European agriculture officials met last month in Washington, D.C. with the Administration and key congressional leaders to further reiterate the significance of the deal and immediate need for action.

Restoring relations with Cuba now, after 50 years of severed ties, yields yet another avenue to expand access, particularly for farming equipment, in a burgeoning gateway of opportunity.

Proponents of TPA argue this "fast track" legislation is a powerful negotiating tool, allowing both the U.S. and other countries to present best possible trade deals without the fear of policymakers intervening or changing final deals negotiated by the administration. In a recent letter to Congress, eight former agriculture secretaries from both sides of the political aisle urged members to pass TPA and reinforced the positive impact of trade agreements, citing the incremental role they played in U.S. agricultural exports topping more than \$152 billion in 2014.

Critics argue TPA limits Congress' oversight ability. Ranking member of the Senate Finance Committee, Senator Ron Wyden (D-Oregon) wants to include language in the legislation that would allow Congress to strip

a bill of fast-track approval based on certain situations. Yet, other opponents see trade agreements as outdated and giving advantages to corporate executives rather than benefitting blue collar workers. One word they use to describe their discontent with TPA: NAFTA.

While simplifying the vote process, it's important to remember that TPA still allows Congress to identify objectives it would like to see met during negotiations, and thereby does not strip Congress of its authority or limit its role.

Eight years may not seem that long to some, but for a country still recovering from an economic recession, delaying congressional authorization of TPA could place the U.S. at a severe disadvantage in today's global economy. For the produce industry, it really is as simple as an up or down vote. Open markets bring expanded access. Expanded access translates into increased sales and other economic support to farmers, suppliers, distributors and consumers.

In time, winter's wrath will have come and gone, but trade deals do not take shape overnight. Years in the making, these agreements could develop international rules to address unfair barriers impacting the produce industry, which is precisely why Congress should keep the door open for opportunity and prosperity and pass TPA now.

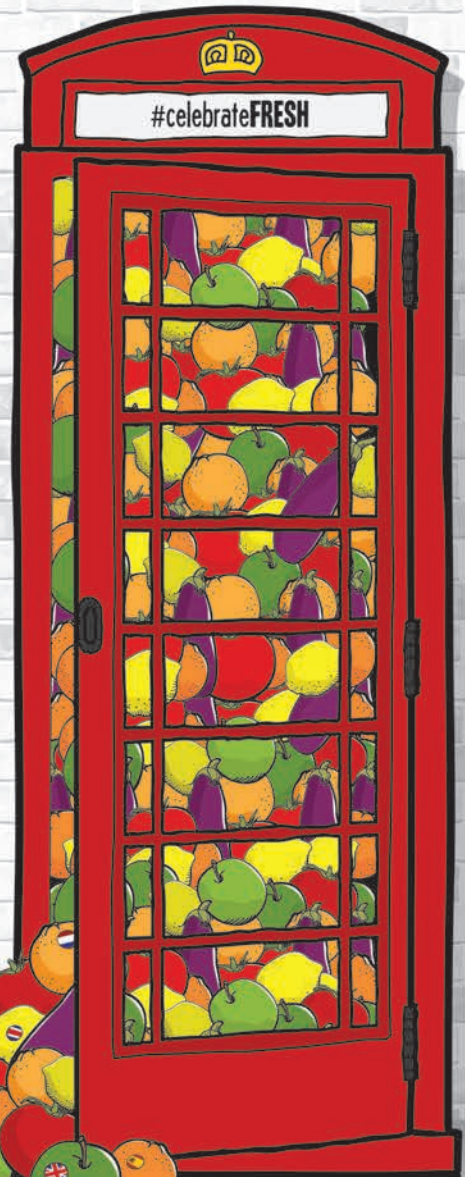


# THE LONDON PRODUCE SHOW AND CONFERENCE

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IN JUNE, AS  
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Grosvenor House, a JW Marriott hotel on Park Lane, on June 3-5.

For more information, to attend, sponsor or exhibit, contact  
[tommy.leighton@londonproduceshow.co.uk](mailto:tommy.leighton@londonproduceshow.co.uk)  
[linda.bloomfield@londonproduceshow.co.uk](mailto:linda.bloomfield@londonproduceshow.co.uk)

[www.londonproduceshow.co.uk](http://www.londonproduceshow.co.uk)

 @LondonProduceSh



TRANSITION



**DEL MONTE FRESH PRODUCE CORAL CABLES, FL**

Del Monte Fresh Produce announces that industry veteran **Robert (Bob) Spence** joins the company as vice president, sales and product management, Tomato & Vegetable Program. Prior to joining Del Monte Fresh Produce, Spence held leadership positions at Ready Pack Produce, Pacific Tomato Growers and Chiquita, among others.

TRANSITION

**THE NORTH CAROLINA SWEET POTATO COMMISSION BENSON, NC**

The North Carolina Sweet Potato Commission (NCSPC) announces the succession and transition of its Executive Director, **Sue Johnson-Langdon**. She aided North Carolina's annual sales from \$41.6 million to approximately \$300 million. In 1995,



North Carolina represented 38 percent of the U.S. Sweet Potato market, and today represents nearly 50 percent of all sweet potatoes grown in the U.S. The Commission's board of directors will be leading the succession and transition process over the next few years.

TRANSITION



**JOHN VENA INC. PHILADELPHIA, PA**

**Emily K. Kohlhas** joins John Vena, Inc. as the company's first sales and

marketing coordinator. Kohlhas is responsible for leading strategic growth efforts with a focus on new and developing markets such as specialty, value-added, local, fair trade, organic, and non-perishable. She is a transplant from Philadelphia's dynamic sustainable food movement and brings more than five years' experience in customer service and communications to the firm.

ANNOUNCEMENT



**ABBY TAYLOR-SILVA NAMED WOMAN OF THE YEAR**

The Salinas, CA-based Grower-Shipper Association's vice president of Policy & Communications, Abby Taylor-Silva, is named the Assembly District 30 Woman of the Year for 2015 by Assembly member Luis Alejo (D-Salinas). Taylor-Silva has been with the Grower-Shipper Association (GSA) since 2007, but her ties to the agriculture industry go back generations. Her family farmed in Monterey County for 50 years, and she is a native of Monterey and San Benito counties. She received her Bachelor of Arts degree in Political Science from UC Davis, where she also minored in Agricultural and Managerial Economics.

ANNOUNCEMENT

**FFVA'S MIKE STUART SUPPORTS AFF**

The Alliance for Food and Farming (AFF), Wastonsville, CA, announces Mike Stuart, President of the Florida Fruit and Vegetable Association (FFVA), is appointed to serve on the organization's Management Board at its annual meeting in Sacramento, CA. Stuart has served for more than three decades as an association executive representing growers and shippers in California, Arizona and Florida. He became president of the FFVA in 1992. Stuart currently serves as a co-chairman of the Specialty Crop Farm Bill Alliance, as a member of the Advisory Board to the Center for Produce Safety, and a member of the Agricultural Policy Advisory Committee (APAC) for Trade, a private sector advisory group to both the Secretary of Agriculture and the United States Trade Representative.



ANNOUNCEMENT

**MOUNTAINKING LAUNCHES PROMOTIONAL BAG TAGS**

Following tests in multiple markets, Texas-based MountainKing introduces five new Kwik Lok bag tags, which present the best use for MountainKing varieties with easy, chef-approved recipes. Affixed to the bag near the opening, the 2 x 2 tags are designed to help shoppers delineate potatoes types by understanding key cooking differences while providing a simple, three or four-step recipe. The tags also prevent retailers from mixing varieties in the same display.



ANNOUNCEMENT

**READY PAC LAUNCHES ON-THE-GO VEGAN OPTION**

Ready Pac's (Irwindale, CA) new Organic Powerhouse Grains Bistro Bowl, a single-serve salad loaded with superfoods enhances the body and mind, targets convenience and health-conscious shoppers. The Bistro Bowl contains 260 calories with 6g of plant-based protein per serving. The 100 percent vegan salad contains nutrient-dense superfoods ingredients and gives consumers the chance to easily incorporate the health benefits of superfoods into their daily life.



ANNOUNCEMENT

**SOUTHERN SPECIALTIES COMMENCES FLORIDA BLUEBERRY SHIPMENTS**

Southern Specialties, Pompano Beach, FL, announces the start of Florida-grown blueberry shipments in 6-ounce Southern Selects clamshells. This year's crop will include Farthing, Flicker, Chickadee and Meadowlark varieties and is available through this month. Florida blueberries, Southern Selects blackberries and premium Adelta variety raspberries are distributed from the company's Pompano Beach, Florida distribution facility.



ANNOUNCEMENT

**IFCO PARTNERS WITH FEEDING AMERICA'S GROWING FORWARD CAMPAIGN**

IFCO, Houston, TX, announces its support for the Growing Forward with Feeding America campaign. Growing Forward is a year-round cause-marketing campaign. IFCO supports food banks around the world through ongoing donations of reusable plastic containers (RPCs) as well as financial support. As part of IFCO's commitment to the Growing Forward campaign, the company will donate 10,000 RPCs this year alone to various Feeding America member food banks. The donation of RPCs provide food banks with the necessary tools to sustain a consistent, safe supply of fresh produce while ensuring that the fruits and vegetables distributed among the Feeding America network are received in the best quality possible.





ANNOUNCEMENT



**GREEN GIANT FRESH COMPLETES NATIONWIDE NETWORK OF HERB FACILITIES**

Green Giant Fresh, Salinas, CA, completes its national network of fresh herb packing facilities. These locations extend the company's ability to deliver fresh herbs around the country from certified local and regional farms. In addition to the company's original herb farm near Chicago, IL, Green Giant Fresh packs and ships its line of 15 farm-fresh herbs from Saco, ME, Miami, Dallas, Los Angeles and Salinas, CA. This national coverage ensures the freshest herbs available year-round across the U.S. and Canada.

ANNOUNCEMENT

**YERECIC LABEL'S SAFETY RESEAL LABEL PROVIDES CONVENIENCE AND SECURITY**

Yerecic Label, the New Kensington, PA-based label manufacturer for the produce industry, announces the launch of its Safety Reseal label. This label construction keeps clamshells closed during transit, ensures product safety through tamper evident features, allows customers to reseal packages to maintain freshness while providing ample room for brand information. The Label also allows growers and retailers to put important product information — such as serving suggestions, recipes and storage information, on the back of the label.



ANNOUNCEMENT



**INTRODUCING DOLE'S CHEF-READY VEGETABLE PURÉES**

Dole Packaged Foods, Westlake Village, CA, launches five shelf-stable pouches ready to use for multiple or large-batch soups, stews, sauces, etc. Flavors include Carrot, Sweet Corn, Mirepoix (carrot, onion and celery), Sofrito Blend (onion, red bell pepper, poblano pepper and tomato) and Trinity Blend (onion, celery and red bell pepper).

ANNOUNCEMENT



**OPPENHEIMER RECEIVES AWARD AS CANADA'S BEST**

The Oppenheimer Group, Vancouver, BC, a full-service produce marketer, is named among the country's Best Managed companies — continuing a 14-year streak of consecutive recognition — by Canada's Best Managed Companies program. The company was also named to the Best Managed Platinum Club for the eighth time. Best Managed applications are reviewed annually by an independent judging panel that evaluates how companies address various business challenges — including new technologies, globalization, brand management, leadership, leveraging and developing core competencies, designing information systems and hiring the right talent to facilitate growth.

ANNOUNCEMENT

**POTANDON PRODUCE LAUNCHES NEW ORGANIC LINE & BRAND**

Potandon Produce, Idaho Falls, ID — already known nationwide for its families of potato and onion products in the Green Giant, Klondike Brands, and Sunfresh labels — announces the launch of its newest brand, Potandon Produce. For now, the brand will be used to market organic potatoes. Packed in 3# poly bags of red, Russet, and yellow potatoes, Potandon Produce organics will be distributed from locations in Ohio, Wisconsin, Massachusetts, and Washington. Sales will be handled from the Potandon Idaho Falls main office.



ANNOUNCEMENT

**SETTON INTERNATIONAL FOODS LAUNCHES NEW WEBSITE**

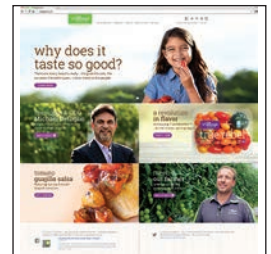


Setton International Foods, Commack, NY, launches its updated website. The new site allows international users access to more detailed, up-to-date information to Setton Farms' products, while also providing nutritional information and details on the company's certified Organic and Kosher food practices. The comprehensive site also offers social media integration with links to Setton Farms' Facebook and Twitter pages, updating consumers on the brand's latest news and happenings.

ANNOUNCEMENT

**VILLAGE FARMS REDESIGNS WEBSITE**

Village Farms, Heathrow, FL, is one of the largest producers, marketers, and distributors of premium-quality, greenhouse-grown tomatoes, bell peppers, and cucumbers in North America. The redesign of the company's new website focuses on its unique full flavor products highlighted by high impact graphics and videos to tell the story of the company's people and their process from farm to table. The year-long effort was a direct collaboration facilitating a cross-functional team process within the company combined with consumer-driven research.



ANNOUNCEMENT

**WISH FARMS RAISES \$76,000 FOR REDLANDS CHRISTIAN MIGRANT ASSOCIATION**

Wish Farms, Plant City, FL, hosted the 2nd Annual Bright House Networks Strawberry Picking Challenge, and helped raise \$76,000 for Redlands Christian Migrant Association. Ultimately, Monte Package Company, coached by Jacob Hare of Berry Patches and accompanied by former MLB All-Star Fred McGriff, was named the top finisher and recognized for their picking prowess with individual strawberry trophies as well as the coveted "Strawberry Joe" perpetual trophy.



ANNOUNCEMENT

**CHELAN FRESH AIMS TO INCREASE ROCKIT APPLES DISTRIBUTION**

Chelan, WA-based Chelan Fresh moves into its second distribution season for Rockit apples from New Zealand. The first loads of Rockits will arrive mid-May and they will be in stores by late May and available through late August. The small apples, 1.5 to 2 inches in diameter, are non-GMO and originated by crossing a cultivar from the rose series of apples with a crabapple. They are packed in 3-, 4- and 5-count tubes. Chelan Fresh partnered with Borton Fruit in Yakima, where Rockit Apples will also be grown.



ANNOUNCEMENT



**MANN PACKING REVAMPS ORGANIC PACKAGING DESIGN**

Mann Packing, Salinas, CA, redesigned the packaging for its full line of fresh-cut organic vegetables. The line features the company's steam-in-bag technology and includes top-selling products such as the vegetable medley, broccoli florets, broccoli coleslaw and broccoli carrots.

See What  
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 Can Bring



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**APRIL 8 - 9, 2015**

**PMA FRESH CONNECTIONS RETAIL**

**Conference Venue:** Philadelphia Airport Marriott, Philadelphia, PA

**Conference Management:** Produce Marketing Association, Newark, DE

**Phone:** (302) 738-7100

**Email:** solutionctr@pma.com

**Website:** www.pma.com/events/fresh-connections-retail/

**APRIL 8, 2015**

**NORTHERN CALIFORNIA FRESH PRODUCE & FLORAL EXPO**

**Conference Venue:** Alameda County Fairgrounds, Pleasanton, CA

**Conference Management:** Fresh Produce & Floral Council, Anaheim, CA

**Phone:** (714) 739-0177

**Email:** info@fpfc.org

**Website:** fpfc.org

**APRIL 15 - 17, 2015**

**CPMA 2015**

**Conference Venue:** Palais des congrès de Montréal, Montréal, Quebec, Canada

**Conference Management:** Canadian Produce Marketing Association, Ottawa, Ontario

**Phone:** (613) 226-4187 • **Fax:** (613) 226-2984

**Email:** cbrault@cpma.ca

**Website:** cpma.ca

**MAY 6 - 8, 2015**

**SIAL CHINA**

**Conference Venue:** Shanghai New International Expo Centre, Shanghai, China

**Conference Management:** SIAL Group, Paris, France

**Phone:** 33 (0)1 76 77 13 33

**Email:** exhibit-sial-china@comexposium.com

**Website:** sialchina.com

**MAY 16 - 19, 2015**

**NATIONAL RESTAURANT ASSOCIATION SHOW**

**Conference Venue:** The International Foodservice Marketplace, McCormick Place, Chicago, IL

**Conference Management:** National Restaurant Association, Chicago, IL

**Phone:** (312) 580-5410 • **Fax:** (312) 853-2548

**Email:** nrregistration@restaurant.org

**Website:** restaurant.org/show

**MAY 16 - 19, 2015**

**AMERICAN FOOD FAIR**

**Conference Venue:** McCormick Place, Chicago, IL

**Conference Management:** National Association of State Departments of Agriculture, Arlington, VA

**Phone:** (703) 934-4700 • **Fax:** (703) 934-4899

**Email:** aff@cmgexpo.com

**Website:** nasdatradeshow.org

**JUNE 3 - 4, 2015**

**THE LONDON PRODUCE SHOW AND CONFERENCE**

**Conference Venue:** The Grosvenor House Hotel, London, England

**Conference Management:** PRODUCE BUSINESS, Boca Raton, FL and FRESH PRODUCE CONSORTIUM, Peterborough, England

**Phone:** U.S. - (561) 994-1118

**UK - 44 (0) 20 3143 3222**

**Email:** info@LondonProduceShow.co.uk

**Website:** londonproduceshow.co.uk

**JUNE 8 - 10, 2015**

**UNITED FRESH CONVENTION**

**Conference Venue:** McCormick Place Convention Center, Chicago, IL

**Conference Management:** United Fresh Produce Association, Washington D.C.

**Phone:** (202) 303-3420

**Email:** jwoodside@unitedfresh.org

**Website:** unitedfreshshow.org

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# An Examination Of Blueberry Health Research

BY THE US Highbush Blueberry Council

**A**side from their great taste and culinary versatility, blueberries are one of the easiest additions consumers can make to their diet to pursue a healthier lifestyle. Investigators are currently pursuing four tracks to better understand the role that blueberries may play in promoting good health — cardiovascular health, insulin response, brain health and cancer research.

## Cardiovascular Disease

A recent study conducted at Florida State University and published in the *Journal of the Academy of Nutrition and Dietetics* found that daily consumption of blueberries given as freeze-dried blueberry powder resulted in a reduction of blood pressure and arterial stiffness, a measure of cardiovascular disease risk, in postmenopausal women with pre- and stage 1-hypertension.<sup>1</sup> Conducted over an eight-week period, 40 postmenopausal women were randomly assigned to receive either 22 grams of freeze-dried highbush blueberry powder (the equivalent to 1 cup of fresh blueberries) or 22 grams of placebo powder daily. They were advised to maintain their usual diet and physical activity levels.<sup>1</sup> The results warrant further investigation and provide some evidence for including blueberries as part of healthy dietary practices.<sup>1</sup>

In laboratory studies on rats conducted at the National Institute on Aging, researchers found a diet enriched with blueberries protected the cardiac muscle (myocardium) from damage caused by reduced blood supply during a heart attack. In addition, repair of the damaged heart muscle was more efficient in those on a blueberry-supplemented diet than those on the control diet.<sup>3</sup> More studies are needed in this area to fully see and understand the potential effects on humans.

## Insulin Response

In a human clinical trial, 32 individuals who were already diagnosed with metabolic syndrome were given similarly tasting smoothies, either with or without blueberries twice daily for 6 weeks. The researchers found that those who consumed blueberries were more able to lower their blood glucose in response to insulin than those

who were not given blueberries.<sup>4</sup> While the study is not conclusive, it strongly suggests that more research is needed to evaluate blueberries and their potential role in improving insulin sensitivity in an insulin resistant population.

While more research is needed to understand the effects on humans, studies with animals suggest that blueberries may have an effect on the way insulin does its job. In one animal study conducted at the USDA research center at Tufts University, obese mice were given high-fat diets with or without blueberries for eight weeks. The results yielded an improved insulin response with lower blood glucose levels in response to insulin in the blueberry fed mice than in the controls.<sup>5</sup>

In another study at the University of Michigan, researchers gave obese rats either a low or high fat diet supplemented with 2 percent blueberries and tested the effects against the control group. After 90 days, the rats that received the blueberry enriched diet had increased insulin sensitivity, decreased blood lipid levels and less measured abdominal fat. These results were also seen in the group that received the low fat diet supplemented with blueberries.<sup>6</sup>

## Brain Health

Scientists at the USDA research center at Tufts University have been studying the beneficial effects of blueberries on brain function in animal models for over a decade. In a recent study, researchers there found that object memory loss that occurs normally with age can be not only prevented but actually reversed by feeding blueberries to older rats. Moreover, the improvement persisted for at least a month after they put the animals back on a standard diet.<sup>7</sup>

In a study with nine human subjects, Robert Krikorian, professor of Clinical Psychiatry and director of the Division of Psychology, and his team at the University of Cincinnati found that older adults who were

given blueberry juice scored higher on memory tests than those receiving a placebo. This study establishes a basis for human research and blueberry supplementation on cognitive aging.<sup>8</sup> These researchers are currently conducting a similar study with older subjects who already show some signs of cognitive impairment.

## Cancer

According to researchers at the City of Hope National Medical Center, blueberries may have an effect on breast cancer cell growth. Three studies demonstrated that both breast tumor growth and the spread of the cancer can be reduced in blueberry supplemented mice.<sup>9-11</sup> In addition, a recent study showed that feeding rats a blueberry-supplemented diet reduced tumor growth even when feeding began after the tumors were present.<sup>12</sup> These studies are not conclusive for humans, and more research is needed in the area of cancer and blueberry intake.

## Little Changes Lead To Big Rewards

Americans know they need to make healthier food choices, but they keep tripping up when it comes to sticking with those decisions. It's drinking an extra glass of water each day, or using blueberries to sweeten your oatmeal or yogurt, these little changes will build up to a healthier lifestyle over time.

Research from ORC International shows making small changes instead of lofty resolutions makes people feel more confident and more likely to make additional positive changes. Blueberries are a great go-to snack, because they're available fresh and frozen all year-round, they add vitamin C and fiber to your diet, and they're only 80 calories per cup.

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## About the US Highbush Blueberry Council

The U.S. Highbush Blueberry Council, Folsom, CA, represents blueberry growers and packers in North and South America who market their blueberries in the United States and work to promote the growth and well-being of the entire blueberry industry. The blueberry industry is committed to providing blueberries that are grown, harvested, packed and shipped in clean, safe environments. Learn more at [littlebluedynamo.com](http://littlebluedynamo.com).

# Industry Funding Needed To Support Research

BY JIM PREVOR, EDITOR-IN-CHIEF, PRODUCE BUSINESS

**I**t is always exciting to discover research that holds out hope that a particular produce item can have real health benefits. When the item is blueberries — an easy-to-eat fruit that fits in with so many convenience trends — the idea of specific health benefits coming from the item holds out the real promise of increasing produce consumption.

Of course, we can't let the cart get ahead of the horse. Most studies of this type are very small and have not been reproduced widely. Often, they are done on small subsets of the population and their wider applicability is unknown. Sometimes they are just animal research, and whether effects observed in animals will translate to humans remains to be seen.

Rarely do the studies actually go to health outcomes such as morbidity; instead they look to various markers, such as arterial stiffness, and the impact of such things on mortality and health is still being evaluated.

It is also true that even if an item has some healthful effect, that doesn't mean it is more healthful than an alternative.

Then, of course, the way items are consumed under study conditions does not necessarily tell us how an item will be consumed in real life. Studies often include portion controls and restrictions on preparation. The same fruit that might offer a net health benefit at a few ounces a day might not offer health benefits at a pint-a-day served in whipped cream.

Yet consumer interest in so-called "functional foods" is very high, and if we can say that steady consumption of Item X will help with Problem Y, it can move the needle on consumption. That is great news but, alas, there is not much evidence any of this will boost overall produce consumption. Kale can be all the rage, but most of the time, consuming more kale means consuming less spinach as chefs mainly look for only one green side dish.

Of course, if we can really get to a prescriptive health message backed by convincing science — "Ten ounces of blue-

**If we can really get to a prescriptive health message backed by convincing science — "Ten ounces of blueberries a day keeps heart disease away" — then we would probably see boosts in consumption of those commodities, which would overwhelm the substitution effect. But getting to this point involves very substantial investment.**

berries a day keeps heart disease away" — then we would probably see boosts in consumption of those commodities, which would overwhelm the substitution effect.

But getting to this point involves very substantial investment. We need to fund studies of hundreds of people in multiple institutions. The blueberry industry has done a great job in pushing this research forward, but we need an industry fund of larger scale to support this type of research.

Perhaps something that could mirror the Center for Produce Safety, but instead of focusing on understanding the science behind food safety, this "Center for the Understanding of the Health Benefits Associated with Produce Consumption" could serve as a kind of expertise center, ensuring research from various companies and commodity groups is all peer-reviewed and of a scale and type that is meaningful.

By focusing and professionalizing the industry's health efforts, such a center might accelerate the development of knowledge as to what real benefits increasing the consumption of individual produce items could create in terms of human health.

This would be a breakthrough since we currently have only the vaguest and most

general entreaties to offer the public: That increased consumption of produce, with produce substituting for less healthy foods in the diet, will favor better health and longevity. That's good, but not nearly as effective a marketing pitch as being able to say that eating blueberries reduces your risk of high blood pressure.

Fortunately, although it is great that blueberries have a halo of healthfulness, the key to increasing consumption is probably going to come from playing up the delicious and convenient angle. Packages such as those placed in McDonald's, which Naturipe developed, are just the tip of the iceberg.

There remain important branding challenges: different varieties, vast geographies and niche growers, as well as seasonal fluctuations, we are not quite at the point where every child can have a delicious experience every time he or she eats a blueberry.

It will be great when we can prove blueberries enhance health, but people enjoy the deliciousness of candy more than the healthfulness of produce. A focus on growing and marketing consistently flavorful fruit will move up consumption rapidly and keep produce front and center.

**pb**



# Will Supermarkets Take Pre-Emptive Strike Against Deep Discounters?

BY JIM PREVORA, PRESIDENT & EDITOR-IN-CHIEF

**A**ldi is the fastest growing food retailer in America. With a market share of around 0.8 percent of U.S. food sales and, perhaps, 1.0 percent of produce sales, it is not a major market factor, but deep discounters such as Aldi and Lidl have reached double-digit market shares in many markets. The so called “big four” British multiples scramble to stop a market share increase that has brought the hard or deep discount sector to 10 percent of the market in the United Kingdom, according to the latest Nielsen figures.

Now every market is different, but there is no particular reason to believe deep discounters won't be able to achieve similar penetration in the U.S. market. So what approach should American retailers take to blunt the growth of deep discounters? It is not an easy task — the deep discount business model is powerful.

Deep discounters offer the consumer a lower cost because the concept works on a lower gross margin, yet because operating costs and overhead are so much lower, the stores actually produce higher earnings than more expensive concepts.

This reveals the power of the concept and why it is sweeping the world. The concept offers both lower prices to consumers and higher returns to investors.

This also points out why no amount of across-the-board “price investment” by supermarket chains can make the supermarkets competitive. The basic economics of the concept are different than those of a supermarket, so supermarkets would have to accept margin reductions on a level that exceeds total profits.

The big supermarkets hope to steal a page from Robert Crandall, former chairman and chief executive of American Airlines during a tumultuous period when discounters such as People's Express began to fly. His legend in the airline industry came from cracking the discounter's code.

Things looked grim for American and the other legacy carriers. They were saddled with high union costs and were being undercut by discounters whose cost per mile flown was way below those of the legacy carriers. It looked like the discounters were unstoppable.

Crandall found a different path. He observed that although, on average, American Airlines' costs were far higher than those of People's Express, American had an ace in the hole. Although the majority of seats were sold to business people at a high fare, a substantial portion of the seats went unsold. Crandall's epiphany? If American could find a way to offer the unsold seats to discount flyers (vacationers, students, etc.) while keeping its high-priced business passengers paying full fare, that would enable American — whose marginal cost of seating a passenger in a plane flying anyway was almost nothing — to offer a “discount airline” price that had costs far lower than

those of People's Express.

American went on to institute various innovations such as a Saturday night stay requirement and advance-purchase requirements, all designed to create conditions unacceptable to the business flyers and thus keep them in their expensive seats.

It turned out to be a brilliant strategy and in short is why People's Express is out of business.

So the question is whether there is a way to use the existing box

and have supermarkets somehow offer a competitive discount package that would entice the deep discounter's customers without disturbing the relationship with shoppers who buy at full margin.

The key attempt to do this is with a discount private label range, but it doesn't seem to be very successful. Some of the problem is inconsistent supermarket execution. Even when multiples in the U.K. developed such ranges, they often executed half-heartedly and pulled the discount ranges from certain stores to keep margins high.

But even when fully executed, the cheap private

label line just doesn't seem to work. Part of the problem is that developing such a range is an odd task. Supermarkets literally sit there trying to design packages sufficiently ugly that only those desperate to save a dime would consider them. Then consumers who select from these ranges have to be aware that everyone who looks at the basket notes they are buying the cheap stuff. This is in contrast to the Aldi experience where everyone in the store is equal, and the discounters try to make each private label item more attractive than the next.

Finally, one key reason the plan worked on the airlines but may not in supermarkets is that with the airlines it was easy for business travelers to decide they were unwilling to stay a Saturday night or take other steps to get a discount fare — in most cases it was not their money. There is no third-party payer in the supermarket aisles.

If the in-store approach won't work to stop the deep discounters, the other alternative is to adopt an “if I can't beat 'em, then join them” philosophy. This has been the approach in France, where many multiples set up their own hard discount divisions.

When Wal-Mart rolled out its supercenter concept, the most important and interesting thing is what *didn't* happen. It took a long time for Wal-Mart supercenters to roll out across the country, but we didn't see Safeway, for example, decide to roll out supercenters. Safeway never decided to protect, say, its California territory by pre-empting Wal-Mart on the supercenter market in California.

This was true everywhere. Now as Aldi ramps up its roll-out and as Lidl prepares to enter America, will the big supermarkets once again simply abandon a chunk of market share as a concept rolls out, or will they act now to pre-empt?

**No amount of across-the-board “price investment” by chains can make the supermarkets competitive.**

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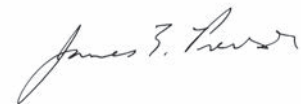
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# Why 'Price Investment' Is A Flawed Retail Policy

**JIM PREVOR  
EDITOR-IN-CHEIF**

If we could ban one phrase from the lexicon of retailers, it would be "price investment." This awkward nomenclature is what retailers like to call it when they accept lower margins to remain competitive.

Theoretically, one could imagine circumstances in which the term makes sense. If, for example, there is a new store opening, a retailer might offer exceptional bargains to attract clientele, knowing that after six weeks the store will end its "grand opening special" and charge normal margins.

Today, however, retailers use this phrase in the context of competing with the growing discount segment. Since the discounters won't be ending their discount strategy anytime soon, "price investment" is not an "investment" at all; it is just an acknowledgement that the competitive environment has changed, and prices must be kept at lower levels. Unless expenses also drop, it means that profits will also be squeezed.

In the period ending January 31, the United Kingdom supermarket scene hit a milestone. The Food Retail Equity Research Team at Barclays is headed up by James Anstead, who appeared on the "Thought Leaders" panel at The 2014 London Produce Show and Conference. Here was Barclays' take:

*Discounters Aldi and Lidl now account for more than 10 percent of all grocery sales in the U.K., according to Nielsen market share data. Aldi's sales surged by 17.3 percent y/y in the 12 weeks ending January 31, while*

*Lidl's jumped 13.8 percent in the same period.*

*In contrast, total supermarket sales rose just 0.7 percent during the 12-week period, and Morrisons was the only big four supermarket to increase sales in the four weeks ending January 31 — potentially in part thanks to the launch of its Match & More loyalty card/price match scheme. Nielsen's U.K. head of retail and business insight commented that 'Initially built on the premise of saving money, the new wave of discounters are now a regular part of grocery shopping and have changed shopping habits forever.'*

*He also noted that nearly half of those cost-savvy consumers will continue to shop at discounters even when economic conditions improve, while the discounters now endeavor to promote the quality of their offerings to appeal to a wider range of consumers.*

The big supermarket chains in the U.K. responded to this threat with lower prices, but they have no way of matching the expense structure of the discounters. So this approach is unlikely to work.

It is an odd thing about large supermarket chains all over the world that they are extremely vulnerable to new formats.

In the United States, when Wal-Mart started rolling out supercenters across the country it was a well observed phe-

nomenon. Every supermarket in the country sent staff to observe those early supercenters and, because Wal-Mart was already a substantial company and Sam Walton had served on the board of Winn-Dixie, the strategy soon became clear.

The roll-out across America took 20 years and is still going on in parts of the country. Yet in all this time, and in all the geography of America, no supermarket ever responded by deciding to roll out its own supercenters. Indeed, even when Kroger actually purchased a supercenter chain — Fred Meyer in the Pacific Northwest — and virtually everyone in the industry expected Kroger to start rolling out this format across the country, it never happened.

The big U.K. supermarkets are multi-format operators, but these formats currently revolve around store size — Tesco Express, Tesco Metro, Tesco Extra, Tesco superstores etc. — but the differentiator is not necessarily size, it is function and type.

Waitrose, for example, has been doing well — sales growth of 4.9 percent year on year for the period ending February 1. Yet, no major U.K. supermarket



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has done what HEB, a conventional supermarket operator based in Texas, did, which was to create a whole new Central Market banner that gives all experiential retailers a run for their money.

It is well noted that the ethnic composition of the London market changed, but where are the ethnic-oriented banners, such as one created by Publix (another conventional supermarket chain), which opened several Publix Sabor stores?

When this columnist was growing up in America, we had three television networks. Today, cable and satellite bring us hundreds of networks, and the trend of the entire society is toward specialization. Just as in the old days, television aimed to adequately please a large number of people; whereas today, channels aim to delight those of more specialized interests. So the very notion of giant supermarkets serving great cross-sections of the community is a dated concept.

When Tesco was busy building its

Fresh & Easy concept in America, we all but pleaded with the bosses to abandon this "one-size-fits-all philosophy." We pointed out that there are two concepts in America that profitably fill Fresh & Easy size boxes — deep discounters such as Aldi's U.S. version and Save-a-Lot, and an epicurean concept known as Trader Joe's. We recommended a split of the failing Fresh & Easy stores, using demographics to repurpose the stores into discount or epicurean concepts. But the instinct to serve everyone was too strong — so they wound up serving nobody.

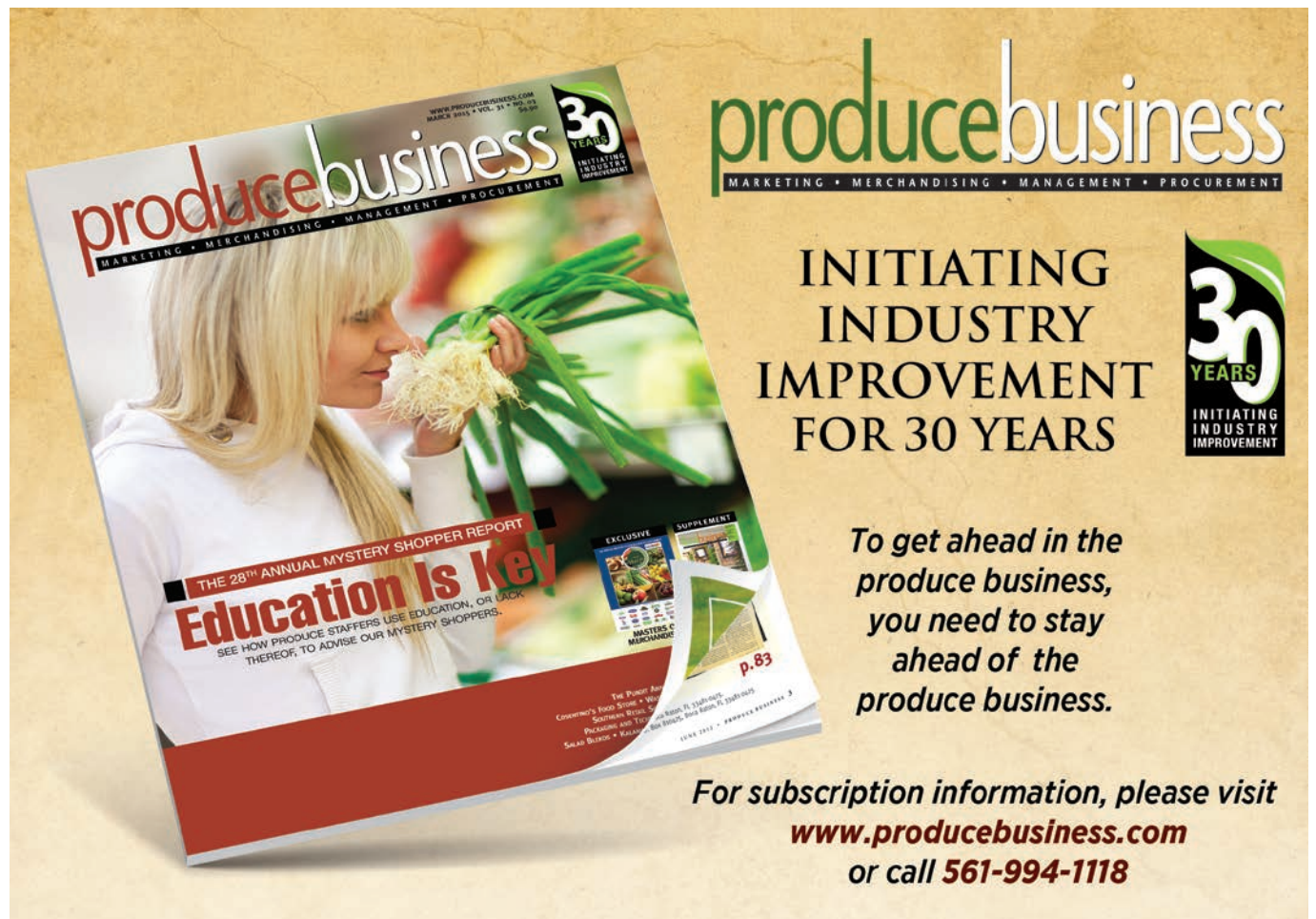
People are going to eat just as much as they ever did, so there is no reason why the big multiples have to see their sales decline. And pricing to be competitive with discounters is an unforced error that will depress profitability.

The segmentation of the world does not mean lower profits. It means that the same customer at different moments will buy at Aldi to save a buck, at Waitrose to impress the new boss when

preparing for a dinner party, or at Whole Foods Market because the new girlfriend or boyfriend is into healthy eating. The same consumer will buy online, at a specialized Asian concept, from a warehouse club, at a massive supercenter, at a convenience store selling gas, and in many more specialized concepts. Because these concepts are narrowly tailored to delight a customer at a certain moment of his life, they actually can keep costs lower through hyper-specialization and charge more because the customers are so delighted.

Trying to stem this tide is not likely to be more successful than trying to have one TV network appeal to all. The challenge for retailers is how to deconstruct and both delight and profit from consumers by appealing to their specialized interests at different moments in their lives.

Failure to do so, well, that means lots more "price investment" for many years to come.



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Grower Alliance is dedicated to quality and food safety standards. All Grower Alliance growers are both GAP and GMP certified, and all fields have been certified for pesticide residue with either Primus Labs or Scientific Certification Systems. Grower Alliance is proud to support its growers in the area of food safety programs and audits. Grower Alliance has two employees who facilitate the audits for its growers. Additionally the personnel help growers set up their sheds and fields on par with current standards.

## EFFECTIVE TRACEABILITY

Grower Alliance currently uses a traceability pro-

gram through its produce software, Optima Produce. Each of its growing areas and in turn each of its growers has a specific code for identification. The software can provide a report showing when the product was received at warehouse and when it was shipped out to the customer. The Grower Alliance website contains a page where customers can enter the code from the box and receive the pertinent information.

## PROSPERING GROWERS

Grower Alliance's success is founded in the support it provides its growers, helping them grow and prosper and promoting loyalty. By helping growers expand operations and investing in the growing communities, the company ensures high quality, consistent product and good working conditions among its producers.

A major area of support given by Grower Alliance is in expansion of infrastructure. Grower Alliance has been able to purchase and install several cold rooms at growers' packing sheds. The company has also assisted its growers in the acquisition of more

land. It also supplies growers with drip irrigation systems and cover for their plants and assists them with the purchase of shadehouse systems.

## SUPPORTING SERVICES

To better serve customers and meet future growth, Grower Alliance has added various services in addition to product sales. With the acquisition of its Nogales building in July of 2011, it began offering in-and-out services to other companies as well as rent office space to them. The company also offers consolidation services for companies outside of Nogales that want to load in one location as opposed to picking up in different warehouses. Three years ago, Grower Alliance began shipping through McAllen, TX to better serve customers and keep a fluid working relationship with them.

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watermelons, mini watermelons, honeydews, cucumbers, Italian/grey/yellow straightneck squash, green bell peppers, cucumbers and hot peppers.

**Summer**

greenhouse-grown beefsteak tomatoes, Roma

tomatoes and bell peppers (through McAllen)

**Fall**

watermelons, mini watermelons, honeydews, cucumbers, Italian/grey/yellow straightneck squash, and hot peppers (starting late September through Nogales)

**Winter (mid-November)**

watermelons, mini watermelons, honeydews, cucumbers, Italian/grey/yellow straightneck squash, green beans, euro cucumbers, eggplant, and green

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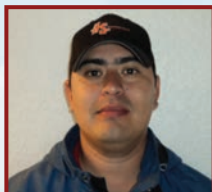
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BY OSCAR KATOV

**W**hen Russell T. Lund decided to open a food store in Minneapolis in 1939, he had already mapped out his business strategy: focus on fresh produce, and emphasize the high quality of each product category that he planned to offer.

“Russell’s access to the wide range of produce was through the Minneapolis Farmers Market,” says Rick Steigerwald, vice president, Fresh Foods, for Edina, MN-based Lunds Food Holdings, Inc. “Every morning, Russell arrived early at the Market to select items for his store. Back then, growers and suppliers became so familiar with Russell’s high quality standards that they showed him the very best produce each day.”

Although the Farmers Market no longer exists, Steigerwald notes, “We continue to expand our partnerships with growers, large and small, and they really understand our go-to-market strategy, which is high-quality, consistent-quality, great-eating attributes, and the availability of new and unique products.”

Working relationships with major suppliers started in the early years of the company, says Dave Mickelberg, Lunds’ category manager. “Now, we partner very closely with Driscoll’s berries, Dole Fresh Vegetables, Cal-Organic, Earthbound Farm, Del Monte Foods, and others. And their deliveries to us are linked to our distribution center, with their trucks coming into the facility, so that we can do inspection, verify and validate the quality specs to meet our requirements.”

“Replenishment of our stores from the distribution center is a six-day program,” says Steigerwald, “and we urge our produce managers to do a great job in same-day selling, because we say you will get a delivery of

fresh products again on the next day. Turning produce over as quickly as possible is fundamental to the success of our business strategy.”

Emphasis on produce has remained prominent through the years. “When the Byerly’s stores in Minneapolis were acquired by Lund’s grandson in 1997, fresh produce was repositioned for display in the





Fresh produce is positioned for display in the front of the stores instead of the rear, so produce is the first in line of customers' shopping pattern. This emphasis on produce for customer attention is uniform in all 28 stores — 14 Lunds and 14 Byerly's.

front of the stores instead of the rear," explains Steigerwald, "so the produce items would be first in line of the shopping pattern. This emphasis on produce for customer attention now is uniform in all 28 stores with our two groups — 14 Lunds and 14 Byerly's, with each group of stores operating under their respective banners."

Another important factor in the company's successful sourcing strategy is a steady working relationship with a network of 30 to 35 farmers.

"Our store produce managers have the authority to buy directly from local farmers if they meet our quality specifications and are approved by the Minnesota Department of Agriculture. We're proud that for three successive years, the department named Lunds the 'Minnesota Grown Retailer of the Year,' which shows our commitment to working with local growers."

In meeting the challenge of competitors, Mickelberg cites two initiatives which prove effective: offering new products and sharp merchandising.

"For example, our cut-fruit category is unique in its breadth and depth of assortment," says Mickelberg. Value-added items are available in all 28 stores.

"And we are constantly looking for unique products that will appeal to customers — such as Amaize Sweet Corn, which is a white sweet corn grown exclusively for us by a local farmer," says Mickelberg. "We have people asking for it weeks before it's available in the summertime, and demand exceeds supply every year."

"Other products we introduced are Opal apples, Sumo mandarins and Morro Bay Avocados. We also encourage our larger suppliers to come up with items that will set us apart," says Mickelberg. An example is a South Carolina peach. "When the grower came out to speak to our produce managers, we really got behind that [the peach offering]."

Although the emphasis on produce quality initially began with Russell Lund's daily visit to the Minneapolis Farmers Market, its impact spread beyond fruits and vegetables to every aspect of the company's operation, and the experience has become the marker for new growth and innovation.

"Let's look at our prepared food business — absolutely growing!" says Steigerwald. "We have an artisan bread program with 22 to 25 varieties that we offer every day. We have soup bars. We have extensive salad bars.

We have hot food buffets. So in the morning, you can get breakfast-type items. At lunch-time, [the food spread] it's converted over to those items. And then for dinner, more entrée-type items are packaged to be taken home. All of our stores have some areas for sitting, dinner items, and those hot food buffets that can be eaten in our sit-down areas in the store or packaged to be taken home."

There are many ways to define a business — from its financial standing to its services and products. "The Lunds and Byerly's fresh departments have traditionally been what differentiates us — from our emphasis on quality, assortment, product presentation to merchandising," says Steigerwald. "And all of this is related to one statement upon which we built our business: extraordinary food, exceptional service, passionate expertise." **pb**

Editor's Note: We thank the Food Marketing Institute for its recommendation of independent members who are recognized for their outstanding produce operation in this series of PRODUCE BUSINESS articles.



# Innovation Comes Front And Center



Keith Brunell



Asha Gomez



Adam Hegsted



Pati Jinich



Jason Morse



Marc Murphy



Cara Stadler



Joanne Weir



Zac Young



Justin Yu

## CHEFS SHARE HOW THEIR CREATIVE PROCESSES WORK AND OFFER TIPS FOR COOKING WITH PRODUCE.

BY CAROL BAREUTHER

**T**oday's breed of creative culinarians no longer relegates fresh fruits and vegetables to an afterthought on the plate. In fact, produce items such as steamed vegetables, heirloom tomatoes, fresh beans and peas, root vegetables and grilled vegetables were named "Movers & Shakers" in the Washington, D.C.-headquartered National Restaurant Association's "What's Hot in 2015" survey, in which nearly 1,300 professional chef members of the American Culinary Federation weighed in on the latest menu trends.

What's more, produce is an integral part of many other "Movers & Shakers" such as meatless/vegetarian items, vegan entrees, French cuisine, Italian cuisine and kids' entrée salads. Most significant is that while protein (locally sourced meats and seafood) rates as the top food trend identified by 82 percent of chefs in the 198-item survey, it is produce (locally grown produce) at 79 percent that is a very close second.

With this in mind, PRODUCE BUSINESS interviewed 10 of today's esteemed chefs on the key role fresh produce plays in their menus. Included are: **Keith Brunell**, senior director of culinary and corporate executive chef for the 46-unit Maggiano's Little Italy chain, owned by Dallas, TX-headquartered Brinker International, Inc.; **Asha Gomez**, chef/owner at Spice to Table, in Atlanta, GA; **Adam Hegsted**, chef/owner at Yards Bruncheon, Eat Good and the Wandering Table, in Spokane, WA; **Pati Jinich**, host of PBS' *Pati's Mexican Table*, cookbook author and chef at the Mexican Cultural Institute, in Washington, DC; **Jason Morse**, chef/owner at 5280 Culinary, LLC, in Denver, CO; **Marc Murphy**, cookbook author and executive chef/owner at Benchmark Restaurants, in New York, NY; **Cara Stadler**, chef/owner at Tao Yuan, in Brunswick, ME; **Zac Young**, executive pastry chef for the David Burke Group, in New York, NY; **Justin Yu**, chef/owner of Oxheart Restaurant, Houston, TX; and **Joanne Weir**, San Francisco, CA-based restaurateur, culinary instructor, cookbook author and host



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are getting jealous.”**

**Ted**  
CATEGORY MANAGER

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of the PBS series *Joanne Weir Gets Fresh*.

**PRODUCE BUSINESS: How does your creative process vary when you work with produce versus protein?**

**Brunell:** Two ways. One is protein-centric. We start with lamb, chicken or seafood, then add a traditional vegetable side prepared in a non-traditional way. For example, pork Parmesan with cabbage seasoned with balsamic vinegar and honey or Brussels sprouts coleslaw. The second is produce-centric. We start with a vegetable in mind, like butternut squash. If it's a side for a delicate fish dish, we'll serve it in a more elegant manner like shaved or julienned. If it's a side for beef, we'll go with a rustic-style, diced large and braised or stewed.

**Gomez:** I use produce to highlight or balance flavors and add color and vibrancy to a dish when I am cooking with protein.

**Hegsted:** We start at the same point once we choose a product. We write down ideas of what goes with or to highlight the product, then we talk about ways to prepare it. It really comes back to the season when we are choosing what to pair with the foods — protein or produce.

**Jinich:** There is a tendency to get stuck on the usual cooking methods with protein. With vegetables, more creativity is possible. Take avocados, for example. In the summer, I use them in green salads and to make guacamole. In the winter, I add slices to the top of a hearty pasta casserole made with chicken, cheese, tomatoes and chipotle peppers.



**Morse:** We always look at color and seasonality. We did barbecue last night with roasted peppers and onions so everything fits together and complemented each other — protein and produce. I plan for the vegetable as much as I plan for the protein.

**Stadler:** It doesn't vary. In any dish, there are ingredients you want to highlight and pieces that are just supporting the main ingredients, regardless of whether it's a protein, vegetable or starch.

**Yu:** I prefer to work with produce. It has more dimension. Even with different cuts of meat, there is basically the same flavor profile.

**Weir:** I'm all about flavor. Protein is never the center of the plate for me. If I want to make a substantial dish, I'll add protein but it won't always be meat. It

could be beans or eggs. Something to complement, contrast or enhance the flavor of the vegetables.

**PB: How do you approach creating a dish from fresh produce? Do you think it through first or do you dive right in and start experimenting?**

**Brunell:** Both. When creating our vegetable lasagna, we thought beforehand about what vegetables would taste good and look great after cooking an hour. On the other hand, when I see something good at a farmers market or high-end supermarket, I'll experiment to come up with 5 or 6 dishes for the menu. We did this with seasonal figs, citrus and pears.

**Gomez:** My familiarity in utilizing spice to enliven flavors allows me the culinary latitude to dive right in and explore. This is especially true when working with unfamiliar or interesting produce.

**Hegsted:** We look for local seasonal product and then pair it with something that marries or highlights it. We usually talk about ideas first, then look at ingredients we have on hand, then tie it all together. Usually we can mentally taste through ideas before we start working using taste memory.

**Jinich:** I think ahead about the combination of flavors. For example, it might be shrimp, avocado and fennel. Then I draft an idea. Do I want to cook the shrimp or serve it raw like ceviche? Finally, I'll write down the other ingredients and preparation steps. For cooked shrimp, I may want to add garlic and chile de árbol.

**Morse:** I tend to be methodical. If I'm serving a steak with roasted root vegetables, I know I want only 10 percent

*Seasonal flatbread from one of chef Marc Murphy's Benchmark establishments, Landmarc.*



PHOTO COURTESY OF MARC MURPHY



Adam Hegsted



Pati Jinich

parsnips, because it can be bitter with 50 percent beets and the rest from another root. I like to experiment too. Brussels sprouts are nutty flavored when shaved, sautéed and caramelized on the outside with a Brussels sprout flavor on the inside when roasted whole.

**Murphy:** After conceptualizing a produce dish, I prepare it and tweak the flavors. I'm also aware of how long the

season is and availability of the product. All of this goes into the creative process.

**Stadler:** I start with an idea, try it out, taste it with my chef de cuisine, and adjust accordingly. Nothing is ever perfect on its first go; there is always room for improvement.

**Young:** Most of my inspiration comes from the produce itself. An early morning trip to the green market will often result in

a completely new dessert menu by dinner-time. I like to let the produce speak to me. Ripe berries don't need any help; it can be used unadulterated. Under-ripe peaches could inspire a wine and anise-poached peach with lemon verbena ice cream. It's all about what produce says to me.

**Yu:** I eat the produce first raw or simply cooked. Then, I work to bring out the unseen flavors. Take sunchokes, for example. I like to prepare it with texture because it is mostly served pureed or in creamed soups. That means slow-roasted and charred. I looked up sun choke and discovered it is in the aster family, which includes lettuces and also teas. So, I flavored them with jasmine tea, salted cream and honey and added Meyer lemon for its fruity notes. I serve this dish on our tasting menu.

**Weir:** If I'm working on writing a cook-book, I'll create in my head in the office. Then, I'll make it to learn what is missing.

**PB: Are you more apt to ideate in your home kitchen or "at the office," so to speak?**

**Brunell:** Both. A year and a half ago, I

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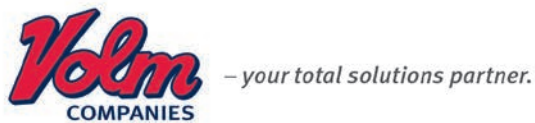


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Jason Morse



Marc Murphy



PHOTO COURTESY OF JASON MORSE

This dish is a beet salad from a recent competition with high school students that Chef Jason Morse mentors.

went to Domenica's in New Orleans and had a roasted whole head of cauliflower for the first time. I took the idea home, added some onion, cream and Parmesan. The kids loved it. Then I took it into our commercial kitchen and fine-tuned it.

**Gomez:** I'm inspired when I'm at the market surrounded by an incredible variety of produce. It's the most exciting food lab for a chef or home cook.

**Hegsted:** Definitely at work. I leave work at work as much as possible. Plus my kids are my worst critics. They don't appreciate me experimenting with their taste buds.

**Jinich:** It's a combination. I get very creative and really indulge in flavors in my personal kitchen. I do what I know will work in my professional kitchen. I may improvise when I'm in front of a crowd of 300, but most creativity comes during the planning stages.

**Morse:** Everywhere. I need to get

*Joanne Weir's carrot hummas and root chips.*



PHOTOGRAPH BY ALAN HEREFORD

removed from the professional kitchen environment to get the creative juices flowing. I think in my car. I think when I'm out. I mess around at home to get started, and then may finish a dish at the office.

**Murphy:** Sometimes it's when I'm in the kitchen, other times I get inspired when I'm at the grocery store or dining out.

**Stadler:** Both. Probably more at work though since I'm there more often than at home.

**Young:** Always at the restaurants. I try not to take my work home with me.

**Yu:** I hate to cook at home. Even if I make something for dinner, I'll cook it at the restaurant and take it home with me.

**Weir:** I'm inspired by what is in the store or farmers market and put a dish together as I'm cooking at home.

**PB: How do you think about layering flavors when it comes to produce? What about adding sauces? Are you cognizant**

**of calorie counts as you go through the process?**

**Brunell:** I start with the vegetable's primary flavor. Take asparagus. I balance its natural iron content with ingredients such as garlic, olive oil and lemon.

**Gomez:** We live in a very health-conscious culture, and the gradual trend toward eating more seasonally with fresher ingredients is better for all of us.

**Hegsted:** I enjoy serving the same vegetable cooked in different styles on one plate. Braised radishes topped with fresh shaved. Or, a raw shaved salad with fried greens on top. It's a really interesting way to get as much out of the said product as possible with different layers of texture and flavor. We don't count calories.

**Jinich:** It's all about how I can make the produce ingredients really stand out. I make a warm potato salad with poblano chilies, peanut and sesame oil to make it more exuberant.

**Morse:** I think people are still calorie counting. Gluten free is big, and there are a lot more diet concerns. That's why I don't add sauces. I don't want to mask the earthy flavor, for example, of beets. Instead I'll glaze it with balsamic vinegar, olive oil, salt and pepper.

**Murphy:** You need to make the produce stand out. Vinegar can enhance the natural flavor and can make it a main dish without weighing it down in a sauce.

**Stadler:** I never think about calorie counts. And, I constantly think about the layering of flavors. Balance is the most important [recipe element].

**Young:** The wonderful thing about fresh produce is you don't really need to add

anything to it when it is at its peak.

**Yu:** I tend to use a lighter hand. Some fat, sugar or salt are great, but I stay away from too much so as not to hide the bright flavor of the fruit or vegetable. Also, any salt in a dish usually comes through the use of cured, dried or fermented ingredients.

**Weir:** It's all about what lets the vegetable shine. Instead of steaming asparagus, I grill it, top it with a dressing of lemon, shallots and extra virgin olive oil, and maybe sprinkle chopped cooked egg on top.

**PB: If you eat at a competitor's restaurant, and enjoy a great veggie dish, how do you use the experience to innovate in an original manner?**

**Brunell:** It's all about putting a twist on a traditional dish. Sugar snap peas aren't customarily used in Italy, but we decided to upgrade the taste and look of our lobster carbonara by using them.

**Gomez:** It's fun to pay homage to a particular dish you enjoyed from a fellow chef and add a new twist to it as long as the source of the inspiration is attributed. It's the sincerest form of flattery.

**Hegsted:** We definitely get ideas from other people. I would say half of our inspirations come from other places. It may be from an article or book. You must expose yourself to as many new ideas as possible. There are so many things we don't know about cooking. You can never get enough knowledge.

**Jinich:** I enjoy a certain freedom living away from my family in Mexico to take liberties with treasured handed-down recipes. I use the same ingredients as my mom, but in a different way. One of my most downloaded recipes is Mac 'N Cheese Mexicano. It's made with a béchamel sauce and cheese into which I add chopped zucchini, corn and poblano chilies.

**Morse:** A lot of us chefs bounce ideas off each other. This is a great form of inspiration. For example, there are a few places now using Brussels sprout leaves and roasting them. I think this is a great concept. When I do it, I add truffle oil or curry powder and bring out a new flavor. I tend to look at a concept rather than the exact dish, and figure out how I can take it one step further.

**Stadler:** New techniques pop up all the time. However, I'm not sure anything is truly original anymore, as every experience

*"When I dine at a restaurant or with a friend and get an idea, I write down a list of ingredients ..."*

— JOANNE WEIR

you create is different every time — just as every piece of produce is different.

**Young:** Inspiration is all around. Whether it's a dessert at another restaurant, a flavor of candy or ice cream, a painting, all of these things come together in my head when I'm creating dishes.

**Yu:** I may adopt a technique, but not the whole dish. Or I take bits and pieces from other chefs and then make my own dish based on my flavor palate.

**Weir:** When I dine at a restaurant or with a friend and get an idea, I write down a list of ingredients, like persimmon, mango and chilies, and put a note saying what I'd like to do with them, for example make a salsa.

**PB: How do operational challenges play into your ability to innovate when it comes to produce, especially since you can't source locally-grown produce 365 days a year?**

**Brunell:** We use what we can get year-round for best visibility and choice. This includes asparagus, broccolini and mini heirloom tomatoes. Our features program,

which runs 4 to 8 weeks, incorporates seasonality. This means strawberries and peaches in the summer; pears, butternut squash and wild mushrooms in the fall; and pole beans in the spring.

**Gomez:** Our menu is crafted with seasonality in mind. I think you need to be disciplined and commit to the idea that you are going to work with whatever Mother Nature gives you each season. This spurs creativity and innovation.

**Hegsted:** We do our best to keep the menus rotated. It helps keep with the season and we know approximately when seasonal products will become available. With some of our main stay entrees, we leave room to use canned goods, frozen products, dried products, things that can be collected at peak season then turned into sauce or something out of season.

**Jinich:** I love incorporating what I haven't used before, or bringing in a new fruit or vegetable, or preparing something familiar in a different way.

**Morse:** Most people today understand seasonal. When the Colorado season is finished for an item, we'll source it from Yuma, Nogales or California and use this to tell a story via our staff, our menu and our Facebook page.

**Murphy:** It can be especially tough with this winter's freezes in California and Florida. Even staying domestic for leaf greens can be an issue. However, we try to focus on dishes with heartier vegetables such as wintergreens, chicories, kales, squashes and cabbages so it can sustain and still be relevant.

**Stadler:** Winters are rough. I love local, but some produce just can't be grown here. This is why we are building an aquaponic

*The Kale Salad from chef Adam Hegsted's Wandering Table with maple-mustard vinaigrette; pickled, hard-boiled egg; frites and red onion.*



PHOTO COURTESY OF ADAM HEGSTED



Cara Stadler



Joanne Weir



DISH PHOTOGRAPHED BY ALAN HEREFORD

Joanne Weir's Spring Panzanella with artisanal bread, snap peas, asparagus, spring onions and goat cheese.

greenhouse behind the restaurant.

**Young:** This is a huge challenge. Winter is the worst. We generally make a lot of preserves and purees in the summer when the fruit is at its peak so when we get to winter we aren't stuck using only sweet potatoes, nuts and chocolate in our pastries.

**Yu:** Our challenge is opposite to most.

We store produce from the winter to use in the summer when it's too hot for much to grow. In the summer we're limited to okra, eggplant, peppers and onions. Our tasting menu is built around one or two ingredients, and these are always fruits or vegetables at their seasonal peak.

**Weir:** Not everyone working in a restaurant knows what's in season. It's easy to get

lazy and leave something on the menu when the ingredients are not in season anymore. This is why it's important to talk regularly to your purveyors.

**PB:** Clearly, the bar is raised when it comes to menuing great vegetarian dishes. What are some of the most innovative things you are seeing in the

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*“Our chefs ... let customers know what vegetables are available and let them select what they’d like with their pasta.”*

— KEITH BRUNELL

restaurant industry when it comes to produce — especially center-of-the-plate produce?

**Brunell:** Customers told us we needed more vegetarian dishes on the menu. Over time, we found the rate of order of these items was low. So, since we are one of the few brands with an executive and sous chef on staff at each location, we now customize at the local level rather than generalize at the corporate one. Our chefs walk out in the dining room, let customers know what vegetables are available and let them select what they’d like with their pasta. Or our chefs will create a three or four course vegetarian tasting menu for customers.

**Gomez:** It’s refreshing to see the restaurant industry changing from protein-centric to having many more options with produce available even if produce is not the center of a plate for a given dish.

**Hegsted:** Look at other countries like India that traditionally serve vegetarian food. Their food is exceptional with such a variety of textures and flavors. This is important when creating any dish, but it’s especially important to make vegetarian interesting. Don’t just take away the meat off the dish. Create something purposeful.

**Jinich:** I’ve played with ways to move produce center stage. For example, creating a salad with four different types of beans. There are more ways to be creative with produce than protein because there is such a large diversity of fruits and vegetables.

**Morse:** We worked with the California Department of Agriculture to create recipes for fresh produce. Take sweet corn, for example. You can smoke it, roast it, or cut it off the cob and mix it with pear and bacon to make a hash or salsa.

Recipes like this lead to a leveling out on the plate where protein takes the correct proportion — since it’s paired with more vegetables and more interestingly prepared vegetables.

**Murphy:** Our vegetable entrée is roasted spaghetti squash with portobello mushrooms, tomatoes and arugula. It became one of the Top 5 selling entrees during the past two years. It’s an exciting but focused dish celebrating the flavor of the vegetables.

**Stadler:** It’s nice to see it’s not always the protein driving the plate. Now it’s about starting with the best quality product and building your dish around it.

**Young:** My mother is vegan. Growing up, she would be stuck eating a plate of iceberg lettuce when we went out to eat. Now, she has options wherever we go. Chefs are creating multiple vegetarian-focused menu items instead of just offering a bunch of side dishes. I often find myself going for the vegetarian option. It’s

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PHOTO COURTESY OF PATI JINICH

Pati Jinich's Mexican Avocado, Tomato, Corn and Hearts of Palm Salad recipe is from her cookbook, *Pati's Mexican Table: The Secrets to Real Mexican Home Cooking*.

normally more interesting and tasty.

**Yu:** I have two menus. The tasting menu contains meat, poultry and fish. The garden menu is vegetarian and can easily be vegan. We use umami, deep caramelization and natural fermentation to impart a rich hearty flavor to the vegetable dishes.

**Weir:** People want more than three vegetables on a plate. I like to round out the vegetables with grains, beans or eggs.

Eggs are especially popular now. My favorite is a salad frisee made with crispy little gem lettuce or escarole, a dressing with a little bacon fat, and topped with a poached egg. When the yolk breaks and goes all over the greens, it gives the dish a certain richness people expect when they eat meat.

**PB:** What is the biggest temptation a

**chef should avoid when working with produce items?**

**Brunell:** Do not over or undercook.

**Gomez:** There is no right way or wrong way. Dogmatic approaches can stifle creativity. Follow your culinary bliss.

**Hegsted:** Anyone can cook a rib eye and make it taste great. To cook a carrot, at least value wise, as good as a steak takes some effort and skill. You need to do

## CHEF BIOS

**Keith Brunell.** He is a top graduate from Washburn Culinary Institute in Chicago, IL, and won a number of esteemed awards, including: first place at the National Sofitel Culinary Competition, MenuMaster Award for Culinary Innovation, and honors as one of the Best Young Chefs in Washington D.C. Nowadays, in his role at Maggiano's Little Italy, he oversees the research and development process for the chain's 44 domestic restaurants by creating classic and innovative Italian-American dishes, testing and implementing new menu platforms and developing chefs and culinary expertise within the restaurants. He is the lead consultant on all aspects in the kitchen, including operations, labor initiatives, banquets and delivery, and oversees the integration of all these concepts into Maggiano's scratch kitchens. Keith also sits on the board for the International Corporate Chefs Association.

**Asha Gomez.** Gomez, born in Kerala, India (located on the ancient spice routes between Europe and Asia) learned from her mother how to make regional specialties such as slow-simmered beef curries, fish from nearby waters roasted in banana leaves, and garlicky pork vindaloo tinged with vinegar. The two moved to New York and started a catering company. Asha graduated from Queens College in 2003, opened the luxury Neem Tree Spa on Atlanta's Westside, and then went back to her culinary roots by opening the Spice Route Supper Club in 2010. The Club's popularity led to her first restaurant, Cardamom Hill, which was named one of *Bon Appetit's* 2012's "50 Best New Restaurants"; it was on the 2013 James Beard Semi-Finalist List of "20

Best New Restaurants"; and in August of 2013, one of *Southern Living's* "100 Best Restaurants in the South." Asha was also named one of the 2013 *Food & Wine* magazine's "Best New Chef" — People's Choice semi-finalists. In August 2014, she opened Spice to Table, a fast-casual Indian patisserie that garnered acclaim including *Zagat's* "12 Hottest Brunch Places in the U.S." and *Atlanta Magazine's* annual "Best of Atlanta." Currently, she is working on her first cookbook, *My Two Souths* with Running Press (Perseus Books). It is slated to launch 2016.

**Adam Hegsted.** This Spokane, WA-native grew up with a fascination for cooking. He landed his first job as a dishwasher then worked his way up the ladder. This meant enrolling at the Art Institute of Seattle and working at the Space Needle. After school, he came home and took his first chef position at Cedars floating restaurant. Black Rock Corporation, which owned the restaurant, then sent him to Los Angeles, CA, for an apprenticeship at an exclusive city club. While there, he learned classic French cooking from visiting chef Paul Bocuse. Hegsted really established himself while at Brix restaurant in downtown Coeur d' Alene. He received local recognition for innovative food and for using local farmers and producers as much as possible. He then moved onto the Coeur d'Alene Casino Resort Hotel where he was named "Innovator of the Year" from the NCBA and was invited to cook at the Beard House in New York. Most recently, he opened a modern diner called Yards Bruncheon, a café named Eat Good, and a small-plate-style restaurant called Wandering Table. All of which feature Northwest-style

cuisine and locally sourced products. His goal is to show what the Inland Northwest is about and expose people to its resources.

**Pati Jinich.** Born and raised in Mexico City, Jinich comes from a family of accomplished cooks. She holds a master's degree in Latin American Studies from Georgetown University, and served full time as a political analyst before leaving policy work to formally jump in the kitchen and pursue her lifelong passions: research, write, test and cook, as well as share her knowledge of Mexican cuisine and culture with others. In 2007, she launched "Mexican Table" an ongoing series of culinary programs at the Mexican Cultural Institute. In 2009, she launched her blog *PatisMexicanTable.com*, to share her food-related writing and stories. Her first cookbook, *Pati's Mexican Table: The Secrets of Mexican Home Cooking* was published by Houghton Mifflin Harcourt in March 2013, which was recommended by *The New York Times* and is Amazon's No. 1 best seller in its category. Since then, Jinich is a regular guest on ABC's *The Chew*, NBC's *The Today Show*, CBS's *The Talk*, NPR's *All Things Considered* and *The Splendid Table*. She also appeared as a guest on The Food Network, CNN en Español, FOX News, *CBS This Morning* and cooked at the White House for Cinco de Mayo. She resides in the Washington, D.C. area where she and her husband are raising three boys.

**Jason Morse.** His culinary career began humbly: bussing tables, frying chips and helping out at a Mexican restaurant in his hometown of Minnetonka,



*“Sometimes, depending on a million factors, two vegetables can look exactly the same and taste completely different.”*

— CARA STADLER

research and work at it.

**Janich:** Don't get stuck doing the same thing over and over. Experiment. Go out of your comfort zone.

**Morse:** There's a temptation with roasted vegetables like onions, beets and garlic to overdo it by adding bacon. Try something like truffle oil instead.

**Murphy:** Adding butter and cream can be tempting. But, you can get the same results using olive oil and it is much healthier for you.

**Stadler:** Taste everything. Sometimes, depending on a million factors, two

MN. Morse graduated from Johnson and Wales University Summa Cum Laude, then turned restaurant chef, hotel chef and country club chef, honing his passion, developing his cooking techniques, management style and knowledge of all things food for nearly three decades. Today, he is a Certified Executive Chef with the American Culinary Federation and serves as ACF Colorado Chefs Association Education Fund President. He is a nationally acclaimed speaker, working with many top foodservice groups and speaking at local and national food shows. With a huge passion for the industry, Morse consults with K-12 schools, agriculture, foodservice, hospitality and government.

**Marc Murphy.** His living experiences across Europe — Milan, Paris, Villefranche, Rome and Genoa — provided an excellent education in French and Italian cuisine. Murphy graduated from the Institute of Culinary Education and apprenticed at restaurants in Europe such as the famed Louis XV in Monte Carlo — where Executive Chef Alain Ducasse was so impressed with his skills, he personally made arrangements for him to work at Le Cirque once he returned to New York. Marc opened his first restaurant, Landmarc, in March 2004. Ditch Plains in 2006, a second Landmarc in the Time Warner Center, and Kingside at the Viceroy hotel followed this in 2013. Today, his involvement in the culinary industry moved beyond his restaurants. He is a regular judge on The Food Network's *Chopped*, appeared on *Iron Chef America*, *Hot Chefs*, *The Martha Stewart Show*, *Make My Day*, *Unique Eats*, *the Rachel Ray Show* and *Today Show*. He is president of the Manhattan chapter of the New York State Restaurant

vegetables can look exactly the same and taste completely different.

**Young:** Don't over fuss. Good produce speaks for itself.

**Yu:** Don't take the best parts and throw them away. Learn how to utilize them. We dry the skins and peels of the sunchoke and use it to make a tea or sauce base.

**Weir:** Play up the flavors. Don't mask them.

**PB:** When it comes to produce, how

does a great chef know a dish is ready? When is enough, enough?

**Brunell:** It depends on what role the vegetable plays. Seasoned carrots with a little orange juice and cumin as a side for a delicate fish. If serving with braised pork, make it heartier by adding honey and black pepper along with the orange juice and cumin or coriander. Let the vegetable be a hero as much as what it accompanies.

**Gomez:** A certain level of experience is essential. I prefer subtlety with bold pops

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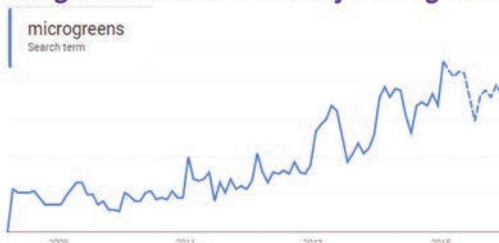
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**Hegsted:** I'm not sure if it's possible. I think dishes continue to evolve over and over. It's hard to say when something is perfect. There may be some versions during a dish's evolution that may seem to be perfect to you, but to me it may not be very good.

**Jinich:** Too much is when you hide the personality or what attracted you to the fruit or vegetable in the first place.

**Morse:** It comes from experimenting, playing around and making mistakes.

**Stadler:** It is a matter of taste.

**Young:** It's ready 5 minutes before you think it is. What did Coco Chanel say? Take off one accessory before leaving the house!

**Yu:** Taste it.

**Weir:** I go for what I call "purposeful randomness." That is, I want a dish to look like it fell out of the garden rather than perfectly composed.

**PB:** Do you innovate differently for varying age groups? Children? Millennials? Baby Boomers? Who are you thinking of in the kitchen?

**Brunell:** My goal is to create dishes

*"It is good to remember who your audience is and what their food memories are."*

— ADAM HEGSTED

every guest can take one bite and say "wow."

**Gomez:** I don't believe in market segmentation when it comes to cooking. I feel strongly about exposing children to the same foods that adults will serve them when they get older, so in that sense, there is not a separate menu ideation.

**Hegsted:** It is good to remember who your audience is and what their food memories are. If I serve spaghetti and meatballs in Mexico, it probably won't provide the same nostalgic feeling most Americans have. It's the same with each age group. Elderly people don't want as much adventure in their food. They want something stable, good and recognizable, while Millennials want something more

adventurous.

**Jinich:** I make food that appeals across the board.

**Morse:** I learned school kids don't like hot broccoli, so I blanch and shock it. The adult athletes I private chef for say they don't like big salads because it makes their "stomachs' rumble." I ideate and innovate for every age group I cook for.

**Murphy:** I think people of all ages enjoy food that tastes good.

**Stadler:** I cook what I would love to eat. So I'm not sure how much that varies and who likes this type of food. I hope everyone enjoys it.

**Young:** I've tried to walk the line between the familiar and the outrageous. Example, we serve a Gin and Tonic Tart at David Burke Fromagerie, which is a play on a Key Lime Pie. The garnishes come from the aromatics associated with gin, a juniper meringue, rose-scented whipped cream, cucumber granita and tonic jelly. To the foodie crowd, this is all cool, to the more conservative diners, it's a delicious Key Lime Pie.

**Yu:** I concentrate on maximizing the flavor in a dish to the fullest extent rather than worrying if a kid comes in.

**Weir:** I create for everyone.

**pb**

Association; member of the Food + Finance High School Industry Advisory Board; and national spokesman for "Share Our Strength's Dine Out For No Kid Hungry" campaign. In 2012, Murphy joined the U.S. Department of State's Diplomatic Culinary Program. His debut cookbook, *Season with Authority: Confident Home Cooking*, will be released this year.

**Cara Stadler.** Stadler's Tao Yuan, in Brunswick, ME, is the culmination of the nearly two decades Cara and Cecile Stadler spent by each other's sides in the kitchen. Though this mother-daughter pair teamed up professionally in 2009 — when they formed *Gourmet Underground*, which was one of Beijing's only private fine-dining clubs — Tao marks their first foray into opening a restaurant together. Stadler grew up making Shanghainese classics, yet her training is far more global working first at Café Rouge in Berkeley at age 16, followed by Striped Bass in Philadelphia, before heading to Paris to hone her fine dining skills. While in France, after staging at Guy Savoy, Stadler worked at Gordon Ramsay Au Trianon Palace, his two-Michelin star restaurant in Versailles. She headed to Asia in 2008 with the aim of honing her skills on creating "the perfect bite." After *Gourmet Underground* in Beijing, she moved to Shanghai and began her long-standing relationship with one of China's most esteemed restaurateurs, David Laris. She ultimately launched Laris' private dining restaurant, 12 Chairs, which was hailed as one of Asia's best restaurants by *The Miele Guide*. Stadler returned to the U.S. in 2011, eager to work with her mother to bring a unique twist of contemporary

Asian fusion combined with local Maine flavors. *Food & Wine* named her one of the "Best New Chefs of 2014."

**Zac Young.** He traded fluffing wigs for the Radio City Rockettes for student status at the Institute of Culinary Education in New York City in 2005. After graduating with honors, Young worked at Bouchon Bakery, followed by a position under award-winning chef Alex Guarnaschelli, who offered him the position of pastry chef at her downtown New York City hot-spot Butter Restaurant. It was there that Young developed what would become his signature style: a combination of classic French technique, bold flavors and fun, imparting a creative twist on American desserts. Today, Young oversees the pastry programs at all David Burke Group properties. In addition, he was featured on the *CBS Early Show*, *Alex's Day Off*, and *Better TV* as well as on local programming such as *New York Live*, *LX TV* and *Good Day LA*. Young was an early fan favorite on the inaugural season of Bravo's *Top Chef: Just Desserts* and filmed numerous episodes of the Cooking Channel's *Unique Sweets*. He also participated in The James Beard House's "Chefs and Champagne" event in the Hamptons and was selected by *Food & Wine* as one of Holland America Cruise Line's "Chefs on Board."

**Justin Yu.** This Texas native and Culinary Institute of America graduate worked in notable and Michelin-starred restaurants such as: \*17 in Houston, TX; Green Zebra and Spring Restaurants in Chicago, IL; and Ubuntu in Napa Valley, CA. After staging abroad at In de

Wulf in Dranouter, Belgium and AOC and Geranium Restaurants in Copenhagen, Denmark, Yu came home to Houston to open Oxheart. He received praise in publications such as *Bon Appétit*, *GQ* and *Texas Monthly*, where Oxheart was named one of the best vegetable-centric restaurants in the nation. Yu and Oxheart received semi-finalist status in the 2013 and 2014 James Beard Foundation Awards. *Food & Wine* named him one of the "Best New Chefs of 2014."

**Joanne Weir.** A James Beard Award-winning cookbook author and judge, Weir is also an international cooking teacher and chef. Her award-winning PBS series, *Joanne Weir's Cooking Class* and *Joanne Weir's Cooking Confidence* shares her love of cooking with a national TV audience. Her newest TV series *Joanne Weir Gets Fresh* began airing nationally in the U.S. in January 2015. Weir's accolades include an appointment by Hillary Clinton and the State Department to the American Chef Corp. in 2012 — becoming one of only 80 American chefs named to promote world relations through food. She received the first IACP Julia Child Cooking Teacher Award of Excellence. In addition, she garnered a Taste Award for "Passion" in 2011 and another Taste Award for "Cooking Confidence" in 2013. This same year, Weir was honored with the Tour Operator of the Year Award from the IACP for her highly acclaimed Culinary Journeys program. Her online wine business, *Joanne Weir Wines*, which she launched in 2011, collaborates with artisanal wine makers to produce award-winning California and international wines.

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## FORMER SCHNUCKS PRODUCE EXECUTIVE MIKE O'BRIEN SHARES VIEWS OF HIS 30-PLUS-YEAR PRODUCE CAREER

BY CAROL M. BAREUTHER, RD

**S**easonality, sustainability and meal solutions weren't buzz words when Mike O'Brien embarked on a retail career at Schnucks, a 100-plus store chain based in St. Louis, MO. Over the past 32 years, O'Brien spent 11 years at store level, nine years as division manager, and nearly 15 years as vice president of produce and floral. Last November, he left retail for the supply side taking the position of president of sales and marketing at Watsonville, CA-based Monterey Mushrooms.

### Where were you in 1985?

I was a young store manager for Schnucks in Dellwood, MO.

### What was the school of thought in the produce department in 1985 regarding SKUs, seasonality, local/imports, organics, fresh-cuts, etc.?

The produce departments in stores were a lot smaller back then with fewer SKUs, less breadth and depth of variety. This was driven by

the fact that other than bananas and storage apples everything was seasonal. Plus most produce was domestic. Strawberries were all from California, with Florida starting as an option in the off season. Grapes and peaches were a summer fruit. We had a few SKUs of mushrooms — mainly white.

Almost all produce was “naked” and bulk with some exceptions like bagged apples and potatoes. There were no bagged salads. The produce cases we used were Y tables with very few multi-deck cases in the department.

We were into color breaks back then instead of destination category merchandising. Carrots were everywhere and citrus was mixed with apples.

### How was the overall retail environment then?

The retail landscape was very competitive back then as I remember. I honestly can't ever remember it not being competitive. We were fighting all of the warehouse concept stores that had cheaper labor rates. Sound familiar?

While produce wasn't as big as it is today, it was always important for our stores. We hung our hats on the quality of our meat departments, however produce was still at the forefront and the first department as you entered our stores. We were the go-to company for quality produce and knowledgeable teammates.

### When did things start to change and what were the drivers of change?

I think 1985 was the cusp of the change as I remember. It was probably the late 80s when we started importing stone fruit. I even remember Christmas strawberries from New Zealand. They were expensive and didn't sell.

Two big changes were imports and value-added.

Imports removed seasonality from items like asparagus, grapes and

strawberries. This made these items staples rather than seasonal specialties that people looked forward to. They are now part of our everyday diet.

Convenience and value-added — starting with the bagged salad explosion — was a major change that helped grow produce consumption.

### What were some of the biggest innovations in the industry during the past 30 years (for example: PLU, category management, packaging, food safety, international trade, product development, etc.)?

Those are all great choices. I would add cold chain management to the list. The cold chain makes it possible for global produce procurement to happen. We can get cherries and grapes from Chile, for example, because of the cooling logistics of the product so that the freshness is intact for the consumer.

If I had to pick three biggest innovations, it would be international trade, packaging and product development. All helped make produce more a part of mainstream diets.

In the past when we had only domestic products, they were considered more of a treat, and people looked forward to that season. Think about the California grape. Now that grapes are available all year, they are a staple, and because of that, we sell more California grapes than we did when they were seasonal. The same goes for asparagus, and other categories.

The packaging and the product development go hand in hand with convenience. Customers are busy and are looking for solutions to save time. The value-added products that we have in our departments play into that need. The bagged salad category is the poster category for this example.

### How would you describe the produce department today?

Produce passed the meat department as



the driver in the decision-making process in where customers shop. We are fresher. We have more variety. And because health and nutrition are top-of-mind, we are key in Americans living a long and happy life.

Nutrition has always been a hot topic, but not as much as it is today. I think we hit the tipping point. This is our time. The Boomers are eating more fruits and vegetables, because we intend to live forever and have a good time doing it. To do this we have to take care of ourselves. Eating healthy is something that our doctors and our kids insist that we do.

Our kids are the Millennials. They are also eating healthy. They are raising our grandkids to eat healthy. Millennials and Boomers are the two largest segments in terms of spending dollars and both are spending food dollars on healthy foods. What is healthier than fruits and vegetables?

Our weakness [as a collective industry]: we need more engaging produce workers at store level. Consumers will reward you with loyalty if they feel validated and consider a retailer as a caring expert.

**From your experience, what is the best way for the industry to cultivate educated engaged produce workers to achieve that quality interaction with customers?**

First and foremost is the hiring process. We are in the customer service business. Hire only people who like people.

The second is training and education. A great training program should be three-tiered.

First, new hires — basics of the job including customer service and friendliness. Second, ongoing product education — including handling, product attributes and culinary uses. Third, future produce managers — career pathing to help build your company for the future with 'A' players.

**What do you think was the greatest lesson you learned over the past 30 years? Is there an example you could share that may be instructive for someone starting out in the industry?**

The answer is not about SKUs and international trade. It's all about people. Believe in people and form solid honest relationships based on authenticity. When you are young and starting out, you are worried about what others think. When you get to be my age you realize that the only person that you need to be true to is yourself. Once you get there, you are free and much more powerful.

It's all about teamwork. A true leader

believes in people and understands the importance of a commitment to people and their careers. Great leaders create environments in which people work together as a team to do extraordinary things.

**What do you think will drive the produce industry in the next 10 to 20 years?**

I think technology will continue to be a game changer for the produce industry in terms of innovation, communication and efficiencies. The labor and water issues we are

facing are a big threat. Who is going to pick our produce? There is an answer, but we have to transform our thinking. Robotics and computers will play a part in it. Organic will continue to grow and eventually overtake conventional produce. This will be driven by the Millennials. Growing practices will improve because there is money to be made and organic yields will be at parity with conventional. Sustainability and being green will be a way of life. Again driven by the Millennials — who will be driving the spending.

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# Produce Poised To Make Inroads On Quick-Service Menus

Operators play to a new generation of savvy, health-conscious consumers when creating menus.

BY MARK HAMSTRA

In an environment in which consumers are looking for fresh, flavorful and convenient meal solutions, quick-service restaurants have the opportunity to make menus more appealing with the addition of produce items, experts say.

Although limited by a lack of pricing elasticity and a low-skill labor model, these operators are looking at produce more closely, as a new generation of food-savvy, ingredient-conscious consumers emerges.

In perhaps the biggest example, burger giant McDonald's Corp. late last year expanded its use of produce with the addition of Sun Pacific's Cuties California Clementines as an optional side dish in its Happy Meals and Mighty Kids Meals. The Cuties, which were available through March 2015, joined

sliced apples and Yoplait's Go-Gurt strawberry yogurt as optional sides that the restaurant giant offers as part of the combo meals.

In a company press release announcing the Cuties addition, Greg Watson, senior vice president of menu innovation at the Oak Brook, IL-based chain, said McDonald's would "continue to explore more fruit and low-fat dairy sides for our youngest customers."

McDonald's high-profile produce play comes as other quick-service operators also either expanded their use of produce-based menu items or made other changes to respond to consumer concern over nutrition and ingredient integrity. Wendy's, Dublin, OH, for example, last year added two new salads to its menu: An Asian Cashew Chicken Salad (including fire-roasted edamame, roasted

cashews, sliced cucumbers and a lettuce blend of 11 different field greens) and a Barbecue Ranch Chicken Salad (including fire-roasted corn, diced tomatoes and a lettuce blend).

Meanwhile, Greg Creed, the new chief executive of Louisville, KY-based YUM Brands, the parent company of Pizza Hut, Taco Bell and KFC, says the company is paying close attention to evolving consumer concerns about processed ingredients on restaurant menus.

“This demand for fresh and real is on the rise,” he said in a recent conference call with analysts and investors.

His statement comes as several chains are taking steps to revamp menu items with fewer highly processed ingredients: Atlanta, GA-based chicken-sandwich chain Chick-fil-A says it will phase out the use of chickens that have been given antibiotics; Carpinteria, CA-based burger chain Carl’s Jr. is introducing an all-natural beef patty free from added hormones, antibiotics and steroids.

While some of these moves don’t necessarily involve increased use of produce, they underscore a broader trend to make quick-service menus healthier and more nutritious, which could lead to increased use of produce items in the ingredient mix, experts say.

In addition, an escalating number of fast-casual operators — some of which have been growing quickly and are helmed by chain-restaurant veterans — emerged that are focusing on healthful, produce-centric menus. These include operators such as Lyfe Kitchen, Just Salad, Sweetgreen, VeggieGrill and Tender Greens.

## MORE VEGETARIAN OPTIONS

Lizzy Freier, editor of menu analysis at Technomic, Chicago, IL, notes while some of the large, traditional fast-food chains are substituting healthier items on kids’ menus, there has not yet been significant activity in terms of QSRs (quick-service restaurants) adding salads or more produce items in general.

However, “what I have seen are more vegetarian and vegan offerings on menus, something that we typically don’t see at QSRs,” she says, citing White Castle’s Veggie Sliders and Subway’s testing of two vegan subs.

“This trend goes along with the health trend as well as the fact that customers with alternative diets — such as gluten-free, nut-free, etc. — are requiring more options at restaurants,” says Freier.

She notes that as consumers demand healthier options and local ingredients, she expects to see produce become more prevalent

# “I certainly think we’ll see more and a wider variety of salads from QSR operators who had previously not focused on those types of produce-forward items.”

— Maeve Webster, Datassential

on QSR menus.

“I also expect to see QSRs getting more adventurous with different produce pairings on menus as well as using new kinds of produce on already-established menu items,” says Freier, citing as an example the new 3 Pepper Chicken Pizza from Sbarro, featuring poblano pesto, roasted red peppers and jalapeños.

Maeve Webster, senior director at Datassential, Chicago, IL, makes similar observations, and says she witnessed an increasing interest in produce by the QSR segment of the foodservice industry.

“I absolutely think QSR operators are going to be looking at produce both as an independent, innovative kind of ingredient — designing items around interesting produce — as well as looking at ways to use produce to make traditional items stand out a bit more on the menu,” she says.

“I certainly think we’ll see more and a wider variety of salads from QSR operators who had previously not focused on those types of produce-forward items,” says Webster.

In addition, she expects QSR operators will incorporate produce into more standard items such as hamburgers, sandwiches and breakfast items “to make them more visually appealing, and to bulk them up without increasing costs.”

“By adding produce, you can make the item more substantial without adding as much cost as if you were adding more protein,” notes Webster.

She says her experience working with QSR operators leads her to believe that produce is top of mind at these companies as they seek to cope with “continued and increased scrutiny of the healthfulness of their menus.”

QSR operators are not necessarily looking to completely abandon their indulgent items, but are instead looking for ways to increase the nutritional density of their offerings, explains Webster.

“It’s about making the things that they have on the menu healthier, and I think produce is going to be an important part of that activity,” she says.

A recent report from London-based market intelligence agency Mintel, however,

indicates QSR operators and fast-casual chains have not made much progress thus far in that regard. The research firm found that menu incidence of vegetables declined slightly at fast-casual and quick-service chains in the U.S. between the first quarter of 2011 and the first quarter of 2014.

“Despite the healthy halo surrounding fast casual, and the intense pressure QSR is getting from both consumers and media to provide better-for-you options, vegetables seem to be missing more from the menus and menu item descriptions in 2014,” the report stated. “A reversal of this trend would benefit both segments.”

However, in other segments of foodservice, including casual dining and fine dining, produce has been taking on a more important role in innovation, Webster of Datassential points out. She says that trend stands likely to be reflected on QSR menus in the future.

“From appetizers and entrées, to beverages and desserts, whether it’s fruits, vegetables or herbs, produce has really been driving a lot of flavor trends — either as a primary ingredient or a supporting ingredient. QSR operators are very much in touch with that and are looking for ways to leverage it on their menu,” says Webster.

## OPPORTUNITIES FOR FRUITS

Webster notes that vegetables especially, as opposed to fruits, have been the focus of much of the innovation at QSR and fast-casual chains, based on Datassential’s menu analysis (excluding beverages).

“I think that’s an opportunity for producers and commodity boards to get together and say, ‘Look, there’s a lot that could be done with fruit that’s not currently being done.’”

It is probably no surprise that kale has been the fastest-growing vegetable item on QSR menus during the past five years. According to Datassential’s research, the ubiquitous leafy green has seen growth of 955.3 percent from 2010 to 2014, and now has a penetration of 2.2 percent.

Other fast-growing vegetables in that time included daikon radishes, up 322.1 percent;

ancho chilies, up 190.2 percent; habanero peppers, up 186.4 percent, and spring mix salad, up 103.8 percent. Those vegetables were followed by fennel, poblano, fried eggplant, green tomatoes, arugula, cayenne, sweet potatoes, button mushrooms, caramelized onions, jicama and edamame.

Only three fruits had growth of more than 50 percent in that five year-span: figs, up 111.1 percent; grilled pineapple, up 75.9 percent; and grapefruit, up 67.1 percent.

The data for produce penetration on the menus of fast-casual restaurants during the same time period also shows a preponderance of vegetable items, compared with fruits. Kale use grew 596.3 percent at fast-casual restaurants in this time period — a close second to butter lettuce, which grew 609.9 percent.

Other hot vegetables in the fast-casual segment included: truffles, baby arugula, roasted red bell peppers, beets, marinated artichokes, pickled vegetables, serrano peppers, wakame, shallots, roasted mushrooms, roasted eggplant and Brussels sprouts.

Freier of Technomic notes more varieties of peppers could begin appearing on QSR menus, “going along with the spice trend that we saw blow up over the past year.”

## CITRUS GROWTH

McDonald’s move to add Cuties to its menu could be reflective of a potential emerging trend in the segment. If QSR follows the path of innovation set by casual dining and fine-dining establishments, citrus fruits could be an area to watch for growth in fast food.

According to Datassential, among the fastest-growing fruits on casual-dining menus over the past five years were several citrus vari-

# “The trick with QSRs is to offer something that is both well liked by consumers and easy to prepare for the staff.”

— Lizzy Freier, Technomic

eties — including Meyer lemons, up 235.8 percent; yuzu (an Asian citrus similar to mandarins) up 161.2 percent; and blood oranges, up 144.9 percent. Fine-dining establishments expanded use of kumquats by 530.7 percent; red grapefruits by 278.4 percent; ruby red grapefruits by 89.2 percent, and blood oranges by 81.3 percent.

Freier notes corn, cauliflower and squash proliferated on full-service menus and at independent restaurants in the past year — an indication that these ingredients could also begin to appear more frequently on limited-service menus.

“We can expect various squash varieties, namely butternut, to hit some QSRs seasonally in the future,” she says. “As far as fruits, we could see more stone fruits such as peaches, as well as more tropical fruit varieties hit menus.

“The trick with QSRs is to offer something that is both well liked by consumers and easy to prepare for the staff.”

## MOVING QUICKLY ON TRENDS

Webster of Datassential notes that while QSR operators still follow the lead of full-service restaurants when it comes to flavor and ingredient trends, they are increasingly looking to move more quickly.

“The QSR industry is looking farther ahead for trends,” she says. “It used to be that it just followed, but that’s really not the case

anymore. I don’t see any reason why that won’t accelerate, and why the industry won’t continue to jump on trends as quickly as possible.”

Produce suppliers can play an important role in helping these operators capitalize on trends in fruits and vegetables quickly by making it easier for such chains to incorporate them into their ingredient formulations, notes Webster.

Such chains need access to consistent supply of these items, and in many cases, the restaurants need to receive items partially processed due to the labor constraints in their outlets. Storage also can become an issue, and supplies have to be carefully managed to minimize waste costs.

“The operators are fully aware of that, and they are approaching this with all those issues in mind,” says Webster.

Cost also remains one of the limitations that could prevent quick-service operators from expanding their menus, as their customers tend to be more value-oriented than those who regularly patronize the pricier fast-casual segment.

“Operators should ask themselves, ‘Is there enough need from my target audience to pay higher prices for higher-quality produce?’” notes Freier of Technomic.

Webster asserts many QSR operators work closely with their suppliers to procure a wider variety of fruits and vegetables, and improve consistency and availability.

She explains that the produce industry “has been very good at identifying those items that are more difficult to handle in back of house,” and cites butternut squash as an example.

“If you are quick-serve operator, and you want to get things out quickly, you can’t have an employee back there peeling, cutting and dicing squash,” she says. “The produce industry had been doing a good job of identifying those items and offering value-added options, such as cut-up butternut squash. You still have a lot of the waste and storage issues, but you have eliminated the prep issues.

“I think the more the produce industry can do those kinds of things, the easier it will be for these QSR operators to respond to these trends, and get these items on their menus.” **pb**

Technomic reports that various QSRs are offering vegetarian options, such as the Veggie Slider from White Castle.







## CREAM OF THE CROP: **Canada's** Top Produce Merchandisers

A selection of top produce retailers in Canada based on exemplary produce marketing and merchandising acumen. BY MARK HAMSTRA

**C**anada's expansive geography and scattered regional idiosyncrasies coupled with a short growing season create a challenging environment for the produce industry.

Food retailers that excel at merchandising fruits and vegetables North of the Border must build exceptionally strong relationships with their suppliers to ensure they can procure the best local product and gain access to the imports they need to satisfy the nation's increasingly diversified population.

On the following pages, PRODUCE BUSINESS showcases some of the top produce retailers in Canada, from Pete's Fine Foods in the East to Thrifty Foods in the West. The retailers were selected based on their exemplary produce marketing and merchandising acumen.

"The retail landscape in Canada is extremely competitive," says Ron Lemaire, president of the Ottawa, Ontario-based Canadian Produce Marketing Association. There's been consolidation, with a few national chains across the country competing for a share of stomach, and a dynamic regional competitive environment."

The expanse of Canada's geography — it is the fourth largest country in the world, in terms of land mass — and its relatively small population (about 35.6 million) spread from coast to coast makes produce distribution especially challenging, he says.

"The produce industry has done a good job finding efficiencies, to get fresh produce to the consumers across all the different markets," says Lemaire. "Consumers want a good selection of produce, high quality, and price comes into play as well."

With low-priced global giants such as Wal-Mart and Costco growing in the market — plus a well-established discount grocery sector of its own — Canada presents no shortage of options for consumers on a tight budget.

As a result, many traditional food retailers turn to quality, variety and

service as differentiators.

"The whole fresh arena has gotten really competitive in Canada," says Stewart Samuel, program director at Vancouver-based research and consulting firm IGD Canada.

He cited Montreal-based Metro Inc. and Stellarton, Nova Scotia-based Sobeys as two of the larger chains that made a renewed effort in the department lately.

"For everyone else, from [leading Canadian grocer] Loblaw to Wal-Mart, it remains a big focus area," says Samuel. "It's an interesting category, because retailers are putting a big emphasis on it right now."

### A Business Driver

Produce accounts for about 19 percent of the floor space of a typical Canadian supermarket, says Lemaire of the CPMA, but it generates 21 percent of the revenues. "Produce is a driver of the business," he says.

Interestingly, Canadians tend to consume more produce per capita than people in the U.S., at nearly five servings per day North of the Border, versus estimates of about between three and four servings per day in the U.S. Lemaire attributes those numbers in part to a culture of healthful eating in Canada, although he concedes obesity and other diet-related illnesses are a major problem.

The CPMA is also seeking to drive higher consumption of produce in Canada through its "Half Your Plate" program, encouraging consumers to make fruits and vegetables comprise about 50 percent of their meals.

In addition, the burgeoning ethnic populations in Canada often seek to buy the fruits and vegetables native to their ancestral homelands. This is pushing retailers to display new produce items they never carried before, and driving innovative growers to plant new crops Canada has never grown in the past.

"Three out of four Canadian consumers are buying products they did not buy five years ago, from kale to mango to bok choy," says Lemaire. "That is leading to some innovation from the production base. You would not have seen bok choy grown in Canada five years ago."

Still, Canadians spend three out of four dollars on imported produce,

says Lemaire.

“The reliance on, and need for, a global market approach is key,” he says.

Canadians do have a high demand for local produce, however, and that forces retailers to be competitive against each other to procure a limited supply. Canadian retailers also compete for supply against the U.S., which often has a high demand for Canadian produce because of currency exchange rates and because of the generally high quality of the

product, says Lemaire.

That contributes to pricing challenges, which retailers in Canada say is the No. 1 obstacle to driving higher sales of produce.

Other challenges include staff knowledge and training, says Lemaire. In fact, having a knowledgeable, service-oriented staff is part of what sets the best retailers apart. “Some of the smaller retailers work to add service as part of the value they bring to consumers,” says Lemaire. “Service can be a big differentiator.”



Canadians in the Toronto area know they have one grocery store they can always count on to have the highest quality produce in the market. Longo Brothers Fruit Markets, which opened its 28th location in March, prides itself on offering the best produce it can procure since the first location opened 59 years ago.

“For the Longo’s brand, the backbone of the business is produce,” says Mimmo Franzone, director of produce and floral at Longo’s, based in Vaughan, Ontario. “The founders opened the first market in 1956, and the majority of the business at that time was produce. From day one, the values that the founders brought to the table were to offer the consumer the best possible product at all times. Regardless of where we needed to source it from, the top line was always quality. We still live those values. We make sure we are buying the best product.”

Franzone says the company is able to provide its customers the highest possible quality of product through the great relationships it has with its vendors. It has long-term relationships with many local growers in Canada, in some cases extending back multiple generations, as well as relationships with growers around the world.

## FOCUS ON QUALITY

### LONGO BROTHERS FRUIT MARKETS

“We work closely with our growers, so we know when the item was picked, and we know exactly how long it takes to get it to our DC [distribution center] and into our stores,” explains Franzone. “Our turnaround time in our DC is about 20 hours, so we are turning it around as quickly as possible.”

Longo’s stores allocate about 25 to 30 percent of their square footage to produce, and typically carry a few hundred SKUs. It is almost all displayed loose.

The company merchandises berries and grapes at the entryway to its stores, with displays set up on orchard crates, and the best grapes available at the time spread out loose on tissue.

“We keep berries and grapes front and center, which allows our team to focus on it,” says Franzone. “In fruits, we shy away from clamshell packaging for product, because we want our customers to have that touch and feel

experience, so we focus on all bulk-fruit items in our department.”

One exception is the company’s private-label grapes, which Longo’s personnel hand-selects and bags to ensure high quality, says Franzone.

Longo’s does use packaging for some value-added vegetable items, such as trimmed Brussels sprouts or cubed squash.

In each store, Longo’s displays a sign stating it offers at least 100 varieties of organic produce each day, and all of the company’s organics are displayed loose.

“A lot of competitors display organic produce packaged, but we keep it all in bulk,” says Franzone.

Longo’s seeks to buy local produce as soon as it is available.

“As soon as it comes into the market, we will change over to local, regardless of the price,” says Franzone. “Right out of the gate, we are in the local game. We have relationships with more than 100 local farms, some of which are fourth-generation farmers that we have been dealing with since day one.

“A lot of times, they are growing with us, and we continue to support them, and they are a very important piece of our business.”





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**P**roduce is a signature department for Montreal-based Metro Inc., which takes pride in the freshness of the fruits and vegetables it offers.

“The quality and freshness of our produce departments distinguish us for sure,” says René St-Louis, director of produce merchandizing at the company, which is one of Canada’s largest food retailers with 600 stores in Quebec and Ontario. “Every day, there are four freshness tours in the produce department, to ensure specifically that the products on shelves are fresh.”

Freshness has become an important mantra throughout Metro, which operates stores under the Metro, Food Basics, Super C, and Marché Adonis banners.

Last year it consolidated its Québec produce and dairy product distribution activities in a new distribution center in Laval, which the company says allowed it to become more efficient while also improving the quality and freshness of its products. During the past several years, the company revamped its produce departments with a new look featuring lower tables and a market-style ambience.

“Metro, in their conventional stores, is really one of the best retailers [at merchandising

**FRESHNESS IS KEY**  
**MONTREAL’S METRO**

produce],” says Stewart Samuel, program director at Vancouver-based research firm IGD Canada. “They talk about it as one of their ‘hero’ departments, and they do try to emphasize that, whether it’s through terrific displays or ranging.”

In addition, he says the company’s Super C discount banner also has been focusing on freshness and presentation in the produce area.

“They have brought in new tables, and new fixtures, and it enhances the environment in produce,” says Samuel.

Metro also emphasizes freshness at its Ontario Food Basic division, where “Always Fresh” is one of its three promises to customers, along with “Always In Stock” and “Always Great Prices.”

Metro’s eight-unit Marché Adonis chain — which the company has been expanding since acquiring it in 2012 — specializes in perishables and other fare geared toward Mediterranean and Middle Eastern cuisines,

targeting Canada’s large Greek population in particular.

When it comes to perishables, Canadian customers look for freshness first, with variety as a secondary concern, says Metro’s St-Louis. Also important are the cleanliness of the produce department and pricing.

In addition to the daily sweeps of the produce department to ensure freshness, Metro also prides itself on offering a wide variety of in-store cut fruit and an extensive selection of organic fruits and vegetables, says St-Louis.

“Mostly because with the issue of health, fruits and vegetables are more important for our customers,” he says. “Their carts contain more produce than before. So we adapt our offer to meet and exceed their expectations, and ensure they find all the products they want, at good prices.”

Metro stays in tune with its customers’ concerns through the help of its sophisticated loyalty programs: AirMiles in Ontario, and metro&moi in Quebec.

St-Louis says Metro seeks to provide “the best product offer possible.”

“Customer insights that we get with our loyalty program help us achieve this, since we know what our clients want and buy from us.”



**P**ete’s Fine Foods is described on its website as offering “market style produce with a taste of old world charm.”

The three-store, independent grocer, based in Nova Scotia, was launched as a specialty destination for produce, and has since expanded into a nationally recognized destination for specialty products, perishables and prepared foods.

**PRODUCE FRONT AND CENTER**  
**PETE’S FINE FOOD**

“We try to have things that no one else has,” says Geoff Lander, produce specialist at Pete’s. “Right now, we have sumo mandarins, and MAG melons from Del Monte, for example.

They are both innovative products, and taste incredible.”

Lander says the company — whose stores previously had been called Pete’s Frootique — is always quick to experiment with new products, and often brings new ethnic or specialty produce items into its stores for trial at the request of customers.

“We carry everything,” he says. “If a customer comes in and asks for something we

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don't typically carry, we will bring it in for a couple of days and give it a go."

In the Nova Scotia markets where Pete's operates, the company serves a customer base that includes people of Dominican descent, and of various Asian ethnicities.

"All of these customers come in and ask for stuff that sometimes we have never even heard of, but if we can, we will try to source it, and if it works, we will carry it all the time," says Lander.

Some examples of produce items Pete's has

added at the request of customers include yellow yams from the Caribbean and aloe vera.

Recently, Pete's began offering yellow dragon fruit for the first time, and it made sure that all three locations each had at least one case so customers could try it.

### Customer Service

Sampling and providing a high level of customer service are key elements to Pete's strategy, says Lander.

All produce department employees are



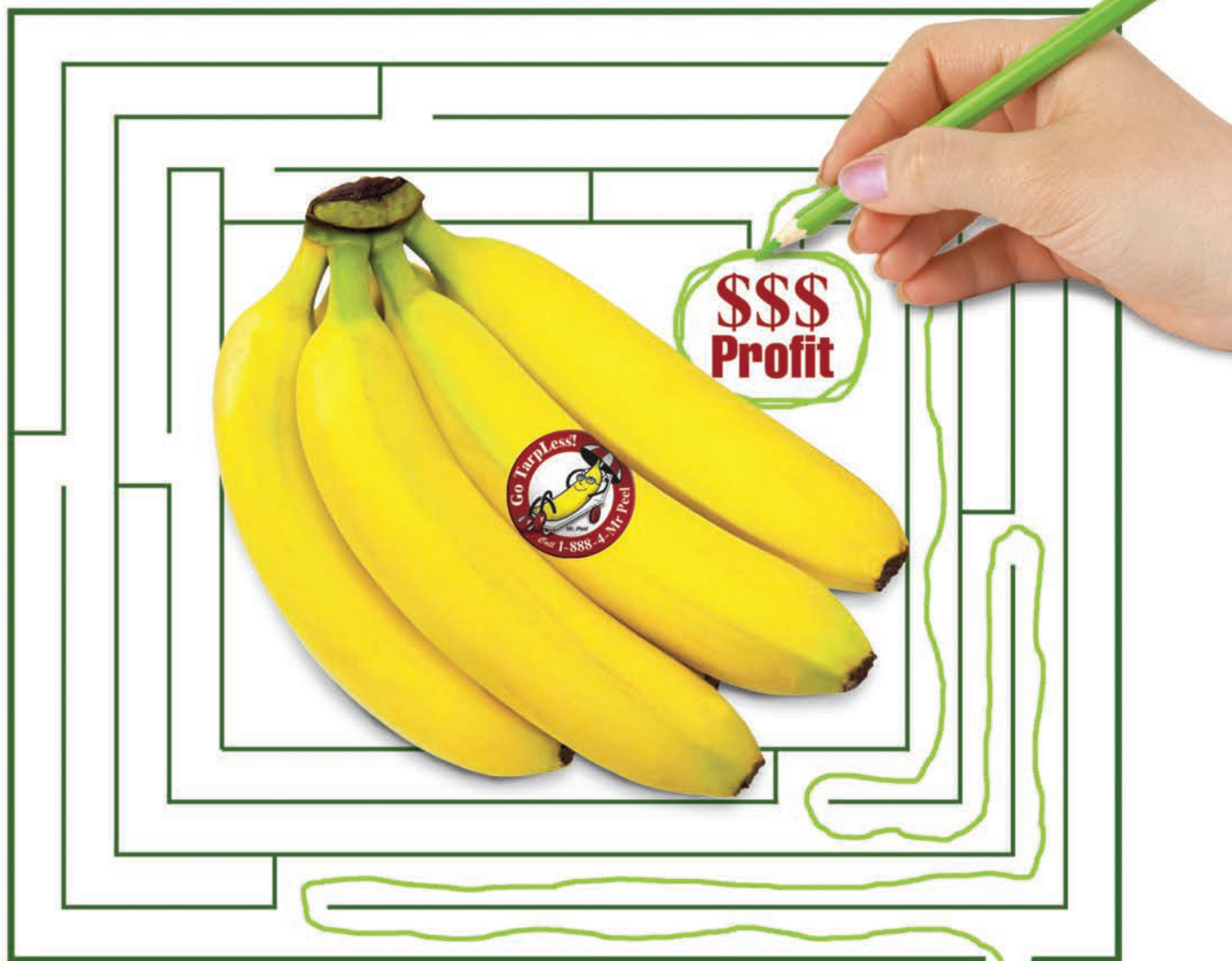
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given a knife kit so that they can offer a taste of the company's offerings.

"We're not the kind of store that puts things out in a bowl and lets people try it themselves," he says. "Everybody in the produce department is told from day one, if someone is looking at something that's new and different, they walk up to them say, 'Hello, how are you? This is brand new — would you like to try?'"

That customer interaction is part of Pete's



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philosophy of doing business, he says.

“You have to talk with the customers, and ask them how they are doing,” he says. “Make them feel special.”

“We like to think it is an experience coming into our stores, and that’s what we try to do for them.”

Although Pete’s is quick to experiment with ethnic produce items, it also features as much local produce as it can source at a high quality level. Its location in the Annapolis Valley — a region in Nova Scotia world famous for its apples — gives it access to a rich bounty of local grown product.

Pete’s is known for its colorful, innovative

merchandising displays in the produce area, which takes up about a third of the floor space in the company’s stores. The company often uses the boxes that the produce items come in to help create its colorful displays.

Offering unique produce items helps the company boost its profit margins in the department, as many customers in the area are sensitive to price. Pete’s has to be in line with what its competitors are charging on items that they do have in common.

“People here know how much product is in Walmart,” says Lander. “We don’t try to compete with Walmart, but we do need to be price conscious. We can’t be too out of line.”



## THE REGIONAL INDIE STANDOUTS

### FARM BOY FRESH ST. MARKET THRIFTY FOODS

Three other regional chains that excel at merchandising produce include: Fresh St. Market, a format operated by H.Y. Louie; Farm Boy, a regional independent operating in central and western Ontario; and Thrifty Foods, a Vancouver, BC-based division of Stellarton, NS-based Sobeys.

Representatives from these chains were not available for comment in this article, but industry experts in Canada identified them as among the top merchandisers North of the Border when it comes to produce.

### Farm Boy Expands With Strong Perishables Offering

The Farm Boy chain began as a local

produce stand in 1981. It has since expanded to become a regional operator in Ontario with a full grocery offering, but it retained its focus on perishables with a strong reputation for fresh produce and prepared foods.

The company operates stores in the 23,000 to 28,000-square-foot range, featuring a wide selection of local products and a unique ambience. In-store attractions are animatronic characters that sing about the virtues of produce, and a robo-monkey that swings above the banana displays.

“We built a solid reputation in eastern Ontario as a top destination for fresh, wholesome food,” Jeff York, chief executive of the Ottawa-based chain, said in a statement when the company expanded to the London area in southwestern Ontario in 2012. “We’re confident this reputation will continue to grow.”

Since then, the chain expanded with several other locations, including a 16th store that opened in March in London, Ontario. And more Farm Boys are on the way.



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## Fresh St. Market Has Local Appeal

Operating two locations in British Columbia, Fresh St. Market is a top Canadian merchandiser of perishables — specifically including produce.



Fresh St. Market is owned by supermarket operator H.Y. Louie, a Burnaby, BC-based retailer and wholesaler supplying independent grocers and IGA supermarket locations.

Samuel of IGD says the company's Surrey, BC store — which operates under the Fresh St. Farms banner — “is one of the best stores I've seen, in Canada or the U.S. Produce has a central role, front to back, in the store, with lots of local ranging (assortment), and lots of interesting merchandising, with tables, carts, crates, barrels — it's an interesting department to walk around.”

## Thrifty Foods Focuses On Fresh, Local

Thrifty Foods operates 26 locations on the West Coast of British Columbia, and is known for its extensive, high-quality perishables selection.

Among its programs is a local sourcing initiative called “We Pick BC First,” through which it procures more than 300 locally grown produce items throughout the year. Suppliers in the program include Kildara Farms, a family-owned producer of organic, greenhouse-grown salad mix; and Bergen Farms, which supplies fresh berries in season and frozen berries year-round.

As a division of Sobeys, Thrifty also benefits from its parent company's partnership with chef Jamie Oliver promoting health-



(L-R) Daryl Fediw, Thrifty Foods Quadra & Cloverdale Store Manager; Jim Fuller, Thrifty Foods Fairfield Store Manager; Brian Boizard, Thrifty Foods Admirals Walk Store Manager; and Colin Tessier, The Mustard Seed Executive Director

ful eating and recipes made with fresh ingredients.

“Thrifty Foods continues to provide innovation, and give consumers a good feeling when they come into the stores,” says Lemaire of the Canadian Produce Marketing Association. **pb**



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# Selling Fresh Guacamole In Produce



How retailers can capitalize on salsa and avocado popularity with prepared product.

BY JODEAN ROBBINS

**W**ith salsa outpacing ketchup as the top condiment, guacamole is riding its coat-tails and presents significant opportunity for growth. “IRI data shows salsa household penetration is more than 52 percent, and fresh avocado is 25

percent,” says Tracey Altman, vice president of innovation and insights for Fresherized Foods’ Wholly Guacamole in Fort Worth, TX. “Guacamole is only 12 percent, so there is a lot of opportunity yet. Consumers are still learning how to use guacamole.”

The popularity of guacamole grew tremen-

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dously over the past years. “Supermarkets have seen sales increases, and popular restaurant chains now use guacamole in sandwiches and salads,” explains Samantha McCaul, marketing manager for Concord Foods Inc. in Brockton, MA. “Consumers are asking for prepared guacamole and guacamole mixes in supermarkets. This is a great opportunity for produce departments.”

Altman agrees. “It’s fun to be part of a category growing leaps and bounds over the past few years.”

### CONVENIENCE AND HEALTH

Several reasons affect guacamole’s growing popularity. “Convenience, freshness, quality, taste, and promotion are all fueling the rapid expansion of prepared guacamole in produce,” says Joseph Bunting, director of produce for United Supermarkets in Lubbock, TX, operating 66 stores under five unique banners: United Supermarkets, Market Street, Albertsons, Amigos and United Express.

“Consumers see guacamole as a healthier product,” explains Altman. “Another driver is the increasing popularity of Mexican food and how consumers are starting to do more at home with it. Also, guacamole is increasingly popular

**“Consumers are asking for prepared guacamole and guacamole mixes in supermarkets. This is a great opportunity for produce departments.”**

— Samantha McCaul, Concord Foods

with the growing Millennial demographic, who have a more diverse and open palate.”

Health and versatility are sales drivers also. “Avocados are a very healthy and good tasting fruit and can be consumed in a variety of ways,” says Al Ahmer, vice president sales and production at Calavo Growers, Inc. in Santa Paula, CA. “They’re a fun way to fulfill your daily nutritional needs.”

Convenience is another factor in prepared guacamole’s rise. “Target customers for prepared guacamole are those looking for convenience,” says Bunting. “Most people like



PHOTO COURTESY OF CONCORD FOODS

guacamole but don’t have the time to make it. They are looking for convenience and prepared guacamole provides the solution.”

For time-strapped consumers convenience is vital. “As a retailer of choice for our customers, we are always looking for ways to make life more convenient and save customers

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time,” says Maria Brous, director of media and community relations for Publix Super Markets, Inc. in Lakeland, FL. “Time savers are always big hits with our customers.”

### A FRESH FIT

Prepared guacamole is a natural fit for the produce department due to its fresh nature. “The guacamole Calavo supplies goes through a high-pressure technology procedure allowing us to use Hass avocados, fresh spices, and absolutely no preservatives,”

explains Ahmer. “Shelf-life depends upon the product, but a retailer or foodservice distributor will receive our items with at least 40 days of shelf remaining.”

Though prepared guacamole has surprising shelf life, stores are encouraged to still treat it as fresh as possible. “We guarantee 30 days to the consumer on the shelf,” says Fresherized Foods’ Altman. “We guarantee 42 days to the store from time of receipt. However, we believe the longer the shelf life, the worse the product is. It doesn’t have anything to do with safety; you just

**“The guacamole Calavo supplies goes through a high-pressure technology procedure allowing us to use Hass avocados, fresh spices, and absolutely no preservatives.”**

— Al Ahmer, Cavalo Growers, Inc.



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don’t get the optimal flavor from it. Our product is all fresh, and we want to emphasize this fresh concept.”

The importance of shelf life is not a factor if product flies off the shelf. “The guacamole we make in store has only three-day shelf life, yet it outsells the guacamole with longer shelf life,” relates Bunting. “I’m not sure shelf life matters as much as freshness and quality.”

### A VARIETY OF PRODUCTS

According to Nielsen data, there are about 12 companies in the prepared guacamole category. “Wholly Guacamole is the uncontested leader at about 42.5 percent market share,” says Altman.

Other players include Yucatan at 16.2 percent, Sabra at 13.3 percent and Calavo at 3.6 percent, according to IRI data. “We were one of the first in the prepared guacamole market, but now we welcome the growing competition,” says Altman. “Competition makes us and the category stronger.”

The category ranges from a classic recipe to more inventive mixes. “We make fresh traditional and spicy guacamole in our stores,” says Bunting. “Sourced guacamole includes the traditional and some with pico de gallo as well as Hatch pepper guacamole.”

For Concord Foods, traditional guacamole in mild and extra spicy flavors are the most popular items by sales volume, according to McCaul.

The category can be broken into four main product groups. “The first group of products are those with just mashed avocado,” explains Altman. “This appeals to consumers who like to make their own but want the convenience and surety the fruit is ripe.”

The second grouping consists of classic guacamole. “This is your basic avocado, garlic,



Marketers agree that consumers are looking for more ways to use guacamole, such as a spread on a sandwich.

salt formulation,” says Altman. “It appeals to people who love the simplicity of the product as well as to the consumer who wants to add things. This is the fastest growing group.”

The third and fourth groups up the ante a

bit more. “These products add other veggies or produce such as lime or cilantro,” explains Altman. “Last is the ‘Guac Plus’ group, adding tomatillo, chile or roasted peppers. Some suppliers play in all of these (categories) and

## ■ THE TARGET CONSUMERS AND WHAT THEY WANT

BY JODEAN ROBBINS

Guacamole appeals to a wide variety of consumers with ever changing demographics. “The guacamole target market is evolving with time,” says Samantha McCaul, marketing manager for Concord Foods Inc. in Brockton, MA. “The heaviest users are adults looking for quality and convenience. They have simple, everyday uses for avocados and guacamole.”

Baby Boomers and moms are frequent buyers. “It’s popular with the over-50 crowd as they are more active and concerned about health,” asserts Tracey Altman, vice president of innovation and insights for Fresherized Foods’ Wholly Guacamole in Fort Worth, TX. “One of the biggest target demographics is women between 35 to 40 years old. About 50 percent are moms looking for better options for their families. The other 50 percent love the indulgence of guacamole and want to eat well.”

Newer demographics are gaining ground. “We can’t ignore the Millennials either,” cautions Altman. “We’re watching them, because they had guacamole on their plate growing up and are comfortable with unique flavors and items.”

From an industry perspective, all outlets are viable. “Foodservice, retail, and club stores all present excellent target customers,” says Al Ahmer, vice president sales and production of

Calavo Growers, Inc. in Santa Paula, CA. “The market continues to expand.”

Guacamole is both impulse and list driven. “We’re finding it’s almost 50 percent planned as a snack or meal solution and 50 percent impulse,” reports Altman.

“Guacamole is both an impulse buy and shopping list item,” concurs McCaul. “As guacamole becomes increasingly popular, it is added to more shopping lists. To support impulse buys, retailers should create holiday and event displays such as Super Bowl or Fourth of July.”

Usage changed dramatically over the years. “Guacamole started as a party product but evolved to so much more,” explains Altman. “It’s being used in salads and as a spread. It’s become versatile. We didn’t even think about the sandwich spread use when we started the company.”

“Consumers are using guacamole in various ways including as a dip with chips, as a spread on sandwiches, burgers or quesadillas, or as a topping for chili or tortilla soup,” says McCaul.

Snacking opens a wide door for increasing guacamole sales. “The whole idea of snacking fits guacamole well,” says Altman. “Retail can increase daily usage by promoting guacamole as a snack and bridge the gap between the snack section and cut fruits and veggies.”

**We can’t ignore the Millennials either. We’re watching them, because they had guacamole on their plate growing up and are comfortable with unique flavors ... .”**

—Tracey Altman, Fresherized Foods

others play in only one or two.”

Packaging developments affect market opportunity. Altman says Wholly Guacamole is marketing minis, which are sold as a pack of individual portions used for snacks or as a spread, and “this is our fastest growing SKU,” she reports.

### MORE THAN CHIPS AND DIP

Prepared guacamole offers a host of profitable cross-merchandising options. The sandwich angle is very popular currently. “Sandwiches have really exploded,” says Altman. “All you need are good bread or tortillas, some kind of meat and cheese. Adding guacamole or avocado to a sandwich brings it to another level. Remind people it’s not just a dip.”

Meal Deals are another opportunity. “Produce should be a leader in offering Meal Deals because the options are healthier,” says Altman. “Stores can have some kind of salad with an ‘add protein and guacamole’ suggestion. Breakfast is another great prospect — eggs, guacamole and veggies make a healthy omelet.”

Utilizing portable refrigeration provides greater flexibility in cross-merchandising. “If you have a mobile refrigerated unit, you can merchandise guacamole with fresh pico and salsa and build a display of chips around it,” suggests United Supermarkets’ Bunting.

Publix has done secondary displays. “From time to time, we may do refrigerated secondary displays as part of a tailgate promotion for instance,” says Brous.

Prepared guacamole can also be cross-merchandised with fresh avocados or other produce items. “We are not competition, we’re all in the same business,” says Altman. “Many people add a fresh avocado to the product to make it chunkier. Put lime, onion or tomato near the prepared guacamole, and encourage customers to experiment with

**“Retailers can create opportunities by promoting fresh guacamole in the printed ad, running sales contests in stores, running weekend specials and demonstrating the product frequently.”**

— Joseph Bunting, United Supermarkets

adding things to it.”

Bunting concurs. “Fresh avocados can be merchandised around displays of fresh guacamole. Consider incorporating the easy-to-make guacamole dry mix with fresh avocado displays.”

### CLASSIC MERCHANDISING TECHNIQUES SELL

Classic merchandising techniques such as sampling, POS and ad promotion affect sales of prepared guacamole. “Throughout the year, there are opportunities to place the product on promotion and draw awareness,” says Publix’s Brous.

“Retailers can create opportunities by promoting fresh guacamole in the printed ad, running sales contests in stores, running weekend specials and demonstrating the product frequently,” suggests Bunting.

Sampling especially is crucial to convincing customers. “POS helps draw attention to the product but the best way to familiarize the customer with the product is to sample it,” advises Bunting. “Once a customer tastes how good it is, it becomes an easy sale.”

Altman agrees. “The key to sales is getting it in the customer’s mouth. Once people try our product, we’re in.”

A strategic location helps attract attention. “Retailers familiarize consumers by creating displays in prime locations,” reports Concord’s McCaul. “They are capitalizing on point of sales materials and recipe support.”

Playing up avocado health aspects encourages guacamole sales. “The big message is avocados are good for you,” says Altman. “Talk about how it’s a good fat and all the vitamins and minerals it has.” **pb**

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# Grape Expectations

Retailers prepare for a fast-moving spring season.

BY MARK HAMSTRA

**R**etailers need to be flexible in their promotional plans, but should be prepared for high volumes as the spring and summer grape seasons approach.

“We find the retailers whose buying habits are very flexible, and can plan very close to their actual ads, do much better,” says John

Pandol, special projects director for Pandol Bros. Inc., Delano, CA.

“The speedboats beat the aircraft carriers,” he says. “The retailers who have to plan everything three months out, and can’t change anything, don’t do as well as those who can plan close to the grape dates.”

Flexibility is required because of the variability of the seasonal start and end dates from each region and among grape varieties. While Chile will likely supply grapes through April, it is always a little unclear exactly when the grapes from Mexico will arrive and when those grapes will give way to the crops from the Coachella area in California.

“Not every item in the grape category will change over on the same date,” says Pandol. “On the front end, it’s very typical that white grapes will be available out of Mexico, but the best red seedless will probably be out of the Southern Hemisphere.

“On at the back end, it’s the same deal — the white grapes will transition from the desert to the valley sooner than, say, reds or blacks.”

Last year, the spring grape season began early and ended early — a function of warmer temperatures. Retailers need to be prepared for a potentially later start this year, he notes. An early Memorial Day holiday weekend this year — May 23 to 25 — could mean retailers won’t have a large supply yet at that time, says Pandol.

By the time the June/July holidays — such as Father’s Day, graduations and Fourth of July weekend — roll around, retailers should have plenty of supply, barring some unforeseen weather conditions.

Karen Brux, managing director, North America, for the Chilean Fresh Fruit Association, San Carlos, CA, says holidays make prime occasions for promoting grapes.

“Give your shoppers easy tips on how they



can incorporate grapes into these various occasions," she says, suggesting social media posts on Facebook to help promote holiday and celebration tie-ins.

She also notes with many children still in school into June, it's a good time of year for retailers to promote grapes for them.

"It's the perfect opportunity to promote grape-inspired snacks that kids can help make and enjoy," says Brux.

Marc Serpa, director of domestic grapes at The Oppenheimer Group, Vancouver, BC, says retailers should be ready for a big grape season.

"Even though grapes are available year-round, to many shoppers they signal the approach of springtime," he says. "This makes them ideal for promotions around Easter and the other second-quarter holidays. It has been a brutal winter in many parts of the country, so we think large grape displays and attractive price points will draw consumers to the grape category — especially this spring."

Jerry Havel, director of sales and marketing for Fresh Farms, a subsidiary of Molina Group Co. based in Rio Rico, AZ, says retailers get excited about the spring grape season because it's a great time to promote the fruit.

"We have so much volume, so fast, and it's fresh," he says.

Retailers need to keep in mind, says Havel, that about 20 percent of Mexico's grapes will likely become available in May, and 80 percent in June.

"Most of the promotable opportunities occur in the month of June, so retailers should plan very large promotions from June 5 until

## **"Most of the promotable opportunities occur in the month of June, so retailers should plan very large promotions from June 5 until July 1."**

— Jerry Havel, Fresh Farms

July 1," he says.

Havel says the Sweet Celebration is a new variety that Fresh Farms will have in June, and a cotton candy variety also will be available in June.

Those are in addition to the Prime seedless variety — a large green seedless harvesting about the same time as the Perlette — as well as Sugraones, Flame seedless reds, and Summer Royals, a black seedless grape harvested in May.

Serpa says The Oppenheimer Group will market Mexican Perlette, Flame, Summer Royal, Sugraone, Red Globe and Autumn Royal grapes late May through roughly the Fourth of July weekend.

"Red seedless grapes are becoming an increasingly popular, and therefore a not-to-be-missed component of the grape category," he says.

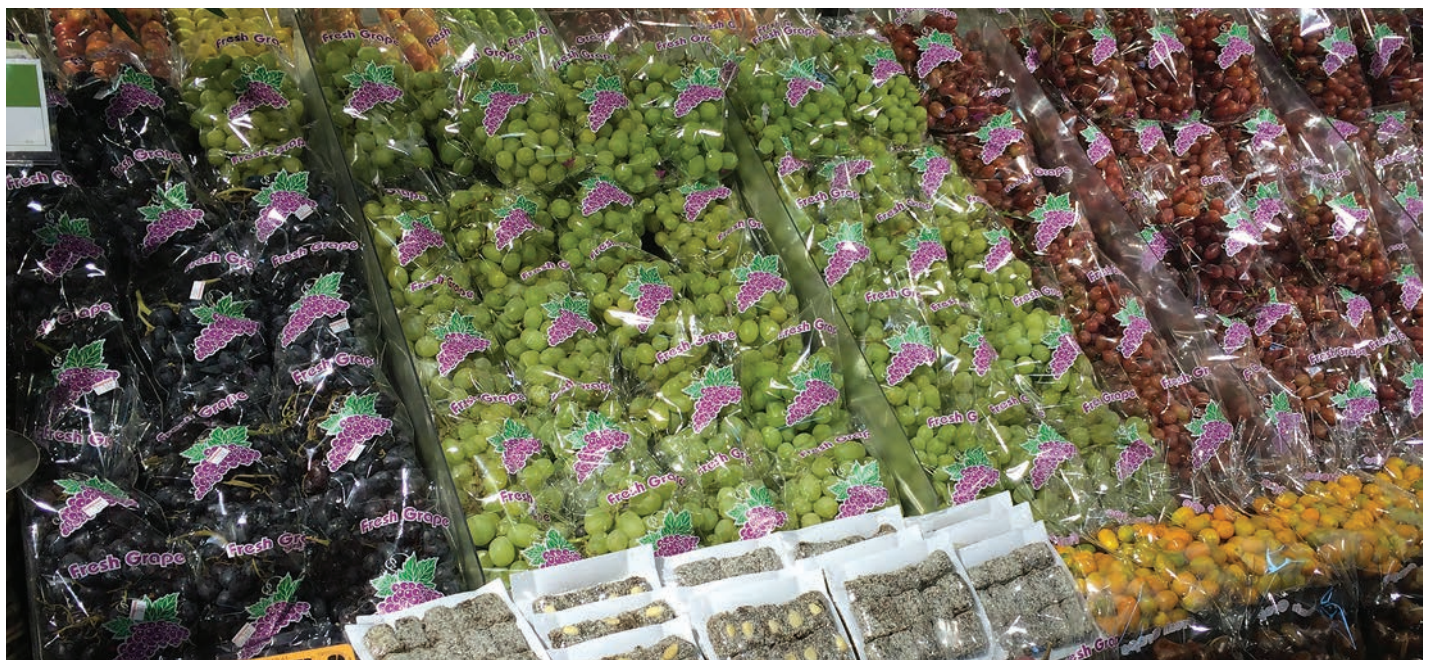
He notes that the Mexican grape deal is very fast-paced. "We suggest retailers plan now to take advantage of ad opportunities and build large displays to promote Mexican grapes in June," says Serpa. "Late May to early June is a great time period to promote Flame seedless,

followed by Sugraones in mid-June and continuing through the month.

Pandol of Pandol Bros. notes that for growers and shippers, introducing new varieties is no easy task. "The desert grapes, this year, will include the standards: Flames, Perlettes, Sugarones, Black seedless, Summer Royal, and Red Globe," he says. "That's probably 85 percent of it. One of the benefits of the older varieties is that folks have experience with them. With the newer varieties, we don't have much experience with them yet, and sometimes they have a good year or a bad year, and we are not sure why."

Some retailers clamor for new varieties, however, and are willing to pay whatever it costs to have them for customers, says Pandol.

Chile had some new varieties this year, says Brux of the Chilean Fresh Fruit Association, including Mystic Treat, which she describes as a "super sweet, super crunchy" grape. "Another variety that's not new to the market, but new to many consumers, is the Muscat grape out of Chile," she says. "It's available primarily in April, and has an extremely unique Muscat flavor."





## SIGNATURE CATEGORY

Mimmo Franzone, director of produce and floral at Longo Brothers Fruit Markets, Toronto, says he considers grapes a signature category for the produce departments in his 28-store chain.

"We carry six to eight different varieties at all times," he says. "We bring in specialty

grapes in the summer — Cotton Candy, Sweet Celebration, Witch Finger — so we have relationships with those growers.

"Starting early May, we are into grapes from Mexico, and then Coachella in late June or so," says Franzone. "It's been a great category for us, and it continues to grow in double digits."

Longo's selects the best grapes it has to

offer to display loose on tissue at the front of the produce section, along with berries. It also offers grapes in bags, including private label varieties that it sorts through by hand to ensure quality.

"It assures the customer that we took the extra time to check it, and it is going to be perfect when they get it home," says Franzone.

Brux of the Chilean Fresh Fruit Association suggests several tips for retailers to maximize their grape displays. She advises getting creative by merchandising grapes with other food products and in unexpected places in the store.

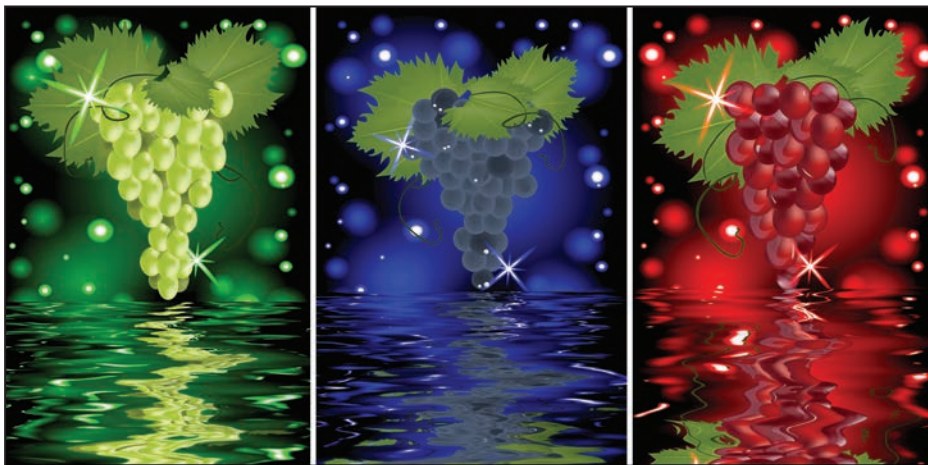
"I just finished some stores checks in Florida, and one of the major retailers in that state had a beautiful display of grapes with cheese," she says. "I also saw a huge innovative vertical display near the checkout stand of blueberries, yogurt and NutriBullets [the blender device dubbed a 'nutrition extractor']. Why not grapes instead of blueberries?"

"Also, as a parent, I love it when I see fruit by the checkout stand. What a nice, fresh alternative to all the candy and junk that hits you as you're getting ready to leave the store!"

"Grapes are also beautiful, so showcase their beauty when merchandising them," says Brux. "More and more grape varieties are appearing at retail, and few consumers know the difference between them. Signage highlighting the key taste and nutrition attributes would be helpful."

She also points out the versatility of grapes. "In addition to eating them fresh, you can roast them, sauté them, freeze them, pickle them, grill them ... so many ideas!"

Pandol of Pandol Bros. encourages retailers to have smaller displays of grapes, and to reset them frequently. "In the summer, you have



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higher temperatures, so it tends to work better with smaller displays more frequently set," he says. "Leave the big displays for the fall. The saying, 'Stack 'em high, and let 'em fly' works great for cans of soup, but it's not great for table grapes."

He suggests retailers toss in a black grape

variety from time to time, or other varieties that help break up the traditional displays of red and white seedless varieties. "Carrying a black occasionally, carrying a multicolored clamshell, or carrying a seeded Red Globe, makes it kind of fun to mix it up, and it also makes a nice color break," says Pandol.

## PROMOTION STRATEGIES

Cindy Plummer, vice president of domestic marketing for the California Table Grape Commission, suggests retailers begin stocking grapes from California as soon as they become available.

She cites research demonstrating that 94

## ■ GRAB-AND-GO GRAPES

The grapes appear ready to arrive within their expected time frame, but for a while, it looked like there might not be anything to put them in.

The work slowdown at the West Coast ports this winter delayed shipments from China of some of the plastic bags that will be used to package this year's crop of California grapes, according to some growers.

"One of the issues this year was whether or not we would get our material in time for the season from China, with the West Coast port problems, but that seems to have been straightened out," says John Pandol, special projects manager at Pandol Bros. Inc., Delano, CA. "It seems we'll have our supplies in time."

The biggest trend in grape packaging in the past few years has been the widespread adoption of stand-up, gusseted plastic bags, which are often imported from China.

"The stand-up pouch is pretty much the standard now," says Pandol. "I think most everyone received the memo, and I don't expect to see too much of the older style bags."

Some retailers will still want clear, fixed-weight clamshells, however, which stack easily and allow the grapes' colors to show through.

The pouches that proliferated during the past several years are typically 2-pound, random-weight, although some retailers switched from fixed-weight clamshells to fixed-weight pouches in weights of 1- to 2-pounds, says Pandol.

Some retailers, including Longo Brothers Fruit Markets in Toronto, package their own private label grapes in the stand-up bags, says Mimmo Franzone, director of produce and floral at the 28-store chain.

"We bring in grapes from our supplier partners, and our team members transfer them into our own private-label bag," he says, noting store employees take care to remove pieces of rotten fruit and bits of stems while packing them.

The retailer merchandises the best, freshest grapes it offers at any time loose on top of tissue, however, says Franzone.

Jerry Havel, director of sales and

marketing for Fresh Farms, based in Rio Rico, AZ, says the most popular packaging to ship to stores is an 18-pound box of grapes in the new handle bags.

"The standard handle bag is the most popular; we also do clamshells, and we put out some specialized 2-pound, fixed weight bags," he says. "The best way to go, for most retailers, is grapes in a handle bag with nice graphics."

Karen Brux, managing director, North America, for the Chilean Fresh Fruit Association, San Carlos, CA, says packaging can depend on the preferences of the retailer.

"A 4-pound clamshell might be appropriate for Costco, but a neighborhood supermarket will probably do better with bags," she says.

Clamshells do provide interesting merchandising opportunities, however, she points out.

"Mixed clamshells with red, green and black grapes are great, because they give consumers the opportunity to sample all three colors of grapes," she says.

Other packaging that's currently popular at retail includes single-serve, grab-and-go grape packs, or mixed blueberry and grape packs, in addition to the gusseted, high-graphic, stand-up bags with handles and clamshells with high-graphic labels, says Brux.

High graphics are also on the agenda at The Oppenheimer Group, which is packaging grapes from Mexico with special graphics featuring characters from the popular children's TV program *Sesame Street*. The packaging is part of a collaboration between the Sesame Workshop and the Newark, DE-based Produce Marketing Association called "Eat Brighter!," a campaign urging produce consumption among kids.

"We'll pack into pouch bags featuring Elmo, helping retailers attract the youngest grape fans in the store — and their parents — to the display," says Marc Serpa, director of domestic grapes at The Oppenheimer Group, Vancouver, BC.

The company used the Elmo packaging for grapes from other regions, and had "great results," he says.

The "Eat Brighter!" campaign is endorsed

by the White House as part of First Lady Michelle Obama's Let's Move! Program, which is an effort to encourage healthy eating among children.

Most of the grapes that The Oppenheimer Group packs are in high-graphic pouch/handle bags, which Serpa says "have performed very well."

"We enjoyed strong demand for this pack style out of Chile during the Southern Hemisphere grape season, and will continue into our Mexican supply," he says.

"That said, we also plan to pack in RPCs [rigid plastic containers], as well as 4-by-4-pound and 6-by-3-pound clamshells for retailers interested in other options."

The polypropylene stand-up bags became ubiquitous in 2012, after scattered use in preceding years. Similar bags also proved effective for other produce items, including peppers and cherries.

Although reports indicated that some of the first-generation polypropylene bags often became brittle and cracked in colder temperatures, growers say they have not heard many complaints from retailers in recent years. In fact, retailers are demanding the bags in record numbers, citing their strong graphics, convenience and reduced waste.

The bags generally feature holes for breathability, a Ziploc closure and a single handle at the top of the bag. In most cases, the bag itself is clear with colorful graphics across the top in the handle area.

Pandol of Pandol Bros. cautions retailers who make special requests for retailer-specific packaging that their special needs can sometimes cause delays in receiving product.

"A lot of the retailers who are requiring retailer-specific packs tend to have a harder time," he says. "It's just hard to predict the flow. Those who required [rigid plastic containers] sometimes find that product gets stacked up."

"We find that the retailers who can accommodate standard packaging tend to get fresher product than those who insist on specific packaging."

**pb**

# SHOWCASE summer produce



**“Five promotions per month generated more volume lift for the category ...”**

— Cindy Plummer,  
California Table Grape Commission

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percent of primary shoppers prefer grapes grown in California versus another country when price is the same, and 68 percent still prefer grapes from California when the price is higher.

Plummer also says recent category research shows the best way to increase grape sales in the spring and summer is to offer the consumer more options.

“Five promotions per month generated more volume lift for the category than less promotions per month,” she says. “When promoting, grape category volume can be maximized when grapes are discounted 31 percent or more from the everyday non-promoted price,” says Plummer.

In addition, promotion of two or three varieties produce more volume impact for the grape category, she says, as does having multiple ads on different pages of the printed circular.

“Promote on multiple ad page positions — feature and sub-feature ads paired with in-store price reduction [ISPR] produce more volume lift on the grape category than ISPR promotions without an ad,” she says. “Front-page ads produce the highest lift, followed by front page and ISPR, back page and ISPR, and back page.”

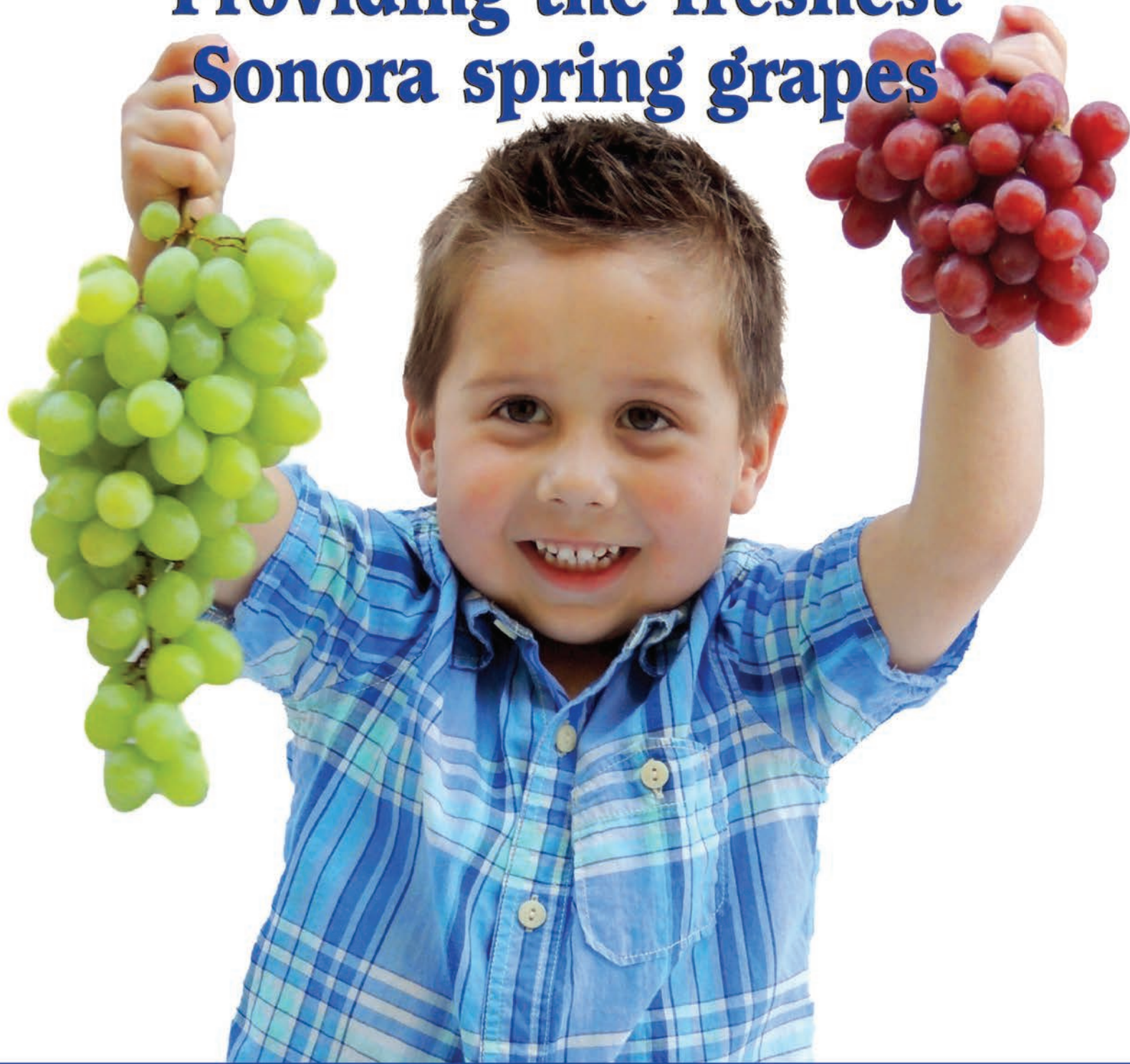
She also suggests retailers promote both conventionally grown and organic grapes in order to appeal to more customers.

Grapes are also ideal for cross-merchandising. “There are no limits to how grapes can be cross-merchandised,” says Plummer. “Since the majority of grapes are consumed as snacks and grapes are very portable, cross-merchandise with snack-sized containers. Also consider cross-merchandising grapes with packaged salads and cheese for easy entertaining options.”

Serpa of The Oppenheimer Group also suggests cross-merchandising grapes with containers. “Positioning a stack of boxed Ziploc-style bags alongside the grape display is a ready reminder of how easy it is to add a nutritious, sweet snack to school or work lunches,” he says.

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# Australia And New Zealand Fruit Vie For Off-Season Shelf Space

Orchard fruit from Down Under faces increasing Southern Hemisphere competition.

BY BOB JOHNSON

**F**ruit from Down Under fills the gap when domestic citrus and apples are unavailable or suffer from the effects of months in storage.

But these days, Australian citrus must elbow its way for room in a marketplace crowded by oranges from South Africa and South America, and New Zealand apples are eclipsed on U.S. shelves by the harvest from Chilean orchards.

The development of global produce trade rendered Australia and New Zealand just another source, albeit still an important one, of counter seasonal fruit, and Down Under does not have the same definition to everyone.

“Down Under the Equator is my interpretation of ‘Down Under,’” says Mark Hanks, vice president of sales and marketing at DNE World Fruit, Fort Pierce, FL. “It’s really just opposite seasons.”

With the possible exception of kiwis from New Zealand — a majority of which are marketed under their Zespri brand — even various import data from the USDA suggests the high-quality fruit from New Zealand and Australia struggles to compete for market share

with the lower-cost South American and South African product, primarily because of labor expenses.

“Australia and New Zealand don’t compete with each other, because they ship different products, but nor do they work together on synergies,” says Michael Worthington, chief executive of Produce Marketing Association Australia-New Zealand, South Yarra, Australia. “Citrus is the most important fruit coming from Australia, and apples and kiwifruit are most important from New Zealand.”

These two island nations may not vie with each other for customers, but the growers Down Under are finding the counter seasonal marketplace tougher than ever.

“There’s great competition,” says Jason Buchon, division manager at Giumarra Companies, Wenatchee, WA. “Generally the import side fills the gaps when the domestic fruit is not available.”

## WHEN ONLY THE FRESHEST WILL DO

New Zealand apples are in demand in the off-season, when Washington apples harvested the previous fall are in storage.





PHOTO COURTESY OF DNE

DNE's Mark Hanks says Australia exports mostly Navels, Daisy mandarins, Minneolas and a limited volume of the W. Murcott Afourer variety to the U.S.

**“There is always the domestic supply out of storage. It becomes a question of quality. It depends on what is eating better. Is a 10-month old apple out of storage better than a 6-week old imported apple?”**

— Jason Buchon, Giumarra Companies

“There is always the domestic supply out of storage,” says Buchon. “It becomes a question of quality. It depends on what is eating better. Is a 10-month old apple out of storage better than a 6-week old imported apple?”

Many retailers appreciate the seasonal option of fresher apples from the Southern Hemisphere.

“It all depends on the time of the year,” says Mark Wales, produce director at Econofoods, Brillion, WI. “Our New Zealand fruit is usually apples when Washington is running low.”

Econofoods, a chain of a half dozen supermarkets in Wisconsin and Minnesota, is a subsidiary of Fortune 500 firm SpartanNash, which distributes food to military commissaries and independent grocers in addition to its network of more than 175 markets.

“Usually when the Washington stock runs low, we switch to New Zealand,” says Wales. “There are usually stickers saying the apples are from New Zealand, and it seems most people like the Washington apples more.”

Freshness, not nation of origin, is the most important selling point for apples from New Zealand.

“We would like retailers to market them as the freshest available,” says Giumarra’s Buchon. “There is always the locally grown appeal, but we think quality is most important.”

Australian oranges have the similar appeal of fresh citrus when domestic orchards are dormant.

“A Navel orange grown in California tastes much the same as a Navel grown in Australia,” says PMA’s Worthington. “It is up to the consumer if they want fresh, counter-seasonal imported fruit or stored, local fruit, and it’s up to the retailer if they offer both.”

There has been a global shift in fruit sourcing, however, that left both Australia and New Zealand facing more competition.

According to U.S. Department of Agriculture statistics, Canada was the leading foreign supplier of fresh apples to the U.S. until the late 1990s, when New Zealand captured the top spot.

But the Chileans developed an export apple business early this century, and now they ship roughly three times the apples to the U.S. as No. 2 New Zealand.

The Australians face, if anything, even tougher competition for their citrus than the New Zealanders encounter for their apples.

“Very little produce comes to the U.S. from Australia,” says Tom Richardson, vice president for global development at Giumarra Companies, Wenatchee, WA. “There is some coming to Canada, but it’s pretty limited except for citrus.”

There are, to be sure, Australian citrus varieties that developed strong reputations over the decades.

“Australia exports mostly Navel oranges, Daisy mandarins, Minneolas and a limited volume of the W. Murcott Afourer variety to the U.S.,” says DNE’s Hanks. “DNE has been importing citrus for more than 25 years now and was the first company to ever import citrus from Australia. The Aussie citrus is very close to the taste of the California citrus and has a similar skin color as well.”

Even this pioneer importer of quality Australian citrus, however, finds it easiest to ship the California fruit when available, and enjoys choosing from among numerous Southern Hemisphere sources in the counter season.

“The competition in the summer is from all the Southern Hemisphere countries shipping citrus into the U.S., Chile, South Africa, Peru and now Uruguay as well,” says Hanks. “We only bring in the Aussie citrus when California is completely out of their

Navel oranges, so we do not compete. However, occasionally their Navel storage program goes a little longer, but normally there is little competition.”

### THE EXCEPTIONAL KIWI

Kiwi grown in New Zealand and shipped to the U.S. from mid-May to November could be the one exceptional case of a national brand name fruit that carries weight in the market.

Buoyed in part by promotion of the New Zealand national kiwi brand, Zespri, imports climbed from half to three-fourths of U.S. kiwi consumption during the past two decades, according to U.S. Department of Agriculture statistics.

Even retailers who largely rely on counter seasonal fruit sources closer to home mention New Zealand kiwis in their short portfolios from Down Under.

“We purchase very little fruit, kiwi and apples, for a very limited time from New Zealand,” says Maria Brous, director of media and community relations at Publix, Lakeland, FL. “We don’t purchase product from Australia.”

Shippers also include kiwis on their short lists of fruits from that part of the world.

“We market apples, pears and kiwi fruit out of New Zealand,” says Buchon. “There is not much of this fruit out of Australia.”

Zespri is a national brand responsible for research, quality control and merchandising for a consortium of growers.

“We set the industry standard for harvest dry matter to ensure great-tasting kiwifruit from New Zealand,” says Michele Hoard, senior marketing manager of North America for Zespri International Limited, Minneapolis, MN.

Most recently, the consortium introduced a gold kiwi to complement the more familiar

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green variety.

“Zespri North America recently introduced the SunGold variety to the market in larger volumes,” says Hoard. “SunGold offers consumers a new exciting taste experience, refreshingly juicy and with a deliciously sweet taste. We’re already taking orders for the upcoming season and expect the demand to continue to grow.”

But even Zespri’s name recognition, horticultural research and promotional prowess have not stemmed the tide of the Chileans, who now, according to USDA statistics, command half the imported kiwi market.

## THE SMALL WORLD

Australia and New Zealand encounter competitive disadvantages compared to other nations in the Southern Hemisphere that recently developed fruit export capacity.

“Of course shipping costs matter,” says DNE’s Hanks. “In the past, we used to do only charter vessels; but during the past four years, we switched to 100 percent containers in order to get fresher product. Also, a very big factor is the exchange rate between the foreign currency and the U.S. dollar.”

As much as the expense of shipping from the other side of the globe matters, the cost of production in high wage Australia and New Zealand matters more.

“Transportation costs only play into the equation if competing for the same product from another exporting country, such as Chile, but it is more the cost of the product than the cost of the transportation that is the differentiator,” says Worthington of Produce Marketing Association Australia-New Zealand.

“Citrus is the biggest seller, but there is a downward trend due to cheaper fruit from South America or South Africa. Apples are declining as more favorable returns are coming from Asia,” says Worthington.

The stronger U.S. dollar, at least, may provide Australian and New Zealand shippers a small measure of relief.

“Since Australia has some of the highest labor costs in the world for harvesting and packing their citrus, the currency exchange rate is very important to the growers to be able to sustain their crops and the ever-increasing costs of producing high-quality citrus. Also, there has been a strong growing demand for their product in China and Japan,” says Hanks. “With the stronger U.S. dollar this summer, versus the past three summers, we should see a good volume returning to the USA from Australia.”

**pb**



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# Farm-Level Loss

A look at what's contributing to field waste and solutions for alleviating the problem.

BY KEITH LORIA

In the third installment of PRODUCE BUSINESS' exploration of waste throughout the supply chain, we examine the farmer's perspective. According to recent data by the United Nations Food and Agriculture Organization and World Economic Forum, 6.7 billion pounds of fresh produce went un-harvested or un-sold by growers in 2014.

Harvest losses derive from several causes, including bad timing and poor conditions during the harvest as well as inadequate techniques and equipment. Additionally, the lack of solid infrastructure for transportation, storage, cooling and marketing cause food to spoil, especially in hot climates.

In the report, *Wasted: How America Is Losing Up to 40 Percent of Its Food from Farm to Fork to Landfill*, Dana Gunders, staff scientist with the Food & Agriculture Program for the

Manhattan-based Natural Resources Defense Council (NRDC), writes that at the farm level, food loss falls into two categories: food that is never harvested, and food that is lost between harvest and sale.

"Given the variation and risks inherent to farming, it is difficult for farmers to grow exactly the amount that will match demand," she says. "Produce may not be harvested because of damage caused by pests, disease, and weather. In other cases, it is due to economics. If market prices are too low at the time of harvest, growers may leave some crops in the field, because they will not cover their costs after accounting for the costs of labor and transport."

In the report, it is suggested that roughly 7 percent of all produce grown in the United States simply gets stranded on fields each year. A few calls to farmers (who requested to be

anonymous) verified that the number is reasonable, but there are reasons that this occurs.

For instance, Gunders notes growers may plant more crops than there is demand for in the market in order to hedge against weather and pest pressure or speculate on high prices. The report further explains some produce goes unpicked because it doesn't meet the high standards of a 21st Century shopper.

"This further lowers prices in bumper crop years, leading to more crops not warranting the cost of harvest," she says. "Called 'walk-by's,' as a consequence of both natural phenomena and market effects, entire fields of food may be left un-harvested and plowed under."

Data from Feeding America, a nationwide network of food banks based in Chicago, IL, shows at least 97,000 acres (6 percent) of fruit and vegetable row crops were not harvested

# “Growers don’t like to waste anything; the trait is built into their DNA, but factors make it hard for not much to be done.”

— Bob Whitaker, Produce Marketing Association

last year, and 6-year averages show acreage left un-harvested is about 2 percent for potatoes, 8 percent for sweet corn, and 15 percent for wheat.

Of course, many nutrients are returned to the soil so it’s not entirely wasted, but it’s not the best use of water, energy or the chemicals needed to grow the crops in the first place.

Additionally, perfectly good crops often go un-harvested after food-safety scares, such as the FDA’s warning that tomatoes may have been contaminated with salmonella in 2008. Even though the threat was eventually found to be false, it created a negative perception among consumers and decreased overall demand. That resulted in 32 percent of the total U.S. tomato acreage that year going un-harvested.

Stricter immigration laws in some states can also play a role, as it can create shortages of farmworkers, which can leave food unpicked. In 2011, for instance, the Georgia Fruit and Vegetable Growers Association estimated labor shortages for harvest and packing would cost the state \$140 million in crop losses — about 25 percent of total production value for those crops.

Greg Wank, chairman of Food & Beverage Services Group at Anchin, Block & Anchin, a consulting firm based in New York, NY, agrees there are many levels where this issue needs to be addressed and plenty of blame to go around.

“We start with the grower raising the most robust produce possible. Next, the sorters in the field need to be realistic about the strength of the product,” he says. “Next are the regional distributors who heavily scrutinize the produce received and only accept product they believe will meet their customers’ shelf life needs.”

Bob Whitaker, chief scientific officer for the Produce Marketing Association (PMA), a Newark, DE-based trade organization representing companies from every segment of the global fresh produce and floral supply chain, says new solutions are hard to come by.

“Growers don’t like to waste anything; the trait is built into their DNA, but factors make it hard for not much to be done,” he says. “You hear growers often talk about grading issues, so if there was more of a market for those fruits not considered ‘premium’ size or with small

blemishes on them, perhaps we could find ways to use some of that product from being thrown away.”

On the contrary, the bar is raised with consumers to inspect fruit for blemishes and so that becomes hard.

“A lot of the waste does go off to other channels,” says Whitaker. “You’ll see it go off to animal feeds, you’ll see some of it going off to extractions, sliced products or cut products, where the outside appearance is not as necessarily as important as in a fresh market situation.”

NRDC’s Gunders says most large processors have advance contracts with suppliers and often require specific attributes that make the product amenable to processing. In addition, even if a processing facility is willing to accept products that might otherwise be discarded, the location must be close enough to justify transport costs, and the facility must have the capacity to process the product.

“This can be particularly challenging for small- and medium-size farmers,” she says. “Loss from improper storage or handling decreased but can still be significant. For instance, fresh produce can spoil in storage if a buyer is not found quickly enough.”

## ADVICE TO FARMERS

The Food and Agriculture Organization (FAO) of the United Nations released the guide, *Toolkit: Reducing the Food Waste Foot-*

*print*, and surmised that often, food losses can be significantly reduced simply through training farmers in best practices.

“Joining farmers together in cooperatives or professional associations can help to greatly reduce food losses by increasing their understanding of the market, enabling more efficient planning, enabling economies of scale, and improving their ability to market what they produce,” it advises. “Both the private and public sectors need to increase investments to address such shortcomings; doing so will also have additional benefits for food security and mitigating climate change, land degradation, and biodiversity erosion.”

An industry expert, who preferred to talk off the record, says the cold hard truth is that to really increase the caloric yield per acre comes down to money.

“Don’t get me wrong, there are many big hearts in production agriculture that contribute many millions of pounds of fresh product to food banks and will continue to do so as a charity,” says the anonymous source. “That being said, the most basic law of economics drives what is left in the field; one will continue to produce/harvest a product as long as the marginal revenue exceeds the marginal cost of production.

“We have all heard the market news quote ‘harvest curtailed on account of market.’ This curtailment of harvest could be the whole field or eliminating packing sizes of product that do not contribute a positive margin. Growers would love to see this product consumed vs. disc’d back into the ground. It is the economy that dictates the disposition of this product.”

## THE PACKING PROCESS

Another area that the NRDC report examined involved the post-harvest and packing



Perfectly good crops often go un-harvested after food-safety scares, such as the FDA’s salmonella warning in 2008.

processes. After crops are gathered from the fields, farmers tend to cull produce to make sure it meets minimum standards for size, color, and weight. Again, because of the high standards placed on produce today, farmers are often reluctant to include less than perfect fruit or vegetables in their shipments.

For example, a large cucumber farmer in Georgia was featured in the report and the grower estimated that fewer than half of the vegetables he grows actually leave his farm yet 75 percent of the cucumbers culled before sale are edible.

A great deal of waste also comes in the manufacturing stage, when food is trimmed. Technical malfunctions in processing and refrigeration are also factors as produce can sometimes sit too long at improper temperatures and spoil.

Another waste-saving effort extending off the farm and helping in the supply chain, PMA's Whitaker notes, involves those products that need to be cooled.

"Reducing the amount of time from harvest to cooling can have a tremendous impact on the shelf life of a product," he says. "If there are things that can be done on the farm level with getting it in proper storage quicker, I think that would help down the supply chain and curtail waste overall."

## THE LEFTOVERS

The FAO guide argues markets for products that wouldn't normally stay in the food chain must be developed. For example, some charity organizations and savvy entrepreneurs spotted opportunities in acquiring produce left in the fields to rot and be plowed under at reduced rates and marketing it for sale or as a way to give back to communities.

There are a number of food recovery organizations eager to receive donations and even help harvest unsold crops. Food banks are especially interested in healthy and nutritious foods.

For instance, the Farm to Family program offered by Oakland, CA-based California Association of Food Banks recovers more than 120 million pounds of produce per year from farms and packers for distribution to food banks.

Ross Fraser, director of relations at Feeding America, says food waste is a growing problem, and the organization is dedicated to helping clients better access fruits, vegetables, protein and dairy.

"We believe there are 5 to 6 billion pounds of produce in this country that is grown and goes to waste," he says. "We weren't started as a hunger relief organizations, we were started

# "We believe there are 5 to 6 billion pounds of produce in this country that is grown and goes to waste."

— Ross Fraser, Feeding America

as a way to rescue food, and this became a secondary objective."

In 2014, Feeding America rescued more than a total of 1 billion pounds of produce through all its partners, and that number is expected to rise in the year ahead.

"A lot of that is produce that is cosmetically challenged — too big or too small; too green or too yellow or too red, but it's still nutritious and is often out of the reach of low-income Americans, who can't afford to spend \$1 on an apple. We can get it [produce] to these people," says Nell Kolpin, Feeding America's manager corporate partnerships.

Even with incredible help like they and others provide, Feeding America's data shows billions of pounds of safe, healthy, food is wasted each year. After all, it's not as if food banks are clamoring for a truckload of rejected beets. At the end of 2014, the organization received a \$1.6 million Google's Global Impact Award to use technology to advance its mission to feed Americans struggling with hunger.

The Feeding America network of food banks serves 3.3 billion meals annually through its network of 200 food banks. The efficiencies created through the use of the grant money are projected to lead to the recovery of an incremental 740 million meals per year — helping feed food-insecure Americans while also driving significant reductions in food waste.

## NEXT STEPS

"We have had numerous conversations with growers where they have all said that they would pack fruit left behind if they could recover the marginal cost to get it packed, cooled, loaded and shipped," says the anonymous source. "This amount represents a fraction of the cost the market generally pays for fresh, healthy produce.

"When we had the discussion with the organizations feeding the food insecure in this country, the consistent message we hear is that 'we can't raise \$.30-\$.40 per pound for fresh produce to feed hungry children.' So for the

lack of the ability to raise \$.30-\$.40 a pound, to cover the marginal cost of picking, packing and transporting product to a market, we are leaving very edible produce to return to the land," says the anonymous source. "It is mind boggling, given the nexus of health and nutrition that this country cannot find a vehicle to raise this funding.

"Assume that the funding could be raised, what would then be developed is a clearly defined supply chain that could leverage technology and supply chain excess capacity to create a supply push, versus demand pull model from the farm to the need as close as possible," says the anonymous source. "There are many inside and outside of the produce industry that would be very interested in working to develop an innovative supply chain to the 'hungry,' but without a funding mechanism, all the 'big dreams' of the potential application of 'big data' and 'big ideas' will sit on the sidelines."

"Controlling food waste is integral to the feeding the hungry," says Lisa Hansen, director of new business development for Soquel, CA-based McDill Associates, which administers the national Growing Forward campaign to rally industry members around the Feeding America mission.

"There are many growers already donating product to food banks as a part of food waste programs, and our campaign provides a national marketing platform to promote that message," says Hansen.

"We've proven over the years in our industry that both seasonal and cause marketing promotions work," says Hansen. "Our approach with Growing Forward is to offer truly turnkey marketing programs with everything from a landing site to an inbound marketing offer, packaged up and ready to implement. We're striving for effective activation of cause marketing programs that can also be tied to social responsibility and sustainability messages."

California recently passed a bill allowing growers to receive a tax credit for donations of excess produce to state food banks. The state joins Arizona, Oregon, and Colorado in the effort. **pb**

## YOUR OPINION COUNTS!

Let the industry know what your concerns are regarding waste and how we all can serve as a solution. Write to us at [editor@producebusiness.com](mailto:editor@producebusiness.com), or send us your tweets @producebusiness #producewaste.

# Mushrooms On The Menu



The Mushroom Council's recipe for Portobello asada and mushroom bulgogi tacos are very popular with consumers.

PHOTO COURTESY OF THE MUSHROOM COUNCIL

## Trend to blend elevates status, but costs continue to be a consideration.

BY MINDY HERMANN, RD

It used to be that people didn't ponder mushrooms on menus. They filled omelets, dressed up a spinach salad, and went well with pizza — indeed, Datassential figures show mushrooms on the menu at nearly three-quarters of pizza restaurants.

Then, the convergence of several trends, including local sourcing, global cuisine, culinary curiosity, and the Mushroom Council's Trend to Blend campaign elevated mushroom awareness and presence to new heights. Statistics from Datassential show that mushrooms earned a place on the menu in a whopping 80 percent of all restaurants — a penetration level maintained since at least 2010.

Gaps exist, however, in the presence of mushrooms across restaurant segments. Datassential's MenuTrends Database of U.S. Chains and Independents shows mushrooms in 95 percent of fine dining restaurants, compared to 64 percent of quick service restaurants (QSRs), with mid-scale at 83 percent, and

casual at 89 percent. Furthermore, relatively few QSRs use Portobellos and even fewer cook with Shiitakes and Porcini — the three most popular mushrooms in foodservice. That may change, as mushroom varieties become even more widely available and value-added products bolster the bottomline of QSRs.

## GROWING THE MARKET FOR MUSHROOMS

Mushroom growers and suppliers are optimistic the market for mushrooms will continue to grow. “We have a great foodservice client base and our highest penetration in history,” says Peter Wilder, marketing director, To-Jo Mushrooms, Avondale, PA. “Our company increased the variety and volume of mushrooms we grow and sell. We are seeing mushrooms across the menu from toppings to main dish blends to sides.” In addition to cultivated varieties, mushroom growers are seeing more demand for wild and seasonal varieties, particularly in fine dining and boutique restaurants.

To-Jo also offers a large line of value-added mushroom products to restaurants and chains, including sliced fresh Shiitakes and other sliced varieties, blanched mushrooms, and chopped mushrooms. “Chopped, for example, adds great value and savings in restaurant operational costs. Because we are vertically

integrated, we do all the processing here, from blanching and chopping to adding flavor systems with sauces, marinades, and sautés. Operators can incorporate precooked mushrooms into all day parts and menu applications without a lot of extra labor.”

“Growth in mushrooms is driven in part by the movement toward vegetarian and meatless, aided by the efforts of Meatless Mondays,” says Mike O'Brien, vice president of sales and marketing for Monterey Mushrooms, Watsonville, CA. Monterey sells a wide variety of mushrooms that range from everyday to exotic and include white, Portobello, baby Portobellos, Shiitake, Oyster, Enoki, Wood Ear, Maitake, Brown Beech, White Beech, and King Trumpet.

O'Brien also expects growth in retail demand for organic mushrooms will spill over into foodservice. Monterey is developing its organic compost, adding organic mini-farms, and converting existing farms to organic to meet market demand.

Cost often drives selection. “While traditionally we use the Button mushroom, we'll switch to Cremini if we get a good price,” says Chef Allison Trinkle, Virginia-based Mid-Atlantic regional chef, for Chartwells, a national school foodservice provider in Rye Brook, NY.

Cost also factors into whether and where mushrooms appear on the menu. Amy Myrdal Miller, MS, RDN, founder and president, Farmer's Daughter Consulting, Carmichael, CA, works with the Culinary Institute of America's Healthy Menus R&D Collaborative (a group of QSR chains and campus-dining, non-commercial foodservice operators to expand menu choices that are nutritious and delicious) to meet customer demand, and drive profitability.

"Volume-foodservice operators [or non-commercial operators] are looking at cost, so they are likely to use white and Cremini, because they cost less. More exotic mushrooms move up the dining chain, as well as across to

newer chains whose mission incorporates health and sustainability."

Additional niche growth may come from an unexpected source — the federal government. The upcoming 2015 Dietary Guidelines for Americans and expected changes to the Nutrition Facts panel are likely to shine a spotlight on vitamin D, and boost demand for mushrooms treated with UV light — which enhances their vitamin D content from a naturally occurring 2 percent of the Daily Value to 100 percent.

### BROWN IS THE NEW WHITE

While the white Button mushroom is the prototypical mushroom in the eyes of many

consumers, brown mushrooms are gaining popularity for their stronger flavor and drier texture. "Overall, white mushrooms are still the most common, followed by Baby Bellas (often categorized with Cremini) and Portobellos," says Bill Litvin, senior vice president of sales and national account manager, Giorgio Foods, Blandon, PA.

"Browns have more flavor, and (like whites) also take on the taste of what they're cooked in," notes O'Brien of Monterey Mushrooms. Think of white Buttons as the gateway mushroom. O'Brien observes that "people start with white, then move to brown, and then to others with a stronger flavor. Currently, we sell more whites than browns, depending on the restaurant. But browns — specifically Baby Bellas — are ready to overtake whites."

### PORTOBELLOS REMAIN HOT, HOT, HOT

In the category of brown mushrooms, it's hard to match the size, texture, and versatility of Portobellos. "We use them in so many ways in college and university dining, including stuffed, breaded and fried, and grilled," says Chartwells' Trinkle.

Mushroom industry experts and growers agree. "Portobellos are still very popular, particularly in the center of the meatless plate," says Katie Preis, marketing manager at the San Jose-based Mushroom Council. "Among the Mushroom Council's many recipes, Portobello asada and mushroom bulgogi tacos are particularly popular."

At one point, "Portobello mushrooms were very hot, and then demand cooled off a bit," observes Giorgio's Litvin. "But now, demand seems hotter than ever. Brown mushrooms in general, and Portobellos in particular, both grew in 2014. Based on these strong trends, we expect Portobellos to be hot again in 2015."

Trends point toward continued dominance of Portobellos, the most widely used mushroom in all types of restaurants, across all geographic regions of the U.S., at all times of day, and in appetizers, main courses, and side dishes according to Datassential. Preis adds, however, that chefs are experimenting with new ways to use other varieties such as the Shiitake, Oyster, King Trumpet, and Maitake in different ways and different cuisines. They also cross culinary lines with creative uses like pulled "pork" King Trumpet mushrooms and meatless bacon made from Shiitake or Portobello strips.

### BLENDING AND BEYOND

A few years ago, the Mushroom Council

## MUSHROOMS ON THE MENU

Restaurants feature mushrooms in the appetizer, main dish, and side dish sections of the menu, with approximately twice the penetration in main dishes as in appetizers and sides.

### PORCINI

- Fillet of Chatham Cod Fillet **(Kittle House)**
- Porcini Rubbed Delmonico **(The Capital Grille)**
- Harvest Bowl with veggies, grains, kale, Porcini mushrooms;
- Fried Chickin' with Porcini mushroom gravy **(Veggie Grill)**

### CREMINI/CRIMINI

- Blackened Steak and Blue Cheese Flatbread **(Seasons 52)**
- Pepper Crusted Gorgonzola Burger **(Yardhouse)**
- Pan-Seared Sea Scallops with Wild Mushroom Risotto **(The Capital Grille)**

### MOREL

- Filet Mignon **(Kittle House)**

### OYSTER

- Chilean Sea Bass with Mushroom Soy Broth **(The Capital Grille)**

### PORTOBELLO

- Portobello Crostini **(Kittle House)**
- All-In Burger **(Applebee's)**
- 'Shroom Burger Fried Portobello **(ShakeShack)**
- Portobello Mushroom Avocado and Zucchini Fries **(Cheesecake Factory)**
- Crispy Portobellos **(Veggie Grill)**

### SHIITAKE

- Shiitake Garlic Noodles;
- Shiitake and Crimini Mushrooms Lettuce Wrap;
- Hongos Y Rajas Street Tacos **(Yardhouse)**
- Garlic Noodles;
- Hibachi Steak **(Cheesecake Factory)**
- Mushroom "Burger" with Shiitake, Crimini, Button mushrooms **(Grand Lux Café)**

### MUSHROOMS (VARIETY NOT SPECIFIED)

- Signature Burger **(Seasons 52)**
- Chopped Steak;
- Wood-fire Grilled Chicken Breast;
- Crab Topped Tilapia **(Outback Steakhouse)**
- Marinara Sauce;
- Chicken Marsala;
- Breast of Chicken Fettuccine **(Old Spaghetti Factory)**
- Classic Meatballs **(Pizza Hut)**
- Grilled White Cheddar Stuffed Mushrooms **(Longhorn Steakhouse)**
- Shrimp Cavatappi Pasta **(Seasons 52)**
- Wild Mushroom Salad **(Eddie V's)**
- Sliced Filet Mignon with Cipollini Onions and Wild Mushrooms;
- Roasted Wild Mushrooms **(The Capital Grille)**
- SIMPLE and FIT Spinach Mushroom and Tomato Omelette **(IHOP)**
- Veggie Burger;
- Grilled Turkey Burger **(Cheesecake Factory)**

Source: Datassential's MenuTrends Database - U.S. Chains and Independents, 2014 Data



**“The mushrooms add umami, stealth health, moisture and texture. I also can use one-third less salt by adding mushrooms.”**

—Eric Ernest, University of Southern California

paired up with the Culinary Institute of America to explore new ways to enhance dishes with mushrooms. The end result is Trend to Blend, a highly popular campaign that provides commercial and non-commercial foodservice with recipes and guidance for incorporating finely chopped mushrooms into ground meat entrées to enhance texture and flavor, improve nutrition, and cut costs. According to the Mushroom Council’s website, “blendability makes classic dishes fresh and exciting. Mushrooms are so meaty and high in umami that many people won’t know there’s meat missing. Bottomline: more flavor, better nutrition, lower cost.”

Blending became so successful that the Mushroom Council is focusing its 2015 marketing efforts on blendability. Sysco named the mushroom meat blend as one of its Top 10 food trends to watch this year. Mushroom blendability is more widely used in the non-commercial foodservice segment (school nutrition, university dining, health care and corporate dining) than in commercial, although Seasons 52 and Cheesecake Factory, among other restaurants, feature blended items on their menu.

“We found that restaurants, schools, colleges and universities alike are all embracing the concept of blendability,” says Litvin, of Giogio Fresh.

To-Jo’s Wilder observes that mushrooms help combat price increases for beef and other proteins. “They’re a cost-effective ingredient that extends the protein in meat and increases use of vegetables at the same time.”

Chef Eric Ernest, executive chef, Los Angeles, CA-based University of Southern California (USC), mixes mushrooms — usually white Button — with any type of ground meat without calling them out. “The mushrooms add umami, stealth health, moisture and texture. I also can use one-third less

salt by adding mushrooms.”

For the most part, blending has not yet been embraced in QSR. “Fast food chains face a number of barriers, including labor costs, preparation requirements, food safety, and product acceptability in terms of flavor and texture,” says Farmer’s Daughter’s Myrdal Miller. “We did a tasting at our last Healthy Menus R&D Collaborative, and a lot of those in attendance were not thrilled with the flavor and texture of blended products. It’s hard to get to the perfect product

that can stand up to the demands of fast food. Blending also raises questions. It works well with beef and mushrooms, but how does one blend with pork or seafood?”

Myrdal Miller notes blending is not as simple as it seems and takes a lot of culinary talent. “You can’t just combine raw mushroom and raw meat. You have to develop the flavor of mushrooms first. That can be hard to do with the limited kitchen space and culinary skills in many QSRs.” She also notes that blending can lead to unintended consequences

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fruits&veggies more matters.

— at Harvard Dining, for example, the lasagna with mushrooms and beef was so successful that beef purchases went up instead of down.

### CONSUMERS DRIVE MUSHROOMS ON THE MENU

“Consumers are more interested in mushrooms and want more mushrooms in their foods for their flavor, texture and nutrition benefits,” says Kevin Donovan, national sales manager, Phillips Mushroom Farms, Kennett Square, PA. “White mushrooms, along with Portobello and brown, are being featured in increasing numbers of items on the menu.”

Datassential’s MenuTrends Database - U.S. Chains and Independents gathers data on mushroom penetration by food item type. Mushrooms are overwhelmingly the most popular in pizza (73 percent), followed by egg dishes such as omelets (39 percent), center of the plate beef dishes (36 percent), burgers (34 percent), hot sandwiches (33 percent), center of the plate chicken dishes (32 percent), non-breaded appetizers and vegetable side dishes (33 percent and 31 percent), and center-of-the-plate vegetarian dishes (30 percent).

Chef Jay Lippin, executive chef, Crabtree’s Kittle House, Chappaqua, NY, features several

mushroom-containing dishes on his restaurant and tap room menus. “I do a vegan burger with wild mushrooms, shallots, garlic, quinoa, chickpeas, black eyed peas, green peas and corn. For this dish, I work with varieties like Oyster mushrooms that have a meaty flavor, but not a lot of water, so the burgers don’t get mushy.” Chef Lippin uses all parts of the mushroom, making mushroom stock with the stems of wild and dried mushrooms to use in chili, vegetarian dishes, and beans.

Schools face a challenge when putting mushrooms on the menu — some students love them and some hate them, says Mushroom Council consultant Elaine Magee, MPH, RD. “Their texture in particular can be challenging, but we found that giving students samples to try can lead to huge success.”

Chef Trinkle of Chartwell’s faces a similar challenge, noting many students don’t automatically like mushrooms. She points out students are quite surprised when they learn the moisture and savory umami flavor in a dish are contributed by mushrooms. Trinkle notes texture issues disappear when mushrooms are sautéed, ground, and added as a blendable ingredient in meatballs, patties, and meatloaf.

Meatless Mondays (a nonprofit global

initiative) partners with university chefs to encourage development of healthier vegetarian recipes. UC Davis Dining Services modified a roasted mushroom and corn quesadilla recipe to add 150 percent more dietary fiber, 60 percent more calcium, 50 percent less fat and 20 percent fewer calories.

Blending has an even greater influence on K-12 school menus, with such dishes as mushroom marinara, Portobello Philly “steak” sandwich, turkey and mushroom spaghetti, turkey and mushroom taco pie, beef and mushroom burgers, and mushroom tapenade.

### THE GREAT IMPOSTER

The next trend may cast mushrooms in a starring role as meat replacements. USC’s Ernest not only incorporates specialty mushrooms into classic dishes, for example, Shiitakes in a ramen, but he also braises King Oyster mushrooms in the same way that he cooks meat, adds mushrooms to Korean style tacos, and incorporates Oyster and King Oyster mushrooms into pulled pork and barbacoa.

Magee predicts that because mushrooms can mimic the texture of meat, they might be a stealth, and not so stealth, way to help people eat less meat. Mushroom bacon anyone? **pb**



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# Tomatoes: Availability Plus Variety Equals Countless Merchandising Opportunities



PHOTO COURTESY OF RED SUN FARMS

From seed, to grower, to retail, a resonating sense of pride and excitement for product gives the tomato category greater year-round popularity and profitability.

BY JANEL LEITNER

**T**omatoes occupy a significant place in the produce department. “Nutritionally they are important, but from a purely commercial standpoint they are very important because of how large they are in the department,” explains Doug Kling, senior vice president and chief marketing officer at Village Farms located in Heathrow, FL. “Over the past several years, tomatoes ranked in the Top 10 popular sellers in terms of dollar contribution in produce department.”

Diego Ley Vela, general manager at Del Campo Supreme, Inc., located in Nogales, AZ, says, “Tomatoes are an important item to the produce department, because they are the second largest segment in the vegetable cate-

gory after packaged salads, according to Fresh Facts Q3 2014. Tomatoes contribute almost \$2,500 weekly dollar sales per store.”

Tomatoes continue to grow in popularity. “Out of the Top 5 vegetables consumed in the United States, tomatoes had the highest growth rate in 2014,” says Dionysios Christou, vice president marketing at Del Monte Fresh Produce located in Coral Gables, FL.

“Tomatoes are a destination item and are always in the Top 3 of vegetables most frequently purchased,” says Samantha Daves, director, education and promotion with The Florida Tomato Committee located in Maitland, FL.

“Tomatoes play an important role in a wide variety of everyday meals, making them a key produce offering for any food retailer,” explains Dan Donovan, spokesperson for Giant Eagle, Inc., which has more than 200 supermarket locations throughout Western Pennsylvania, Northern/Central Ohio, Northern West Virginia and Maryland, with headquarters based in Pittsburgh, PA.

“Tomato consumers are often fanatic about eating them and are consistent buyers,” adds Frank Paone, director of marketing at Procacci Brothers located in Philadelphia, PA. “Offering

a quality selection could help influence repeat purchases and loyalty.”

## AVAILABILITY BOLSTERS PROMOTION

Year-round availability in the tomato category is a driving force behind successful promotion. “Providing our customers with a flavorful fruit year-round is important to us and our customers,” explains Maria Brous, director of media and community relations at Publix Super Markets, Inc., which has more than 1,000 stores and is located in Lakeland, FL.

“Promotable supplies, as with any item, allow you to coordinate ad pricing coupled with prime positioning and signage at store level to draw consumers in and drive sales,” says Paone. “Using sporadic, low-pricing opportunities to get consumers to try great tasting varieties and win their palate year-round.”

“Price is one factor customers consider as they shop,” states Donovan. “However, when it comes to tomatoes, price doesn’t dictate if they purchase but rather how much they will purchase.”

“The expectation of product availability drives price. Our tomatoes are available year-round with the best promotional periods being

the middle of February through mid-March, as well as June through August,” says Ley Vela of Del Campo.

Emphasis during certain promotional seasons aids sales. “There are several good times to promote tomatoes,” explains Kling of Village Farms. “For example, spring and summer are good for promoting tomatoes during barbecuing and outdoor activities. Holidays are also great times to promote.”

“From mid-July through September, Giant Eagle supports local farms with a pronounced

focus on locally grown beefsteak tomatoes,” adds Donovan.

Draw customers’ attention when quality peaks with ads or online tools. “We routinely advertise our tomatoes and specifically call out twice annually through our ‘At Season’s Peak program,’” explains Brous. The program’s website allows consumers to see what produce is available during peak seasons.

### A TOMATO FOR EVERYONE

Variety is crucial to successful tomato sales.

“With the explosion in popularity of tomato consumption, there is pretty much a tomato that appeals to every consumer out there,” explains Harold Paivarinta, director of sales at Red Sun Farms located in Leamington, Ontario, Canada. “When I look at all the retailers whose category is fairly well developed, they are not shy about putting 10, 12 or 14 different varieties on display.”

“Throughout the year, Giant Eagle consistently offers hydroponic beefsteak, stem and grape tomato varieties, as these varieties provide customers with consistent quality,” says Donovan.

“We offer Ugly-Ripes, Santa Sweets, grape, cherry, plum, and vine ripens. All our tomato offerings sell well and resonate with our customers,” states Brous.

“The tomato section creates such a captivating display in-store,” states Paone with Procacci. “The depth of the category gives consumers several different options for uses and eating preferences.”

Smaller tomatoes continue to experience growth. “Since first brought to the U.S. marketplace, grape tomatoes quickly climbed to the top of the category,” says Paone. “Their availability and consistent quality made them an everyday item in shopping carts and on grocery lists.”

“Cherry tomatoes experience year-over-year, double-digit growth,” explains Paivarinta of Red Sun Farms.

Flavorful heirloom and field-grown tomatoes maintain popularity. “Consumers want more local, natural and classic,” says Paone. “You’re seeing varieties like our UglyRipe heirloom tomato with different sizes and shapes appealing to customers as well as heirloom varieties with different colors. Customers continue coming back, because the variety’s flavor is superior for the way they are grown.”

“We are accommodating the evolving-consumer demand of the niche tomato market with expanded variety offerings including heirloom, green and black tomatoes as well as premium grape tomato varieties,” adds Donovan. “Displaying usage and flavor profile information increases customer convenience, making it an effective merchandising technique for these lesser known, but up-and-coming tomato varieties.”

“Developed by Professor Jay Scott at the University of Florida, and owned by Bejo Seeds, the Tasti-Lee Tomato features ruby-red color inside and out with an intense sweet flavor,” explains Lucky Lee, vice president of sales for Lucky’s Real Tomatoes located in Brooklyn, NY. “Tasti-Lee is grown in the fields

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### REDUCING SHRINK

Part of profitability in tomatoes is developing best practices to reduce shrink. “Choosing the right tomato supply partner is the first step,” says Red Sun Farms’ Paivarinta.

“Of course, first in, first out is critical,” states Daves of the Florida Tomato Committee, “Produce managers would do very well for their departments to keep their displays tidy and dispose of punctured or damaged fruit, which is not appealing to the shopper and can impact the quality of other good fruit.”

“Just-in-time inventory is the norm, but you must dig deeper to truly impact shrink,” explains Paivarinta. “Whether it’s smaller unit counts per box in specialty varieties or making investments in shelf-life enhancing packaging, the longer you ensure a positive experience for the consumer, sales will lift, and shrink will drop naturally.”

Temperature also plays a vital role. “Ideal storage rooms at the right temperature help maintain shelf life and reduce the shrink for retailers,” says Ley Vela at Del Campo.

“Tomatoes are best when stored at temper-

## “Collaboration between produce and the deli or prepared foods departments creates a great outlet for any overripe or overstocked items.”

— Frank Paone, Procacci Brothers

atures between 55 and 60 degrees Fahrenheit,” adds Christou at Del Monte Fresh Produce. “It’s important to promptly place them in unrefrigerated displays or storage to avoid extreme temperatures. Most importantly, retailers should educate and train produce department employees to prevent and correct mistakes.”

Retailers can get creative about reducing shrink. “Collaboration between produce and the deli or prepared foods departments creates a great outlet for any overripe or overstocked items,” states Procacci’s Paone. “Some retailers even use signage to merchandise extremely ripe

product, and shoppers’ carts and looking to use product immediately are attracted to it.”

Christou adds, “Retailers that utilize category management are able to optimize the latest offerings according to the store’s demographics and business patterns, which can lead to a reduction in shrink.”

### SAMPLING AND SELLING

Different forms of promoting help move tomatoes into the shoppers’ carts, and tasting is among the best. “Rarely does a tomato taste as good as — or even better than — it looks,” explains Lee of Lucky’s. “Which is why tastings on the store level are so successful. Our customers are amazed to find this kind of flavor, especially in winter.”

Tomatoes offer a multitude of cross-merchandising opportunities, and retailers are encouraged to widen the scope. “Cross-merchandising with products like avocados, fresh mozzarella and living basil can add visual interest to the display, while temporary displays incorporating other products, provide unique opportunities to tie into seasonal promotions,” says Donovan of Giant Eagle.

“Adding crackers and/or bread, olive oil, or a balsamic glaze, which goes with the classic ‘caprese’ combination, is another way of incorporating products,” agrees Procacci’s Paone.

Ley Vela, suggests, “Dry peppers such as Chipotle and Pasilla help bring out the different flavors of the tomato — enhancing the acidity, the sweetness and adds a little heat from the peppers.”

Combining other produce items increases register rings. “We recommend cross-merchandising Del Monte tomatoes with other Del Monte products such as avocados, onions, peppers, packaged salads, fresh basil, garlic, and dressings,” explains Christou.

“Our recipe pads for Fresh Florida Tomato Salsa incorporate many fresh produce items, including avocado, red onion, bell pepper, cilantro and lime,” explains Daves with the Florida Tomato Committee. “All of these items display well together and build bold color in the produce department.”

Moving tomatoes outside produce may also stimulate sales. “It can be effective to cross-merchandise tomatoes outside the produce department with non-produce items like sandwich items, pastas, deli meats, and cheeses such as mozzarella,” states Christou of Del Monte.

“During the summer grilling season, Giant Eagle locations may feature a display in the meat section showcasing ground beef, hamburger buns and locally grown tomatoes,” explains Donovan.

pb

The advertisement features a logo at the top with a red dog (likely a Weimaraner) standing in a field, with the words "BIG RED" in a stylized font above it. Below the logo is a photograph of fresh produce, including several red tomatoes and several green bell peppers. The text below the produce reads: "Dependability and Consistency for more than 30 years". At the bottom, it says "BIG RED TOMATO PACKERS" in bold, followed by contact information: "772-466-0700 • FAX: 772-466-0776" and "www.bigredtomatopackers.com". A red starburst graphic on the left contains the text "GFSI Certified". To the right of the starburst, it lists: "Patrick Engle, Sales and General Manager", "Carole Johnstone, Sales", "Erin Neill Cox, Sales", and "Ft. Pierce, FL".

# 8 Ways To Heat Up Sweet Onion Sales



PHOTO COURTESY OF COUNTRY SWEET PRODUCE

Experts share how creative sourcing, differentiating supply, and marketing techniques can support profits.

BY CAROL BAREUTHER, RD

**F**rom strictly seasonal availability like spring Vidalias and summer Walla Wallas, sweets are now available year-round from both domestic and imported sources. As such, it's a significant slice of sales representing 28 percent of onion category dollars during the 52 weeks ending December 27, 2014, up from 27.3 percent the year prior, according to the Chicago, IL-based Nielsen Perishables Group.

"By far, we sell more yellow onions, but sweet onion sales are growing," explains Richard Stiles, director of produce and floral for Redner's Warehouse Markets, a Reading, PA-headquartered chain. "In fact, when I put the yellow Spanish and sweet onions on sale at the same time, the sweets will sell 3 to 1 over the yellows despite being in the same display and promoted the same way."

Produce executives who step up their sweet onion programs in areas such as identifying

consumer trends, sourcing, in-store planograms and promotion can cultivate greater profits from this premium onion.

## 1. PROFIT FROM SWEET POPULARITY

"Sweet onions are the fastest growing segment in the onion category," says Cindy Elrod, sales and new business development at Peri & Sons Farms, a Yerington, NV-based grower and marketer of Sweetie Sweet brand sweet onions. "Retailers tell us sweet onions have been in the Top 20 of their sales and now are in the Top 10."

Flavor is one reason driving consumer's appetite for sweet onions. "Like an heirloom tomato, and all the new varieties of apples we see on the supermarket shelf today, flavor is important to consumers," says Michael Valpredo, president of Bakersfield, CA-based Country Sweet Produce, growers and marketers of onions and other vegetables under the Bako Sweet label. "Offering a flavorful sweet onion is a great way for a retail chain to differentiate itself."

Sweet onions are valued for their mild, sweet flavor and inherent versatility in a variety of dishes. "Consumers are still frequently cooking at home, and sweet onions are a popular ingredient in some of the most creative

recipes," says John Shuman, president and director of sales at Shuman Produce, Inc., the Reidsville, GA-based grower and marketer of RealSweet brand sweet onions.

"It's the versatility of sweet onions that made them so popular," says Susan Waters, executive director of the Vidalia Onion Committee (VOC), in Vidalia, GA. "The sweet taste is perfect for a wide variety of recipes from salads to soups to salsas."

Celebrity chefs, food-centric TV shows and other forms of media bring awareness to fresh fruits and vegetables. "Sweet onions are a big part of this [media blitz] since they are a staple ingredient, which naturally resonates through to increased consumption and higher sales numbers at the store," says Marty Kamer, vice president for the Northeast office of Keystone Fruit Marketing Inc., in Greencastle, PA, which markets Georgia-grown sweets, as well as those under the company's exclusive brands such as Mayan Sweets, Walla Walla River and Keystone 'Authentic Sweet' Onions.

"If a retailer's marketing team is able to identify and share when sweet onions are being featured on TV or in magazines and newspaper food sections, it helps call attention to sweet onions," says Matthew Curry, president of Brooks, OR, Curry & Company, which markets sweet onions year-round under labels

such as Big Hat, Vidalia, Walla Walla Double Sweet, Hermiston Sweets, Hermiston Red Sweets and Peruvian Sweets. “This is where social media can be such an asset. If you see a sweet onion recipe on one of the food channels, you can share it on Twitter, Facebook or whatever your preferred social networks are to build on this audience and let them know you have sweet onions in store now.”

Retailers can capitalize on this craze by keeping a steady supply of sweet onions on their shelves and making sure customers know where to find them.

“For a period of time, the available supply of authentic sweet onions was lagging behind the demand. Today, a reliable steady supply of year-round authentic sweet onions is available to meet increasing demand. Research and development in the growing of sweet onions is ongoing to ensure we continue to meet demand,” says Keystone’s Kamer.

Make sure sweet onions are properly labelled and marketed in the produce department. “It is critical a consumer can clearly see the department has both sweet onions and yellow onions available. We always suggest sweets be separated by preferably red onions or even bags,” says Curry.

To make product even easier to find, some retailers are replacing large bulk yellow onions with large or colossal bulk sweet.

“It’s simpler to assure the correct ring this way. Plus, sweet onions offer a higher dollar ring and profits,” says Peri & Sons’ Elrod.

## 2. GENERATE SAVVY RESOURCES

“There isn’t much, if any, of a supply gap for sweet onions, unless there is a weather-related issue,” says Redner’s Stiles.

The 70 independent grocers that are part

**“While in season ... Vidalia onions drive the sweet onion category and represent 62 percent of sweet onion dollar sales and 22 percent of total onion dollar sales.”**

— Susan Waters, Vidalia Onion Committee

of Northwest Grocers, in Tukwila, WA, and operate under banners such as Thriftway, Payless Foods, and Red Apple Markets and IGA (fresh) Markets start off their sweet onion year in April with Georgia-grown Vidalia’s.

“Then we move into Bako Sweets from California and Walla Wallas in the summer, followed by Mayan sweets from Peru and some Hermiston Sweets in the fall and early winter, then Mexico, followed by Texas 1015s in the late winter and early spring,” explains Jason Kazmirski, produce and floral merchandiser for Northwest Grocers.

Sales appear nearly as steady as supplies. In 2014, the dollar contribution of sweets to the onion category ranged from a high of 27.5 percent in Q2 to a low of 23.3 percent in Q1, with Q3 and Q4 relatively stable at 25.1 percent and 24.1 percent, respectively, according to data supplied by the Nielsen Perishables Group.

Vidalia’s, grown in a specific region in

Georgia as established by a 1937-published Federal Marketing Order, which is administered by the VOC, are the sweets that started it all.

“While in season, which is from April to mid-September, Vidalia onions drive the sweet onion category and represent 62 percent of sweet onion dollar sales and 22 percent of total onion dollar sales. Vidalia onion’s volume growth outpaced both sweet and total onions, and Vidalia onions drove the growth of sweet onion dollars, according to 2014 data we worked with to attain from the Nielson Perishables Group,” says Waters.

Vidalia growers recently adopted newer varieties. “These hybrids not only provide a more consistent yield, but a better shelf appearance and sweeter flavor. We also increased the number of seedlings per acre, this helps provide a uniform onion and spread out some costs of production,” explains Waters.

California-grown sweet onions harvest slightly later than Vidalia’s (or from approximately May through September) and supply many West Coast markets.

Country Sweet Produce launched its Bako-brand sweet onion in 2010. “We grow some of the sweetest onions here in the San Joaquin Valley,” says Michael Valpredo, president. “Our window of availability in June, July and August, and location here on the West Coast allows us to penetrate the regional market.”

This summer, Northwest Grocers’ retailers will stock and promote Bako Sweet onions in mid-June instead of Vidalia’s. “We’re doing this to differentiate ourselves. Plus, the grower is partnering with us on point-of-sale (POS) materials and sampling,” says Kazmirski.

He adds that his company’s biggest sweet onion promotion of the year focuses on Walla Walla’s, which his retailers consider locally-grown.

“Walla Wallas are the second most recognized sweet onion after Vidalias,” explains Kathy Fry-Trommald, director of marketing for the Walla Walla, WA-based Walla Walla Sweet Onion Marketing Committee. “However, we only grow on about 1,000 acres compared to much more for Vidalia, and our season is about six weeks, from mid-July through late August. It’s all fresh sales. We don’t store the onions. I suggest retailers get orders in by June so they can get two orders in during our season.”

Curry & Company markets its Hermiston Sweets and Hermiston Sweet Reds, grown in Oregon’s Columbia River Basin, from August through December.

In September, Peri & Sons starts growing



In September, Peri & Sons starts growing and marketing its Sweetie Sweets out of Nevada. Availability lasts through December.

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and marketing its Sweetie Sweets out of Nevada. Availability lasts through December.

September is when East Coast suppliers move to imported Peruvian-grown sweets. “Production in Peru remains consistent as demand remains steady for a high-quality sweet onion with a similar shape and flavor profile to the Vidalia onion during the fall and winter months (from August through February). Our Mexico and Texas sweet onions take over until Vidalia season returns in April,” says Shuman Produce’s Shuman.

Some companies will import sweet onions out of Chile in late winter. “We’ve seen a drop in production in Chile, and we, as a company, didn’t bring in any onions from Chile this year because of domestic production increases,” says Mark Breimeister, national sales director for the Saven Corporation, headquartered in Savannah, GA, and grower/marketers of the Oso Sweet brand.

**3. DIFFERENTIATE WITH NEW DOMESTIC SUPPLY**

Some companies, such as Keystone Fruit Marketing, are engaged in research and development projects in a variety of countries in South and Central America, Europe and

others to find the unique combination of geography and growing practices to produce sweet onions at advantageous times during the year. Others, such as Springfield, MO-based Market Fresh Produce, the Saven Corporation’s Oso Sweet brand (Savannah, GA), and DKD LLC (a consulting and sales agency for growers located in McAllen, TX), are looking at developing greater supplies of domestic sweet onions.

“Sweet onions from Florida are a relative new crop for us,” explains Shannon Cox, senior director of brand strategy for Market Fresh Produce, based in Nixa, MO, a marketer of sweet and yellow storage onions as well as other fruits and vegetables.

The Florida crop, which harvested from early March to mid-April out of Central Florida, offers a jump on the domestic season when sweet onions are typically sourced out of Mexico.

“It’s the same seed as Vidalia, but planted in Florida. This will be our first season in Florida, and we expect to have about 50,000 40-pound boxes,” says the Saven Corporation’s Breimeister.

Colorado-grown sweet onions are one of the latest to fill the fall and early winter niche.

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“Our sweet onion program in Western Colorado is in its second year,” explains David DeBerry, formerly with Crescent Fruit and Vegetable, in Edinburg, TX, and now president and director of grower relations of his own company, DKD LLC.

#### 4. BUY A TRUE SWEET ONION

There is no legal definition as to what constitutes a sweet onion. Thus, one of the biggest challenges for the industry is to consistently meet consumer expectations with desired flavor characteristics of authentic sweet onions.

“Despite the fact year-round sweet onions evolved into a mainstay in the department, there continues to be a lot of imposters, or onions labeled sweet, failing to meet consumer expectations, destroying consumer confidence and ultimately slowing the sales and profits for everyone,” explains Keystone’s Kamer.

The way Redner’s Stiles successfully manages this challenge is to source by grower and brand. “I stick with the big guys. There are certain standards behind brands and customers recognize those brands. In fact, we incorporate the branded sweet onion boxes into the display. It definitely helps with repeat sales and satisfaction. After all, in produce it’s all about flavor,” he says.

Several companies voluntarily conduct third-party certifications of their sweet onions.

“We provide documentation on our

**“We provide documentation on our Sweetie Sweet onions to our retailers, so they can see we market a truly sweet onion.”**

— Cindy Elrod, Peri & Sons Farms

Sweetie Sweet onions to our retailers, so they can see we market a truly sweet onion,” says Peri & Sons’ Elrod.

An unscientific way to discern a sweet onion is shape. “Sweet onions are generally flat. It’s not a guarantee, but looking for a flat-shaped onion is a step in the right direction,” explains Country Sweet Produce’s Valpredo.

#### 5. POSITION PACKAGING AS POS

The majority of sweet onions, typically sourced and merchandised in large and colossal sizes, are sold loose. However, retail demand for bagged sweets is up.

“Research shows 67 percent of shoppers purchase Vidalia onions individually in bulk displays. But 48 percent purchase Vidalia’s in 5-pound bags or less. Therefore, we recommend including both bulk and bagged onions in the merchandising display to appeal to a range of consumer preferences,” suggests VOC’s Waters.

The benefit of packaging is “it clearly identifies which onions are sweet,” explains Bland Farms’ Bland.

A second service is supplying customers with product information.

“We provide a lot of information on our bags such as nutrition information, recipes, usage tips and the way to sign up for our Onion Obsession Club. This is a monthly email blast with additional recipes, tips and information on seasonal contests and giveaways we run on our social media sites. This year, we will be placing the Eat Brighter! logo on our 2-, 3- and 5-pound bags to help parents and kids embrace fresh produce,” says Teri Gibson, Peri & Sons’ director of marketing and customer relations.

#### 6. REPLAN YOUR PLANOGRAM

Onions, like potatoes, are often relegated to a single static space within the

produce department.

“To really move sweet onions requires plenty of space within the display and cross-merchandising in other areas of the department and the store,” says Bland Farms’ Bland.

Northwest Grocer’s independent retailers dedicate as much space to sweet onions in their store’s primary displays as they do to yellow storage onions, and more space during seasonal promotion, according to Kazmirski.

“Nothing says ‘Buy Me’ like big, prominent bulk and consumer bag displays. End caps, standalones, value-added product offerings, multi-size strategies and consumer bagged displays offer consumers multiple buying options and ensure sales lift,” says Keystone’s Kamer.

Sweet onions are displayed on Euro tables and waterfalled into branded boxes at Redner’s Markets.

“Based on recent research we conducted with the Nielsen Perishables Group, there are a variety of great cross-merchandising opportunities for sweet onions and related products within and out of the produce department. These items include peppers, tomatoes, mushrooms and bagged salads as well as fresh meats such as beef and chicken. Sweet onions drive sales of these products and dramatically increases the likelihood of purchase among consumers who already have sweet onions in their carts,” says Shuman Produce’s Shuman.

Shuman Produce will offer a unit designed specifically for cross-merchandising during its Vidalia season. “The new units are a perfect way to drive incremental sales during peak season through cross-merchandising in a wide variety of locations. Along with use as a secondary display, these smaller sized units can create a colorful merchandising waypoint in smaller format stores that may not have the floor space for a full-sized bin,” explains Shuman.

Feature sweet onions as part of a meal solution. “In-store pairings such as sweet onions with other ingredients for quesadillas, for example, can increase impulse purchases,” recommends Cox.

#### 7. CASH IN EACH SEASON

Year-round availability of sweet onions is a double-edge sword, says the Saven Corporation’s Breimeister. “Volume is up, but at the same time, there’s not that first-of-the-season pop anymore.”

There are, however, ways to capitalize on each growing and calendar season to keep the spotlight on sweet onions all year long.

Shuman Produce offers this unit designed specifically for cross-merchandising during its Vidalia season.



PHOTO COURTESY OF SHUMAN PRODUCE

“Consumers still like to see ‘grown locally’ or ‘new season’ when buying their produce. We suggest promoting each new season as an exciting event. Carry this message across all of your marketing mediums and you should reach a larger audience. Then, celebrate seasonality as well,” says Curry & Company’s Curry.

Stiles at Redner’s promotes sweet onions, tomatoes and avocados for March Madness each spring. “This is getting to be a bigger and bigger sports holiday each year,” he says.

Summer is Walla Walla season, and it is also when Northwest Grocer’s retailers tie in

with picnics and barbeques by positioning onions with ingredients like lettuce, tomatoes and bell peppers. The warm-weather months are when Stiles suggests the stores build big displays of fresh corn and sweet onions in the meat department next to the ground beef.

Several sweet onion shippers offer special pink-themed packaging for Breast Cancer Awareness Month in October.

“We offer special pink-ribbon packaging that provides recipes by health and nutrition expert, Rebecca Katz. Customers can find more recipes on our website as well as vote for the

**“Consumers still like to see ‘grown locally’ or ‘new season’ when buying their produce. We suggest promoting each new season as an exciting event.”**

— Matthew Curry, Curry & Company

charity to receive our company’s breast cancer research donation,” says Peri & Sons’ Gibson.

**8. PROMOTE BY PRICE CUTS & CREATIVITY**

Sweets are the premium product in the onion category. “It costs more to grow sweet onions. Plus, the yield is less per acre than yellow storage onions,” explains Bland Farms’ Bland.

Price promotion is an effective means of introducing customers to sweet onions. “Discounts drive trial. Retailers use the discounting tactic and sales to those retailers signal that those efforts are working,” says DKD LLC’s DeBerry.

Beyond price, there are additional ways to encourage consumers to buy sweets. “Creativity is important,” says Derrell Kelso, Jr., owner and president of Onions Etc., a division of Farmington Fresh LLC, in Stockton, CA, which distributes its onions under the ‘Home Grown’ brand. “Consumers are now more educated.”

This Vidalia season, Shuman Produce will teach consumers ‘How to Speak Southern’ with a new promotion designed to share the story behind its onions and its growers. The promotion will be delivered through a new website and the company’s social media channels. These will offer a collection of creative video content, an interactive contest and information which provides a glimpse into the Vidalia sweet onion industry and life in southern Georgia.

The VOC will continue its ‘V is for Vidalia’ campaign. Waters says the digital Vidalia onion coupon on Facebook, which is part of this effort, had more than 22,600 prints with a 25 percent redemption. This certainly speaks to success in reaching a younger audience or the next generation of sweet onion consumers.

**pb**



# CLASS OF 2014 Young And Smart Leaders On The Rise



PRODUCE BUSINESS is accepting nominations for its Eleventh 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 March 1, 2015 (People born after March 1, 1975).

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In 100 words or less, describe why this person should be nominated:  
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Nominee's Professional Achievements:

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**ABOUT THE NOMINATOR:**

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# 6 Fundamentals For Mastering Melon Merchandising



PHOTO COURTESY OF NATIONAL WATERMELON PROMOTION BOARD

Retailers can capitalize on melon sales by promoting flavor-profile versatility and suggesting seasonal food pairings.

BY JODEAN ROBBINS

**M**elons offer retailers a chance to put seasonal excitement back into produce and drive additional sales with good merchandising techniques. “Since most produce is available year-round, seasonal excitement is hard to come by,” explains Rick Burkett, sales manager for GreenZen LLC, a grower/shipper in Nogales, AZ. “Melons are still one category where you can create excitement by promoting the start of the season.”

“Melons are not typically a staple item on a shopper’s list outside of holiday periods,” says Gina Garven, category insights manager at Robinson Fresh in Eden Prairie, MN. “Good merchandising is important to maximize sales.”

“Melon sales see significant lift as melons are given prominence,” concurs John McGuigan, vice president/West of Ayco Farms, headquartered in Pompano Beach, FL.

“Melons are one of the most efficient fruit items in the store, so on-ad you can see a four-times lift in movement as opposed to non-ad movement.”

To maximize merchandising, retailers can focus on several primary areas. “With a category item like watermelon, good merchandising confirms primary drivers such as value, health, and versatility of product,” says Juliemar Rosado, director of retail operations and international marketing for the National Watermelon Promotion Board (NWPB) in Winter Springs, FL.

## 1. TIMING IS EVERYTHING

Quality sells, and timing plays a huge role in quality. “Melons are a summertime commodity,” emphasizes Burkett. “That’s when people want melons — when they are of highest quality and when they eat best. The deal follows the production areas throughout the summer and into September.”

“You must look at melon timing,” emphasizes Paul Kneeland, vice president of produce, floral, seafood and meat for Kings Food Markets in Parsippany, NJ. “The riper the fruit, the better chance to sell it. Put up signs calling out ‘peak of season’ or ‘best tasting’ to help move product.”

Timing promotions for flavorful melons

translates to increased sales. “The melon business is all about repeat sales,” says Burkett. “If you know when to sample and promote, two of three customers will buy and will be back.”

Melons in the wintertime can be trickier. “In December, January, February and a good part of March, melons are imported from great distances,” relays Burkett. “Usually they are cut before peak of maturity, and unfortunately — during that time period — just don’t eat well.”

Offering quality fruit in winter requires a bit more effort but has its perks. “It’s nice to have a tasty surprise in the winter,” advises Kneeland. “You can get good winter melons. You need to really look where you’re sourcing from and ensure your suppliers aren’t just picking and pushing green fruit. Product should be checked for brix and flavor.”

Garven says, “In the U.S. winter months, when melons are not domestically in-season, sales of melons can be more challenging, especially since consumers often associate melons with warm weather. Robinson Fresh recommends retailers display bins all year to encourage sales and promote high-quality melons as a staple winter fruit item.”

## 2. DISPLAY PROMINENTLY

Good, visible displays are another crucial part of success. “If shoppers don’t see melons

displayed or notice the display looks picked over, they are likely to skip past the fruit,” explains Garven. “The most common display tactic is to create a large display of binned melons. This strategy is not only for convenience since they can be transported to the store in the same bins but it’s also a way to attract shopper attention.”

“Displays should be prominent,” agrees Burkett. “Customers look forward to these items and a big display along with sampling will move product.”

Several industry and supplier programs help retailers attract customer attention. Through Robinson Fresh’s MelonUp! Pink Ribbon cause-marketing program, retailers educate consumers on the nutritious benefits of watermelon and support a cause. “With this program, Robinson Fresh helps retailers connect with their customers and local communities to increase awareness and raise funds for the cause,” explains Garven. “With each MelonUp! Pink Ribbon watermelon purchase at retail, a donation is made to breast cancer research, education, and support initiatives on behalf of the participating retailer.”

Recently, Robinson Fresh teamed up with local Midwest grocer, Cub Foods, to build the World’s Largest Fruit Display with watermelons. “The display and related store events were a great success for Cub Foods,” says Luke Friedrich, spokesman for Cub Foods in Stillwater, MN, with 77 stores. “Customers enjoyed the different games, prizes and activities available throughout the day. The event helped drive both sales of watermelons and support for breast cancer research through our work with Robinson Fresh.”

NWPB’s display contest helps retailers create a win for both consumer and store. “Watermelon is the biggest item in the produce section, so use it,” exclaims Rosado. “Produce departments have the opportunity to get creative with displays during the month of July — attracting the consumer to purchase watermelon.”

Pricing also affects display movement and across the U.S. some retailers sell melons at set prices per melon while others sell by the pound. “There are benefits and drawbacks to each selling strategy,” says Robinson’s Garven. “Melons are heavy items, and shoppers don’t like to be surprised about the price of their purchase when they arrive at check out. Yet, some shoppers prefer per pound pricing because it allows them to select a melon that looks the best and fits their consumption needs as opposed to feeling they have to find the largest piece of fruit to get the most value.”

**“Displays should be prominent. Customers look forward to these items and a big display along with sampling will move product.”**

—Rick Burkett, GreenZen

### 3. OFFER VARIETY

Offering main melon varieties along with additional options boosts sales and hits various demographics. “In most cases, stores should have watermelon, cantaloupe and honeydew,” states GreenZen’s Burkett. “These all have a long season with good quality.”

Watermelon sales are shifting from cut watermelon to mini-sized varieties. Garven explains, “These sizes are starting to replace cut watermelon halves or quarters at retail level as consumers look for the right amount of fruit

rather than the convenience of fresh-cut. Some retailers still prefer carrying large, whole melons and offer consumers a variety of sizes to meet their needs.”

In addition to the staples, specialty melons are a profitable add-on. “Mixed melons provide a good opportunity to liven up melon sales and introduce something new,” advises Burkett. “Mixed melons include orange-flesh, Casaba, and Canary and are only available at good quality in July and August. Generally, they sell for a good price per pound and the produce department makes good money.”

“We like to promote Galias,” shares Kings’ Kneeland. “It’s a really nice melon. We also promote Crenshaw’s. It is the most delicious melon when at peak.”

“Melons considered specialties are seeing increased movement,” reports Ayco’s McGuigan. “Mini watermelons, specialty cantaloupes, and Galias are all seeing increased space and movement. But remember: full-sized, seedless watermelon and traditional cantaloupes pull the melon train.”

Successful retailers optimize mix according to customer demand. “The ability to adjust the item assortment to align with store-level

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Robinson Fresh partnered with Midwest grocer, Cub Foods, to build the World's Largest Fruit Display with watermelons in support of the company's MelonUp! Pink Ribbon cause-marketing campaign. The event helped drive sales of watermelons and support for breast cancer.

PHOTO COURTESY OF ROBINSON FRESH

demographics is something retailers are putting more focus on,” says Garven. “Robinson Fresh can compile data and analytics to recommend the right strategy and product mix.”

#### 4. HELP PICK A GOOD ONE

Helping customers select a good melon is fundamental. “Though a store can never guarantee a customer is happy with their melon, both retailer and supplier can do their parts to optimize the customer’s experience,” says Garven. “Suppliers must ensure the supply chain is maintained throughout the entire process and retailers should empower produce managers to educate consumers about the fruit. Many shoppers don’t know a cantaloupe: will smell sweet when it’s ripe, should not be too soft, and should be mostly tan in color with very little green. The opportunity to educate and familiarize consumers with these insights builds trust and loyalty.”

Effective help in this area begins with employee education. “Those working in the department need know-how about melons to in turn help customers,” says GreenZen’s Burkett. “For example, if a cantaloupe is ripe when it’s picked there is no stem attached. Look for something like a ‘belly button’ to indicate it was picked ripe. If a little bit of the stem is still attached, this indicates it was pulled off the vine before it was ripe.”

The NWPB offers educational tools and POS materials for retailers to educate customers on how to choose the best watermelon. “Selecting a watermelon is easy,” says Rosado. “First, look at the watermelon to

ensure it’s symmetrical and free of any major dents, gashes, or bruising. Second, lift it up. A watermelon should be fairly heavy for its size at 92 percent water. Third, turn it over and look for a creamy yellow spot often referred to as the ground spot to show where it sat on the ground and ripened in the sun.”

Retailers can also utilize the Watermelon Queens — the promotional ambassadors in major watermelon growing regions who help educate consumers on selection and health benefits of watermelon. “These young women are smart and educated, and they bring something unique to the produce department,” says Rosado.

#### 5. GIVE THEM A TASTE

Educating customers through demos and cross-merchandising is a proven way to move product. “Demos and promotions involving more than one commodity always have great success, drive the sales of more than one product, and showcase product versatility,” says Rosado.

“Demos drive sales every time,” emphasizes McGuigan.

Sampling ensures customers of the quality they’re buying. “Sampling sells twice as much fruit,” says Burkett. “By sampling, consumers know what they’re getting.”

“Sampling at the display is the best way to promote melons,” agrees Kings’ Kneeland. “As soon as people taste, they’ll buy. But, when you sample, make sure the melon eats well. An unripe melon gives the wrong message. Ensure the melon tastes good to affect repeat sales.”

Use sampling to introduce new flavors.

“Retailers carrying specialty varieties can introduce consumers by providing cutting demonstrations or handing out samples during peak season,” advises Robinson Fresh’s Garven.

#### 6. SUGGEST USAGE

Suggesting usage and cross-merchandising also benefit sales. “Do a recipe demo along with sampling and have items merchandised together,” recommends Rosado of NWPB. “The customer gets the opportunity to taste and if they like it, the items are conveniently at their fingertips to buy.”

“Near our MelonUp! display, we had everything from free watermelon samples, to watermelon eating and seed-spitting contest, to spinning the “watermelon wheel” for a chance to win various prizes,” says Cub’s Friedrich. “We also had recipe ideas and books, in-store samples, and additional cross-merchandising in-store tied to the MelonUp! melon program.”

Social media makes it easy to access new ideas for melon usage. Robinson Fresh’s MelonUp! site regularly posts recipes, fun watermelon facts, and product information to give consumers ideas for new and exciting ways to use melons.

NWPB’s website showcases multiple ways to use watermelon. “Uses include food recipes, cocktails, and beverages to carvings and everything in between,” explains Rosado. “The entire watermelon is edible — including the rind, which is used in slaw recipe. Another new and exciting way for consumers to use watermelons is juicing them.”

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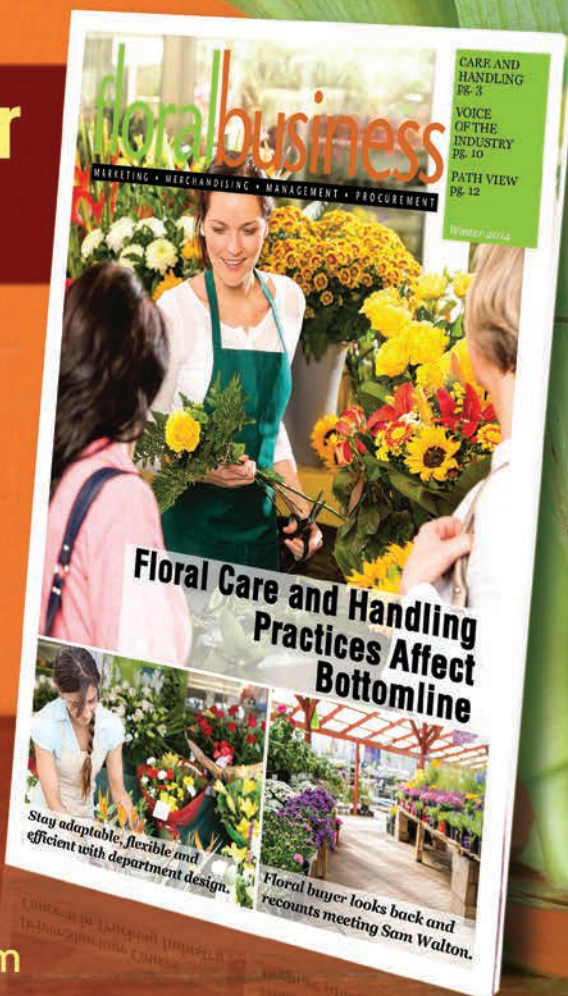
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# Capitalizing On The Flavored Trend



PHOTO COURTESY OF DOUG'S NUTS

With the right combination of marketing techniques, flavored nuts can liven produce sales.

BY SOPHIA MCDONALD

**N**uts are hot — literally and figuratively. According to Iowa State University's Agricultural Marketing Resource Center in Ames, IA, production of almonds, peanuts and pecans has gone up since 2011. Comax, a leading developer of proprietary flavor technologies headquartered in Melville, NY, listed nut flavors in the Top 4 hot trends for 2015.

More companies are releasing nuts covered with spicy, sweet or savory coatings. They're finding they do just as well in produce departments as they do in other parts of the store.

"They appeal to consumers, and they stand out," says Mark Owens, chief executive of Olomomo, a flavored-nut company in Boulder, CO. Flavored nuts are also great for produce directors because, "it gives them a shelf-stable product that isn't perishable like

the majority of produce," says Owens.

Nuts are making their way back on people's shopping lists, because recent studies highlighted their health benefits. Decades ago, when fat became a nutritional pariah, nuts developed a reputation for being bad for you.

These days, people are thinking differently about walnuts, cashews and their kin. Nuts are high in fat, but they are also an excellent source of healthy unsaturated fat, protein, fiber and several nutrients. A 2013 study in

the *New England Journal of Medicine* found that people who ate one serving of nuts a day were 20 percent less likely to suffer from common health problems, such as cancer and heart disease. The Harvard T.H. Chan School of Public Health cites several studies that show eating nuts can lower the risk of cardiovascular disease.

"It's been just the past couple of years that I've really seen an interest and increase in business from our customers," says Richard Stiles,



When Tropical Foods first entered the flavored-nut realm, it was with a product called Buffalo Nuts. The creation offered peanuts coated with the traditional spicy flavors in Buffalo Nuts. They proved to be so popular the company added Buffalo Nuts with ranch, blue cheese and honey to its lineup.

**“Americans like to snack. If you want a snack, you should pick something with a nutrition profile that’s more than neutral — it’s actually good for you.”**

— Doug Furlong, Doug’s Nuts

director of produce and floral at Redner’s Markets. Redner’s is a family- and employee-owned company with headquarters in Reading, PA and stores in Pennsylvania, Delaware and Maryland. “It’s really gotten out there to the masses that nuts are good for you.”

### FLAVORS MAKE NUTS AN EASIER SELL

The interest in flavored nuts stems from two things, says Owens. “People are being pushed toward healthier snacks, and nuts fit into that.” However, as people make the switch from candy and potato chips to nuts, “they find themselves not experiencing the same flavor. People believe it difficult to find something crave-able about raw nuts.”

Doug Furlong, owner and “boss nut” at Eugene, OR-based Doug’s Nuts, agrees. “Americans like to snack. If you want a snack, you should pick something with a nutrition profile that’s more than neutral — it’s actually good for you.”

That’s why a tasty coating makes a difference for many consumers. “People are looking for a little extra flavor,” says Chad Hartman, director of marketing at Tropical Foods in Charlotte, NC. “If they see they can buy a healthy nut with some extra flavor, they do.”

Nuts coated with a thick layer of chocolate hardly qualify as health food, says Stiles. And since nuts are high in fat, it is still a good idea to eat them in limited quantities.

Still, Hartman sees an additional reason people are buying more flavored nuts. “Consumers are indulging and trying interesting things more,” he says. “Interesting flavors of nuts go along with that trend.”

### FLAVOR PROFILES

Flavored nuts with sweet coatings tend to be the most popular, says Stiles, but Redner’s includes savory nuts in its product mix with

good success.

Furlong’s nuts fall into the latter category. His goal is to find flavor combinations that complement, rather than overwhelm, the nut flavor in his mixes. The original Doug’s Nuts includes seven different nuts sweetened with a coating that includes sugar, blackberry honey, sea salt and a locally produced oatmeal stout beer. He recently added two new products to his line: Habanero Honey, which includes honey, habanero, chipotle and cinnamon; and Coconut Beach Crunch,

which mixes coconut and dark chocolate chips in with the glazed nuts.

“Coconut is a huge deal,” he says, pointing to the success of products like coconut water and coconut milk ice cream.

The other “really powerful trend” Furlong sees is toward spicy foods. The popularity of Sriracha has exploded. Salsa is more popular than ketchup. “People want something different than what they’re used to,” he says.

“What I see right now is Asian flavors and putting sweet and spicy together,” says

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**Marketers suggest cross-merchandising and using product placement to highlight flavored nuts.**

Hartman of Tropical Foods. Bold tastes are also very popular with consumers. When Tropical Foods first entered the flavored-nut realm, it was with a product called Buffalo Nuts. The creation offered peanuts coated with the traditional spicy flavors in Buffalo wings. They proved to be so popular, the company added Buffalo Nuts with ranch, blue cheese and honey to its lineup.

“When a lot of big companies launched flavored nuts, they were not as bold,” says Hartman. “Over time, I think companies realized they need to make a big splash. I think you’re going to see more unique flavors and flavor combinations.”

“We are going to really branch out and experiment with different flavors, and not just for peanuts,” says Blake McGee, the southeast regional sales manager for Hampton Farms — a family-owned company based in Severn, NC. “The more creative we get with it, the more success we’re going to have.”

Hampton Farms has done so well with more traditional items like Cajun and hickory smoked peanuts that it is riding the wave toward bolder, unusual flavors. Keying in on the huge demand for pumpkin flavors, the company released a pumpkin almond that did really well last fall. The company also developed a pink grapefruit almond as part of a campaign to raise breast cancer awareness.

Nuts don’t have to follow the latest food fads to be successful, says Olomomo’s Owens. “We don’t try to tap into flavor trends too much. We look for flavors that are deep rooted into our eating habits.”

His best-selling nuts are coated with

**“We find it’s best when stores can create some sort of display to show how the nuts will be used with the products that are already there.”**

— Mark Owens, Olomomo

cherry and vanilla — a combination reminiscent of the Cherry Vanilla Coke people remember so fondly from childhood. He’s also doing well with nuts treated with another traditional combination: vinegar and sea salt.

### DEMO AND DISPLAY IDEAS

Nuts are expensive, so it takes the right marketing to get customers to splurge on them. “We focus on pricing them right so our customers will be more likely to pick them up,” says Redner’s Stiles. He rarely puts more than a 30 percent mark-up on any nut product.

When it comes to marketing flavored nuts, in-store demonstrations are one great way to go. “There’s nothing to replace getting people to taste them,” says Furlong of Doug’s Nuts. He says even passive displays, where tasting cups with nuts are set out on a table,

are enough to encourage people to sample and get excited about his products.

Owens often demos his nuts with complementary products. For example, he’ll display a sample with goat cheese and strawberries. “Show people what you could do at a dinner party,” he says. “It’s going to make people more inclined to make that purchase.”

“If you have a spicy nut, have a backup in case it’s too spicy,” advises Hartman. When he demos Buffalo Nuts in a store, he keeps a pitcher of water nearby.

The right display can make a big difference in sales. McGee says Hampton Farms developed its own displays for produce departments, including stackable cases and three-shelf hutches.

He also encourages produce managers to get creative. For example, draw attention to Hampton’s Major League Baseball-branded peanuts and similar products, a Publix Super Market in Florida put up a model baseball field and surrounded it with a beer and soft drink case dugout and fence.

On the less extreme side, a Lowes Foods in North Carolina displays Hampton’s nuts with University of North Carolina and Duke University gear to catch people’s eye. This was particularly effective during basketball season.

Product placement is also an important part of merchandising flavored nuts. “It’s always good to give the customer context,” says Owens. “We find it’s best when stores can create some sort of display to show how the nuts will be used with the products that are already there. Make it easy for the customer to look at it and put two and two together.” For example, he says, hang baskets of nuts near the prepackaged spinach, lettuce displays or fruit carts. That makes it easy for people to grab them when they go to purchase their salad fixings.

“When you tie in dried fruit and nuts, it really enhances the product,” says Stiles. “We see very good sales when we put everything together.”

“It’s always good to merchandise them in multiple places in the store,” adds Stiles. While Redner’s has a nut wall in its produce department, it also put alternating displays by the salad bar or cash registers. The stores included flavored nuts in a special Super Bowl display this year and found the product did really well in that setting.

With the right combination of techniques, flavored nuts can be the next product to come from the heart of the store and become wildly profitable in the produce aisle, says Owens. “Be willing to break the mold.”

**pb**



# Task-Oriented Plan Versus The Merchants' Strategy

BY DON HARRIS

**D**uring the infamous Monday meetings, Management often brings up a subject that they observed while visiting the produce departments of various stores. The question is, "Why aren't our produce people very friendly?" The answer to the question is usually very easy, but it is not one Management wants to hear as it tends to make them angry and defensive. Occasionally, just to see if their attitude changed, I would answer, "They don't have the time to be friendly." To this answer, the normal response is one of indignation and disbelief, "They have all the necessary time allotted to get the job done!" Once again, "They just don't get it!"

The solution to this situation lies in the allocation of labor. Management is aware that the cost they can directly control is employee labor hours. They employ legions of industrial engineers to do time-motion studies to determine how long it takes to perform a certain task in the department. They take this information and create formulas that calculate the number of hours needed to accomplish the tasks in order to operate the department. This "task-oriented" plan is the root of all the challenges in employee morale and attitude. It is pounded into their heads that they have tasks to complete and finite time to complete them. The key is that they are measured and evaluated on their performance and completion of these tasks. This leaves very little (if any) time left for other activities. All the employees can do is keep their heads down and complete the task at hand.

This pressure works so well that the employees avoid any activity that interferes with getting the task done. This includes training to sharpen skills, cleaning, backroom preparation (unless it has an identified task associated), and, most importantly, interaction with the customer. In fact, this is where the "unfriendly" behavior comes in as the employee becomes irritated by the interruption of his "task" by a customer and reflects his frustration by either ignoring the customer or providing a curt (and sometimes rude) reply to the customer. It doesn't take a rocket scientist to see the results of such encounters on the department's and store's image and perception.

In their zeal to control labor costs, Management is destroying the means of driving sales and increasing profit, plus reinforcing this negative image by creating virtual robots working the department.

Employees don't want to be unfriendly, but they are conditioned to be by this type of program. Because they are human, their discontent shows in their attitude and morale. It is a negative spiral that eventually infects all of the personnel in the department.

The more enlightened and successful retailers avoid this trap and still get the job done. They too know what it takes to operate a first class department and how much labor is required. But this is where the "fixed" labor schedule stops. These retailers now "invest" additional hours in the department to allow for, among other things, interaction with the customers. They also seek input from the employees as to other areas where additional hours can be effective. These actions improve morale and outlook by the employees, which results in "happy" employees and, more importantly, increased sales with satisfied customers. These actions reverse the negative spiral and encourage the employees to create more opportunities for driving department sales. Retailers using this strategy have higher image and perception ratings with the consumer and subsequently, more successful departments. The results of this labor plan are increased sales and happier, more engaged employees. An additional and ongoing effect of the strategy is that more sales create more hours for the department, which further drives sales.

This strategy is nothing new. Successful retailers have been utilizing this approach for years. This "Merchants'" approach has been the hallmark of the best retailers (both privately and publically held) for the past 50 years or so. It continues to outperform the "financial" strategy in all areas. The "investment" in hours for key departments provides more financial reward than the "cost-cutting" alternative and is far more sustainable. Perhaps the Management within companies focused on cutting cost should take notice of the success of the "Merchants'" strategy and incorporate the best practices available. The result would be increasing sales and "happy" employees.

*Don Harris is a 40-year veteran of the produce industry, with most of that time spent in retail. He has worked in every aspect of the industry, from "field-to-fork" in both the conventional and organic arenas. Harris is presently consulting on all subjects of retail, category development and sales strategies, among others. Comments can be directed to editor@producebusiness.com.*

**In their zeal to control labor costs, Management is destroying the means of driving sales and increasing profit, plus reinforcing this negative image by creating virtual robots working the department.**



# A Conversation With Eosta's Volkert Engelsman

## INTERVIEW CONDUCTED BY STEVEN MAXWELL

If ever a person can be said to be synonymous with a brand name it is surely Volkert Engelsman and the company he founded in the Netherlands 15 years ago, Eosta (a Netherlands-based importer, packer and distributor of organically grown fresh produce).

Supplying major retailers and natural food stores in Europe, the U.S., Canada and the Far East, Eosta runs warehouses and pre-packing facilities exclusively dedicated to organic products in Europe's main fresh produce centers.

All Eosta products carry a unique Nature & More "trace & tell" QR code that provides retailers and consumers with direct web access to the producer's story as well as to the ecological and social impact.

The first company of its kind to obtain carbon credits on organic farming practices and to offer TÜV-certified (an organic certification body with locations in Germany, France, Belgium and the Netherlands) Climate Neutral products in the European food market, Eosta — and subsidiaries Soil & More and Nature & More — received a slew of prizes, including the European Sustainable Entrepreneurship Award 2013.

Eosta, together with more than 200 partners and undersigned by the UN, recently launched the "Save Our Soils" campaign, which will culminate in a conference entitled *Celebrating Soil! Celebrating Life!* that will take place at the Royal Tropical Institute in Amsterdam, Holland in June.

### What have been the key developments for Eosta's import business during the past 12 months?

We achieved 16 percent growth. This is not only our achievement, but the achievement of consumers who are prepared to act with their wallets. Demand for healthy, fairly traded and organically grown fresh food is growing — these factors are a powerful driver behind this enormous growth and we have been able to benefit from it. Fresh fruits and vegetables play an important role in health and well-being, and an increasing number of consumers realize this and are prepared to vote with their wallets.

### What variations have you seen in organic markets across Europe?

Demand for organic fruits and vegetables has been growing exponentially year on year, reaching 10 to 15 percent annually in Europe, the U.S. and the Far East. In the case of Sweden, annual growth exceeded 40 percent in the grocery retail sector, and it's worth remembering that no supermarket in Sweden has a smaller share of the market than 20 percent. The U.K., by comparison, is way behind as far as organics are concerned.

### Has Eosta launched any new products, brands or services?

We expanded our range of specialties and exotics, and introduced new packaging from renewable resources, in this case plant waste.

New product launches included: Nature & More Tropical Wonders, Taste Wonders and Wild Wonders, and the Nature & More Taste Wonder Bar.

### What are the key import products and sources for Eosta?

Fruits from the Southern Hemisphere and the Tropics — South Africa, Ghana, Senegal, Mali, Guinea, Egypt, Uganda, Kenya, South Africa, Peru, Chile, Argentina, Costa Rica, and so on — as well as sweet potatoes from the U.S. The imports are complemented by greenhouse crops including tomatoes, bell peppers and cucumbers — predominantly from the Netherlands.

### How did Eosta become involved in imports from the U.S.?

We ran into a fascinating guy: José Calderón from Farm Pak [a sweet potato grower/packer located in Spring Hope, NC] who managed to unite fantastic organic techniques with quality products and strong commercial performance. José started off with smaller quantities than today, but is now shipping huge volumes of excellent quality U.S. sweet potatoes to Europe. I believe we found the best quality on the planet for sweet potatoes in the U.S.

At the same time, we also sell Dutch greenhouse crops to the U.S. We are also looking for a partner to team up with to share our growing business under the Nature & More brand in the U.S. We believe it should be perfectly possible to sell tropical and Southern Hemisphere fruit in the U.S. as well as in Europe.

### What other important developments does Eosta have planned?

We launched the Save Our Soils campaign, which now has more than 200 commercial and non-commercial partners including the UN Food and Agriculture Organization (FAO), the World Wildlife Fund (WWF) and the International Federation of Organic Agriculture Movements (IFOAM).

This year, we are embarking on the "I like Soil" promotional campaign together with retail partners who will support the initiative with point-of-sale material. We also organized the "Celebrating Soil! Celebrating Life!" conference, which will be attended by dignitaries, business leaders and royalty.

The objective of the conference is to raise public awareness of the central importance of living soil — which is key to: biodiversity, responsible water management, carbon sequestration, the regulation of our climate, resilience, pest and disease resistance of crops, and healthy food.

**Volkert Engelsman**, a graduate in economics and business administration, established organic-focused Eosta in 1990 after working for Minneapolis, MN-based Cargill Inc. (a company providing food, agriculture, financial and industrial products and services to the world). He then went on to build the company into one of Europe's largest importer, packer and distributor of organically grown fresh produce. Away from work, Engelsman, who is married with three grown children, enjoys sailing, flying (for which he has a private pilot licence), classical music and philosophy.



## A New Beginning

BY ALAN SIGER

**W**hen Jim Prevor, a longtime friend and industry colleague, approached me in 2010 about writing a column from the wholesale perspective for *PRODUCE BUSINESS*, my answer was a hesitant no. I had a lot of things to say, but I was afraid to say them. How could I be frank about issues involving customers or suppliers without worrying about how a comment might affect a business relationship? What if a senior official in an organization was unhappy about something I wrote, and directed his buyers to purchase from one of my competitors? Though it was an unlikely scenario, I was not willing to take the chance. Besides, Jim was asking me to follow Bob Strube in writing the column, and Bob was an industry legend, one of my many mentors, and a dear friend.

As many of you know, the assets of Consumers Produce Company of Pittsburgh were sold last February, and the new company, Consumer Fresh Produce, is a proud member of the Coosemans World Wide family. It has been a wonderful year with Consumer Fresh, and I am proud to know that my family's legacy is in good hands.

I'm now the President of Siger Group LLC, offering my 40-plus years of experience in the produce industry to help others with their business strategy in this ever-changing environment. I'm also free to speak my mind about issues facing the industry in general, as well as matters specific to the wholesaler. Four years after Jim's kind invitation, I decided to accept the challenge. Let me begin by sharing with you how I got here.

I'm a third generation produce man. My paternal grandfather, Sam Siger, emigrated from Poland in the early 1900s. He made a living huckstering fruits and vegetable from a horse and wagon using Pittsburgh's fabled inclines to climb its mountains. In the mid-1930s, my father Fred Siger was attending university with dreams of becoming a chemical engineer. During this same time, my grandfather became ill, and Dad had to drop out of school to help support his family. In the waning years of the Great Depression, one looked for work wherever he could find it. In my father's case, work was at the Pittsburgh Produce yards, where he had been coming for years before to help my grandfather buy from the market.

In 1952, my father, along with Albert "Ubbie" Cohen, Tony Corso, and Lou Tobin, left their employers to set out on their own, and establish Consumers Produce Company of Pittsburgh. The word around the Pittsburgh Market was that they wouldn't make it two years. In 1962, their former employer closed its doors, and Consumers purchased the closed firm's off-market real estate from the bank. Today, Consumer Fresh's 100,000-square-foot, state-of-the-art distribution center sits partially on that land.

I started coming to work with my father during winter and spring breaks when I was 8 years old. Getting up at 1 a.m. with my dad was an adventure. I can still smell the coffee at the long gone Augie's Restaurant, and can feel the excitement as buyers, truckers, and warehouse workers bought and sold car lots of produce. All of this work

was done with no computers, forklifts, or pallets; everything was hand loaded, and truly was back-breaking work. I have fond memories of riding with our big rigs to deliver produce to Ohio and Johnstown, PA; I often wonder what it took for Dad to persuade our drivers to let me come along for the ride.

As a teenager, I would come down and lump trucks on school breaks; I went to work as a warehouseman on weekends while in college in 1973. That same summer, a salesman in the fruit department fell ill, and I stepped in to fill his spot "temporarily." As the saying goes, "the rest is history."

I was working in the fruit department under Ubbie Cohen when my father passed away suddenly in October of 1978. Ubbie was 77, 50 years older than me, but we worked together successfully until his retirement in 1982. Although my love for this industry can be traced back to my childhood, my industry activity began at the United Fresh Convention in New Orleans in February of 1979. Ubbie insisted that I attend the convention to learn the "ropes" and to meet many of our suppliers who would be in attendance as well.

At the time, United had a Terminal Market Division; Bob Strube took me under his wing and made sure I had a seat at the table, and what a table it was. Nate Roth of M Roth & Sons Chicago, Marty Rutchik of Standard Fruit Dallas, Pete Class of WD Class Baltimore, Steven D'Arrigo of D'Arrigo New York, Peter D'Arrigo of D'Arrigo Boston, Bob Castellini of Castellini Cincinnati, Frank Wiechec of Hunter Brothers Philadelphia, Herb Abrash of Andrews Brothers Detroit, Charles Gallagher of United Fruit St. Louis, plus I'm sure a few more that I'm forgetting. These Industry leaders were role models for me.

I stayed active in United — I joined its Board of Directors and eventually had the privilege of serving as one of United's youngest chairmen. My involvement with United was the highlight of my professional career. Among the many highlights of my involvement, some of my most cherished memories include traveling around the country to industry meetings, testifying before Congress, and meeting with President H.W. Bush in the Roosevelt Room at the White House.

So here I sit in front of my computer beginning a new career as a guest columnist. I'm not a writer, I'm a produce man. That being said, I promise to speak my mind on issues that are important to the industry to which I owe so much. I look forward sharing my thoughts with you and welcome your comments. Feel free to email me at: alan@sigergroup.com.

*Alan Siger is chairman of Siger Group LLC, offering consulting services in business strategy, logistics, and operations to the produce industry. Prior to selling Consumers Produce in 2014, Siger spent more than four decades growing Consumers into a major regional distributor. Active in issues affecting the produce industry throughout his career, Siger is a former president of the United Fresh Produce Association.*



# Blueberry Real Estate At Retail: Little Changes Can Reap Big Rewards

BY MARK VILLATA, EXECUTIVE DIRECTOR, U.S. Highbush BLUEBERRY COUNCIL

The average American is projected to consume nearly three times as many blueberries this year as in 1995.<sup>i</sup>

Thanks to a steady stream of positive health news and continued promotion by growers, marketers and the industry, blueberries have become a consumer favorite, especially among the high-potential, \$2 trillion mom market. The number of U.S. households that purchased blueberries on a monthly basis nearly doubled between 2008 and 2013.<sup>ii</sup> But, despite this remarkable growth in demand, the real estate blueberries receive at retail has not grown in the same way.

## Expanding Displays To Drive Berry Sales

When measuring sales per square foot, berries as an entire category tend to be under-allocated on space at retail. On the plus side, this means berry displays are constantly refreshed and often receive attention from store employees throughout the day. Conversely, it means that berry displays may not catch as many eyes and attract as many shoppers as they could if they were more expansive.

With an increasing number of items in their inventory, and limited space in which to display them, savvy retailers are getting creative in their approach to highlighting blueberries and other berries. In recent years, Wal-Mart, Sam's Club, Ahold, Wegmans, Safeway and a number of other smaller retailers added rolling refrigerated cases as secondary displays for berries, which increased space allocation. The trend among those looking to capture additional sales has been toward adding refrigerated displays both inside the produce department and in other sections of the store to take advantage of cross-merchandising opportunities.

## Cross-Merchandising To Grow The Blueberry's Footprint

Blueberries pair well with a myriad of other foods, so the cross-merchandising opportunities for this little berry with big benefits are endless.

"By highlighting blueberries through signage, shelf-talkers and displays in other areas of the store, retailers can convince those customers who may not typically buy blueberries to toss a pint or two into their shopping cart," says Brian Bocock, vice president of product management for Estero, FL-based Naturipe Farms. "Little changes in blueberry merchandising strategy can go a long way to increase sales during periods of high supply."

## Encouraging Wider Blueberry Use With Product Demonstrations

Product demonstrations offer another way to encourage more expansive thinking about blueberries and produce in general. According to a recent Interactions report,<sup>iii</sup> 96 percent of shoppers

prefer to spend their money at retailers offering in-store product demos over stores that don't have demos, and 81 percent of shoppers purchased an item on impulse after experiencing a product demo.

Shoppers indicate that demos are the tipping point between leaving an item on a shelf to purchasing a product. Although product demos lead to significant day-of sales lifts, 37 percent of shoppers will buy the product at a later time with 86 percent of those shoppers, returning to buy the item at the same store where they originally saw the demo.

The amazing versatility and eye appeal of blueberries makes them an ideal product to feature in demos. As consumers ride the smoothie craze, retailers like Austin, TX-based Whole Foods Market began showcasing fresh and frozen blueberries in smoothie recipes. Other interesting, simple-to-demonstrate dishes include blueberries, feta and scallions tossed with quinoa, couscous, wild rice or farro; blueberry salmon flat-breads served with avocado and jalapeno; blueberry turkey burgers served with blueberry

ketchup; or blueberry s'mores made with peanut butter, banana and graham crackers.

## Key Takeaway

The blueberry industry continues to grow, keeping pace with consumer demand, and is committed to providing a steady and stable supply of blueberries for years to come. As the industry invests in further health research and promotion, and as retailers increase real estate, expand cross-merchandising and host more product demonstrations featuring blueberries, sales of these little blue dynamos will continue to grow. **pb**

**About The U.S. Highbush Blueberry Council** The U.S. Highbush Blueberry Council represents blueberry growers and packers in North and South America who market their blueberries in the United States and work to promote the growth and well-being of the entire blueberry industry. The industry is committed to providing blueberries that are grown, harvested, packed and shipped in clean, safe environments. Learn more at [littlebluedynamos.com](http://littlebluedynamos.com).

**About Mark Villata** For the past 20 years, Mark Villata has been the executive director of the North American Blueberry Council, the Folsom, CA-based association representing highbush blueberry growers from throughout the United States and British Columbia. He has also served as executive director of the U.S. Highbush Blueberry Council since its establishment in the year 2000. Villata has had a range of experience in agribusiness having held positions with Sun Diamond Growers, the California Raisin Advisory Board and the Walnut Marketing Board prior to joining the blueberry industry.

i. North American Blueberry Council Projections

ii. Hebert Research- U.S. Highbush Blueberry Council 2013 Consumer Usage & Attitude Study

iii. The Shelby Report [theshelbyreport.com/2014/12/15/survey-reveals-most-shoppers-want-more-non-food-product-demonstrations-in-stores/](http://theshelbyreport.com/2014/12/15/survey-reveals-most-shoppers-want-more-non-food-product-demonstrations-in-stores/)

iv. Hebert Research- U.S. Highbush Blueberry Council 2013 Consumer Usage & Attitude Study



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(L-R) Virginia, Fred Sr., Philip, Josephine, Joe Sr. and Mario LoBue

## THE FIRST 10 ACRES

In this photo, Philip LoBue and his wife, Virginia, along with their four children, Josephine, Mario (or Monty), Fred and Joe, proudly stand in front of their newly remodeled home in 1927. Located in the Willow Glen area of San Jose, CA, the house included 10 acres of land.

“The photo came from my grandmother’s [photo] album,” says Fred LoBue Jr., chairman of the board of LoBue Brothers, which is now LoBue Citrus, as well as retired president of the family-owned business. “We use this photo as a starting point of the beginning of our company. We are part of the American dream: you come here as an immigrant and build something lasting. My grandfather [Philip] built this legacy, his sons continued it, and my generation continues it.”

The LoBue family came to California from the coastal plains of Northern Sicily in 1914. Before moving to San Jose, the family lived in San Francisco where Philip — who grew up on a pomelo citrus farm in Italy — worked selling produce on the San Francisco and San Jose markets.

But it wasn’t citrus that Philip chose to plant on his personal 10 acres — it was cherries. His experience on the California produce markets proved cherries was a hot commodity. Since it typically took seven to eight years to establish a substantial crop, Philip planted prickly pears in the rows between the cherry trees. He also grew vegetables such as string beans, carrots, along with other items to sell on the markets.

In 1934, Philip expanded his farming operations to Lindsay, CA, and bought an orange grove that Bank of America repossessed. Philip brought the loan current (roughly a \$6,000 investment) and continued his career as a farmer.

Philip developed stomach cancer, so his two oldest sons, Monty and Fred, took over the Lindsay citrus farm, built a packinghouse, and became successful growers and packers around the late 1930s/early 1940s.

In the ’50s, as Los Angeles boomed with housing and all the popular citrus areas were being removed (areas such as Riverside, Orange County, Ventura, etc.), those farmers then relocated to central California and started new citrus farms.

“Our operation [in Lindsay] was in the right place at the right time to grow with the advent of citrus in San Joaquin Valley — that was really the company’s turning point,” says Fred Jr.

This new citrus boom along with improved farming practices, advanced machinery and President Ronald Reagan’s support for free trade agreements, LoBue Brothers grew to its current 1,000 acres of citrus — which includes oranges, Navels, Bloods, Valencias, tangerines, mandarins, lemons, grapefruits, and Cara Caras.

“Customers these days want to buy in a one-stop shop,” says Fred Jr. “They want variety: two pallets of lemons, a pallet of tangerines, etc. — the industry has changed, so we as company have to procure and package all these other crops to stay in the game.”

pb

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